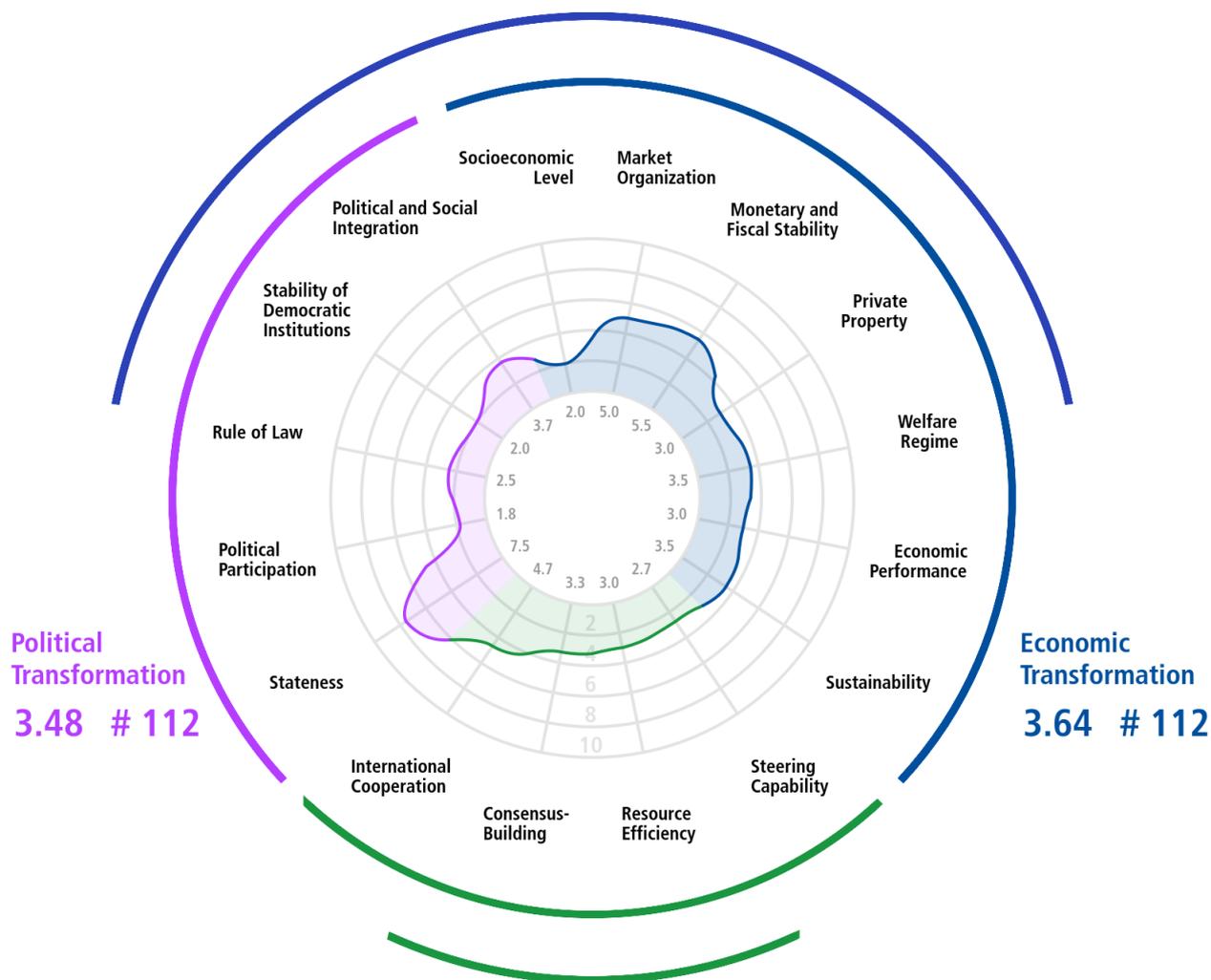


# Eswatini

## Status Index

**3.56 # 115**

on 1-10 scale out of 137



**Political Transformation**  
**3.48 # 112**

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**3.06 # 117**

on 1-10 scale out of 137

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**Key Indicators**

Population	M	<b>1.2</b>	HDI	<b>0.611</b>	GDP p.c., PPP \$	<b>8854</b>
Pop. growth <sup>1</sup>	% p.a.	<b>1.0</b>	HDI rank of 189	<b>138</b>	Gini Index	<b>54.6</b>
Life expectancy	years	<b>60.2</b>	UN Education Index	<b>0.557</b>	Poverty <sup>3</sup>	% <b>52.1</b>
Urban population	%	<b>24.2</b>	Gender inequality <sup>2</sup>	<b>0.567</b>	Aid per capita \$	<b>63.9</b>

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

The state of Eswatini (formerly Swaziland) is the last absolute monarchy in Africa. King Mswati III, together with his mother, Queen Mother Ntombi, rule as monarchs, exercise veto powers over the three branches of government and are positioned above the constitution. The bicameral parliament consists of the Senate and House of Assembly with elected members and members appointed by the king. The king also appoints the prime minister.

The role of political parties is contested and unclear despite the constitution of 2005. Political parties are not allowed to compete in elections.

Human rights issues include limitation on political participation and media freedom, corruption, forceful evictions, rape and violence against women, criminalization of LGBTQ+ communities and child labor.

The government rarely investigates, prosecutes, or administratively punishes officials who commit human rights abuses. Impunity is widespread and police brutality is common during political demonstrations and in the enforcement of lockdown measures related to the COVID-19 pandemic.

King Mswati III acts as if the kingdom is his personal fiefdom. As a result, the majority of the population experience little economic development and live in poverty. New investments are unlikely to materialize due to the low level of skilled labor and the relatively high cost of wages in comparison to the level of production. The business environment is not conducive to business due to negative and unpredictable political interference by the royal family and companies associated with it, although there was more trust in the late prime minister's economic competence.

The obscene lifestyle of the royal family stands in contrast to the living conditions of the majority of people across the country. Their dire situation is worsening due to climate change and the socioeconomic impact of the COVID-19 pandemic.

There is no opportunity for the population to express their grievances. Few changes in any realm or at any level are on the horizon. There is no mechanism civil society can use in order to force the government or the king to amend the political system and to give it more space to participate.

South Africa, as the hegemonic power of the region, makes use of predominantly male workers from Eswatini in its mines. However, as the number of people working in mines declines over time, it is predicted that fewer Swazis will be needed in South Africa.

Eswatini is not at the top of the agenda of regional or African organizations, or a priority for international solidarity movements or human rights activists.

For the last two years, there was negligible democratic development. Political associations and parties are weaker than ever. The efforts of the church through the KAIROS Document came to nothing. There are few new voices from civil society with fresh ideas. Prior to the 2018 elections, the political assembly, a coalition of three political organizations, attempted to challenge the electoral laws. The Swazi Democratic Party (SWADEPA) challenged the non-registration of political parties without success. The kleptocratic royal family has only made the country's situation worse, especially economically. The political and social system is stagnant. There has been little change over the last decade. Recently, a young generation of political journalists and activists have tried to challenge the monarchy afresh and gain some public and international awareness of the plight of the country through social media.

## History and Characteristics of Transformation

The Kingdom of Eswatini, or Eswatini, formerly Swaziland, is a landlocked country bordering Mozambique to the east and South Africa to the north, west and south. It has only 17,363 square kilometers and 1,167,279 inhabitants. The kingdom is ethnically homogenous as the majority speak siSwati and identify as Swazi, multiple clans or families have competed for power in the kingdom, which before the Berlin Conference and the Boer War extended far into South Africa. After gaining independence from British colonial rule in 1968, a brief democratic period followed, but as Ngwane National Liberatory Congress (NNLC), a non-royalist political party, was included in parliament following the first post-independence election in 1973, the relatively democratic constitution was suspended. King Sobhuza II ruled by decree from 1973 until his death in 1982, having ruled for more than 60 years with financial support from the South African apartheid regime. From his death to the crowning of his son in 1986 (the current King Mswati III), a short period of political uncertainty took place. The People's United Democratic Movement (PUDEMO) was founded in 1983 to compete for power in the vacuum that followed King Sobhuza's death, but democratic hope was short lived, as King Mswati III continued his father's autocratic path with continuing the rule under decree 1973 up to date. As the fight for a democratic South Africa intensified, Umkhonto we Sizwe began to operate from Swaziland, which caused South African apartheid security forces to conduct assassinations and kidnappings deep into Swazi territory. Both King Sobhuza and King Mswati iii. were paid through a secret fund set up

specifically to promote the policies of Apartheid South Africa and to fund operations directed against the opponents of apartheid.

Finding inspiration and motivation in the struggle against apartheid, pro-democratic actors including student and labor movements increased pressure on the government throughout the 1990s. The protests culminated in the 2005 constitution. The process toward the constitution was to a large extent financed by donors, especially the Commonwealth and the European Union (EU). The constitution says that “Swaziland is a unitary, sovereign, democratic Kingdom.” In the constitution the absolute monarchy is manifested and multi-party democracy is not provided. Instead, the political system is uniquely labeled Tinkhundla, consisting of 59 tinkhundla or constituencies, each responsible for electing a member to parliament. During the election process, candidates are nominated at chiefdom level where they compete first before the winners compete at the tinkhundla (constituency) level. There have been allegations of local chiefs or traditional leaders screening candidates and often women hindered to candidate at the local level. Candidates are only allowed to run for parliament on individual merit, meaning that political parties cannot formally register and compete for election.

The limited political space available to political parties were further restricted after an attempted bombing assassination of King Mswati III in 2008 which resulted in the Suppression of Terrorism Act 2008, which proscribed four organizations, including PUDEMO and its youth wing Swaziland Youth Congress (SWAYOCO), without any of them being closely affiliated to the bombing or taking responsibility for it.

Politically the Kingdom has continued striking down opposition and forcing political activists into exile or torture in prison. More than half of the population (59%) live in abject poverty, under \$1.90 per day, and the country suffers from the highest HIV/AIDS prevalence in the world (in the age group 15 to 49, 27.2% live with HIV/AIDS). Life expectancy in the kingdom is 60 years (without COVID-19), which is one of the lowest in the world, steadily but slowly rising. Despite the depressing statistics, the country is considered a lower middle-income country and has been listed as one of the most unequal countries in the world. Neither economic nor political policies implemented in recent years have done much to change this.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

Eswatini is a relatively small, landlocked country within the territory of South Africa. The presence of the monarch, as head of state, is represented throughout the country by the traditional system of chiefs and headmen. The more rural, the more undisputed this system is. This means that the government has a complete monopoly on the use of force.

Police are poorly paid and equipped, leading to underperformance and overreactions like brutality during peaceful demonstrations or in the enforcement of pandemic-related lockdown measures. The media has reported deaths in police custody.

Strikes or demonstrations occur periodically. They are organized primarily through trade unions, and although they are often legal, they are frequently the subject of police interference. There are no known military groups in the country and private security companies only provide security to institutions or individuals, they are not a threat to the state.

There is a strong national identity in Eswatini because the majority of citizens are Swati. In principle, the majority of people accept the monarchy. This acceptance is strongest in rural areas. The problem is less the monarchy as an institution, but rather the way in which King Mswati III is currently exploiting it. He considers Eswatini his personal fiefdom, from which he can extract whatever he needs or wants. People are unlawfully evicted if the land they live on is prosperous. They have no way to resist, due to the fact that the monarch is above the law and as his subjects. It is important to differentiate between the traditionally inherited monarchical system, which is widely accepted around the country, and the current way in which the king is personally exploiting his power for his own benefit and to the detriment of his people.

There are several groups, mainly in the urban centers of Mbabane and Manzini, where political parties compete for official approval. It is not clear how many people are represented by these parties. Foreigners who live in Eswatini tend to be either from

Question  
Score

Monopoly on the  
use of force

10



1

State identity

8



1

neighboring countries (mainly South Africa and Mozambique) or Asia, but there are no reports of xenophobic attacks like in South Africa for example. There are however cases of corruption when it comes to acquiring citizenship, where some do not follow the stated procedure but instead use their financial influence or contacts to bypass the official process.

There are two contradictory systems in Eswatini: the absolute monarchy and a modern state with a constitution, laws and internationally binding treaties. Almost everyone accepts the sovereignty of the nation-state, but there are some who question the country's system of governance. In general, the monarchy is widely accepted in rural areas.

Christianity was introduced to Swaziland in 1825 by King Mswati II, who invited Christian missionaries to his kingdom. Currently, approximately 90% of the population identify as Christian, with the African Initiated Churches (AICs) comprising the largest group. The AICs include the Zionist churches that originate from Zion, Illinois, which blend traditional African beliefs with Christian ones. There are three main church organizations in the country: the Eswatini Conference of Churches, the League of African Churches and the Council of Swaziland Churches. They contribute to the diversity of the country's religious community and provide checks and balances regarding the misuse of religion. The constitution guarantees the right to freedom of thought, conscience and religion (Article 23), as well as the right to worship and to convert to a different religion. In January 2017, the government directed public schools to teach Christianity exclusively, a move that was challenged by the Muslim community (which accounts for almost 2% of the population) and civil society organizations. In 2019, the local government in Matsapha refused to allow the construction of a mosque, arguing that the town was Christian.

The royal family of Eswatini claims to have the divine right to rule. According to the constitution, the king is a symbol of unity and the "eternity of the Swazi nation." In 2013, King Mswati's elder brother, Prince Masitsela Dlamini, said that God had given the royal family authority to rule over other Swazi clans.

However, Christian beliefs have more or less been incorporated into traditional beliefs and practices, which include the veneration of ancestors and spiritual healing practices. The queen mother (Ndlovukati) acts as the custodian of rain medicines. The entire culture upon which the kingdom is based (reed dances, Incwala) is pre-Christian. Traditional diviners (tangoma) employ witchcraft, which can be used to intimidate people.

Thus, while the state is secular, it is nonetheless influenced by religion insofar as both the traditional Swazi religion and Christianity are used to sustain the monarchy and to browbeat ordinary citizens into submission.

No interference of  
religious dogmas

6

'06 '22 10

6

1

The ways in which traditional Swazi religion affects how the country is governed can be observed through the variety of cultural events that influence how the state is run. These events are used to strengthen traditional government structures and the Swazi legal system. Eswatini culture and traditions are always intertwined with traditional religion. However, legislation is not based on religious laws.

Basic infrastructure exists but accessibility is geographically patchy. The country is predominantly rural, and the further from major towns, the less access to basic infrastructure there is. According to UNICEF, 69% of the population has access to basic water services and 58% has access to sanitary services. Only 24% of households practice handwashing, which is having a devastating impact during the COVID-19 pandemic. People living in remote and dry places in the mountains have major difficulties in accessing drinking water throughout the year.

Due to a lack of adequate transport infrastructure, it is nearly impossible for people living in rural areas to access the judicial system in the capital.

Although corruption by public officials is officially punished by law, there remains a lack of implementation of corresponding laws.

Hospitals frequently run short of medication. This is usually attributed to the government's poor discipline and failure to prioritize the delivery of essential services. During the COVID-19 pandemic, the Ministry of Health lacked funds for sufficient medical supplies, according to the Times of Eswatini (June 2020).

Public transport is patchy. Only around 30% of people own private cars. While there is a freeway between Ngwenya and Manzini, and one from Manzini to the airport under construction, most roads are either riddled with potholes or still consist of gravel.

The Tinkhundla (constituency) based system of governance was intended to decentralize government services to all corners of the country, however this is not the case.

The COVID-19 pandemic has exposed government inefficiencies. In early 2021, Cyclone Eloise worsened the situation. The provision of basic health services has always suffered from a lack of crucial commodities and equipment, especially in health centers in rural communities. Access to health facilities has also been a challenge to most people in rural areas due to lack of transport or poor road infrastructure. Rural community development in some areas is low and is championed only by civil society organizations. The government has always blamed this lack of development on a lack of funding, but it is also true that there is corruption and poor planning on the part of the government.

Basic  
administration

6

'06 '22 10

6

1

## 2 | Political Participation

The last elections of the bicameral parliament, which consists of the Senate and the House of Assembly, took place in 2018. 156,973 people voted out of 544,310 registered voters in the primary election, a turnout of 28.8%. A voters' roll was made available at all polling centers and used for verification by electoral officers and observers. The next election is scheduled for 2023.

The king is head of state, while the prime minister is the head of government and reports directly to the king.

The Senate consists of 30 seats, 10 of which are appointed by the House of Assembly and 20 by the king. The House of Assembly consists of 65 seats, of which 10 are appointed by the king.

In September 2018, the king appointed six members of the royal family to the House of Assembly and eight to the Senate. The king appointed the late prime minister in contravention of the constitution because the latter was not a member of the Senate. However, the king is de facto above the constitution and to criticize him is regarded as treason.

According to the constitution of 2005, election to public office is based on "individual merit." There is no legal avenue to register a political party. Therefore, political parties cannot participate in elections. The Swazi Democratic Party (SWADEPA) appealed to the Supreme Court in September 2018, to challenge the ban on political parties competing in elections, but the case was rejected.

The government reaction and subsequent regulations concerning the COVID-19 pandemic were extremely strict from the beginning of the pandemic in March. Arguably there was no necessity for these stringent measures as no cases of COVID-19 had been recorded at that time. The restrictions on freedom of assembly, movement and expression were disproportional.

The government used the first few months of the pandemic to further constrict democratic space.

The king as absolute monarch has the power of veto and exists or sees himself above the constitution and in direct contact with God and the ancestors. He appoints the majority (20 out of 30) members of the Senate and 10 out of the 69 seats in the House of Assembly. For the latter body, only people approved by the local chiefs can run for a seat. Though candidates must not always have the approval of chiefs in order to run for office, the chiefs may in fact influence who runs. People living under a particular chieftom can nominate and vote for a candidate of their choice. Those chiefs have no democratic legitimacy and are bound to the king, but they approve candidates and as a result only people loyal to the king can be elected to the House

Free and fair elections



Effective power to govern



of Assembly. The reason for the broad acceptance of this system is that most Swazi understand it from a cultural point of view, and perhaps fail to appreciate how it can be abused by the modern monarchy.

The king's Proclamation to the Nation No 12 of 1973 (the 1973 Decree) is still the supreme law of the country, as there has been no clear pronouncement of its repeal. This decree places all executive, judicial and legislative functions in the king himself. This was reiterated by the 2005 constitution. The fact that the King appoints the cabinet, prime minister and some members of the parliament leaves little space for the will of the people to express how the country is governed. It diminishes the influence of elected individuals.

The 2005 constitution guarantees basic rights and the government has committed itself to protecting international human rights. But with the 1973 decree still in place, political parties are neither allowed to register as such nor participate officially in elections.

Democracy associations and trade unions lobby for political reforms. In August and September 2019, civil servants demonstrated for increased rights. Police responded violently in some cases. In December 2019, opposition leaders were arrested after the police searched their homes.

The right to demonstrate is only denied if it is in protest against the king's influence on political institutions or if it demands more political rights. In 2018 and 2019, LGBTQ+ parades were organized without hindrance, but at the same time the registration of LGBTQ+ groups was blocked by a court ruling.

The pandemic-related regulations of 2020 follow Chapter 3 Section 36 of the constitution, which grants the king powers to declare a state of emergency, and the Disaster Management Act of 2006, which is supported by the Disaster Management Regulations of 2020. Between December 18, and January 6, restrictions on gatherings and movement were tightened: alcohol was banned at gatherings, including a family gathering of more than 20 people; no gatherings were permitted after 8 pm; non-essential travel between 11 pm and 4 am was prohibited; and festive season sports tournaments were prohibited.

The COVID-19 related restrictions apply to all gatherings, not only political ones.

Association /  
assembly rights

3

'06 '22 10

3

1

There is no media freedom in Eswatini according to the Reporters Without Borders 2020 World Press Freedom Index. This is illustrated by several incidents. The editor of the Swaziland News, Zweli Martin Dlamini, was arrested and tortured by police and later fled to South Africa.

Eugene Dube, editor of the online newspaper Swati Newsweek, was beaten by police and is facing a charge of treason. He published articles critical of the king and which called for democracy.

Ngcamphalala, president of the Swaziland Economic Freedom Fighters (EFF), was arrested on May 1, 2020, and charged with an offense under the Sedition and Subversive Activities Act 1938, for a quote in an article published by Swati Newsweek.

According to the Inhlase Center for Investigative Journalism, journalists must pay half the cost of a defamation lawsuit brought by complainants.

The pandemic saw freedom of assembly and media freedoms further restricted. Journalists were persecuted by the police over articles critical of the king and his government's handling of the pandemic.

The government enacted regulations criminalizing the publication of false information about COVID-19. The regulations also prohibit "the use of print or electronic media" for information on COVID-19 "without the prior permission of the minister of health." According to the government, this is intended to guard against misinformation and the circulating information that may put lives in danger. Violating these laws carries a fine of up to ZAR 20 000 or imprisonment for up to five years.

### 3 | Rule of Law

The judicial system in Eswatini is twofold: the 2005 constitution which draws on Roman-Dutch law consists of four regional magistrates courts, a High Court, and the Supreme Court as a Court of Appeal. Supplementary traditional courts exist in rural areas, which follow unwritten traditional law and custom. The king and queen mother are immune from prosecution. However, theoretically their offices, as well as chiefs and the Swati National Council (which is the king's advisory board), can be brought to court or prosecuted, though not when acting on the king's command. The monarchy is above the law and the constitution.

Separation of powers is provided for in the constitution, however the same constitution grants powers to the king to appoint people in all three arms of government, which compromises their independence.

Freedom of  
expression

2

'06 \_\_\_\_\_ '22 10

2

1

Separation of  
powers

2

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2

1

The king appoints judges to the Supreme Court and High Court, and is advised by the Judicial Service Commission, which also consists of members of the royal family.

The chief justice presides over the Judicial Service Commission and also sits on the Supreme Court (together with at least four other judges) as well as the High Court.

King Mswati III declared a national emergency in response to the COVID-19 pandemic on March 17, 2020, for at least two months, despite only one case of COVID-19 being recorded in the country. The prime minister extended the national emergency until June 19, 2020. The state of emergency ended on November 18, 2020, and was replaced by a declaration of national disaster under terms of the Disaster Management Act.

According to the Disaster Management Act of 2006, the parliament cannot issue directives. The act provides for the establishment of task teams (e.g., ministerial task teams, regional task teams). However, while section 36 of the constitution grants the power to declare an emergency to the king, the Disaster Management Act grants this power to the prime minister.

The government announced further restrictions to manage the pandemic to be implemented after the 2020 Christmas holiday season.

Sections 138 and 141 of the constitution proclaim the independence of the judiciary. The 1973 royal decree remains in effect until either the king himself or a court suspends it, and until that moment, political rights are unsettled, political parties nonexistent and democratic participation impossible.

The dual system means the judiciary operating under Roman-Dutch law cannot fully function, as it cannot rule on matters that are dealt with by the traditional courts. 76% of the population live in rural areas (World Bank) and they fall under the jurisdiction of the traditional courts for petty criminal offenses and minor civil disputes governed by customary law.

The parliament is not independent and cannot control and monitor the government, let alone the King, for he is the supreme authority. The executive is appointed by the king, which brings their independence into question. As a result of this situation, it is nearly impossible for the parliament to hold the executive accountable.

The dual system undermines the independence of the judiciary not only in terms of the appointment of judges and competing jurisdictions, but also because the two laws - Roman Dutch law and Swazi law and customs - are so markedly different.

The legal system would be further weakened by the proposed (in 2020) creation of a Legal Services Regulatory Authority. According to the International Court of Justice (ICJ), this would severely undermine the independence of lawyers. The ICJ urged the government to withdraw the proposal.

Independent  
judiciary

3

'06 '22 10

4  
3

1

No legal cases were brought to the courts questioning or challenging the pandemic-related lockdown or any of its regulations. However, a number of people were brought before the court for violating lockdown regulations.

According to the law, officials can be sued for corruption. However, these laws still lack effective implementation, meaning impunity is still common. Frequently, personal relationships are exploited and bribes are used to secure government contracts on large capital projects. Transparency International's Global Corruption Barometer shows that corruption has risen consistently over the last five years. In a survey, 17% of respondents admitted to paying bribes, almost twice as many as in 2015.

The constitution proscribes government officials from taking positions in which their personal interests might interfere with their official duties. Appointed and elected officials have to declare their assets and liabilities to the Commission on Human Rights and Public Administration Integrity (CHRAI). The commission monitors and verifies their disclosures. There are criminal and administrative sanctions for noncompliance, including dismissal, disqualification from holding a public office for a specific period, and confiscation of illegitimately acquired property while in office. However, implementation is lax.

The CHRAI lacks the necessary resources so its effectiveness is limited.

The royal family and its acolytes are rarely investigated or prosecuted. They appear to be above the law.

The 2005 constitution protects civil rights de jure, but in reality, many people lack comprehensive knowledge of their rights and are therefore easily abused. Access to justice is not affordable, and the cost of seeking legal redress is prohibitive. The dual system sometimes plays a role in the delaying of cases, as rival courts spend time deciding the jurisdiction of a matter while the complainant's rights continue to be violated.

Police also appear to lack knowledge about how to treat suspects. There have been a number of cases of police and other security forces using violence when dealing with people breaking regulations since a partial lockdown was introduced in March 2020 in response to the pandemic. Swazi Media Commentary (April 2020) reported that armed military police officers forced members of the public to do press-ups when they were discovered at a bus rank during the lockdown. In a separate incident, an 85-year-old woman died when security forces raided her home.

The imposed regulations and penalties have been disproportional: a 27-year-old man was sentenced to one year or a €2,000 fine for being in town without good reason, yet he was in fact picking up his wife from work.

Prosecution of  
office abuse



Civil rights



Sibusiso Nhlabatsi, a human rights lawyer, told the Swaziland News that the police chief had exceeded his authority with the announcement of a lockdown in Manzini, as this sort of decision is to be taken by the prime minister.

In April 2020 the government announced on state radio that only people in rural areas would qualify for food aid, because the traditional system would enable its distribution through local chiefs. This is a clear violation of civil rights.

#### 4 | Stability of Democratic Institutions

The political system in Eswatini is unique and difficult to compare with other democratic systems. It was established after the Second World War. King Sobhuza II and King Mswati III have both amended the system for their own benefit. The democratic institutions are subordinate to the king in all aspects. Any criticism of the king is considered treasonous. The dual system of traditional and Roman-Dutch laws means people in rural areas in particular tend to live under an undemocratic system, without any checks and balances, even under a different jurisdiction that does not fully respect human rights. This arrangement compromises accountability and increases opportunities for corruption. It affects service delivery, as the people in these institutions do not feel accountable to the electorate.

The parliament is not independent and cannot control the government. Some members are appointed directly by the king, while the others require approval from the traditional chiefs in order to be elected through the Tinkhundla system. The king does not respect the constitution when appointing members of parliament or members of the government. He appointed the late prime minister when the latter was not a member of parliament, as prescribed by the constitution. Nobody has the power to contradict the king, legally or morally.

In the magistrate courts and High Court, trials are often protracted.

The government fails to effectively implement laws, such as the law ensuring criminal penalties for official corruption, which means offenders are still able to act with impunity. Corruption in the executive and legislative branches of government appears to be widespread and common, and the government has failed to combat it.

Performance of  
democratic  
institutions

2

'06 \_\_\_\_\_ '22 10

\_\_\_\_\_ 2 1

The democratic institutions are a mere facade for the king, who is the only person with the power of veto. The king misuses the democratic institutions for his and his family's personal benefit.

Political parties officially do not exist and are not part of democratic institutions. Although the 2005 constitution promised some changes, the king has appeared to disregard its rules and procedures at will.

While the idea of an absolute monarch is unquestioned by the majority of the population, there is considerable indignation over the way this power is currently used (primarily as a means to enrich individuals). Social and political actors in the country, such as churches, NGOs and political parties, are committed to democratic institutions, although this cannot be said of all arms of government.

The brutality with which the police attempt to enforce the pandemic-related regulations and exceptional powers assumed by the government during its self-declared state of emergency further undermines democratic rule and human rights.

## 5 | Political and Social Integration

The constitution guarantees freedom of assembly and association (Article 25), but the status of political parties is unclear. They are considered political associations and are blocked from participating in elections.

The majority of political parties are based around individual leaders, rather than a party program or ideology.

The Ngwane National Liberatory Congress (NNLC), Eswatini's oldest party, gained increasing influence after independence in 1968, prompting King Sobhuza to ban political parties in 1973. The constitutional reform of his successor, King Mswati III, grants the freedom of assembly, but does not explicitly refer to political parties, leaving their status unclear. The core membership of the NNLC comes from the urban, educated strata of the population, and the party is committed to Pan-Africanism. In recent years, the NNLC has repeatedly called for the Tinkhundla elections to be boycotted. The NNLC stands for a constitutional monarchy and is considered more moderate than the People's United Democratic Movement (PUDEMO).

PUDEMO is probably the largest and most important political movement for democratic change in Eswatini. It was founded in 1983 with the aim of creating a multiparty democracy. In 1996, it adopted the People's Manifesto, which called for the creation of a constitutional multiparty democracy, with an elected and accountable government. Its former president, the late Mario Masuku, like many

Commitment to democratic institutions

2

'06 '22 10

3  
2

1

Party system

1

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1  
0

1

other defenders of democracy and human rights, has repeatedly been imprisoned under the Suppression of Terrorism Act (2008).

SWADEPA (Swazi Democratic Party) was founded by two trade unionists in 2011. Some members were elected to parliament in the 2013 elections. Among them was the late leader of the party, Jan Sithole. At the party's congress in August 2017, it decided to formally run as a party for the first time in the 2018 election.

The Swaziland United Democratic Front (SUDF) was founded in 2008 by various civil society organizations, trade unions and political movements, including PUDEMO. This was an attempt to overcome the differences within civil society in favor of a coalition of all democratic forces, since the differences were relatively small when compared to the problems posed by the regime of King Mswati III.

The largest youth movement in Swaziland, the Swaziland Youth Congress, is an autonomous liberation youth league of PUDEMO. Its members have been very outspoken recently.

The recently founded New Parliament is a movement or political association that calls for multiparty democracy. Its members consist primarily of truck drivers, such as their leader Phila Fakudze.

Trade unions are traditionally a mediator between the government and private companies on the one hand and workers and parts of civil society on the other. Although trade unions are now legally recognized as a result of international pressure, they are only allowed to work undisturbed as long as they concentrate on trade union work. They are the only ones who can legally hold demonstrations. In the 1990s, the trade union movement was so strong that, during a nine-day general strike in January 1996, it was able to mobilize almost the entire workforce.

The trade unions have not been vocal during the COVID-19 pandemic, despite many people losing their jobs and a lack of assistance from the government.

The umbrella organization, Trade Union Congress of Swaziland (TUCOSWA), merged in 2012 with the Swaziland Federation of Trade Unions (SFTU), founded in 1983, and its spin-off, Swaziland Federation of Labor (SFL). The new organization has approximately 40,000 members. With an unemployment rate of 22% in the country, membership numbers are not expected to noticeably increase.

During 2020, there were few demonstrations or political rallies possible due to pandemic-related regulations. When people did demonstrate, it was against these regulations, such as the ban on alcohol. For example, a march through the capital city Mbabane organized by the Swaziland National Liquor Association (SNLA) aimed to deliver petitions to the Swazi prime minister, the South Africa High Commission and the European Union Commission, but it was called off at the last minute on September 18.

Interest groups

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Police fired teargas to break up a group of people who were praying for an end to the COVID-19 pandemic. The Times of Eswatini reported in August that even church services under strict pandemic hygiene regulations had been dispersed by police.

For many years political parties have partnered with civil society pressure groups, including trade unions, to try to push for democratic reforms. Recently they formed the Political Party Assembly (PPA), a vehicle for continued collaboration with civil society groups.

The rural poor have little representation. Some are represented through former mine workers associations like the Swaziland Migrant Mineworkers Association (SWAMMIWA), which can negotiate effectively with the government over their respective issues but have no influence on broader social issues.

The very active SRWA (Swaziland Rural Women's Assembly), is an association of small farmers, small savings and credit cooperatives and other community-based women's organizations and initiatives that fight for social, economic and political justice at the national level. They lobby and advocate for policies that promote and protect women and girls' rights like the Sexual Offenses and Domestic Violence (SODV) bill of 2015. On a local level, the SRWA creates space for rural women to share experiences and advocacy skills. It empowers women to question their current situation and participate in decision-making processes on issues that affect their rights and interests.

The business sector appears to only focus on business interests and does not advocate for political reform. Other pressure groups could include the church. However, the church is divided and only the Council of Swaziland Churches engages with social justice issues.

There is a widespread acceptance of the monarchy and the Tinkhundla system, the latter being seen as more "African" than a multiparty democracy. Although the Tinkhundla was established by King Sobhuza II as recently as 1978, it is seen as traditional. Unfortunately, it is not run as intended, which was to devolve government services and economic development to the Tinkhundla centers.

There is no contemporary survey data from Eswatini on the level of acceptance of democratic norms and procedures. However, it would appear that there is an appreciation of democratic norms. This is confirmed by the increasing number of people who are advocating for democratic reform. People in Eswatini are aware of what is happening in other countries and can compare that with what is happening in their country.

The COVID-19 pandemic is negatively affecting trust in democratic structures and revealing the absolute power of the King more than ever before. The royal family's lavish lifestyle, which can be seen on social media even in the current situation, is in striking contrast to the everyday experiences of hunger and lack of social security experienced by the rest of the population.

Approval of  
democracy

n/a

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Although there is no reliable data available, there is trust among parts of the population, especially in rural areas. Traditionally the people of Eswatini promoted a communal life in which there would be collaborations at different levels for a common purpose. Community development projects were successful because of this spirit. Despite the absolute monarchy and the ban on political parties, Eswatini has a diverse civil society, including trade unions, religious communities, women and charity organizations. They all work under difficult conditions, especially when they are campaigning for democracy and human rights, where they are often subjected to harassment and their employees are threatened and persecuted. In the past, relentless pressure on civil society organizations has frequently led to splits, new formations or startups, which often severely impairs their effectiveness in the long term.

The harsh living conditions and levels of poverty mean most citizens are unable to take on voluntary work. Their ability to share is also limited. The COVID-19-related restrictions affected the community spirit as people were not permitted to meet in groups and were unable to give each other the necessary moral support. The situation dramatically worsened during the lockdown as more people lost their jobs due to regulations and travel bans and there was increasingly widespread hunger and feelings of hopelessness.

The fact that most citizens see themselves as subjects also hinders widespread solidarity that could be used to campaign for improvements.

The more that the media is prevented from openly discussing or criticizing government regulations, the less people are able to connect the dots. The more the police enforce rules using excessive force, the more people lose their trust in the state.

Social capital

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## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Approximately 70% of the population - 60% of whom are women - rely on subsistence farming in rural areas. The unpredictability of climate change makes this even less reliable. Data provided by the World Bank shows that Eswatini ranks six with a Gini index score of 54.6. 58.9% of the population (in 2020) lives on less than the \$1.90 poverty line, the majority of whom live in rural areas. The overall HDI value of 0.611 shows a slight improvement: Eswatini now ranks at 138 (141 in 2017) out of 187. But development is very unequally distributed. The Manzini-Mbabane corridor is more developed, urbanized and industrialized than the rest of the country. Social and economic exclusion is entrenched in the economy, which makes it extremely difficult for the majority of the population to improve their lives. Low

Question  
ScoreSocioeconomic  
barriers

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social mobility is amplified by the systemic denial of basic rights. The gender inequality index shows a gradual improvement. UNDP notes that in most regions the number of girls attending primary schools is now equal to the number of boys. However, sexual violence and exploitation, the uneven distribution of unpaid care and domestic work, and lack of parity in public office are still immense challenges. Climate change and disasters continue to have a disproportionate effect on women and children, as do conflict and migration.

With a majority of the people living below the poverty line (almost 70% in rural areas), most people are socially and economically excluded, which also affects their ability to access government services. During the pandemic the government introduced e-learning for pupils. However, most children in rural areas could not access the internet, television or radio to follow lessons.

It is clear that due to the COVID-19 pandemic lockdown, travel restrictions and the closure of borders, a significant proportion of people have lost their jobs, especially in the informal sector. The government offered no grants or financial support of any kind to those households affected. The distribution of food parcels was announced by the government, but these were only to be distributed to rural families, and as far as the media report, there have been no deliveries at all. Organizations like the Natie Kirsh Foundation have stepped in. The European Union through the United Nations World Food Programme (WFP) supported 94,000 vulnerable households for 12 Months with a total expense of €1.4 million in the form of cash transfers.

<b>Economic indicators</b>		2017	2018	2019	<b>2020</b>
<b>GDP</b>	\$ M	4403.0	4665.4	4471.6	<b>3962.5</b>
<b>GDP growth</b>	%	2.0	2.4	2.2	<b>-1.6</b>
<b>Inflation (CPI)</b>	%	6.2	4.8	2.6	-
<b>Unemployment</b>	%	22.5	22.4	22.2	<b>23.4</b>
<b>Foreign direct investment</b>	% of GDP	-1.3	0.7	2.9	-
<b>Export growth</b>	%	4.6	-3.6	16.3	-
<b>Import growth</b>	%	7.1	4.8	1.4	-
<b>Current account balance</b>	\$ M	272.8	60.7	195.7	<b>254.9</b>

Economic indicators		2017	2018	2019	2020
Public debt	% of GDP	27.6	33.9	40.0	<b>41.2</b>
External debt	\$ M	653.8	511.3	630.3	<b>766.1</b>
Total debt service	\$ M	48.6	46.3	56.7	<b>63.0</b>
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	25.2	23.0	20.7	-
Public education spending	% of GDP	6.1	5.7	5.6	<b>5.3</b>
Public health spending	% of GDP	3.5	2.1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	2.0	2.0	1.9	<b>1.8</b>

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

While Eswatini in some ways has a relatively strong institutional and legal framework that governs its markets, the largest sectors are dominated by a few large companies, high state interference and a high level of nepotism. Nepotism is often expressed in the form of members of the royal family being on the board of large companies and in senior management positions in state parastatals.

Royal interests in various sectors result in priority being given to the royal family members over rights usually associated with competition, for instance private property rights. Over the last couple of years, land grabbing by the royal family has occurred in several cases. Royal interference means that a large percentage of company shares must be given to royal family members, which is often a deterrence to foreign investment and enterprise. While there is no official policy on share distribution (to the royal family), this occurs because relevant state agencies have insufficient political power to oppose it.

The government announced the Strategic Roadmap 2019 - 2022 and reduced corporate tax from 27.5% to 12.5%. This was intended to create employment through entrepreneurship and encourage investment into micro, small and medium enterprises (MSMEs) which employ 70% of the country's workforce and therefore make a large contribution to the country's economy. MSMEs were estimated to have contributed approximately 37% to the country's GDP in 2016 and to have employed approximately 70%.

Market  
organization

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As a member of the Southern African Customs Union (SACU) and the Southern African Development Committee (SADC), Eswatini applies low or no tariffs to imports and exports from the region. Exports from the agricultural industry are organized and regulated under various boards. Sugar, as the largest export, has previously enjoyed preferential access to EU markets, but this access has been phased out over the last couple of years, in favor of increased exports to the region.

The ease of doing business in Eswatini has been improving, but the 21.5 days it takes on average to create and register a business could be shortened.

The Swaziland Competition Commission was established in 2007 but it is not a member of the International Competition Network (ICN).

In June 2020, the commission announced that businesses who took advantage of the pandemic by raising prices disproportionately would be charged with a fine of up to E500 000.

The Swaziland Competition Commission has never made a ruling against foreign investors. It may be compromised by not being well-resourced, and it may not be entirely independent. The commission is in a position where it can be easily intimidated and unable to take action against businesses in which influential people have interests.

Antitrust laws exist to avoid monopolistic tendencies and are guided by the Swaziland Competition Commission. Few cases have been recorded of mergers being denied. While the regulatory bodies and legal framework is in place, these have yet to be tested by a substantial merger with strong political interest. Political interest typically outranks legal enforcement, resulting in arbitrary or no implementation. While independent agencies are functioning, the royal family and senior members of government can interfere in their actions, muddying the role of the state. Many large state-owned enterprises (SOE) exist but have no legal advantage over private companies.

MTN still holds 85% of the telecom market. The late Prime Minister Ambrose Dlamini was CEO of MTN Eswatini before King Mswati III appointed him prime minister in November 2018. The king owns 10% of the shares of Eswatini MTN and also has full control of the 41% shares owned by the eSwatini Post and Telecommunication Corporations (EPTC) in MTN.

In the agricultural sector, many small-scale farmers, especially in the sugar industry, have to pay a significant portion of their revenue to local chiefs through tributes and bribes as the traditional authority (the chiefs and royal family) and the formal authority (the state) co-exist in an unclear relationship.

Competition policy

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According to the World Bank foreign trade represented 89% of the country's GDP in 2019.

The Eswatini Investment Promotion Authority (EIPA) can lobby for foreign investments and obtain permits for potential investors but has no political power to implement them.

Eswatini was reintroduced to the U.S. market under the African Growth and Opportunity Act (AGOA) in 2018, but its textile industry has not yet reached its pre-2015 production levels. Positive developments include the enactment of the Special Economic Zones (SEZ) Act and an update of intellectual property legislation, as well as a better ranking in the 2019 World Bank's Ease of Doing Business report.

The U.S. State Department notes in its 2020 report on the investment climate that Eswatini provides financial incentives for all investors, such as tax allowances and deductions for new enterprises, including a 10-year exemption from withholding tax on dividends and a low corporate tax rate of 10% for authorized investment projects. New investors can import machinery and equipment duty free.

While rhetorically committed to foreign investment, the government has not implemented significant investor friendly policies. This is particularly an issue regarding private land ownership, which is close to non-existent outside urban areas. Through the Mines and Minerals Act of 2011 the king receives a 25% equity stake in all mining ventures and the government another 25%. There are sector-specific measures to prevent foreign ownership in businesses dealing in firearms, radioactive material, explosives, hazardous waste and security.

The banking system of Eswatini is largely reliant on the South African system and the majority of the five banks operating in the country are subsidiaries of major South African banks. The banking system adheres to international national standards and is guided by the central bank. South African Standard Bank is the largest and Eswatini Bank is the only national bank. Fewer than half of the adult population has a bank account. This should however be seen in light of the high level of unemployment, poverty and subsistence farming.

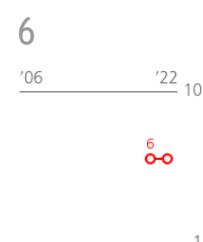
In 2019, there have been rumors around the licensing of the Farmers Bank. In January 2019, the Central Bank of Eswatini filed an urgent application against the Times newspaper which was intended to prevent the newspaper from using a confidential report on the license application of the bank. In May 2019 Farmers Bank (Pty) Ltd was granted a commercial banking license – the first in 30 years – to operate in Eswatini.

Historically, the banking sector has been stable. For instance, there has never been a bank failure and the non-performing loans to gross loans ratio has been low. Following the recent drought, the ratio increased, along with the capital to assets ratio.

Liberalization of foreign trade



Banking system



A financial sector reform program was initiated in 2017, which is focused on increasing regulatory transparency, ensuring stability by minimizing risks through increasing minimum capital ratios (currently at 8%) and extending financial inclusion through encouraging company public listings. Only eight companies are listed on the Eswatini stock exchange, with liquidity and volatility both being very low, making it difficult for pension funds to invest nationally.

The COVID-19 pandemic has affected the banking sector in that companies and individuals are failing to service their loans.

## 8 | Monetary and fiscal stability

Eswatini's currency, the lilangeni (SZL), is pegged at 1 to 1 to the South African rand through the Southern African Customs Union (SACU).

The central bank's medium term inflation forecast for 2020 has been revised downwards to 6.27%, from the previous forecast of 6.40%. Developments in oil prices and the exchange rate remain key risks to the inflation outlook.

Eswatini's reserves amounted to SZL 5.5 billion, enough for 2.4 months of imports, as of March 13, 2020, down from SZL 7.6 billion on January 10, 2020, and SZL 6.1 billion at the end of December 2019.

While many public institutions are heavily influenced by royal interests, the central bank remains independent with little evidence to the contrary.

Eswatini is over-dependent on the revenue received from the SACU, which has declined in recent years. Public debt reached 40.9% of GDP in 2019 and is expected to continue to increase in 2020 (42.5%) and 2021 (45.1%).

In response to the COVID-19 pandemic the central bank reduced the liquidity requirement for the banks from 25% to 20%, giving banks more liquidity and a discount rate with 100 basis points that will reduce the cost of debt by 1%. The central bank also announced that those individuals and companies that need short term financial support or relief due to the COVID-19 pandemic can approach banks and each application will be assessed on a risk-based approach. The government also reduced fuel prices and deferred planned increases in electricity tariffs.

Monetary stability

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Despite rhetorical commitment to fiscal stability, implementation is yet to follow. The fiscal deficit has been consistently around -5% over the last couple of years. As SACU revenue continues to decline and public spending has remained high, a high tax burden has been imposed on consumers. It is difficult to see where the necessary revenue will come from to stabilize the budget, especially now with the negative effects of the COVID-19-related lockdown and restrictions.

Transparency and public scrutiny of the budget has consistently been low and parliamentary oversight, while existing, has not been effective in challenging the budget. The lack of democratic budgetary oversight has contributed to a lack of effective policies being implemented to address the deficit. This is further exacerbated by the continuous insistence from consecutive governments on spending on large-scale capital projects: the new airport, the science park and the conference center.

For a long time, the government maintained its public debt-to-GDP ratio below 20%. In 2019 debt reached 40.9% of GDP and the Ministry of Finance conducted its first debt sustainability analysis to assess the potential impact of recent macroeconomic developments on the country's public debt dynamics. Debt is expected to continue to increase in 2020 (42.5%) and 2021 (45.1%).

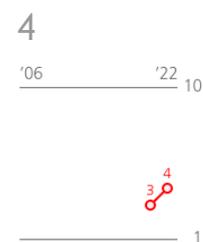
In August 2020, Finance Minister Neal Rijkenberg said that fighting the pandemic would create a deficit of \$207 million (5.3% of GDP) in the national budget. The government secured a loan of \$110 million from the International Monetary Fund (IMF). The IMF predicted that public debt would rise to above 60% of GDP over the medium term which could further reduce reserves of international currency. The government also tried to secure an E2 billion loan from the African Export-Import Bank and a further \$100 million from the IMF and \$200 million from the World Bank.

In its COVID-19 Economic Recovery Plan the government predicted that GDP growth would fall by 6.7% because of the lockdown and disruptions in economic activity. Revenue is expected to fall by E2.7 billion to a total of E18.3 billion, instead of E21 billion. The budget deficit will widen to 9.1% of GDP if the government continues with its plan to spend E5.6 billion. This means an additional E4.1 billion of funding is needed. Debt service is likely to increase by 5% to 15.2% of revenue because of an exchange rate depreciation of 30% within a month.

The substantial drop in imports and the impact of the COVID-19 pandemic in 2021/22 and 2022/23, will cause a further decline in SACU revenue.

The E30 billion plan was welcomed by business interests. But Eswatini has been trying for more than a decade to attract foreign private investment on the one hand and reduce government spending on the other. So far it has failed to do either.

Fiscal stability



## 9 | Private Property

The 2005 constitution formally recognizes a dual land tenure system. The Swazi Nation land (SNL), which represents 63% of the territory, is held by the king in trust for the nation and is allocated by chiefs to homestead heads. The population density is higher in SNL areas where the subsistence economy generates more employment. The title deed land (TDL) or freehold tenure of land has more formal employment opportunities, often in the form of agribusinesses. Urban areas also fall under this category. SNL is an inherent part of the country's cultural identity (commons) and is ruled under customary law, while TDL is ruled under Roman Dutch Law. The first grants all heads of families the right of access to land, which supports social equality. Although women are the backbone of agriculture, they are denied this right.

Amnesty International reports that forceful evictions occur in both systems with and without court orders.

Although the communal land system is widespread in neighboring countries and private property is unknown to traditional culture, the way the King and chiefs are misusing the system for their private benefit and facilitating corruption is worrying.

Eswatini has over 30 state-owned enterprises (SOE) that operate nationally but do not enjoy legal preferences. In practice, they often avoid taxes and the paying of dividends, while also receiving government subvention. Privatization and the opening of new markets for private enterprise is slowly progressing. A reform of the SOEs and a plan to at least partially privatize them is underway. While little precedence exists for such a process, corruption and royal interference are common in both the private and public sector. Rhetorically, the government appreciates the private sector, but regulation, despite some reforms, is not transparent and suffers from slow implementation.

Larger private companies exist but cannot operate without royal interference. A divergence between royal interest and government interest/policy is currently increasing; perhaps a testament to growing grievances from civil servants about the non-productive relationship between royal interest and economic development. Royal interference in larger companies also includes access to tenders and circumventing the legal framework.

In April 2020, the government promised to support those businesses which have been hard hit by the pandemic with measures such as a relief of ZAR 90m for small, medium and micro enterprises, tax deferments and the waiving of penalties on late debt. In a press statement the government announced the provision of relief of up to €90 million to small and medium enterprises, but only if they have filed and paid taxes on time up to the 2019 tax year. Payment will be made through monthly tax refunds of 25% of the actual tax paid in 2019.

Property rights

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Private enterprise

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## 10 | Welfare Regime

A quarter of the population is extremely poor and has experienced food insecurity in the last 10 years.

Social protection measures such as cash grants for vulnerable groups, school food programs, free basic health services including antiretroviral and anti-malaria drugs, account for just 2.2% of GDP. 11% of public spending is on health. The country's marginalized rely on the World Food Programme (WFP) and other donors to provide household food rations.

According to the Department of Social Welfare, the Deputy Prime Minister's Office (DPMO) operates four social protection programs, two of which – the old age grant (which amounts to SZL 240 or €13.34 per month) and the disability grant – are unconditional cash transfer programs. The orphans and other valuable children (OVC) education grant involves a one-time payment of SZL 1,950 for secondary and high school education that is paid directly to the schools. The childcare grant, a means-tested grant, pays for the care, protection and general welfare of children.

The old age grant has been subject to controversy because the government failed to pay it out, citing financial constraints.

The challenge with these grants is that they require clear policies to regulate how they are disbursed and to ensure that beneficiaries are aware of their entitlement. In August 2020, the EU contributed €1.4 million through the WFP to support 94,000 vulnerable Swazi households for 12 months. The WFP will use the donation to increase the number of families currently receiving cash transfers from 20,000 to 94,000.

Informal safety nets exist and it is estimated that, on average, one employed individual supports eight family members. Neighbors within a community, as well as churches and other charity groups, often provide support for struggling families.

Eswatini society is relatively homogeneous, especially compared to the surrounding countries and Africa at large. People share a common culture and language. The majority of the population is Christian, divided between various denominations including rapidly expanding pentecostal churches. A small minority of Muslims are present in urban areas. There have been limited grievances voiced against the Muslim minority by traditional voices in society.

Women have traditionally been seen as secondary citizens and have until recently not been allowed to own land. Women still have a lesser say in the public domain, including holding positions of public office and being fairly treated by traditional grievance mechanisms. Women, children, people with disabilities and people living with HIV are vulnerable members of society. Even though the country was part of a group of states that aimed to achieve 50% female representation in parliament by

Social safety nets

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Equal opportunity

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2015, there were only two female members of parliament elected in 2018. The constitution grants women the right to be elected but some traditional authorities hold strong views against women and treat women as second-class citizens, thereby blocking their candidacy through the Tinkhundla system.

Due to the dual legal system (traditional and Roman-Dutch law) arbitrary application of law and overlapping mandates occur frequently, especially in legal issues where women have historically been disadvantaged, for example in issues of inheritance, land ownership, and marriage.

An Eswatini High Court ruling in August 2019 that the common-law doctrine of marital power is unconstitutional added to existing reforms to end discrimination against women and uphold their constitutional rights to equality. The court also withdrew parts of the Marriage Act that forced African women to marry under customary law. However, such rulings are rarely implemented in a way that affects rural women in their daily lives.

According to a 2018 study by the National Center for Injury Prevention and Control, almost every second girl and woman between 13 and 24 have been a victim of sexual violence. Before the age of 18, one in three girls will experience some form of sexual violence. This is reflected in weekly newspaper reports of men assaulting or murdering their wives or girlfriends. Despite the unequal power relations between women and men, women have a very similar literacy rate to men (82% and 83% respectively), and a similar education enrollment level. Women comprise 41% of the labor force but are often employed in the textile industry and other lower paying jobs. While statistics are not available, it is rare to see females in higher management positions and better remunerated jobs.

The LGBTQ+ community faces regular discrimination and harassment. They are treated as criminals and second-class citizens who are not entitled to basic human rights. Although the 2005 constitution supports those fundamental rights, the government interprets the constitutional statement that marriages must be between men and women to mean that same-sex relations is explicitly prohibited.

Political affiliation to specific political parties has led to exclusion from society. This is illustrated by the cases of public sector employees who have been fired for publicly announcing their political affiliation.

The royal family are not treated as normal citizens and as such are above the law.

## 11 | Economic Performance

Eswatini is ranked as a lower middle-income country with a GDP per capita of \$9,048. Inflation in 2020 stood at a relatively low level of 4.12%, but the COVID-19 pandemic is expected to increase this (IMF). Unemployment, which was 22% before the pandemic, will rise. Currently, every second young person is unemployed. After the 2018 election, foreign direct investment (FDI) flow increased significantly to 2.9% of GDP, which suggests increased trust in the current administration. Although gross capital formation increased to 13% of GDP, it has been difficult for Eswatini to achieve its desired economic growth.

The government has been unable to balance the national budget. It has run a deficit financed by domestic and foreign loans. Public debt reached 40.9% GDP in 2019 and is expected to increase in 2020 (42.5%) and 2021 (45.1%). The deficit is financed by central bank loans, levies on reserves and external and domestic borrowing. The tax-to-GDP ratio increased to 17.2% in 2018, which was made possible by more effective tax collection and an increase of VAT on consumer goods, from 14% to 15%. The African Development Bank (AfDB) calculated the budget deficit at 7.8% of GDP, up from 6.5% in 2018 and therefore further evidence of Eswatini's weak fiscal situation. There is excessive public spending, especially for transfers, wage bills, and capital outlays, paired with low tax revenues. The government has had to use central bank reserves, as well as external and domestic borrowing.

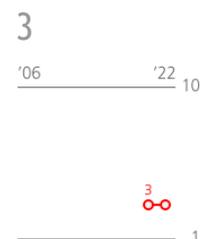
The Eswatini Stock Exchange (ESE) was completely closed between March 29, 2020, and April 15, 2020, due to the COVID-19 pandemic.

The real GDP growth is expected to fall from 2.2% in 2019 to 1.2% in 2021, due primarily to the COVID-19 pandemic. Another substantial source of income for the state has been the revenue from the SACU (€8,3 billion in 2019). This however is not sustainable, as SACU revenue is forecasted to fall over the next couple of years, and even more so due to the pandemic.

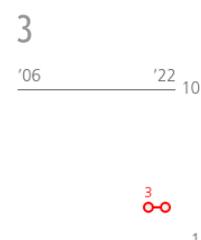
## 12 | Sustainability

To address Eswatini's climate-related vulnerabilities, the government established a National Climate Change Committee, developed a National Climate Change Strategy and Action Plan, and in 2016 announced a National Climate Change Policy through the Ministry of Tourism and Environmental Affairs that aims to support programs to help Eswatini adapt to climate change. The government also announced the National Water Policy in 2018, the Transboundary Water agreements with Mozambique and South Africa, and the Energy Policy and Master Plan in 2018. This is particularly important, as climate change has already caused unpredictable weather patterns, including large variations of rainfall (droughts) and extreme temperatures, which can

Output strength



Environmental policy



be devastating for the large segment of the population surviving on subsistence farming. Institutionally, the responsibility of implementation falls to the Ministry of Tourism and Environmental Affairs, which is currently focused on developing the 2020 National Adaptation Plan, which takes its point of departure from the 2016 National Climate Change Policy. Despite the introduction of climate strategies, national funds are limited, meaning programs in this area depend on international funds and expertise. Institutional coordination is also low, with responsibilities being shared by three departments and two ministries.

To confuse institutional mandates further, environmental degradation due to mining falls under the remit of the Ministry of Natural Resources and Energy, while land degradation due to monoculture (especially sugar cane) falls under the Ministry of Agriculture. In relation to mining, issues of environmental pollution and grievances from the local community around the Maloma mine have been reported on multiple occasions.

The government appears to have a blind spot over the issues of chemicals and waste management. Industrial pollution threatens the Usushwana River, while urban waste and agricultural chemicals pose a serious risk both to the environment and to public health. The government recently established a national Environment Coordination Department under the Ministry of Tourism and Environmental Affairs for policy coordination and to oversee all environmental issues including the nation's waste management.

Eswatini has been able to benefit from its mountainous geography by building large dams to facilitate hydroelectricity. Eswatini generates 60 MW from hydroelectricity, which is approximately 16% of total consumption. Around 80% of its electricity is received from South Africa and Mozambique, primarily generated using coal. Despite the high number of days of powerful sun, solar power has only recently found its way into energy plans. In 2020, at the Africa Energy Indaba in Cape Town, the government introduced its plans to generate 10 MW of solar power by the end of 2021, while an additional 40 MW of solar power will potentially be generated by independent power producers.

Free primary schooling was introduced in the early 2010s, funded by international donors who supported the first two grades, while the government funded the remainder. When this funding was phased out, the government was also experiencing declines in revenue that affected the quality of primary school teaching. The quality of education at school level has fallen due to poor implementation of the free primary education policy. According to the Ministry of Education and Training, there are 12,560 teachers in 600 primary schools with an enrollment of 239,793 pupils.

Education policy /  
R&D

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The free primary school education policy created an excess of pupils that the secondary school system was not prepared for. In 2018 media reported that children had been turned away because there are no spaces for them in classes at high school.

Official figures in 2014 show a comfortable pupil-teacher ratio in secondary education of 15.9 students per teacher. This contradicts media reports of over 80 pupils per class in some cases. Few reliable figures are available. The number of students in classes has certainly increased, with some teachers reporting close to 80 students in one classroom. Secondary education is of poor quality, following changes enacted by the government. The government provides scholarships to Swazi students for tertiary education, but these are not enough for all students. For that reason, the government has been trying to allocate scholarships for essential courses. Some students choose to attend university in neighboring South Africa, where the quality of education is significantly higher. Scholarship allocations have been subject to politicization, where politically affiliated students have been denied scholarships.

The national budget allocates 15.2% to education, which still falls short of the 20% target in UNESCO's Education for All campaign. Eswatini's literacy rate has increased during the period of review to 88%.

The education level, measured in terms of the education index (a component of the Human Development Index), rose slightly to 0.557 in 2019.

## Governance

### I. Level of Difficulty

Eswatini is a landlocked, mountainous country, surrounded by regional power South Africa and Mozambique. The country is economically and politically dependent on South Africa, with the majority of trade with or through South Africa. South Africa is also the main contributor to the Southern African Customs Union's revenue, which Eswatini is dependent on. 38.6% of the population live under the \$1.90 poverty line (2017).

The unemployment rate stood at 22% before the COVID-19 pandemic. The overall Human Development Index value of 0.611 shows a slight improvement. Eswatini now ranks at 138 (141 in 2017) out of 187. Since colonial times, men have worked in South Africa's mining industry and, to some extent, still do. Contracting lung disease and HIV/AIDS, and suffering amputations due to a hazardous work environment is common among the returnees. Since the 1980s, HIV/AIDS and tuberculosis have been endemic in the country. In 2019, the prevalence rate of HIV among adults (aged 15 to 49) was 27%, the highest in the world. Eswatini's UN Education Index score is 0.528, which is relatively high compared to the African average of 0.419 and in the context of the country's overall poverty index score. Climate change has had a disproportionate impact on Eswatini relative to many other countries, as extensive droughts have occurred in recent years. Despite the structural constraints, the main obstacle to development is poor and repressive governance.

Rural communities in particular are left behind without any access to infrastructures such as water, sanitation, health care, and public transport.

The first publicly confirmed death from COVID-19 occurred on May 8, 2020. A lockdown and state of emergency had been declared nearly two months before. The death toll stood at 551 at the end of January 2021. In 2019 the country recorded 2,300 AIDS-related deaths. The pandemic-related lockdown regulations deprived the majority of people of their incomes because businesses – formal and informal – were forced to close and no compensation from the government was offered. Hunger is widespread and the government lacks not only the resources but also the will to assist the needy.

In December 2020, Prime Minister Dlamini died of COVID-19 in a South African hospital, and since then, other members of government have also succumbed to the virus.

Infection and death rates were rising at the end of 2020, with no access to vaccines in sight.

Structural  
constraints

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Despite the absolute monarchy and a ban on political parties, Eswatini has a diverse civil society, including trade unions, religious communities, charitable institutions and political parties. Civil society groups are most influential on social, health and development issues. They all work under difficult conditions, especially those who work on democracy and human rights. They are often subjected to harassment and their employees are threatened and persecuted. In the past, this constant pressure on civil society organizations has led to splits and breakaway organizations, which often severely impairs their effectiveness in the long term.

The contribution of civil society to the development of the country cannot be underestimated. They have reached the most remote areas of the country, bringing much needed help. Churches have established schools and health facilities, complementing the government's effort to improve education and health outcomes. In the fight against HIV/AIDS, civil society organizations partnered with the Ministry of Health to raise awareness, providing HIV testing facilities, bringing treatment and support to people affected by and infected with HIV. Without charity organizations, food insecurity would be considerably worse. However, if international donor priorities change, CSOs will struggle to find resources for their work. The pandemic may act as a financial constraint on international aid spending.

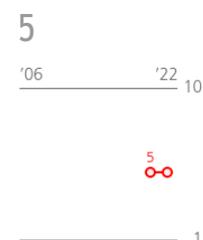
The most important conflict is between the king and the security forces on the one side and small democracy-pursuing segments of the population in urban areas on the other. The current political situation and the constitution can be a source of conflict. The economic crisis that the country is currently experiencing may become another source of conflict, as it affects service delivery by the government. The majority of the population live a rural life. Political parties are an urban phenomenon. Terrorism as such is nonexistent but the king views party politics and criticism of the monarchy as acts of terrorism, treason and sedition. The late Mario Masuku, former leader of the PUDEMO, was arrested several times under the Suppression of Terrorism Act of 2008. Police attack all forms of protest. Although there is no ethnic or religious diversity or conflict, there is a deep gap between the royal house as a concept that the traditionalists support, and the way the family behaves and sucks the country's wealth. The royal family and its allies own the country.

The only associations that can officially demonstrate are the trade unions, and only if the demonstrations relate to labor issues. However, even their demonstrations are frequently brutally attacked by the police using lethal ammunition.

There have been violent incidents during elections. Protests tend to be small. Often people have no idea how to speak out and express their grievances.

During the pandemic it was difficult and dangerous to express criticism over the way the government responded to the pandemic.

#### Civil society traditions



#### Conflict intensity



## II. Governance Performance

### 14 | Steering Capability

The government sets strategic priorities and has in some areas been relatively successful in achieving them. This includes the near eradication of malaria and large-scale irrigation agriculture projects. While these priorities were met, the executive branch of government continues to set unreachable and nonsensical priorities such as the Vision 2022, to make Eswatini a First World Country. The government Program of Action to reach this vision completely failed. The monitoring tool for the program, the Eswatini Development Index (SDI), never materialized.

In his mid-year budget review report 2020/21, held in November 2020, Minister of Finance Neal Rijkenberg admitted that the government had continuously struggled with a budget deficit in recent years. Even a public sector hiring freeze could not fix the issue, as wages continued to increase every year. The budget deficit for the 2021/22 fiscal year is predicted to reach €4.9 billion, or 7% of GDP.

The government launched a post-COVID-19 economic recovery plan and a Fiscal Adjustment Plan, both containing measures to increase revenue and reduce expenditure. The package aims to stimulate the economy in the short-term and revive the economy by initiating a number of productive economic activities. The Fiscal Adjustment Plan was a precondition to receiving budget support under the Rapid Financing Instrument (RFI) from the IMF.

In the Swazi Media Commentary, Richard Rooney concluded that the new economic recovery plan is ambitious and unrealistic. In February 2020, just prior to the pandemic, the IMF reported that the economy was still in decline, as domestic arrears grew, public debt increased, and international currency reserves fell below adequate levels. The government has been trying for more than a decade to reduce spending and to encourage private investment, especially from outside the kingdom. To date these efforts have largely failed.

The government consistently fails to implement policies due to a mixture of incompetency, unrealistic aims, lack of will and lack of funding. Even though the government may have good policies, they frequently fail to implement them fully and in the stipulated time frame.

The National Development Strategy (Vision 2022) for example aims to strengthen the control, prevention and treatment of malaria, tuberculosis, diarrheal diseases and acute respiratory infections. The government wants to design appropriate programs to deal with emerging noncommunicable diseases such as diabetes mellitus, hypertension, heart disease, cancer and other diseases.

Question  
Score

Prioritization

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Implementation

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But in order to meet the budget deficit, expenditure on health was reduced by 15.7% from €1.94 billion to €1.63 billion in 2019, with the additional effect that the public sector owes €3 billion to suppliers. In the first few months of 2019, people died due to a lack of medicine because the government had not paid suppliers. The Times of Swaziland reported on May 14, 2019, that the health service was struggling to obtain enough drugs like medication for hypertension and flu at the beginning of winter.

In contradiction to the dire situation of the people, the absolute monarch King Mswati III purchased in November 2019 between 13 and 15 luxury Rolls-Royce cars, at an estimated cost of \$4 million.

Due to the pandemic the economy is in freefall. In order to secure an emergency loan from the IMF, the government attempted to curb expenditure through cuts to public sector jobs and reduced wage increases in the future. Moody's warned that the pandemic might lead to social unrest if the government failed to support people living in rural areas.

The government of Eswatini is unable to learn due to the mere fact that King Mswati III has veto powers and stands above both the government and the constitution.

The U.S. State Department reports in a March 2020 analysis that the government was inconsistent in investigating, prosecuting and punishing officials violating human rights. According to media reports, during the pandemic-related lockdown police brutality and disproportional methods were used to enforce regulations.

In April 2020, the late Prime Minister Dlamini promised to distribute food packages to 300,000 needy people within two weeks, but only in rural areas. That would not even cover half of those living below the poverty line. After 14 days, no family had received a food package and the plan was put on hold after parliament refused to authorize a cash transfer instead.

## 15 | Resource Efficiency

The government wastes almost all of its available human, financial and organizations resources through corruption and nepotism. It has neither invested

in human resources nor brought skilled professionals into government, both of which has led to a brain drain into neighboring countries. The cabinet, which is appointed by the king, includes a number of his family members including his eldest daughter Princess Sikhanyiso as minister for information communication and technology, Prince Simelane (housing and urban development), and Princess Lindiwe (home affairs). On the other hand, about a third of the 18-member cabinet are former CEOs, including Finance Minister Rijkenberg. The late Prime Minister Dlamini worked as CEO for MTN Eswatini. He was appointed in contravention of the constitution, since he was not a cabinet member at the time.

Policy learning

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Efficient use of assets

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The U.S. government in its latest review of fiscal transparency stated that there was negligible progress. While budget documents provided a general picture of government revenues and expenditures, expenditures for royal finances were not disclosed. Basic information on natural resource extraction awards was not always publicly available.

Debt has been increasing over the past years and will increase further due to the COVID-19 pandemic and the loans that were taken on by the government. In August 2020, Finance Minister Neal Rijkenberg announced the cost of responding to the pandemic would leave a shortfall of \$207 million in this year's national budget. He was able to arrange a loan of \$110 million from the International Monetary Fund (IMF) and is still negotiating with the World Bank and the African Development Bank (AfDB) for additional funds. In June, the government admitted having no money to implement its COVID-19 response plan and appealed to international donors for help.

Policy coordination in the country is poor due to the nature of decision-making in government, as the king ultimately decides policy, also a low level of competency in government. Poverty eradication in rural areas has for example been pursued through large-scale irrigation projects aimed at assisting small-scale farmers. While the irrigation projects have been relatively successful, small-scale farmers do not have access to affordable financing to properly facilitate the new irrigation and must pay commercial interest on their capital loans, which is often as high as 30%. Compounding the poor policy coordination is the confused institutional mandates.

In March 2020, the government set up coordinating structures to respond to the COVID-19 pandemic with an Interministerial Emergency Management Committee, a National Emergency Task Force and a Technical working group. According to the COVID-19 Government Response Stringency Index, Eswatini stands at 50.93 in December (100 = strictest response). The governmental response has changed over time.

The police have been successful in implementing lockdown regulations, if necessary by force. But all other efforts by the government to halt the spread or prevent people from dying from the virus have appeared futile.

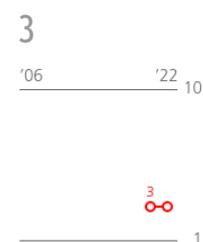
The late Prime Minister Ambrose Dlamini, and King Mswati III, have both publicly stated that the government has zero tolerance for corruption.

Reports to the Anti-Corruption Commission have increased markedly in recent years with a peak in the fiscal year of 2015/2016 (533 complaints). The latest figure from 2017/18 shows only 245 reports. Despite the encouraging number of complaints and a commitment from the government, multiple studies have demonstrated that corruption is widespread and entrenched in the executive and legislative branches of government.

Policy coordination



Anti-corruption policy



Freedom House reports that the Anti-Corruption Commission is considered ineffective. Civil society groups charge the commission with prosecuting only politically motivated cases and acting in the interest of the prime minister. In March 2018, parliament suspended the commission's budget while an investigation into corruption allegations within the body itself was still pending.

The kingdom's own attorney general published a report in 2017 reporting that more than \$2.09 million was lost to corruption and fraud, including close to a million in disability grants that was disbursed without established guidelines. Bids for state tenders are made public, but it can often be difficult to find the reasoning behind the choice of supplier. While information is available to the public, the majority of Swazis live in abject poverty and are preoccupied with other issues. Furthermore, Eswatini is undemocratic so the electorate are unable to vote corrupt politicians out of office. The economic system in Eswatini is also structured in a way that the royal family benefits from most large business deals, whether it be in the sugar industry, mining or telecommunications, and while that might not be deemed corruption in a legal sense, the funds do not benefit the people of Eswatini.

## 16 | Consensus-Building

Eswatini sees itself as a monarchy featuring the simultaneous operation of traditional institutions and western methods of modern governance and Roman Dutch common Law. In theory, the Tinkhundla-based electoral system is a democratic participatory system that emphasizes devolution of power from central government to Tinkhundla (constituencies) areas and uses individual merit as a basis for election or appointment to public office. There is no consensus between the king and government on the one side and political associations (due to the 1973 proclamation parties are not allowed) and progressive organizations on the other about the state and practice of democracy. Although political parties officially do not exist, they advocate for a multiparty system and a legislation that will enable the registration and regulation of political parties. Those associations are rarely included by the political leadership in discussions on the political direction of the kingdom.

The major political actors agree on the market economy as a strategic, long-term goal of transformation. The government is committed to the market economy, as demonstrated by the Post COVID-19 Economic Recovery Plan. High impact private sector-led projects have been identified to stimulate the economy. In reality, the king and the royal family are taking over more and more of the economy for their personal benefit. A recent example is the Royal Swazi Spa Resort in which King Mswati III is reported by Swazi Newsweek is set to take over more than 90% of the shares by taking it into the Tibiyo Taka Ngwane conglomerate that he controls on behalf of the Swazi nation. The king's shareholdings are controversial because in practice he uses much of the money to finance his and his family's lavish lifestyles. Tibiyo Taka Ngwane is

Consensus on goals

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an investment fund with extensive shares in a number of businesses, industries, property developments and tourism facilities and the king is the sole trustee. Neither the king nor Tibiyo pay tax. This contradicts the principle of equality in business.

Eswatini is an absolute monarchy in which the executive branch and traditional leaders, who benefit from the system, demonstrate no interest in democratization besides the existing Tinkhundla system. While there is a parliament, it has no real power and largely serves to rubber stamp the government's decisions. One political party, the Swaziland Democratic Party, did manage to win a few seats in parliament on merit. The idea of changing the system from within has not worked. There are no debates around multi-party democracy in parliament for example. Most people, especially in rural areas, accept the current system and are not aware of alternatives. If they do criticize the current system, it is about the way it is exploited and misused by the king and his family members for personal benefit and not for the nation.

At the moment reformers are in the minority as compared to those who benefit from the system. However, recently there has been growing dissatisfaction among anti-democratic actors, which may provide an opportunity to work with them in introducing democratic reforms.

Security forces, especially the army, are well-resourced and exist solely to quell the pro-democratic forces. As they account for a large share of the annual budget, and commanding officers are paid very well, they remain loyal to King Mswati II.

The country's political leadership, which upholds the political system by granting the king absolute power and veto rights, essentially facilitates the cleavages found within the country. Several political leaders are directly nominated by the king and come from the royal family. There are, however, no ethnic or religious conflicts, as the Swazis (of which 90% are Christian) are the only linguistic group in the country. However, there are several clans in the country, and they have historically been in conflict with each other. The Dlamini clan, which is the king's clan, has been in power for almost a century and this has meant that conflicts rarely occur in public. Class conflict exists, but the shared ties to tradition are often stronger. Oppositional groups have proven inept at mobilizing around issues of poverty in rural areas, where the majority of the population lives. As a result, their supporters are predominantly urban.

At the moment, the monarchy sees no need to initiate any interaction or negotiations with civil society. There is also no open debate possible about the future of the society and the political system. Criticizing the king publicly, for example in the media, is punishable as treason.

Anti-democratic actors



Cleavage / conflict management



There are several oppositional associations, but most of them are limited in their capacity to organize and mobilize the population to form any real political opposition. While there are moderates and revolutionaries among the opposition, most members of the opposition envision a political future that involves the royal family in a cultural and ceremonial capacity.

The people of Eswatini value their cultural traditions, and these have been exploited by the current king and his family for their own benefit, rather than for the benefit of the nation as the tradition suggests. During the constitutional review process, people were asked if they would like to have political parties or the king, without any explanation of how political parties function being provided. In fact, people were made to think that political parties will bring war to the country. Those who are opposed to democracy in Eswatini – most of whom benefit from the current status quo – exploit the culture and the public's ignorance. Some religious leaders, especially from pentecostal or charismatic churches, teach their congregation to not question the authority of leadership.

As long as civil society is not interfering in political processes they are allowed to work freely. For example, trade unions can demonstrate for worker's rights but not for political participation. Charity organizations in particular are welcomed due to the fact that the government is unable – and most of the time unwilling – to cater for the poor and vulnerable. This is also true for the pandemic. As long as they do not criticize the king or the political system, civil society can work hand in hand with the government. A good example is the Swaziland Migrant Mineworkers Association which works together with the government in order to secure pensions and compensation from South Africa for mine workers.

In the absence of recognized political parties in the country, civil society organizations include political organizations, which can raise government suspicions.

In 2015, a broad civil society alliance (G15) tried to organize a meeting with King Mswati III with the support of the then Commonwealth Special Envoy to Swaziland, former Malawian president, Bakili Muluzi. The meeting was supposed to discuss ways to increase the democratic participation of the population. The meeting never took place, as the king still refuses to engage in a dialogue and civil society has no means of compelling or forcing him to do so.

Since then, the government has tried to hinder demonstrations for more democratic participation. During a march in January 2021 organized by a group called The New Parliament, two leaders were arrested and taken into police custody.

Civil society participation

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Unlike South Africa or Namibia, Eswatini was never the scene of a major humanitarian or genocidal crime in its history. While there is arguably a need for trauma healing and counseling on an individual, family and community level for the violence inherent to society. However, there may not be much need for this on a national level.

There have for example been a lot of unlawful evictions for different reasons where victims are still bitter or are still suffering as a result. No healing and reconciliation for affected people is yet in sight for these issues.

There are, however, different schools of thought over whether or not the system of governance has created “political enemies” (e.g., the state, progressive movements, political parties, civil society and the churches) that must convene and discuss their differences.

Reconciliation

n/a

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## 17 | International Cooperation

There appears to be no roadmap for developing a long or even short-term strategy for the country’s international relations. Eswatini is not eligible for budget support from the United States or the EU, so bilateral cooperation is mainly implemented through a program approach. The U.S. Ambassador to Eswatini, Lisa Peterson, expects the government to amend the constitution to stop King Mswati III from spending disproportionately. Over the past 15 years, the United States has given more than half a billion dollars primarily to support the health sector. In May 2019, USAID and Eswatini signed a five-year bilateral Development Objective Agreement (DOAG) which makes available up to \$225 million to combat HIV/AIDS under PEPFAR.

Effective use of support

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The EU support to Eswatini through the European Defence Fund (EDF) ended in 2020. This had covered education, sugar cane farming, health and other programs in collaboration with the government. In August 2020 the United Nations World Food Programme (WFP) announced a €1.4 million contribution from the EU to support 94,000 vulnerable Swazi households for 12 Months.

The relations between China and Eswatini are under pressure due to the fact that the government still has diplomatic ties to Taiwan. In February 2020, China threatened to stop trade and support if the links are not severed, but so far Eswatini has refused.

While donor coordination does take place within Eswatini, donor funds are very rarely channeled through the state and the state rarely allocates these funds efficiently. All donors avoid providing budgetary support. The priorities set by the donors in coordination with the government focus on expanding the agricultural sector and feeding the large segment of the population that relies on food aid. The government is focused on economic growth but the small share of the kingdom and its heavy reliance on SACU revenue, makes it extremely difficult to engage in long-term

planning, as revenues are volatile. Due to the COVID-19 pandemic and increased short term spending, the debt situation is deteriorating and there is little prospect of any long-term strategy. There is no sign of how the government intends to pay back loans taken up to respond to the pandemic.

While the government enjoys credibility in the region and does attract international development partners due to its abysmal human development indicators, few, if any, development partners provide budgetary support to Eswatini.

Partners that are more concerned about good governance and the respect of human rights may find it difficult to support the government, except in areas of humanitarian aid. Some, like the EU and the United States, have established preconditions for their support in an attempt to force the government to comply with internationally accepted governance principles.

The IMF Executive Board concluded its consultation with Eswatini in January 2020 with the observation that efforts are needed to reduce vulnerabilities to state-capture and other forms of corruption.

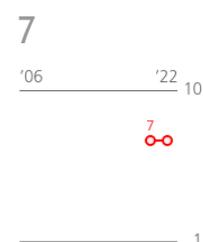
In 2021 the government sent an urgent plea to the WHO for help in responding to the pandemic as deaths continue to rise. At the same time members of the royal family continue their lavish lifestyles. A viral video showed Prince Majaha enjoying a lavish 30th birthday party. At least nine members of the royal family have been appointed by the King to top positions in government and on influential committees, and this is not conducive to Eswatini's credibility.

Eswatini is a landlocked country and is neither viable without South Africa nor without SADC. The charter of the SADC clearly states that member states should observe basic human rights such as the right to strike and gender equality. One of the primary objectives of SADC is to support "regional integration, built on democratic principles," something that Eswatini clearly does not. Despite this, Eswatini chaired the organization in 2016. It is rare to hear any criticism voiced by the South African government or the ruling party, the African National Congress, while Economic Freedom Fighters (EFF) condemn relations with Eswatini's absolute monarchy. The kingdom has signed most international treaties and is a member of SACU, SADC, Common Market for Eastern and Southern Africa (COMESA), the African Union (AU) and the UN. While the country's human rights abuses and undemocratic nature have allegedly been on the initial agenda of multiple SADC meetings with heads of state (the highest authority of the SADC), these issues have not actually been discussed and were removed from the agenda after an inquiry by King Mswati III. Eswatini is one of few countries that recognizes Taiwan as an independent country, which has resulted in trade and economic assistance between the two countries and a relatively large Taiwan embassy.

#### Credibility



#### Regional cooperation



Eswatini was unable to take the chair for the African Union in 2020 due to financial constraints.

As the country has hardly any raw materials in demand, most other countries have very little interest in it, which means that violations of human rights can continue without much explicit criticism being voiced. The SADC region must, however, be reminded of the critical role it can play in democratizing Eswatini.

## Strategic Outlook

The Kingdom of Eswatini's overarching obstacle to economic, political and developmental transformation is its democratic deficit – which affects all aspects of governance. The elections held every five years do not provide the population with any meaningful mechanism to decide which development path they want to take. It is instead decided on by a small elite surrounding King Mswati III. The impact of absolute rule is felt in the priorities of the national budget, the economic and social policies passed through parliament, the incentives to attract sustainable investments and create jobs and the treatment of people's basic rights.

The first step in any policy strategy, regardless of whether it is conducted by international or national actors, is to fully understand and take into account the consequences of this. A banal but concrete example of the absolute monarch's impact on governance is the appointment of 28 royal family members to various boards and committees, including the appointment of the king's oldest daughter to take on the office of minister of information and communications technology. The persistent and blatant nepotism that is entrenched in the government's policymaking prioritizes the luxury of one family over the vast majority of the population. Instead of being applied to measures intended to facilitate the betterment of the population, public funds are spent on vanity projects: the new airport, the new international conference center with accompanying accommodation facilities and an excessive science and technology park. But the two perhaps most egregious items of expenditure are the 5.9% of the national budget spent on the national defense – despite the fact that Eswatini does not have any external or domestic threats, and the lack of transparency over how much of an economic burden the royal family really is.

In a national setting, this means the monarchy must be completely divested of governance responsibilities, for example, by implementing a constitutional monarchy like those seen in northern Europe. The implications of such a policy change are of course huge and to a large extent beyond simple calculations, but it would be necessary to begin with the drafting of a new constitution that would secure people's basic rights and a separation of state powers. Business activity needed to create the jobs that could help people out of poverty, is unlikely to materialize in the current political climate. Building a stronger national business environment is unlikely given the current political state of affairs. The need for a fundamental political change is tremendously important to fight the dire debt situation which has been exacerbated by the pandemic. With the economy in free fall, a rising death rate from COVID-19, including the prime minister in 2020, lack of adequate health system and disrupted education due to the pandemic there is little hope for the majority of people to better their life in the coming years. All previous strategies to contain the pandemic have failed. The annual ritual *incwala* acted as a super spreader event. The king had refused to cancel the ritual in the face of the pandemic although the government had banned all gatherings. The country should learn from the COVID-19 pandemic and review its disaster management policies, secure proper funding and improve disaster preparedness. So far, the National Disaster Management Agency (NDMA) has focused more on food distribution and storms than disasters of the magnitude of the COVID-19 pandemic.