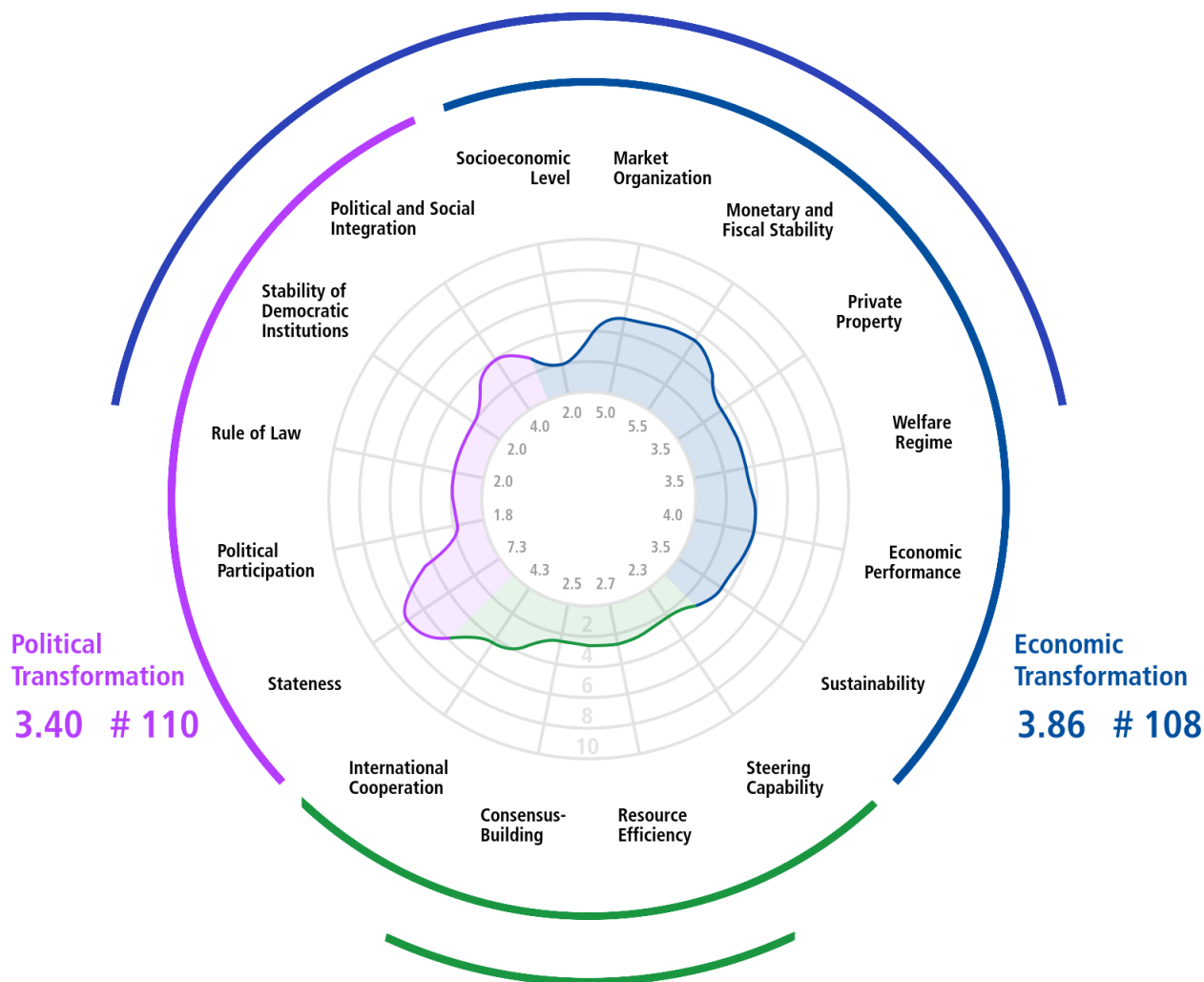


Eswatini

Status Index

3.63 # 113

on 1-10 scale out of 137



Governance Index

2.68 # 120

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	1.2	HDI	0.597	GDP p.c., PPP \$	10782
Pop. growth ¹	% p.a.	0.8	HDI rank of 189	144	Gini Index	54.6
Life expectancy	years	57.1	UN Education Index	0.568	Poverty ³	% 58.0
Urban population	%	24.6	Gender inequality ²	0.540	Aid per capita \$	104.9

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

The Kingdom of Eswatini (formerly Swaziland) is the last absolute monarchy in Africa. King Mswati III and his mother, Queen Mother Ntombi, reign as monarchs and hold veto powers over the three branches of government, thereby occupying a position above the constitution. The bicameral parliament is composed of the Senate and House of Assembly, with elected members chosen through the Tinkhundla system and others directly appointed by the king. The king additionally holds the authority to designate the prime minister.

The role of political parties is contested and unclear, despite the constitution of 2005. Furthermore, some of them are banned under the Suppression of Terrorism Act. Consequently, political parties are not permitted to compete in elections.

Human rights issues include limitations on political participation and media freedom; the continued prevalence of corruption, child labor, forceful evictions, rape and violence against women; as well as the criminalization of LGBTQ+ communities. Since 2021, there has been an increasing number of arbitrary detentions, killings and incidences of torture reported while in police custody. Additionally, human rights activists have been assassinated in broad daylight.

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. The presence of soldiers and mercenaries is increasing on such occasions.

King Mswati III behaves as if the kingdom were his personal possession. Consequently, the majority of the population endures minimal economic progress and lives in poverty. The economic landscape does not generate favorable conditions for business, owing to the royal family's negative and capricious political interventions and their connections to associated companies, as well as the presence of conflicting political systems.

The exorbitant lifestyle of the royal family contrasts with the living conditions of the majority of people throughout the country. Their dire situation is worsening due to climate change and the enduring socioeconomic impact of the COVID-19 pandemic.

There is no opportunity for members of the population to express their grievances. Few changes in any realm or at any level are on the horizon. There is no mechanism that civil society can use to force the government or the king to amend the political system and give it more space for participation. On the contrary, the existing space is shrinking, and the government's reaction to demonstrations is becoming increasingly brutal.

Eswatini is not a top priority for regional or African organizations, nor is it a priority for international solidarity movements or human rights activists.

After the experiences of lockdown and increasing poverty on one hand, and the demonstration of the royals' lavish lifestyle on social media on the other hand, the young generation in particular returned to the streets to demand more democratic participation. New political parties emerged and demanded a role in the electoral process. Two consecutive Southern African Development Community (SADC) troika visits called for a national inclusive dialogue focused on democratization, which the king postponed without consultation. The king's refusal to engage in a genuine dialogue and the brutality of state agents, coupled with military and police layoffs, led to the formation of unidentified armed groups that began attacking the royal family and affiliated companies. The younger generation has taken charge of social and civil dialogue. The new Mass Democratic Movement and the Multi-Stakeholder Forum are not led by churches, although they do participate. Especially after the assassination of human rights lawyer Thulani Maseko in January 2023, activists are increasingly fearing for their lives. This was also the first time the situation in Eswatini had been discussed in the international media, where there were calls for proper investigations at the very least.

History and Characteristics of Transformation

Formerly known as Swaziland, the Kingdom of Eswatini, or Eswatini, is a landlocked country surrounded by South Africa and Mozambique to the east. It has a surface area of 17,363 square kilometers and 1.19 million inhabitants. The kingdom is ethnically homogeneous, as the majority of residents speak siSwati and identify as Swazi. After gaining independence from British colonial rule in 1968, a brief democratic period followed. However, when the non-royalist political party, Ngwane National Liberatory Congress (NNLC), entered parliament after 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, with financial support from the South African apartheid regime. Between his death and the coronation 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 this democratic hope was short-lived, as King Mswati III

continued to rule under the terms of the 1973 decree up to the present day. As the fight for a democratic South Africa intensified, the anti-apartheid Umkhonto we Sizwe group 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 anti-apartheid activists.

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 largely financed by donors, especially the Commonwealth and the European Union. The constitution states that “Swaziland is a unitary, sovereign, democratic kingdom.” The constitution’s provisions reflect the country’s absolute monarchy and do not provide for multiparty democracy. 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 the chiefdom level, where they compete first, with the winners then competing at the tinkhundla (constituency) level. There have been allegations of local chiefs or traditional leaders screening candidates and often excluding women at the local level. Candidates are only allowed to run for parliament based on individual merit, meaning that political parties cannot formally register and compete for election.

The political parties faced additional restrictions on their already limited political space following an assassination attempt on King Mswati III in 2008. This led to the enactment of the Suppression of Terrorism Act 2008, which outlawed four organizations, including PUDEMO and its youth wing, the Swaziland Youth Congress (SWAYOCO). None of these organizations were directly associated with the attempt or claimed responsibility for it.

Politically, the government persistently represses the opposition, arresting and even torturing political activists and sometimes forcing them into exile. More than half of the population (59%) lives in abject poverty, on less than \$1.90 per day, and the country suffers from the highest HIV/AIDS rate in the world (27.9% of the population between the ages of 15 and 49 live with HIV/AIDS). Life expectancy in the kingdom is 60 years, one of the lowest such figures in the world. Despite these depressing statistics, the country is considered to be a lower-middle-income country and has been listed as one of the most unequal countries globally. Neither economic nor political policies implemented in recent years have done much to change this. On the contrary, the king and the royal family have used the country’s wealth and economy to finance their lavish lifestyle, creating a louder call for pro-democratic change in the country. This movement is largely led by a younger generation that no longer sees themselves as subjects. The reaction by the government has been violent, and the king has shown disregard. Armed forces of unknown origin have started to attack members of the royal family, government officials and businesses associated with the king, leading to even more violent reactions from the state. Yet there currently seems to be no solution or mediator in sight.

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

Since the unrest in June 2021, there have been reports of violent attacks on properties and companies in which King Mswati III or members of the royal family have a stake, as well as on police and military facilities, in response to state violence against pro-democratic protesters. Zweli Dlamini from the Swaziland News attributes these acts to the Swaziland International Solidarity Forces (SISF), which have been operating since December 2021. Other sources have mentioned at least four different groups. These groups are said to include former police officers or members of the correctional services who have lost their jobs. However, there is not yet much concrete evidence regarding the identities of the different groups and their specific goals. Only the SISF, via the Swaziland News, claim that they aim to overthrow the king and establish democracy.

The Times of Swaziland reports that “between May 24 and August 12, 2022, five security officers have been killed. This was followed by a quiet period of about 10 weeks before five more security personnel were killed within two weeks. Additionally, there has been a series of bombings and arson attacks in the country, dating back to the political unrest of June and July 2021.”

The nation-state is not an issue, but the lack of enjoyment of fundamental rights by citizens is a major problem. However, King Mswati III uses the monarchy to enrich himself and his family and reacts violently to every attempt to change the system. This has had a negative impact on its acceptance. Since 2021, pro-democratic unrest has been gaining ground, and the young generation in particular is unwilling to accept the current state of the nation.

On December 5, 2022, feminist entrepreneur Ntombenhle Khathwane wrote that the “younger generations, whose psyche is shaped differently from older generations, are not going to tolerate designed poverty, increasing inequality and lack of access to basic public goods and services; they will become violent in their fight for freedom,

Question
Score

Monopoly on the
use of force

9



1

State identity

8



1

equality and equal access.” The fact that the Eswatini population is very young suggests that this could be a significant factor in the years to come. Currently, there have been no documented cases of citizenship deprivations linked to the pro-democratic unrest.

According to world data, the majority of Swati are Christians, including those who identify with traditional denominations like Roman Catholics (20%) or African Zionists (40%). Only 2% of the population are Muslims. The national population census of 2017 indicated that about 90% of the population subscribed to the Christian faith, with the majority belonging to the African Initiated Churches (43%) or Evangelical or Pentecostal groups (forming about 39%). These Christian groups potentially wield significant influence over the state due to their close proximity to the royal family and the government. The kingdom’s foundation is based on the Christian faith, as well as older traditions. Swazi traditional religion also plays an important role in shaping policies, as these policies must adhere to tradition and cultural practices. The Dlamini clan, which has held power since 1550, claims to possess the divine right to rule. In 2013, King Mswati’s elder brother, Prince Masitsela Dlamini, declared that the royal family had been granted authority by God to govern over other Swazi clans.

The 2005 constitution guarantees the right to freedom of thought, conscience and religion (Article 23), along with the right to worship and convert to a different religion. The king’s status above the law and the constitution arises from the belief that his reign derives directly from God. According to Swazi traditional religion, the king is viewed as an extension of the rule of ancestors and is thus expected to govern in accordance with their will. However, this principle has been distorted and now primarily serves the interests of the monarch rather than the country’s citizens.

Although the state claims to be secular, traditional religion and its associated rituals influence political decisions and governance. In 2022, the SADC Organ Troika Ministerial Fact-Finding Mission proposed a national dialogue, which the king decided to postpone until after the Incwala ceremony in 2022, with the rescheduled date set for 2023. Simultaneously, the king considers the existing Sibaya or “people’s parliament” as the ideal platform, given that it is a tradition where he addresses his subjects. However, pro-democratic CSOs reject this approach, arguing that meaningful dialogue is impossible if only the king is permitted to speak.

According to World Bank data (2020), 70.8% of the population has access to basic water services, 64.3% has access to at least basic sanitary services, and 79.7% has access to electricity, which marks an improvement compared to previous years.

The World Bank is supporting a water supply and sanitation access project in the Shiselweni region with a \$45 million loan. There are several projects of this type that are being financed by foreign donor organizations. There is no evidence illuminating how the government is coordinating these various projects or how they affect the accessibility of services for the country as a whole. Nor is it clear how they affect the country’s debt stocks.

No interference of religious dogmas

6

'06 _____ '24 10

6

1

Basic administration

6

'06 _____ '24 10

6

1

And although basic infrastructure improved in 2020, according to the World Bank, poverty, the lack of infrastructure and the insufficiency of resources for the broader population – which was especially visible and keenly felt during the pandemic – were the main sources of unrest in mid-2021. Young people in particular are no longer willing to accept a situation in which social media is full of images of the royal family’s profligate life, while at the same time hospitals are running out of drugs.

Due to the small population and low population density, access to basic infrastructure is more limited in rural areas. Protests have been more significant in urban areas, where there is at least greater freedom from that traditional authority that still effectively hampers political statements against the monarch.

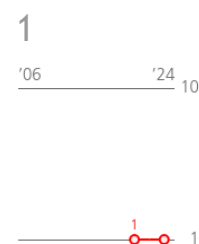
2 | Political Participation

The king serves as the head of state, while the prime minister holds the position of head of government and is appointed by the king, to whom the prime minister directly reports. The Senate is comprised of 30 seats, with 10 appointed by the House of Assembly and 20 appointed by the king. The House of Assembly has a total of 69 seats, including 10 appointed by the king. Individuals approved by local chiefs can run for a Senate seat through the Tinkhundla system. Although candidates are not always required to have the chiefs’ approval to run for office, the chiefs do have the ability to influence the selection of candidates. People residing within a specific chiefdom can nominate and vote for a candidate of their choosing. These chiefs lack democratic legitimacy, as they are bound to the king, but they still approve candidates, meaning that only individuals loyal to the king are elected to the House of Assembly. Most Swazi people understand this system primarily from a cultural perspective rather than a political one. Political parties, in the traditional sense, do not exist. The entities that claim to be parties are essentially civil society organizations without political power.

The last elections under the Tinkhundla system were held in 2018, with the next slated for 2023. Holding regular elections every five years does not mean that the people enjoy the right to elect individuals who form the government. Additionally, the system does not allow political parties to compete in elections. After Prime Minister Ambrose Dlamini died of COVID-19 in December 2020, Deputy Prime Minister Themba Masuku assumed office until July 2021. Following the unrest, the king appointed Cleopas Dlamini as prime minister.

All prime ministers so far have come from the royal family, and the last three prime ministers worked in the financial sector before their appointments. Cleopas served as CEO of the Public Pension Fund and was a member of the Senate but not of the House of Assembly, as envisaged in the 2005 constitution.

Free and fair elections



The government of Eswatini does not reflect the will of the people. The king appoints a majority of the members (20 out of 30) in the Senate and 10 out of the 69 seats in the House of Assembly. The king stands above the law and the constitution and has veto power, which makes it difficult for the government to act independently. The king's Proclamation to the Nation No. 12 of 1973 (the 1973 Decree) is still the supreme law of the country, vesting all executive, judicial and legislative functions in the king himself.

This is the reason why the SADC Organ on Politics, Defense and Security Cooperation is talking to the king rather than to the government in the attempt to find a solution to the increasing call for democratic change in the country.

More and more political groups operate as political parties, although they are still not officially allowed to do so. Since socioeconomic conditions deteriorated during the COVID-19 pandemic for the majority of Swati, the call for democratic change has increased. According to Afrobarometer, "59% of Emaswati say the country needs many political parties to give voters a real choice in who governs them." And people are more careful in 2021 than previously about what they say to whom.

After the death of a student in May 2021 and the acting prime minister's decision to ban all political protests, discontent with state brutality grew into a pro-democracy rally at the end of June. This was halted by armed police, resulting in the deaths of over 70 protesters. In July, parliamentarians Mduduzi Bacede Mabuza and Mthandeni Dube were arrested and imprisoned under the Suppression of Terrorism Act. They remained in detention as of the end of the review period. In the second half of 2022, transport workers brought the country to a standstill with a strike "demanding an increase in wages and better regulation of the sector," while also calling for the release of the two parliamentarians, according to Pavan Kulkarny's article on November 21 in the People's Dispatch. The king once again deployed soldiers and police to suppress the demonstration, resulting in the shooting, arrest and torture of strikers. Kulkarny wrote: "In the several protests and strikes witnessed since – be it by students demanding scholarships to access education or public workers and civil servants demanding living wages and decent working conditions – 'Mswati must fall!' became a common slogan across Swaziland."

When it comes to LGBTQ+ rights, the government denies groups the ability to register as organizations. The various political formations in Eswatini function as political parties, although they are unable to compete for power. They face numerous restrictions, including limitations on registration processes, member recruitment and the conduct of meetings. This oppressive environment often instills fear in individuals, deterring them from joining or associating themselves with political parties. Additionally, some political parties are prohibited under the Suppression of Terrorism Act.

Effective power to govern

1

'06 _____ '24 10

1

Association / assembly rights

3

'06 _____ '24 10

3

1

Media freedom is continually under pressure. Acting Prime Minister Masuku cut off the internet during the pro-democracy protests. During those protests, two journalists from New Frame were arrested and tortured by security forces, as reported by Peoples Dispatch on July 5, 2021. Their material was destroyed, and cameras were taken.

Zweli Dlamini, editor of the online Swaziland News, who had to flee to South Africa in 2018, was declared a terrorist by Prime Minister Cleopas Dlamini in June 2022. The government has approached South African courts in an attempt to stop Swaziland News from publishing certain investigative stories. During the pandemic, no one was allowed to print or electronically publish any information about COVID-19 without the health ministry's permission, which came close to censorship on a major public health issue. Contravening this directive could result in a fine or imprisonment for up to five years, reported Vuyisile Hlatshwayo on August 8, 2020, in the Mail and Guardian.

Most of the media, especially the critical outlets, are now primarily online and partially sourced from foreign countries. This hampers access for individuals residing in rural areas of Eswatini, where internet and data connectivity are limited. The Times of Swaziland, owned by Paul Loffler, is one of the country's prominent print newspapers. Additionally, the Eswatini Observer Newspaper Group is owned by Tibiyo Taka Ngwane, a company associated with the king.

The use of social media has given many Swati space to express themselves, but still with some amount of self-censorship due to the government's attitude toward critics and the increasing levels of intolerance in the public.

3 | Rule of Law

King Mswati III holds executive, judicial and legislative powers. Therefore, he is unimpeachable, and accusations on issues such as his alleged involvement in gender-based violence cannot be taken to court. In August 2022, Zweli Dlamini reported in the Swaziland News that the king had allegedly assaulted his wife, iNkhosikati Sibonelo Mngomezulu. She fled to South Africa for medical treatment.

King Mswati III directly appoints Supreme Court and High Court judges, but on the recommendation of the Judicial Service Commission. His delays in these appointments led to consequent delays in court hearings during the review period, with a new round of judges appointed only in October 2022. This affected an appeal on the unconstitutionality of the terrorism and sedition laws, among other cases. This can be seen as a violation of rights, as Rodrigo Canalli from the Southern Africa Litigation Center puts it: "Judicial actors need to understand that the effective delivery of justice is inseparable from adherence to the rule of law. Abuse of judicial procedure, whether by state or private actors, goes hand-in-hand with tolerance for rights violations. Under the rule of law, diligent and strict observance of procedural

Freedom of
expression

2

'06 _____ '24 10

2

1

Separation of
powers

2

'06 _____ '24 10

2

1

rules is never discretionary, but a safeguard against capricious and arbitrary measures and a guarantee that the laws will be properly applied in the way they are supposed to. In this context, it is important to emphasize that the government's right to appeal an unfavorable decision does not extend beyond their obligation to exert this right in conformity with the procedural rules by which it is defined and limited." The absolute nature of the monarchy is the core problem in this regard. Even if the government or parliament, for example, accepts a dialogue as suggested by the SADC Troika, it cannot happen as long as the king refuses.

Although Sections 138 and 141 of the 2005 constitution proclaim the independence of the judiciary, the 1973 royal decree remains in effect, contradicting the constitution in this respect. The existing duality of the judiciary system, under which Roman-Dutch law cannot fully function as it cannot rule on matters handled by the traditional courts, adversely affects 76% of the population living in rural areas. Simultaneously, the high cost of accessing justice persists, as many individuals cannot afford legal representation and the courts are often geographically distant.

Allegations of corruption and patronage occurred in December 2022. The Law Society of Eswatini (LSS) lodged a complaint against Chief Justice Bheki Maphalala for allegedly engaging in acts of serious misbehavior that could lead to impeachment. The complaint alleges that Maphalala utilized appointments as a means of patronage, ensuring the loyalty and indebtedness of certain members of the legal profession, as reported by the Eswatini Observer on December 21, 2022.

The Southern Africa Litigation Center (SALC) "is concerned by the travesty of justice and violation of judicial independence." Leaked correspondence has revealed that the chief justice advised a Supreme Court judge to write a judgment, an action that clearly violates the independence of the judiciary. The hearing took place on June 10 and in September 2022, and the Supreme Court allowed the appeal to continue.

The manner in which political cases are handled is a clear indication that there is no judicial independence and that suspects consequently do not receive equal treatment. For instance, the arrest and prosecution of the two members of parliament who have been denied bail show that the judges are not independent when making their decisions.

According to the law, officials can be sued for corruption. However, these laws are not effectively implemented, and impunity is therefore still common. Personal relationships are frequently exploited, and bribes are used to secure government contracts for large capital projects. The last three prime ministers came from financial backgrounds and were known financial enablers of the king, as Thandiwe Masuku put it in the Bridge on July 25, 2021. Masuku also reported on an allegation that King Mswati III was using the pension fund for himself and his family to pay for their lavish lifestyle.

Independent
judiciary

3

'06 _____ '24 10

4
3

1

Prosecution of
office abuse

1

'06 _____ '24 10

1
0

1

The royal family and its close allies are not investigated or prosecuted, as they are effectively above the law. The Anticorruption Commission and the Commission on Human Rights and Public Administration Integrity are consistently under-resourced, which affects their effectiveness. They have been viewed as duplicative, and discussions have been ongoing since 2020 about merging them.

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 legal aid bill has still not become law, which limits the availability of pro bono legal services. In rural areas, access to town courts is limited, forcing people to rely more heavily on traditional courts, even when the issue could be resolved in a modern court.

In May 2021, peaceful protesters delivered petitions calling for an end to police brutality and democratic reforms after a student was killed, likely by the police. In June of that year, the government reacted with a ban on pro-democracy demonstrations. However, the demonstrations continued, not only in urban areas but also in rural areas. The police responded with lethal ammunition and tear gas, resulting in over 70 deaths and more than 100 injuries. Reports provided evidence that both the police and the army were involved in shooting and killing civilians. The following day, the then-acting prime minister imposed a curfew. By October, over 1,000 people had been arbitrarily arrested using the 1938 Sedition and Subversive Activities Act and the 2008 Suppression of Terrorism Act. As Marc Haywood reported in the Daily Maverick on July 6, 2021, the killings, torture and abductions during what is now called the June massacre offer evidence of “disproportionate and unnecessary use of force, harassment, and intimidation by security forces in suppressing [the] protests, including the use of live ammunition by police.”

The demonstrations and the brutal reaction of the police and military continued through the beginning of 2022. The police, military and government reacted to public political statements with clear and fundamental civil rights violations. In January 2023, human rights activist and lawyer Thulani Maseko was shot in his home. At the same time, Russian Foreign Minister Sergey Lavrov pledged that his country would provide military training to Eswatini during a visit in January 2023, as reported by Lenin Ndebele on January 25 in News24.

There are many reported incidents of political activists being tortured by state agents, which means that their personal liberties and rights have been violated.

Discrimination based on race, ethnicity or religion is rare, as society is rather homogeneous. However, LGBTQ+ rights are still a problematic area. While a court decision has accepted the full personal rights of LGBTQ+ individuals, it simultaneously bars a group supporting such rights from legally registering.

Civil rights

2

'06 '24 10

4
3
2
1

1

4 | Stability of Democratic Institutions

In an absolute monarchy, there are no democratic institutions. The political system in Eswatini is unique and difficult to compare with others. It was established after World War II by King Sobhuza II, and King Mswati III has perfected it for his 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 that people in rural areas in particular tend to live under an undemocratic system without any checks and balances and even under a different judiciary system that does not fully respect human rights. This arrangement compromises accountability and increases opportunities for corruption. It affects service delivery, as people in these institutions do not feel accountable to the electorate. Wherever elections occur, the king and the royal family are involved and control and influence the process.

Amid calls for a national inclusive dialogue, the way in which the king avoids and mocks decisions, even those made by the SADC Organ on Politics, Defense and Security Cooperation, has come to symbolize the way the government and other so-called democratic institutions function. No one can persuade the king to hold this dialogue, as he considers himself above the law and the constitution.

Political parties are not permitted to participate in elections under the Tinkhundla system, as it allows only for individual candidates. Consequently, they are not included in the democratic framework of the country. However, in their capacity as NGOs/CSOs, they serve a significant purpose in shaping public opinion and endeavor to establish checks and balances in a way akin to an extraparliamentary opposition.

The country's monarchy is founded on the dual leadership of the queen mother and the king, who are counseled by different bodies. It is not clear how much influence consultants to the king actually have. The only one with veto power is the king himself. This makes it very difficult for diplomatic interventions (government to government) to succeed because the government's decision-making power is very limited.

It appears that the military gained ground during the unrest in 2021, when soldiers were deployed to the streets in order to suppress pro-democratic protests. However, it is unclear whether this will alter the power balance in the country.

The ongoing pro-democracy demonstrations indicate that more and more people want to see change. Even trade unions and businesses are unhappy with the current situation.

Performance of democratic institutions

2

'06 _____ '24 10



Commitment to democratic institutions

2

'06 _____ '24 10



5 | Political and Social Integration

Political parties as such are still not allowed and cannot compete in elections because the Tinkhundla System is based on individual votes. Some progressive parties, like PUDEMO, have been banned under the Suppression of Terrorism Act.

There are approximately 15 political parties in the country, with the People's Front being the most recently founded. However, a majority of them remain rather silent. The pro-democracy uprising in 2021 was mainly orchestrated by students and young activists.

There are now three umbrella organizations to strengthen the call for democratic change in the country: The Mass Democratic Movement (MDM) consists of all the organizations that are involved in the struggle for democratization. The Multi-Stakeholder Forum (MSF) is part of the MDM and was founded after the chair of the SADC troika on peace and security, Ramaphosa, visited the country and suggested a broad national and inclusive dialogue. The Forum consists of political parties, businesses, faith-based and women's organizations, students, youth groups, and others and was chaired by human rights lawyer Thulani Maseko until he was shot in January 2023.

The Political Parties Assembly (PPA) is an umbrella organization encompassing most of the more progressive political parties. The chairmanship of the PPA rotates, and as of October 2022, was held by Nombulelo Motsa, the president of the Economic Freedom Fighters (EFF).

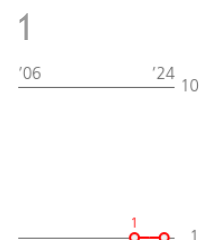
All three bodies represent a new way of trying to channel the plea for pro-democratic change in the country through to the king, forcing him into a dialogue. They collectively constitute the first attempt in years to organize a mass movement in which social forces can work constructively together.

Apart from political parties, interest groups such as trade unions, civil society organizations (NGOs), faith-based organizations and broader coalitions like the Multi-Stakeholder Forum put pressure on the government.

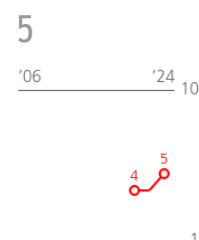
These various interest groups and political parties have programs through which they connect with communities and engage with ordinary citizens.

Cooperation between interest groups has improved, helping them become more visible and vocal. However, there are still at least three coalitions (Multi-Stakeholder Forum, Mass Democratic Movement, Political Parties Assembly), in addition to the traditional coalitions like the Federation of Trade Unions or church councils, with none of them dominating the discussion. There may still be too many coalitions to provide an effective driver of change.

Party system



Interest groups



The Trade Union Federation (TUCOSWA) was very active during 2022, organizing marches despite the government's ban on such events. It has reported the banning, as well as the human rights atrocities, to the ILO. Stanley Khumalo reported this in the Times of Eswatini in June.

The Swaziland Transport, Communication and Allied Workers Union (SWATCAWU) organized a strike in November 2022, demanding the release of the two parliamentarians who have been supporting the pro-democratic movement since 2021. The king deployed soldiers to end the strike. In an article for the Peoples Dispatch from December 19, 2022, the journalist Pavan Kulkarni wrote that many members of this union, which represents over 3,000 of the 5,000 transport workers in the small landlocked country, had been shot, abducted and even tortured by security forces during the November 2022 action. The strike continued on December 13 and 14. The workers see a connection between low wages, limited workers' rights and the lack of democracy. This is why they sought to address political issues with their strike. The fact that transport operators did not try to interdict the strike indicates that they actually support the pro-democratic shift in the union's demands. It might even signal that the government is losing its support.

Most of the churches support the envisioned national dialogue and are part of the Multi-Stakeholder Forum.

Still, most political civic initiatives are based in an urban setting. Youth organizations like SWAYOCO, as well as the Swaziland Rural Women's Assembly, are trying to expand their reach into rural areas. The latter organization is primarily addressing gender-based violence and climate change, but it is becoming increasingly political as it advocates for women's land rights and an end to patriarchal traditional systems.

Support for the monarchy, and particularly for the current king, is declining. According to the December 2021 Afrobarometer survey, the proportion of people calling for multiparty democracy has increased to 59% of the population, up from 48% in 2018. The percentage of those opposed to political parties decreased from 46% in 2018 to 37% in 2021. The number of individuals lobbying for democratic change and participating in demonstrations is on the rise. The younger generation in particular is bringing a different perspective to the discussion on the king, utilizing social media to expose the royal family's extravagant lifestyle. Additionally, the conversation is expanding into rural areas, specifically the Tinkhundla administration.

The newly founded Mass Democratic Movement also sees an important role for civil society. The group's leaders are aware of the failure of party-based democracy in surrounding countries. While they have campaigned for the removal of the ban on political parties and have called for them to be a part of the elections, they have also discussed the possibility of a broader role for other stakeholders in a reformed political system after the end of the absolute monarchy.

Approval of
democracy

n/a

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n/a

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Traditionally, the people of Eswatini promoted a communal life, fostering collaboration at different levels for a common purpose. This spirit led to successful community development projects such as the neighborhood care points. Eswatini boasts a diverse civil society that encompasses trade unions, religious communities, women's organizations and charity organizations. Unfortunately, in the past, relentless pressure on civil society organizations has often resulted in divisions, the emergence of new groups, and the formation of startups, ultimately compromising the sector's long-term effectiveness. Moreover, poverty levels have increased following the COVID-19 pandemic. The political violence that has emerged since 2021 has also correlated with an uptick in other forms of violence and crime. Notably, firearms have become increasingly easy to obtain.

The latest Afrobarometer findings indicate that the number of supporters of greater democracy is rising, accounting for approximately half of the population.

Since June 2021, there has also been a shift from social groups centered around cultural events and other social activities to various forms of solidarity groups that share concerns over the political situation. More social media platforms have been created, and an increasing number of people have been observed joining protests. Simultaneously, traditional structures are also making efforts to mobilize greater attendance at their events, seemingly to showcase their continued support. Additionally, new types of solidarity groups are emerging alongside the traditional ones; these newcomers, such as the Eswatini Solidarity Fund, utilize the internet and are led by young individuals.

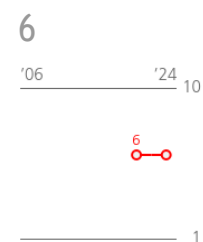
II. Economic Transformation

6 | Level of Socioeconomic Development

The country's human development can still be classified as medium, with a 2021 Human Development Index score of 0.597, a decrease from 0.61 in 2020, and a ranking of 144th place out of 191 countries (141st in 2020). The Gender Inequality Index score, at 0.540, also worsened slightly compared to the previous year.

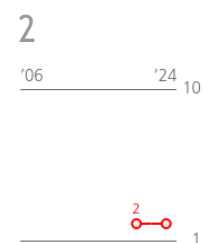
Around 75% of the country's residents still live in rural areas, the majority of whom are women (60%). This population relies on agriculture, with minimal infrastructure and limited mobility. Although the share of the population with cell phones and access to the internet is constantly improving, the prevailing lack of cash limits people's digital opportunities. Additionally, climate change is further exposing the vulnerabilities of the rural population. According to the WFP's brief in March 2022, 59% of the population lives below the national poverty line, and 25% are considered to be extremely poor. The region surrounding Manzini and the capital city of Mbabane is more developed and industrialized than the rest of the country.

Social capital



Question Score

Socioeconomic barriers



It is difficult to say how the COVID-19 pandemic has affected education, especially the number of girls enrolled in schools. There are as yet no data available on this issue, but it is obvious that there was a negative effect, which was intensified by school closures in 2021 and 2022, during the period of unrest and strikes. Families living close to the border started to send their children to schools in South Africa. According to UNICEF, the incidence of gender-based violence increased during the lockdown and pandemic, with 15% more reported cases but an estimated high number of unreported cases.

Economic indicators		2019	2020	2021	2022
GDP	\$ M	4466.2	3982.2	4748.7	4854.2
GDP growth	%	2.7	-1.6	7.9	3.9
Inflation (CPI)	%	2.6	-	-	-
Unemployment	%	22.8	25.1	24.6	24.4
Foreign direct investment	% of GDP	2.9	1.0	2.4	0.3
Export growth	%	16.3	-2.4	9.9	-
Import growth	%	1.5	-1.3	14.4	-
Current account balance	\$ M	176.1	270.9	125.3	-141.0
Public debt	% of GDP	39.5	41.2	40.8	42.0
External debt	\$ M	833.7	957.3	1130.4	-
Total debt service	\$ M	54.4	103.1	65.2	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	21.8	22.7	19.3	-
Public education spending	% of GDP	5.7	5.4	5.3	5.7
Public health spending	% of GDP	3.4	3.4	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.9	1.9	1.8	1.6

Sources (as of December 2023): 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

The largest sectors of the economy are dominated by large companies and a high level of interference by the royal family, which manifests as a significant number of family members in high company or government positions. It is estimated that the king owns about 50% of the country's economy, as revealed by the Inhlase Center for Investigative Journalism from Eswatini in *The Namibian* in August 2022.

The central bank of Eswatini has begun collaborating with Giesecke+Devrient to explore the possibilities of a central bank digital currency.

The central bank revoked a license for the Farmers Bank in 2020 because it failed to provide proof of the source of its funds. However, the license was reinstated in January 2021, and the institution appears to have been functioning effectively since then.

According to data from World Economics, the informal sector is estimated to account for 40.9% of the economy, corresponding to \$7 billion at GDP PPP levels.

The aim of the National Development Plan (2019 – 2022) was to transform Eswatini into a country with a high level of development, but weak implementation and exaggerated expectations led to failure in this regard.

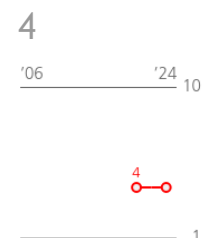
The Eswatini Competition Commission was established in 2007 and is listed as a member of the International Competition Network (ICN). Due to the weakness of the Competition Act, which became evident after the Competition Commission failed to challenge the egg cartel, a draft bill reforming the Commission was publicized in 2020, and it is still pending.

Tibiyo Taka Ngwane (Wealth of the Nation) is a sovereign wealth fund that was created by King Sobhuza II in 1968, is currently held by King Mswati III and is independent from the government. It holds shares in all major companies and is not subject to Commission oversight. According to Mthunzi Maziya's article in *The Times of Swaziland* in July 2022, Tibiyo announced a net profit of SZL 288 million for the COVID-19 year of 2021.

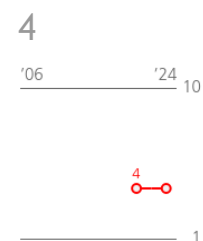
The Commission has never ruled against foreign investors. It may be compromised by not being well-resourced, and it may not be entirely independent – especially when it comes to the royal family and their business connections.

The Commission also oversees the implementation of antitrust laws with the aim of avoiding monopolies, but only a few cases have been recorded of mergers being blocked. While regulatory bodies and the legal framework are in place, these have yet to be tested by a substantial merger with strong political interest. Decisions of independent agencies are often watered down by members of the royal family or

Market
organization



Competition policy



government. Large state-owned enterprises (SOEs) today have no legal advantage over private companies. But tenders tend to be given to companies with royal connections rather than to the best offer, which clearly undermines competition.

According to the World Bank, foreign trade accounted for 91% of the country's GDP in 2021. South Africa serves as the main trading partner, responsible for approximately 85% of its imports and about 60% of its exports. The government ratified the Economic Partnership Agreement (EPA) with the European Union in 2016 and launched an implementation plan in 2021.

Eswatini is beginning the process of joining the African Continental Free Trade Agreement, with a focus on goods and services, as announced by the U.N. Economic Commission for Africa at the end of November 2022.

In December 2022, Prime Minister Dlamini announced that the preferences granted to Eswatini under the African Growth and Opportunity Act (AGOA) would be extended for another 10 years, with fewer conditionalities. This comes at a time of escalating state violence against civilians and human rights atrocities. So far, there have been no positive developments since the introduction of special economic zones (SEZs).

The UNDP launched a digital market intelligence tool in July 2022, which will inform private sector investments about opportunities linked to the SDGs. According to a report published in September 2022 by the International Finance Corporation (IFC) and the World Bank, the country needs to strengthen its trade and regulatory environment and reduce “the state footprint in sectors that can be better served by the private sector. It also encourages private participation in key enabling sectors like telecommunications and energy.”

In 2021, Eswatini and Mozambique resolved their outstanding non-tariff barrier. Due to Eswatini being a landlocked country, Mozambique charged fees to the trucking business for entering and exiting in order to provide access to the port, as reported by the Swazi Observer on October 24, 2021.

Eswatini's main currencies are the U.S. dollar, the euro and the British pound. The Swazi lilangeni is pegged to the South African rand, which is also accepted throughout the country. The banking sector is quite stable, and there has never been a bank failure. There are only six banks operating in the country, mainly branches of South African institutions, with Standard Bank being the biggest. Only 54% of the population has a banking account.

The recently established Farmers Bank, which would become the second national bank after the Eswatini Bank, has encountered difficulties in obtaining a license due to uncertainty regarding the sources of its start-up capital, as reported by The Times of Eswatini on July 24, 2022. While the bank is currently operational, the issue surrounding its capital remains unresolved.

Liberalization of foreign trade

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Banking system

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The non-performing loans to gross loans ratio in 2019 stood at 9.4%, slightly higher than the previous year, but there are as yet no figures available for (post) COVID-19 years. The bank capital-to-assets ratio fell dramatically between 2018 (13.1%) and 2019 (4.5%).

8 | Monetary and fiscal stability

The local currency, the lilangeni (SZL), is tied to the South African rand (1 SZL = ZAR 0.053 as of January 31, 2023). However, the national budget relies heavily on the revenues from the South African Customs Union (SACU), which are steadily declining. The SACU member states – Botswana, Lesotho, Namibia, South Africa and Eswatini – have a unified tariff structure and do not charge customs duties to each other, although there is a common external tariff that applies to nonmember states. Income is collected through South Africa’s National Revenue Fund and distributed based on a revenue-sharing formula.

As KS Mnguni wrote in *The Times of Swaziland* in July 2022, the revenues “covered close to the total cost of government wages and salaries and about half of the wage bill in 2021/22, Eswatini having received about SZL 2.1 billion.” In 2021, the country’s total reserves would have been enough to last for three months of imports – an improvement over 2020.

In 2022, the inflation rate was 4.8%, mainly driven by food and transport costs, as well as a depreciating local currency. This was an increase from 3.72% in 2021. The outlook appears to be relatively stable until 2027.

Public debt rose to 54.1% of GDP in 2021, as anticipated, which amounts to \$1,854 per inhabitant.

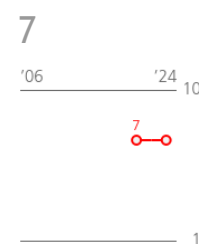
The central bank still appears unaffected by the growing influence of the royal family on public institutions.

Rising debt and debt service are of great concern for fiscal stability, as real GDP growth was projected to fall to 1.1% in 2022 from 7.9% in 2021 (but rising from -1.6% in 2020).

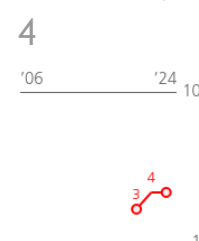
Public debt is constantly rising, standing at \$45.0 trillion in 2021, or 46% of GDP, according to the IMF. Total debt service as a percentage of GNI stood at 1.5% in 2021, falling from 2.9% in 2021. However, for the last few years, this figure has fluctuated. The debt service on external debts alone stood at \$65.2 million in 2021.

Eswatini has no National Disaster Risk Finance Strategy, which would be very useful for such a small country in order to force the prioritization of scarce fiscal resources, as described by Barry Maher and Kwaramba in their study published in May 2022.

Monetary stability



Fiscal stability



SACU revenues are the main sources of governmental income, as a large portion of the sovereign wealth funds are held by the royal family, and do not contribute to the budget.

General government final consumption expenditure amounted to 22.8% of GDP in 2021 (no data so far on 2022). There was a positive current account balance of \$254.9 million in 2020. However, this figure is volatile; in 2018, it stood at \$60.7 million, and in 2015, it was at \$533.3 million.

In his budget speech in February 2022, Minister of Finance Neal Rijkenberg announced that the corporate tax headline rate would be reduced from 27.5% to 25%. The minimum individual taxable threshold was to be raised from €3,500 to €4,000 per month to reduce the burden on the poor. On the other end, at the upper tax bracket, there was to be an increase in the basic tax rate from 33% to 36% (20% of the taxpayers). The announced offsets remain very vague.

9 | Private Property

The International Property Rights Index ranked Eswatini globally at 73rd out of 129 countries and regionally at 6th place out of 30 countries. The Physical Property Rights subindex score decreased by -1.411 to 5.033, with a score of 5.99 in the perceptions of Property Rights Protection.

Land ownership under the current land tenure system is still critical because it falls under the traditional system and is linked to patriarchal structures, under which women are often denied equal rights. There are no guarantees to land ownership, especially on Swazi nation land.

The long-standing battle over evictions from the Madonsa farm is symptomatic of the state of the rule of law and property rights in the country. There appears to be more than one owner, and the people who have lived on the farm for decades have been facing evictions since 2012. Farm dwellers have no tenure security, and after receiving an eviction order, the families have no alternative place to go. This incident highlights that young people, in particular, are beginning to resist questionable evictions, as reported by Thokozani Mamba in March 2022 in the Times of Eswatini.

The constitution of 2005 is clear about the fact that “noncitizens or their majority-owned companies cannot purchase immovable property,” as Ntokozo Nkambule writes in April 2022 in the Inside Biz magazine. However, he continues, businesses using as a significant factor land owned by non-citizens, either personally or through companies they mostly own, can purchase immovable property in Eswatini. Most often, this will be industrial, commercial or agricultural land.

Property rights

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There is an ongoing discussion around the privatization of the more than 30 state-owned enterprises (SOEs), because they rely on subsidies, as stated by the minister of finance. The Eswatini Posts and Telecommunications Company (EPTC) is set to be demerged, as revealed in an IFC report in September 2022. This could lead to improved access and lower prices for digital services.

Corruption and interference by the royal family occur in both the private and public sectors. Although the government is engaged in privatization, implementation is slow and lacks transparency, as evident in the implementation of the National Development Plan (2019 – 2022) and the Post-COVID-19 Economic Plan. The traditional system of land access through chiefs is likely to discourage investors in the agrarian sector. Furthermore, reforms aimed at restructuring SOEs are being implemented slowly.

King Mswati III and the royal family are said to own around 50% of the country's economy, primarily through shares owned by the Tibiyo Taka Ngwane fund. Rather than contributing to the development of the Swati nation or the overall economy, these assets finance the royal's luxurious lifestyle. Additionally, the government has no authority or control over this extensive wealth, making it inaccessible.

10 | Welfare Regime

The U.N. Office for the Coordination of Humanitarian Affairs (OCHA), through ReliefWeb, estimated in January 2022 that between December 2021 and March 2022, 29% of the population was facing conditions of acute food insecurity.

A national social security policy was developed in 2019 and adopted by the cabinet in 2021.

The Old Age Grant for citizens over 60 (currently 75,481 citizens) was implemented in 2005 and is currently set at SZL 500 per month, but paid out only every third month. The Economic Freedom Fighters of Swaziland (EFF SWA) has demanded that the government increase this to SZL 2000, as reported by Eugene Dube in Swati Newsweek in June 2022.

About 24,000 pupils are benefiting from the school meals program called Zondle. The program is primarily (74%) supported by external donations. However, Nhlanganiso Mkhonta reported in The Times of Swaziland in June 2022 that school principals have raised concerns about not receiving food throughout the entire year.

Owing to the increasing prices for fuel and staple foods, unions are urging the government to raise the grant for orphaned and vulnerable children from SZL 2500 to SZL 4000. Currently, the World Food Programme (WFP) supports 59,000 orphans and vulnerable children under five years of age through 1,700 Neighborhood Care Points.

Private enterprise

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Social safety nets

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In his 2022 budget speech, Minister of Finance Neal Rijkenberg announced that a planned Unemployment Benefit Fund was being developed in cooperation with the International Labor Organization (ILO).

For most beneficiaries, the social protection net is still unclear, with benefits representing state handouts rather than entitlements.

The king and members of the royal family are above the law, and citizens of Eswatini are their subjects. In this respect, there is no equality. The society is quite homogenous due to the fact that most residents are Swati, and an overwhelming majority are Christians. Although the constitution guarantees gender equality, society is still patriarchal, and women's rights are not always a given. Male and female literacy rates are equal in 2020 at 89%, but it is not yet clear whether the pandemic had any negative impact on this.

The Gender Parity Index (GPI) score of 1.02 (2020) compared to 2019 (0.92) indicates conditions that slightly favor females. When it comes to labor, women are under-represented, constituting only 41.3% (41.4% in 2021) of the labor force in 2020.

The World Bank has called for improvements in financial services, where gender-based discrimination is still prevalent. For instance, it has called for allowing women to sign a legally binding contract, register a business and “open a bank account in the same way as a man.”

Under the terms of the constitution, 30% of the parliament is supposed to be female. In this term, this figure is only 13.51%. The LGBTQ+ community is still politically and socially discriminated against, but despite unrest-driven demonstrations, a pride event was held in early July 2022 without any disturbances.

11 | Economic Performance

Eswatini is a lower middle-income country with a real GDP growth of 2.4% in 2021, while GDP per capita was at \$9,816. The inflation rate in 2022 rose to its peak in August, reaching 6.7% and falling to 5.5% in October. The CPI in September 2022 was at 111.40 points.

The unemployment rate rose from 23.5% in 2020 to 33.5% in November 2021, as was expected due to the pandemic.

The FDI flow declined to only 1.1% of GDP in 2020 from 2.9% the previous year. Gross capital formation has fallen back to the 2017 level, at 12.8% of GDP. The budget balance in relation to GDP is still negative (-6.36% in 2022), with a prospect of improvement through 2027.

Equal opportunity

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Output strength

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According to the Eswatini Stock Exchange, the Royal Eswatini Sugar Corporation (RES) is currently the company with the highest market capitalization, accounting for 33.56% of the market's entire capitalization, which amounts to SZL 1.464 billion. Tibiyo, on behalf of the king, holds a 50% stake in the company. As of October 2022, the total value of government bonds reached SZL 5.865 billion, with a month-on-month increase of SZL 412.205 million in government bond activity.

12 | Sustainability

Eswatini faces an escalating risk of climate change-related seasonal flooding and drought. Some rural areas already experience heightened aridity, causing hardships for local populations. In 2016, the nation introduced the National Climate Change Policy; however, limited progress has been observed in implementing effective strategies, which is partly attributable to the country's dire financial situation, weak economy and human development challenges.

In November 2021, Eswatini submitted its first Adaptation Communication (AdCom) to the United Nations Framework Convention on Climate Change.

Around 80% of the country's energy is imported from South Africa. The government plans to achieve energy independence by 2034. Energy produced in the country is currently sourced nearly 100% from renewables, with 60% coming from hydropower, 39% from sugarcane-based biomass cogeneration and only 1% from solar energy. The presence of solar energy is growing due to increased investment in small-scale projects. Geothermal projects hold considerable potential.

Although the government has developed a National Strategic Development Plan (2018 – 2023) and an Education Strategic Sector Plan (2022 – 2034) aimed at improving learning levels, boosting educational attainment and enhancing the education sector's resilience to future crises, government expenditure on education has been steadily declining since 2017 (6.1%), reaching 5% of GDP in 2021. Additionally, the 2021 report on the education sector analysis highlights persistent weaknesses in policy implementation.

More than 75% of the students live in rural areas with limited access to educational opportunities and, on average, show lower academic achievements than their urban peers. The quality of basic education has been compromised, making discussions about higher education challenging due to the lowered standards in primary and secondary schools. The education system has experienced numerous and ongoing changes, with several programs introduced without proper assessment beforehand.

For three consecutive years, the country's score on the U.N. Education Index has stood at 0.586 (2019 – 2021). The latest data on R&D is from 2015, showing expenditure on the sector at 0.3% of GDP.

Environmental
policy

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Education policy /
R&D

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In May 2022, the World Bank announced a \$27 million loan focused on strengthening the country's education service delivery and management systems. The project will also improve the quality of early education and the junior secondary level in targeted areas. The project is cofinanced by the Global Partnership for Education (GPE) through a \$4.75 million grant.

The effect of school closures during the pandemic has not yet been evaluated. Due to the ongoing unrest, the government has again closed schools, while principals have closed schools due to a lack of food. This will have further negative effects on children's learning. New Frame reported in April 2022 that parents who live close to the border are sending their children to South African schools.

Governance

I. Level of Difficulty

Eswatini is a landlocked country surrounded by South Africa. Therefore, South Africa and Eswatini are closely linked, although South Africa dominates Eswatini economically and socially.

There are as many siSwati-speaking people in South Africa as there are people living in Eswatini. Historically, the country was used by the apartheid regime as a source for unskilled (male) workers for the mines and farms. Since this need has declined, there are hardly any employment opportunities for them. According to World Bank data, unemployment is on the rise, especially after the pandemic, reaching a rate of 26% in 2022. Poor management and corruption are contributors to the number of graduates without jobs.

While tuberculosis rates were previously on the decline, they rose slightly during the pandemic. However, the estimated number of unknown cases might be much higher. The number of newly infected individuals with HIV is also declining, with an incidence rate of 8 per 100 in 2021, while the overall prevalence remains constant at 27%.

The majority of citizens still live in rural areas and are highly affected by climate change, particularly in terms of agriculture. Agriculture contributed only 8.1% to the GDP in 2021.

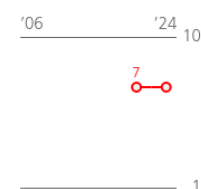
Although all cultural and traditional structures are associated with the monarchy, Eswatini exhibits vibrant civic engagement. The degree to which this engagement is voluntary or stems from individuals identifying themselves as subjects to the king remains unclear. Following a boycott of the traditional umhlanga reed dance by various groups, the number of participating girls significantly decreased compared to previous years. This cultural festival, which once attracted tourists, is now criticized for being perceived more as an act of exploitation rather than a display of solidarity among women.

There are many international, regional, and national NGOs and charity organizations active in the country, accompanied by extensive community work. Along with work on health, education and agricultural issues, there are women's organizations dedicated to addressing gender-based violence. The Rural Women's Assembly is a robust network that is deeply rooted in rural areas and engaged in regional networking.

While concern over the sociopolitical situation in the country is increasing, the space for civil society engagement is shrinking.

Structural constraints

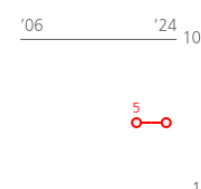
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Civil society traditions

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Conflict and violence levels in the country have never been so high. Since 2021, pro-democracy organizations and political parties have gained significant ground. There exists a mass democratic movement that met in December 2022 in South Africa for the second time. This movement seems to be seen by the monarchy as a threat, as more and more leaders of the movement have been victims of attacks. The house of the president of PUDEMO was bombed in September 2022, and in December, a member of the newly formed Swazis First Democratic Front was killed. The chairperson of the Multi-Stakeholder Forum and speaker of the Mass Democratic Movement, Thulani Maseko, was assassinated in his house in January 2023.

State violence includes the use of mercenaries and paramilitary activities. Some sources mention support from Equatorial Guinea, while others locate such support in South Africa and Russia, as reported by Welcome Dlamini in *The Times of eSwatini* on January 22, 2023. On the other side, around four armed groups have sought to destabilize the country through attacks on police and military facilities, government infrastructure, people and companies linked to the royal family. Members of the security forces have been killed.

The conflict is not based on ethnic or religious differences but rather on who is benefiting from the current status quo and who is not.

Conflict intensity

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II. Governance Performance

14 | Steering Capability

The government's goals and strategies are solely focused on regime survival. Starting with the unrest in June 2021, the government's primary concern, particularly that of the king, is maintaining power. The military and police have been actively suppressing pro-democracy demonstrations and arresting and torturing students. Unfortunately, there appears to be no long-term planning in place. The king consistently delays engaging in dialogue with civil society, despite the agreement struck with the SADC Troika in 2021 and 2022 that such dialogue could potentially resolve the current deadlock.

Eswatini is still classified as a middle-income country, with high poverty levels and continually declining growth rates.

In the Vision 2022 document, the goals were to enhance economic performance, attain the highest level of human development through good governance principles and national political stability, and ultimately achieve high human development status by the year 2022. However, this expectation was unrealistic in terms of planning and prioritization. The announced Program of Action did not succeed, and

Question
Score

Prioritization

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the Eswatini Development Index (SDI), which was intended to monitor the program, was never implemented. The vision for 2022 was more of a wish that had to be abandoned, not only due to the COVID-19 pandemic but also because there was no clear plan and insufficient resources in place to achieve it.

The International Finance Corporation and the World Bank stated in a report released in September 2022 that Eswatini still lacks reforms that could boost the economy. This indicates that unlocking the private sector to help grow the economy and create more jobs has not been a priority for the government over the last two years.

Although the government announced it had reached the HIV prevention milestone of 94–97–96 (i.e., diagnose 94% of all HIV-positive individuals, provide antiretroviral therapy for 97% of those diagnosed and achieve viral suppression for 96% of those treated by 2030), the Swaziland Democratic Nurses Union (SWADNU) warned in January 2023 that the government is neglecting people who were already infected with HIV. This neglect became increasingly visible after the union revealed a shortage of anti-retroviral medication, which might lead to higher death rates, as reported by Nokwanda Mamba in the Swaziland News in January 2023.

The government announced in December 2022 that the country reached the HIV prevention milestone of 94–97–96, as targeted in its HIV Incidence Measurement Survey. Although this achievement is noteworthy, it appears to be the only significant success thus far.

In its Vision 2022 document, the government mentions the following implementation gaps on key issues.

National priorities: “Limited tracking of progress on implementation and outcomes; lack of policy coherence; disjointed programs; lack of commitment and decision-making.” The assessment report does not mention the king and the royal family as drivers of this vision. However, their omission highlights the current main impediment to improving the situation, underscoring the real challenge and problem for the country.

The royal family receives SZL 1 billion per year from the general budget, in addition to its revenues through Tibiyo, which is not included or visible in the national budget, although it is a sovereign wealth fund. The fiscal adjustment plan, which lacks transparency and does not include all assets currently held by the royal family, is doomed to fail. Neither the king nor the Tibiyo fund pay taxes. Considering that, according to an article in *The Namibian* in August 2022, the king is estimated to own 50% of the country’s economy, this is a large amount of money that cannot currently be included in any budget consolidation. Aside from this, the government completely fails in planning and prioritizing.

Implementation

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Serving under an absolute monarchy, the government has little ability to change the current situation and unlock economic performance or resolve political standoffs. Considering the political instability of the past two years, policy learning is unlikely to be associated with the government of Eswatini. The government's complete dependence on the king, along with the fact that the king is frequently absent and unreachable for months, make it nearly impossible to learn from failures. Conversely, the overall deteriorating situation and the government's approach make it difficult to believe that achieving social progress numbers among its objectives.

The prevalence of police brutality, unlawful incarceration, torture and political murder – such as the killing of human rights activist and lawyer Thulani Rudolph Maseko on January 21, 2023 – highlight the government's response to the quest for more political participation.

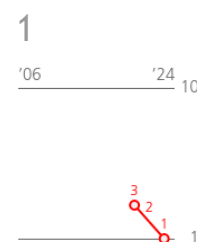
15 | Resource Efficiency

Education can be taken as an example of underutilized allocated funds. In recent years, the government has caused an education crisis due to a shortage of teachers and support staff. Schools lack basic supplies because the government has not paid suppliers, and there is a shortage of food for the school meal program. The teachers' union, SNAT, has complained that military employment is being favored over education employment, as teachers only receive temporary contracts while soldiers are permanently employed, as Thulile Gama disclosed in the Times of Eswatini in June 2022. Deteriorating education systems pose a significant challenge for the country, as human resources are not effectively developed and underskilled graduates are not beneficial for the economy.

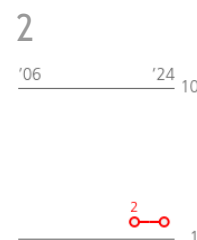
The government is not elected in a democratic way, and the king often appoints ministers from his immediate family, disregarding their qualifications. The appointment of junior officers compromises the quality of the workforce and marginalizes qualified and deserving candidates. Princess Tsandzile, his sister, serves as the minister of home affairs; his daughter, Princess Sikhanyiso, is the information minister; and his son, Prince Sicalo Nkopolo, is the new principal secretary in the Ministry of Defense. These are only the top positions and do not include the influential positions that family members were appointed to in 2020.

The interference of the royal family in government, its consumption of a significant portion of the country's assets, and its lavish lifestyle leave little for the rest of the population – whether it be financial resources or job opportunities. Consequently, nearly half of the population relies on jobs in the informal sector, while the brain drain to South Africa deprives the economy of highly educated individuals.

Policy learning



Efficient use of assets



The king ultimately makes decisions on policy and key staff positions for his own benefit, which often results in low levels of competence and poor decision-making in government. At the same time, the government fails to balance conflicting objectives. This is mainly due to fear and the refusal to entertain dissenting views.

The main conflict in the country currently revolves around calls for a multiparty democratic system. The government is unable to coordinate conflicting objectives because it has taken sides on this issue.

Government programs are often chosen primarily because funding is provided through private or public/international sources rather than due to strategic policy decisions. Prioritization is not carried out in the ministries or government and does not happen through democratic processes. The fact that a considerable number of high-level politicians are chosen by the king, including members of his own family, suggests that loyalty, rather than experience or skills, drives nominations. For several years, the prime minister, for example, has been selected directly from a corporate or company position by the king. This is contrary to the constitution's provisions, which state that the prime minister should be chosen from the House of Assembly.

The commissioner and deputy commissioners of the Anti-Corruption Commission are also appointed by the king. In August 2022, the cabinet approved its merger with the Commission on Human Rights and Public Administration, allegedly on the basis of overlapping mandates.

Eswatini signed the African Union Convention on Preventing and Combating Corruption in December 2004; however, thus far, it has neither acceded to it nor ratified it. The commissioner and deputy commissioners of the Anti-Corruption Commission (ACC) are appointed by the king.

The Worldwide Governance Indicators show a significant decline in control of corruption even between 2020 (score drop of 0.25 points) and 2021 (score decline of 0.65 points). In the percentile rank, Eswatini has fallen from 46.6 to 28.4.

Writing in the Swaziland News in August 2022, Zweli Dlamini claimed that the ACC is only brought back to life as needed to sue "critics of the ruling elite." King Mswati uses the institution to persecute his political enemies. In the actual case Dlamini was referring to, the king had ordered the arrest of parliamentarian Marwick Khumalo shortly after failing to stop him from attending the United States International Visitors Leadership Program (IVLP).

Dlamini's assessment of the incapacitated ACC is reflected in the limited number of reports posted on their website after the year 2017/2018.

According to lawyer Sibusiso Nhlabatsi, a court judgment by Chief Justice Bheki Maphalala halted the ACC's investigation into a corruption case involving former Commerce Minister Gideon Dlamini and others, deeming the investigation to be unconstitutional. "As a result, the lawyer said it then became difficult for the Commission to perform if the system and the courts were promoting corruption and

Policy
coordination

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Anti-corruption
policy

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preventing the ACC from executing its duties. He emphasized that the courts should promote the fight against corruption rather than nurture it and hinder the ACC's performance," wrote Zweli Dlamini in the Swaziland News on April 14, 2021.

In August 2022, the cabinet approved the merger of the Anti-Corruption Commission with the Commission on Human Rights and Public Administration, citing overlapping. There was no press reaction regarding the potential impact on the fight against corruption.

16 | Consensus-Building

There is a significant difference in the understanding of democracy in the country. Traditional authorities, including the king, chiefs and the current government, view the Tinkhundla system as democratic, dismissing the king's veto power and influence over the entire electoral process. Members of parliament and other political appointees may have their opinions highly compromised and disregarded. There are political parties and associations that believe in multiparty democracy, advocate for the removal of the ban on political parties, and call for their inclusion in elections and governance structures. However, the influence of such entities decreases in rural areas, and they have little official influence. Following the first SADC Troika visit in 2021 and subsequent discussions on a potential national, inclusive dialogue, the Multi-Stakeholder Forum (MSF) and the Mass Democratic Movement (MDM) have shown themselves to be committed to increasing the influence of civil society in the democratization process, as they perceive parties to play a problematic role in the region.

Civil society groups (MDM and MSF) are planning a nationwide conference on the future of the country. However, a lack of funding and state violence might hinder this much-needed

There is a consensus around a market economy as a strategic long-term goal of transformation. This is reflected in all economic strategic plans of the last few years, including the National Development Plan (2019 – 2022) as well as the Post-COVID-19 Economic Recovery Plan. The dual governance system, in which a modern constitutional system coexists with a traditional system, is often self-contradictory. Most business transactions fall within the market-based modern system. However, land governance is rooted in the traditional system and therefore creates negative incentives for investments in agriculture.

The private sector plays a major role, if the Tibiyo Taka Ngwane conglomerate, which is operated solely for the benefit of the king and the royal family, is seen as a private entity. The shareholdings of the king are problematic because they are not acquired in accordance with market economy rules, and neither the king nor Tibiyo pays tax.

Consensus on goals

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The most anti-democratic actor in the country is the king, as he serves as an absolute monarch. Especially in the cities, but also in a growing number of rural areas, the demand for multiparty democracy is strengthening. The king, along with the current government, continually impedes the plea for a national dialogue on the future of a democratic Eswatini. Political parties remain banned, and the influence from the Southern African Development Community (SADC) is based on mutual dialogue. The group continues to refrain from using economic leverage to compel the king to the negotiating table. Hence, the king has been able to avoid and postpone any effective new form of dialogue. The escalating violence on the outskirts of pro-democracy demonstrations and various acts of terrorism against the regime also work to his advantage. He argues that, due to security reasons, such a dialogue is currently impossible.

According to domestic observers, many members of the security staff are unhappy with their salaries and cost-cutting measures, which is affecting loyalty among the lower ranks, in particular to the king.

The killing of Thulani Maseko in January 2023 may be a game changer due to the international attention it received, shedding light on the vulnerable situation in the country and potentially pressuring the king to engage in dialogue. However, it also highlights the ongoing vulnerability of the situation. While most Swati individuals remain peaceful, tensions among the younger generation are escalating. Conversely, those who are benefiting from the system are fearful of losing their advantages and will therefore persist in hindering any efforts toward engaging in democratic reform. Regrettably, without substantial dialogue, there will be no shift in perspectives.

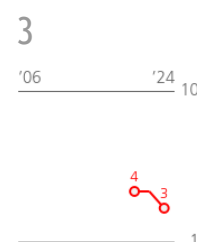
The political division in the country cuts across society, with the current political and traditional leadership on one side and the pro-democracy civil society on the other side. The king wields absolute power and veto rights, which is one of the main factors contributing to this division. Additionally, there are no ethnic or religious conflicts, as the vast majority of the population speaks Siswati and practices Christianity. Young pro-democracy supporters are today taking this debate to rural areas, and with greater access to the internet and social media, the contrast between the absolute poverty experienced by the majority of the population and the luxurious lifestyle of the royal family is becoming more apparent. However, publicly criticizing the king is considered treason and is punishable.

Notwithstanding the ongoing pro-democracy demonstrations and the intensifying violence, the king is not willing to engage in a meaningful dialogue about the future of the country. There is a growing mass movement in the country, with civil society groups, churches and unions demanding a change or at least a debate over the future of the country. The late Thalin Maseko, who was assassinated in January 2023, was one of the prominent faces of this movement. This may produce more violence from both the younger generation and other civil actors, as well as from the state. It might very well be the starting point of international or regional intervention in the state of the nation.

Anti-democratic actors



Cleavage / conflict management



Eswatini is an absolute monarchy in which the king makes direct decisions by appointing government officeholders and works indirectly through traditional authorities in the Tinkhundla system. He rules the country and, with his veto powers, denies civil society actors any kind of access to policymaking or decision-making processes. On the contrary, the long-awaited national inclusive dialogue, which was agreed upon by the Southern African Development Community (SADC), has been postponed since the unrest in 2021 started. The king still sees no need to discuss any issue with the citizens of Eswatini, whom he sees as his subjects. If he does engage with them, it is only through the traditional Sibaya process. However, since the opinions expressed there are neither published nor implemented, this cannot be considered consultation at all.

The king currently deploys police, soldiers and mercenaries to suppress pro-democracy demonstrations and to protect the current constitution of 2005.

Since 2015, the king has ignored any attempts by civil society to engage all stakeholders in an inclusive dialogue about the country's political and economic future. Even trade unions, which were the last sector of civil society able to strike as long as they only addressed labor issues, associated themselves with the pro-democracy movement during their last strikes. Moreover, it was not employers that went to court for an application to stop the workers, but rather the minister of labor and social security. This indicates that the business sector too is turning toward approval for democracy, as it could ease pressure on the economy as a whole and prevent the economic interference of the royal family.

Fortunately, Eswatini has never experienced gross human rights violations or genocidal crimes in its history. Individually, there is a need for trauma healing or counseling due to the numerous cases of violence against women or the abject poverty in which parts of society live. However, there has rarely been a national-level cause for such actions.

However, this changed in 2021, when the police and military started to attack, torture and kill demonstrators, particularly young people, who have been lobbying for a democratic change in the country. Justice has not been done on behalf of the victims of the June 29, 2021 massacre. The Eswatini Commission on Human Rights and Public Administration published a report on October 21 and stated that at least 46 people had died during the June protests, 267 people had suffered gunshot wounds, and 118 had unspecified injuries. Since then, state violence has continued. Supposedly, pro-democracy forces are harassed, intimidated and attacked, and often tortured in police custody or by military personnel. This culminated in the killing of human rights lawyer Thulani Maseki in January 2023, which drew international attention. To date, no one has been held accountable for any of these atrocities.

An independent – maybe external – body will be needed to lead any kind of reconciliation process.

Public
consultation

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Reconciliation

n/a

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n/a

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17 | International Cooperation

International cooperation is characterized by a wide range of projects, particularly in the areas of health and poverty alleviation. Donors tend to shy away from providing budget support and instead establish their own priorities. Acceptance of support from the international community is contingent upon such programs avoiding the topics of human rights and good governance. There is no apparent overall planning, and the individual programs lack coordination with one another, making them somewhat eclectic.

A real success story is the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR). The 2021 Eswatini Population-based HIV Impact Assessment survey (SHIMS3) shows that Eswatini has already surpassed the UNAIDS 95-95-95 targets for treatment and viral suppression set for 2025.

The European Union is one of Eswatini’s largest development partners and will allocate €32 million between 2021 and 2024 for projects in areas like human development and social inclusion, with a special focus on youth.

According to the WHO’s fourth Country Cooperation Strategy (CCS) for 2022 to 2026, “there is still a need to strengthen inter-sectoral collaboration and shared responsibility for health.” As the focus projects in this report show, there is a gap between available funds and the overall needs for specific projects. At the same time, the country’s debt situation is worsening, leaving the country with limited resources to address these gaps.

Eswatini is the last country on the African continent with diplomatic ties to Taiwan – a reason for Taiwan to change its support from mere agricultural cooperation to more trade-related support. In December 2022, Kristina Kironka wrote in Taiwan Insight: “Although Taiwan has poured millions of dollars in investment and aid into Eswatini, much of this has supported the so-called politics of the belly – where elites take advantage of their positions to enrich themselves, blurring the lines between private and public business.” For the past few years, this has been a threat to bilateral cooperation with China.

The government still enjoys some sort of credibility in the region. Poverty levels in Eswatini contribute to the fact that some developmental organizations continue to work with the regime but avoid funding the government through budget support.

Eswatini has always been seen as a peaceful country, but this changed two years ago with the eruption of political unrest. The police and military clampdown on peacefully demonstrating citizens suggests that the elite have little interest in improving the lives of ordinary people. And government officials and the king refuse to engage in meaningful dialogue. The situation is on the verge of escalation due to

Effective use of support

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Credibility

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attacks on companies associated with the government or the royal family, mostly carried out by unknown perpetrators. This poses a threat not only to the entire economy but also to international programs aimed at alleviating poverty.

Compliance with international conventions is not always guaranteed, even when the government has signed them.

Eswatini, a landlocked country, is surrounded by South Africa and Mozambique, and is part of the Southern African Development Community (SADC). The SADC's charter includes basic human rights and democratic principles, with the primary objective of achieving regional integration. In addition to being a member of the Southern African Customs Union (SACU), SADC, the Common Market for Eastern and Southern Africa (COMESA), the African Union (AU), and the United Nations, Eswatini has signed most international treaties.

Although the SADC Troika visited the country twice in order to urge the king to engage in a national dialogue to end violence, the king himself has urged SADC organs to take adequate measures to increase trade among member states.

The ongoing unrest is of concern to the surrounding countries and the Southern African Development Community (SADC) and poses a threat to their security and economy. However, they still adhere to a diplomatic approach.

In April 2022, King Mswati III managed to remove Eswatini from the agenda of a SADC meeting where the national dialogue process was supposed to be discussed. Unlike Lesotho or Mozambique, Eswatini has not had military interventions from SADC countries. One reason could be that Eswatini lacks mineral resources and therefore generates little interest within other countries, whether regionally or internationally.

Regional
cooperation

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Strategic Outlook

More than ever, the lack of democracy or genuine citizen and civil organization participation in society and politics remains the overarching obstacle to economic, political and cultural transformation in the country. The elections, held every five years, do not provide the population with any meaningful mechanism to decide which development path they want to take; rather, this is determined by a small elite surrounding King Mswati III. The impact of absolute rule is evident in the national budget's priorities, the economic and social policies passed through parliament, the incentives provided for attracting sustainable investments and job creation, and the disregard for people's basic rights. The government's policymaking practices are persistently plagued by blatant nepotism, prioritizing the luxury of one family over the welfare of the vast majority of the population. Instead of being allocated to measures facilitating the betterment of the population, government budgets and public wealth funds are spent on the royal family and its costly lifestyle. Fifty percent of the economy is owned by the king, creating obstacles to competition and fostering corruption.

Given the current state of political affairs, a stronger national business environment is unlikely to emerge. Fundamental political change is tremendously important as a means of combating the dire debt situation, which has been worsened by the pandemic. With the economy in free fall, a lack of adequate health care systems, education disrupted due to the pandemic, and political unrest mounting, there is little hope that the majority of people will be able to improve their lives in the coming years.

Slowly but surely, the country is sinking deeper into chaos, with more mercenaries assisting in crushing peaceful demonstrations, or even assassinating or torturing political activists, while the king is using this violent outbreak as an excuse to further postpone the dialogue that had been agreed upon with the SADC. The spiral of attacks and counter-attacks will hinder the economy from recovering and growing after the decline caused by the pandemic, and security challenges will also diminish foreign investments in the country.

With Russian diplomats supporting Eswatini in the midst of the Ukraine war, and even offering military training amid political unrest, the government and the king clearly intend to maintain their power. The lack of intervention from neighboring countries like South Africa or regional bodies such as the SADC is advantageous for the king. No peaceful resolution to the complex situation is currently visible.

First and foremost, the people need a platform allowing them to safely and openly discuss the country and the political leadership they want. If the king allows, there should be a national and inclusive dialogue mediated by an external authority to discuss a way forward. However, it would also be necessary to secure a free and diverse press inside the country and to release political prisoners, first and foremost the currently detained members of parliament.