

THE POLITICAL ECONOMY OF COLONIAL AND POST-COLONIAL SWAZILAND

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The political economy of Swaziland reveals much that is common to the Third World. Her position and function within the world economy is the typical one of i) an exporter of primary commodities and raw materials whose profitability depends upon a world-market pricing system beyond her control, ii) a supplier of cheap labour to both the local enclaves of foreign capital as well as to an external market, and iii) an importer of manufactured goods. Likewise, penetration by colonial capital produced the familiar Third World pattern of coexisting capitalist and non-capitalist social formations, with the former being export-oriented with direct links to the external market and under the overwhelming ownership and control of non-indigenous forces. In the Swazi case this was settler and multinational capital. The non-capitalist sector under colonial capitalism's impact experienced the "conservation-dissolution" tendency so common to Southern Africa with its self-sufficiency being systematically undermined to a subsistence level while simultaneously care was taken to conserve the political hegemony of

its traditional rulers.

Yet, despite these commonalities, the Swazi political economy contains unusual, even unique, features. Her colonial experience, for example, was quite unlike that of her two fellow British protectorates - Lesotho and Botswana - with whom she is commonly bracketed by historians and analysts. It was actually much more comparable to Southern Rhodesia. Further, the decolonisation process produced a situation which Martin Fransman (1) claims was virtually unequalled elsewhere in Africa when at independence state power was assumed not by class forces from within the capitalist mode but by the traditional rulers from the non-capitalist mode who lacked moreover any material base in the capitalist sector. Since independence these rulers have fashioned both an unique state form and an unusual mechanism for capital accumulation and the acquisition thereby of a material base in the "modern" sector. Finally, the Swazi case acquires particular interest from the country's growing entanglement in the armed struggle for power in South Africa, a conflict with potentially grave implications for the Swazi state and its people.

The Colonial Economy

Swaziland's incorporation into the nexus of world capitalism stems from King Mbadzeni's spate of late nineteenth century concessions granted to miners and prospectors, land speculators and hunters, and the mainly Transvaal farmers seeking winter grazing pastures for their flocks and herds. So many and so overlaid and overlapping were these concessions that, when the British High Commissioner in Pretoria assumed direct administrative control of Swaziland after the Anglo Boer War, he (Lord Milner) appointed a Concessions Committee (1904) with the ostensible task of clarifying the mess and removing thereby points of friction. Clearly this task had to be done but to interpret the Commission's work in only this way is to misunderstand Swaziland's colonial history. What this Commission actually did, along with the 1907 Land Proclamation and 1908 Grey Land Delineation Report, was to lay the basis for the full

development of capital relations of production in Swaziland and its full intergration into the global system. Booth elsewhere in this volume provides details of these documents, of the dramatic "Crossroads-type" forced removals of the Swazi in 1914 as well as of the crippling tax burden reimposed upon the Swazi in 1915 after nine years of reduced taxes in response to the decimation of the Swazi herds in the cattle disease epidemics.

The net effect of these measures was that, after only a little more than a decade of British rule, a carefully devised plan had been executed to:

- i) reduce the hitherto self-reliant non-capitalist economy to a level incapable of sustaining fully its population, a process that was only abetted by the cattle disease calamity. One response of the people to this new situation was precisely that intended by the colonial state: an acceleration in the rate of involuntary migration of workers into the local and South African cash economy. Since 1915 migrancy has been the dominant labour form in Swaziland, and
- ii) prepare the ground for the development of a fully-fledged colonial capitalist state with an unrestricted inflow of foreign capital.

After 1914, the pattern of capital penetration into Swaziland can be periodised as follows:

i) The Pre-World War II Period

Capital of two main types entered in this period:

a) British Mining Capital

Initially this capital exploited Swaziland's gold and tin

resources but the return here proved to be disappointing. However, in the 1930s, British capital found a lucrative outlet in large deposits of asbestos in northwest Swaziland and in 1938 the British multinational firm of Turner and Newall opened the mine which it still operates today.

b) British and Afrikaner Agricultural Settler Capital

Most of this capital went initially into beef ranching and after 1920 into the development of tobacco and cotton farming in the middle and lowveld areas. The entrepreneurial colossus amongst the settlers and their foremost spokesperson was Allister Miller. It is little exaggeration to describe Miller as a scaled-down version of Cecil Rhodes. A visionary and man of boundless energy, he was also a cunning schemer and thoroughgoing bigot. He despised Afrikaners and, through his mushroom Land Settlement Scheme, undertook a vigorous recruitment campaign to keep out Afrikaner settlers and populate the expropriated lands with "good British stock", ex-military officers being most favoured. To Miller's undoubted chagrin, many of these British settlers soon sold the farms they had acquired at basement prices. A very high proportion of the buyers turned out to be Afrikaners.

ii) The Post-World War II Period

A major change in the composition of capital occurred after 1945 with the large-scale inflow of multinational capital of British and South African origin. Again, as in the earlier period, this "big" capital penetrated the two sectors of mining and agriculture.

a) Mining

The Anglo-American Corporation of South Africa has been the single largest post-war investor in Swazi mining. Through a local subsidiary, it operates the country's largest coal mine at Mpaka

but its single largest mineral's investment was in the ancient iron-ore deposits at Ngwenya. Along with a minority British shareholder (10% of the equity was held by the steel company of Guest, Keen and Nettlefold), Anglo operated this from 1964-81. Virtually all the output was exported to Japan by way of a railway especially built for this purpose from the mine to the Mozambique border. So generous was the concession granted to Anglo by the colonial state, without any consultation with the King and Swazi National Council, that the one time Minister of Finance in the first post-independence government once observed to me "that Swaziland swapped an iron-ore mine for a railway" (2).

Fifteen years later the tables were turned when King Sobhuza rejected the terms under which De Beers were prepared to exploit the diamond deposits it had found at Ehlane. This after De Beers had spent five million Emalangenis on prospecting and feasibility work. The King's attitude was reported to be that in fifty years the diamonds would still be there and still be valuable and perhaps a better deal could be obtained then for their exploitation.

b) Agriculture

In agriculture the primary post-war generator of capital investment has been the Commonwealth Development Corporation (CDC), a British parastatal organisation which operates as a profit-making commercial company. It began its operations in Swaziland in 1950 when it purchased in the Northern Lowveld 106,000 acres of an 111,000 acre concession originally granted in 1891 by Mbandzeni to a John Thorburn. Sixty-one years later Thorburn's successors were still farming the area as Swaziland Ranches Ltd.(3) It is now an extensive area of irrigated sugar, rice and citrus cultivation. Elsewhere CDC invested in tobacco, cotton, and above all timber production. Today it operates the world's second-largest man-made forest of 55 million trees in partnership with the British firm of Cortaulds. Presently the sale of the forest and pulp mill to Anglo-American is being negotiated. In

the late 1950s a second major sugar development area was opened up in Southern Swaziland by Allister Miller's former company, Ubombo Ranches Ltd., by then owned by Lonhro.

Thus, by the 1960s and the initiation of negotiations for the restoration of Swaziland's independence, the composition of capital was as follows:

- i) Private settler agricultural capital of predominantly British and South African origin. This capital was invested in large private estates and ranches and was, for the most, a highly profitable sector;
- ii) Foreign multinational capital concentrated in plantation-type agriculture (British) and in mining (British and South African).

Penetration by capital and the accompanying process of proletarianisation affected the decolonisation process in a number of ways:

- i) the presence of settlers meant that there was within the colonial bourgeoisie a powerful local fraction with particular and considerable interests to protect. Well organised, they articulated their political concerns through the European Advisory Council, various Farmers Associations and in the early 1960s through a specifically political body, the United Swaziland Association (USA). Initially they, like their counterparts elsewhere in Africa, were opposed to the very notion of Swazi independence. However, as political reality seeped through to them, they shifted to "an independence on an equal power-sharing basis" position (a 50/50 European-African share of parliamentary seats) with additional property rights guarantees. These the Swazi traditional rulers were initially prepared to give them until after the 1964 elections which the USA and the political arm of the Swazi National Council, the Imbokodvo National Movement (INM), fought in agreement. Following the INM's across-the-board election victory and sensitive to opposition

charges of a "sell-out" to Europeans, the traditional rulers reversed their position in favour of universal franchise without reserved European representation. This shift did not produce a significant rift between the Swazi rulers and the settler bourgeoisie as by 1965 more progressive elements amongst the settlers, most notably Carl Todd, Natie Kirsh and Michael Tomlinson (4), were publically opposing the USA's stance. Organised as a Committee of Twelve it included some of the biggest non-indigenous property holders in Swaziland but they eschewed any need for property guarantees.

as to.....safeguards for those Europeans who fear the future these are found in the fact that the European with his capital, experience and skills is vital to the economy, development and prosperity of the territory. This is recognised by the Swazi Nation and therein lies the guarantee (5).

Reassured by the "Twelves" confidence and as it was the most conservative option available, the vast majority of settler voters supported Imbokodvo in the 1967 pre-independence elections in concrete expression of the coalescence of interests and outlooks which had developed between the traditional rulers and settler capital.

ii) Foreign multinational capital took an initially neutral position on the question of which element of Swazi society would control state power at independence. While ideologically it tended to favour the traditional rulers because of their more conservative disposition and accommodating attitude to capital, it also tended to feel that one or a coalition of the petty-bourgeois nationalist parties reflecting the interests of the better educated sections of the population might actually be more functional to capital's needs. A second factor which kept foreign capital from outright support for the Swazi rulers was their position on the ownership of mineral rights and royalties. The King and National Council were determined to regain exclusive control of Swaziland's mineral wealth and this was a position which multinational capital naturally opposed. By the mid-60s, however, it had abandoned its neutrality and thrown its

not inconsiderable weight behind Imbokodvo. This shift was occasioned by two main factors.

a) The overwhelming popular support for the INM as reflected in the 1964 election results;

b) the 1963-64 strikes and wave of labour militancy which swept through all the main centres where multinational capital was located and then spread into the capital Mbabane. These events alarmed both the colonial state and the traditional rulers and they co-operated to crush the worker challenge. The King's decisive anti-strike position impressed the foreign bourgeoisie while the support for the strike and the increasingly socialist and strident rhetoric of the main opposition party to the INM alienated it. In this context foreign capital came to realise that support for the traditional rulers was in the best interests of capital.

The development of labour class consciousness in the early 1960s has been subjected to little analysis. Why, after years of dormancy was there this sudden surge of worker unrest? Fransman attributes it to an increasing rate in the socialisation of the relations of production (i.e. an increase in the size of the working class) and a concomitant development of labour class consciousness (6). No doubt this was a factor but it is a very generalised explanation and does not adequately explain the lack of worker class action in the 1940s and 1950s when even then there was a comparatively high level of proletarianisation. The argument offered by Booth in his paper in this volume seems more plausible. He suggests that the rapid increase in the rate of unionisation in the early 1960s and the subsequent strike wave was labour's response to the dramatic change in the labour market when quite unexpectedly supply exceeded demand. In response, capital withdrew long-standing concessions in the form of labour inducements and enforced more rigorously regulations which it had frequently ignored in the period when there was acute competition between settler, multinational and South African capital.

iii) The domination of the independence political struggle by the traditional rulers was not simply the result of support from capital; it was also the product of the colonial state's conscious concern not to undermine too severely the authority of the king and 'Liqoqo' in the non-capitalist sector. While the state refused to accord Sobhuza his rightful title of 'King' and referred to him as "Paramount Chief" instead, it did affirm the monarchy's legitimacy in other ways. It collected for the traditional authorities the various tax levies they imposed from time to time upon the Swazi, subjected their control of the customary courts to little interference and, in the 1940s, provided cash grants to facilitate the King's programme of buying back the appropriated lands. This conservation strategy was both politically necessary as well as being functional to capital's needs. The traditional land tenure system, for example, enabled the Swazi rulers to perform the political function of control over the peasant majority while, as Richard Levine has put it, this "same control which the Swazi rulers had over land allocation proved to be a significant pre-capitalist economic practice which was perpetuated in the interests of capital since it also constituted an important pre-condition for a steady supply of cheap labour power" (7).

Thus by colonial design and their own efforts the traditional rulers entered the 1960s as the single most powerful and coherent indigenous group and the natural claimants to state power. They acquired that power in 1968 through the effective mobilisation of their peasant constituency and with the solid backing of settler and multinational capital. The stage had been set for an harmonious post-colonial state-capital alliance.

The Post-Colonial Economy

Swaziland's post-colonial political economy reveals a basic continuity from the colonial situation and a smooth transition from a condition of colonial to neo-colonial dependency. Yet no situation

is constant and the thirteen years of independence have brought changes to both the nature of capital's domination and the state's response. The salient features of the contemporary political economy can be summarised as these:

- i) the continuing subordination of the Swazi economy to foreign capital but with a shift within the constellation of capitalist forces active in the economy so that today South African capital is the dominant factor;
- ii) a consolidated and intensified capital state partnership functioning at both an ideological and structural level with the Swazi government and or Swazi Nation having entered into joint venture arrangements with capital, normally as a minority shareholder;
- iii) the development of the Swazi ruling class of a material base in the capitalist sector through skilful use of the King's exclusive control over the nation's mineral royalties;
- iv) a consolidation of the position and power of the traditional rulers over the Swazi people through a change to the form of the state involving an abandonment of many aspects of the inherited Westminster system and an imposition over the entire system of an amended version of the traditional structures of authority previously confined by the colonial state to the non-capitalist sector;
- v) an increased level of repression with the abolition of party politics, the effective destruction of the labour movement and the imposition of a seemingly permanent state of emergency which includes provision for such coercive measures as detention without trial;
- vi) an emerging trend within the economy towards monoculture

dependency with an hugely increased reliance for export and foreign exchange earnings upon a single crop, sugar;

vii) an increasing embroilment in a vortex of bloody conflict as the revolutionary struggle against the apartheid state escalates and spreads waves of violence across Southern Africa, a situation with menacing consequences for the Swazi state;

These points each require some elaboration:

Subordination to Foreign Capital

Independence has brought a steady inflow of capital into every sector of the economy except mining where there has been an actual decline with the closure of the iron-ore operations. Biggest recipient of this inflow has been agriculture where corporate investment in sugar in particular has produced increased annual yields up from 161,223 tons in 1970/71 to 240,695 tons in 1979/80. Further expansion presently underway will boost that amount to over 400,000 tons by 1982/83. Elsewhere government has stimulated a steady growth in manufacturing with the creation of three industrial estates for the location of import-substitution concerns while a flourishing tourist industry has grown up mainly around the Holiday Inns group which operates four hotels including the lucrative Royal Swazi Spa and Casino. In fact it was the huge profits generated by the Swazi Casino which triggered the establishment of the chain of gambling casinos in South Africa's "independent" homelands and neighbouring dependencies. Swaziland now has two of them.

Up until 1968, British and South African capital dominated certain sectors of the economy separately and were jointly involved in others. Today British capital dominates only banking and agriculture, a situation which in the latter area will change somewhat if the sale of the Usuthu forest to Anglo-American is concluded. With their existing ownership of the large Piggs Peak forests (Peak Timbers Ltd.), Anglo will then control over 90% of

production of Swaziland's second biggest earner of export revenue.

Each year since independence has seen South Africa supplying Swaziland with more than 95% of its imports by way of a freight haulage system operated by South African Railways which has a virtual transportation monopoly over Swaziland's import and export traffic. The only dent in this monopoly is the small volume of trade which flows in and out of Maputo by way of the railway originally built for the iron-ore mine. With the mine's closure the railway now carries coal, some sugar and other assorted goods. However, far from developing this outlet and reducing the reliance upon the South African connection, it has instead been consolidated by the recent construction of a new rail link to Richards Bay and the announcement of an intention to extend that line across northern Swaziland to the South African border near Komatipoort. Legislation authorising an extension of the Komatipoort line to the Swazi border was passed recently in the South African Parliament. During the Assembly debate it was stated that it would serve the Mhlume sugar refinery in Swaziland while "the project was welcomed as a constructive step which would help cement and improve relationships with Swaziland" (8). The extraordinary feature of this increasing intergration of the South African and Swazi rail systems is that it runs directly counter to the strategy of the Southern African Development Co-ordination Conference (SADCC) of which Swaziland is a member. One of SADCC's stated objectives is a reduction in the dependence upon South Africa's transportation network.

The growth in the manufacturing and mercantile sectors has been fuelled mainly by South African capital. Here the most active investor has been the new South African corporate giant, Natie Kirsh. His Kirsh Industries has a monopoly over maize milling and importation, holds the lucrative Datsun and Mercedes-Benz franchises, operates the largest trade wholesaler (Metro) as well as the largest hardware and agricultural supply stores, owns 50% of the shares in the country's two largest shopping plazas, has a small timber estate as well as factories for the manufacture of plastic goods and medical drugs for export in the African market.

Little surprise then that Mr. Kirsh spent E200,000 on his recent 50th birthday celebrations in Swaziland.

South African capital thus has an octopus-like grip on the Swazi economy which provides mechanisms of domination complementary to that provided by Southern African dominance in the regional Customs and Monetary Union. This agreement which dates back to 1910 has, as Crush has noted, "served, in practice, to provide close and deepening economic subordination to South Africa" as well as retard Swaziland's fiscal autonomy (9).

British capital now occupies a secondary position in the overall context of the Swazi economy but Britain nevertheless remains an important market and source of aid. Even so, since 1968 new investors, markets and donors have emerged, the most important of which is the European Economic Community where, in terms of the Lomé Convention, Swaziland has important sugar and citrus quotas at guaranteed prices. Outside Europe, Taiwan, Canada and the United States are major donors. In the area of outside assistance, therefore, we see a diversification of Swaziland's external dependence.

Partnership with Capital

Swaziland operates an "open-door" policy in regard to outside investment. The National Industrial Development Corporation of Swaziland (NIDCS) is the parastatal charged with the function of soliciting capital and, in its operations, it offers the generous incentives common to the Southern African peripheral and homeland states. In its promotional literature NIDCS makes a virtue of Swaziland's cheap labour structure and emasculated labour movement: "Wages in Swaziland are low even when compared with those in other African countries Swaziland has only one effective trade union..... strikes are rare" (10). It also stresses the state's desire to work in partnership with outside capital and its normal policy is that investors should have at least 51% share control. In fact, that percentage is usually a good deal higher as NIDCS will

not normally take more than 40% of the equity and "neither does it desire to manage any enterprise as it considers this is the prerogative of the promoting technical partner"(11). This partnership theme is ideologically expressed in the frequent pronouncements of such public officials as Minister of Justice, Polycarp Dlamini, who once told Holiday Inn's officials "we do not intend to take over but we would like to work in partnership with you"(12).

The capital state alliance is given structural expression through joint venture arrangements with capital by either government, through NIDCS, or the Swazi nation through the Tibiyo Taka Ngwane Fund (for details on this Fund see next section). The NIDCS ventures are usually entered into with manufacturing concerns while it is Tibiyo which acquires equity in the multinational concerns such as Turner and Newall and Lonhro and CDC's sugar operations. In each case, Tibiyo's equity share is 40%, as it is in a recently concluded share transaction with Swaziland Brewers, a subsidiary of South African Breweries. It also holds 33% of the shares of Rennies Swaziland operation while it recently acquired half-share control of CDC's Swaziland Irrigated Scheme, a large agricultural export estate. There have been only two instances where an outright majority shareholding has been acquired. NIDCS holds 51% control of a newly established cotton gin at Big Bend while the Swaziland government and Tibiyo each have a 32% shareholding in the newly opened sugar development area at Simunye. Despite this joint majority control, the Simunye case again illustrates the "alliance approach" to capital with operating control of the project having been given over to the British sugar giant Tate and Lyle in terms of a management contract.

The Material base of the Swazi Rulers

Section 91 of the Independence Constitution vested control over Swaziland's mineral wealth in the King in trust for the Nation. In 1968 the King created the Tibiyo Taka Ngwane Fund into which all funds derived from mineral royalties were to be deposited. In 1975,

the King decreed that these funds would henceforth be held by a new organisation (Tisuka Taka Ngwana) while Tibiyo's activities were henceforth to be financed by dividend payments from its share holdings and other income generated by its various projects. According to a report in a local newspaper, (13) Tibiyo's financial accounts as at April 30, 1980 revealed Accumulated Funds of E37,963,216 while Barclays Bank's 1981 Economic Survey of Swaziland reported Tibiyo's income for the 1978-79 financial year as E9.4 million, of which E9.3 million was from dividends (14).

According to this report in the Swazi Observer, itself owned and operated by Tibiyo, Tibiyo's income for the 1978-79 financial year as Tibiyo, Tibiyo's funds have since 1968 been spent in the following ways:

- a) land purchases;
- b) share acquisitions;
- c) investments in agricultural and other projects. These latter include joint ventures with other investors in the Royal Swazi National Airways and in an insurance corporation, Tibiyo Insurance Brokers. In agriculture, Tibiyo has launched schemes designed to advance Swaziland towards self sufficiency in such basic foodstuffs as maize, rice, vegetables (15), beef and milk. In addition, Tibiyo operates an Angora goat-breeding scheme for the development of a mohair industry and is planning the creation of a poultry industry;
- d) educational assistance in the form of a secondary school bursary scheme and the provision of scholarships for overseas University studies;
- e) grants and loans to local institutions such as the University College of Swaziland, the Swaziland Defence Force and various cultural groups.

The E5 million which Tibiyo has spent in purchasing freehold land has boosted the percentage of the land under the nation's control to 55%. Much of this land is now under sugar cultivation. This includes the Simunye project in which Tibiyo invested E13 million and two smaller schemes - Sivoya and Sivunga - which

involves a number of small Swazi farmers under the management of Lonhro's Ubombo Ranches Company.

In a dependent, peripheral economy with a limited potential for domestic capital formation, Tibiyo has emerged as the major vehicle for domestic capital accumulation. But the point to note is that this revenue does not accrue to the Ministry of Finance but to the traditional rulers and neither are Tibiyo's operations publically accountable to Parliament. Its Board of Trustees is appointed by the King and its present Chairman is the Prime Minister, Prince Mabandla. Its five other members include two additional members of the royal family, Princes Mfanasibili and Makhungu, as well as the King's Private Secretary, Mr. Martin Mdiniso. Day-to-day operations are conducted by a Management Committee headed by Dr. Sishayi Nxumalo, former Minister of Industry, Mines and Tourism and a close confidante of the King. Thus, the Tibiyo Fund, while contributing much that is beneficial to Swaziland's development effort, should also be viewed as the mechanism by which the Swazi rulers have acquired a material base in the capitalist sector of the economy, acquiring thereby a degree of influence over the economy while simultaneously solidifying their alliance with foreign capital.

The Changed State Form

Swaziland inherited a conventional Westminster-type framework of government headed by the King as a constitutional figurehead with real power vested in an elected executive and bicameral legislature. The Constitution allowed for multiparty political activities although all elected seats in the first Parliament were held by the Imbokodvo National Movement. This constitutional situation prevailed until 1973 when the King revoked the constitution, suspended Parliament, banned all political parties including his own Imbokodvo party and took all executive, legislative and judicial powers to himself. Simultaneously he announced the formation of a national army. This all occurred after a protracted legal wrangle over the Swazi citizenship of one of the three

opposition MPs to have been elected in the first post-independence election in 1972. The actual trigger to the King's action was a decision of the Swaziland Appeal Court (then, as it is now, comprised of three South African judges) to declare unconstitutional the Immigration Amendment Act passed by Parliament to deal with cases of disputed nationality. Some years of personal rule by decree in conjunction with a Council Ministers followed but, since 1980, a new state form has emerged.

Basically, the new system amounts to an imposition over the entire society of the long-standing traditional governmental structures to which certain forms of the Westminster system have been wedded. The two-chamber Parliament has reopened but party politics remains banned. Its MPs are now elected by a process which involves the traditional Tinkundhla (16) selecting a 80 member (2 per Tinkundhla) electoral College which then elects the lower house of Parliament. However the King's ultimate control over the procedure is achieved by provisions empowering him to approve all candidates at the Tinkundhla level as well as to nominate some members of the lower house and the entire upper house. The Prime Minister too is selected by the King and thus far all three premiers of the post-independence era have been Princes of the royal Dlamini clan.

Thus, while Tibiyo has given the traditional rulers a material base in the capitalist economy, the new state form has enabled them to secure social and political domination over both the non-capitalist and capitalist sectors. In a very real sense, the Swazi cabinet and civil service are merely the administrative agents for decisions which originate with the King and Swazi National Council and reach them by way of a modern-type Parliament dominated by carefully chosen traditionalists.

Increased Political Repression

When measured against most Third World dictatorships, Swaziland is a human rights paradise. Political opponents do not

disappear, terror against the people is not used as a political weapon and most principles of the rule of law are observed. Yet since 1973 there has been a discernible rise in the level of political repression. Party politics is proscribed and non-traditional political elements have no effective political outlets. Trade unions are legal but official policy is hostile to their existence on the grounds that they, like political parties, are "un-Swazi", as well as being divisive forces in the society with a capacity to affect adversely the investment climate. However, while political parties have been banned, trade unions, with one exception, have not. Instead the provisions of the state of emergency have been applied to emasculate them. These regulations provide that any gathering of a political nature of ten or more individuals requires police authorisation and this permission has simply not been given, not even when the unions have only wanted to elect office bearers. Consequently the trade union movement has been forced into non-activity and has just withered away. As of January 1970 there were nine registered unions in Swaziland. Today none of those functions while one, the Swaziland National Union of Teachers, is actually banned, having been outlawed in 1977 after a teacher strike and a wave of student demonstrations. The one union which does function is the small Bank Workers Union formed in the early 1970s. Its small size, petty-bourgeois orientation and the fact that it is recognised by the employers probably accounts for its survival.

Accompanying the King's suspension of the constitution in 1973 was the introduction of a provision allowing for the detention without trial of individuals for periods of 60 days at a time. It has not been widely used although some 15 individuals were held for two years in the late 1970s. Included in that group were the one-time opposition leader, Dr. Ambrose Zwane, and one of the leading figures in the early 1960s labour movements, Prince Dumisa Dlamini. All were released in 1980 and presently there are no political detainees. However the very existence of a detention provision has had an intimidating effect on any expression of

dissent and there is little doubt that the present rulers have the necessary means with which to contain any internal challenge to their hegemony.

The Tendency towards Monoculture

A superficial examination of the Swazi economy suggests that it is a balanced and diversified one with revenue derived from a number of agricultural products (sugar, wood and wood products, cotton, tobacco, citrus fruits and rice), from raw materials in coal and asbestos as well as from tourism and receipts from the Customs Union. However, closer examination reveals disturbing signs and none more so than in the growing dependence upon sugar. Sugar is quite simply "King" in the Swazi economy. Figures were given earlier of the dramatic increase in the production tonnage in the 1970s. That increase is set to continue until 1983 when the Simunye scheme will be in full operation. By then the sugar industry estimates that annual production will be over 400,000 tons which will make Swaziland the second biggest producer in Africa. Already in Swaziland sugar is the largest land user, the greatest exploiter of natural resources through its use of extensive irrigation, the largest single employer (as of 1979 it was estimated that 60,000 people were wholly or partly dependent upon sugar for a living), a major revenue earner for government outside normal company taxation (the industry pays an additional tax levy of 50% on ex-mill earnings above a basic price per metric ton that is fixed by government), and the biggest single earner of foreign exchange. Here the shift in the balance of the economy is dramatically revealed. In 1972 sugar contributed only 20% to foreign exchange earnings; in 1980 that contribution had soared to 50% and the estimate is that it will reach 53% in 1983. Noting this trend towards monoculture dependency, the Barclays Bank Economic Survey of Swaziland commented:

This reliance on a single crop for export and foreign exchange earnings introduces an element of insecurity into the

economy. Moreover the position is further aggravated by the erratic fluctuations of sugar prices on world markets. Any additional major expansion programme in the sugar industry would increase the economy's vulnerability(17)

No such expansion beyond 1983 is envisaged but the Simunye scheme could prove a costly gamble. The world sugar price has slumped since 1980 and there seems little immediate prospect of a major improvement and, by 1983 when the industry reaches full production, 75% of Swaziland's sugar will have to be sold at prevailing market prices. The agreement with the European Economic Community which guarantees Swaziland a price presently well above the world level covers only 116,400 tonnes of white sugar.

Overall, the Swazi economy presents a worrying picture. Real growth in the latter half of the 1970s was estimated at between 2 to 3% but every indication suggests that the rate is falling. In 1974 Swaziland had a trade surplus of E44 m. This fell to E18 m in 1977 with negative balances being achieved in both 1978 and 1979. The surplus in the balance of payments achieved in 1980 was followed by a deficit of E60 million in 1981. Given the present recession in the world economy an even larger deficit is anticipated for 1982. The recent deficits have resulted in a drop in the level of Swaziland's international reserves to E89.5 million in December 1981, a 20% drop over the position twelve months earlier. A further factor of concern is Swaziland's growing external debt burden as a result of loans taken out to finance a number of large development projects. Repayments on a number of these loans must be begun in the 1980s.

Domestically unemployment is looming as a major problem. An estimated 7,000 school leavers enter the job market each year to compete for the approximately 2,400 jobs being created annually. Again this is a situation that can only worsen given Swaziland's accelerating rate of population growth, presently at over 3% p.a. The seriousness of the situation is recognised by the King who told parliament in February of this year that the unemployment problem was "bound to reach crisis proportions"(18). In a recent lecture at

the University College of Swaziland, the local economist, Dr. M.S. Matsebula, described Swaziland's economic future as bleak. He argued that average standards of living were falling for Swaziland as a whole with the situation being worst on Swazi nation land where he claimed standards had been falling since 1974 (19).

In short, therefore, it would seem as if the solid growth years of the Swazi economy are over and that the prediction made by Crush in 1979 was correct. Surveying future economic prospects, he argued that Swaziland would "move towards" the more common peripheral capitalist position of balance of payments deficits and larger external indebtedness (20). That condition has now been attained.

Conflict in Southern Africa

A frequently voiced question in Swaziland today is "what will happen when the King dies". While the death of a revered and longstanding national leader introduces an element of uncertainty about that nation's future, in my view Sobhuza's death poses fewer dangers to Swaziland's stability than does the struggle for liberation in South Africa. With the collapse of the Portuguese buffer zone, Swaziland is now a forward position in a war of mounting intensity. Evidence from trials in South Africa of ANC insurgents suggests that Swaziland is a well-worn infiltration route into South Africa and that many of those responsible for the escalated level of ANC actions in 1981 entered via Swaziland. It is this latter fact and the ANC's increased effectiveness which presents a real danger to the Swazi state and its rulers who find themselves caught in a classic dilemma between their obligation as an OAU member to at least not obstruct the liberation effort and the possibility of severe South African military retaliation. Already South African agents have penetrated Swaziland's security to kidnap ANC members, blow up ANC houses and ambush ANC guerillas. The threat the Swazi rulers must face up to is that the target of such and other more destructive actions will shift from the

ANC to those who tolerate its presence in Swaziland. Southern Angolan type raids on economic targets in Swaziland is not an unthinkable possibility. Such attacks could destroy Swaziland's fragile infrastructure virtually overnight and bring the country to its knees economically.

So how are the Swazi authorities likely to react as the war intensifies in the eighties and becomes ever more destructive and vicious? Will they maintain the status quo of tolerating an ANC presence and the use it makes of Swaziland and risk being turned into a Southern African Lebanon, or will they clamp down and perhaps expel the organisation and its members and sympathisers from the country? My own view is that the latter course is the more likely. Perhaps a clue to their actions will be provided by the outcome of the present discussions over Kangwane's possible incorporation into Swaziland. While the issue is presented as a simple one of Swaziland regaining some of its 'lost' territory, many are convinced that there is a hidden factor in the deal and that the quid pro quo South Africa will expect for a surrender of some of its territory will be an elimination of the ANC threat emanating out of Swaziland. Already there are signs of a hardening of attitudes by the Swazi authorities to the ANC with more stringent enforcement of refugee regulations, more frequent raids on known ANC houses, tougher sentences for those caught bearing "arms of war", a near total embargo on travel by ANC members to and from Maputo, talk of a large camp to house all refugees and the "withdrawal" of the longstanding chief ANC political representative in Swaziland. Are these actions part of the Kangwane scenario or a simple response to warnings said to have been given to Swaziland by Pretoria, or perhaps both?

Kangwane's incorporation, whether accompanied by an ANC clamp down or not, will create other problems for the Swazi government. It is certain to evoke a strong reaction within the OAU where it will be seen not only as a violation of the OAU's position on the adjustment of inherited colonial boundaries but also by the more militant members as a "sell-out" to South Africa and a drawing

of Swaziland into South Africa's constellation of states. Will, in these circumstances, nations like Mozambique permit Swaziland to retain its membership of the counter-constellation SADCC? Will the ANC see incorporation, especially if tough action is taken against the organisation, as meaning that Swaziland has sided with South Africa against the liberation forces? Will they then view Swaziland as they do the Bantustans where the ANC has mounted several attacks on police stations etc?

In the rapidly changing political environment of Southern Africa in the 1980s, the precise course events will take is impossible to predict. However one thing is certain and that is that the political machinations of the South African government, the escalating armed struggle for change in South Africa and the regime's aggressive and militarised response, is causing large storm clouds to gather over Swaziland's future.

Footnotes

- 1 See Martin Fransman, The State and Development in Swaziland 1960-1977, unpublished D. Phil Thesis, University of Sussex, 1978.
- 2 Interview with the Hon. Leo Lovell, Mbabane April 1973. Between 1949-58, Lovell was labour Party M.P. for Benoni in the South African Parliament.
- 3 Details derived from CDC in the Swaziland Lowveld, CDC brochure published in London, undated, p3. An interesting historical footnote is provided by the fact that John Thorburn's son married Allister Miller's daughter.
- 4 Todd, Kirsh and Tomlinson were all then South African citizens with large property holdings in Swaziland. Todd, a partner in a Johannesburg law firm and director of more than 30 South African companies, began cattle farming in Southern Swaziland in 1939 and was a pioneer of private estate sugar farming in Swaziland. He was the first European settler to join the Imbokodvo National Movement and was appointed to the first post-independence Senate by the King. Similarly an appointed Senator, Tomlinson came to Swaziland in 1958 and is today a successful cotton and potato farmer near Manzini. He is now a Swazi citizen. Kirsh acquired a maize importation monopoly in 1958 and from that start has built up his enormous and growing business empire.
- 5 Statement published in the Times of Swaziland, April 1, 1966 reprinted in Fransman, op cit, p.277.
- 6 Fransman, op cit, chapter 5.
- 7 Richard Levine, "State, multinational and uneven development in the Swazi formation: the case of Simunye", paper presented to the Development Studies Honours Seminar, Witwatersrand University 1980, p8.
- 8 Rand Daily Mail, February 9, 1981.
- 9 Jonathan Crush, "The Parameters of Dependence in Southern Africa: A Case study of Swaziland", Journal of Southern African Affairs, Vol. VI. No.1, January 1979, p.56.
- 10 NIDCS, A Guide for Investors in Swaziland, Mbabane, undated.

- 11 "NIDCS Major Role in Economic Development", The Swazi Observer, September 4, 1981.
- 12 Hon. Senator Polycarp Dlamini quoted in Times of Swaziland, July 4, 1976.
- 13 "Tibiyo's record of Achievement", The Swazi Observer, September 4, 1981.
- 14 Swaziland: An Economic Survey and Businessman's Guide. Published by Barclays Bank of Swaziland Limited, 1981, p.35.
- 15 With the outbreak of a cholera epidemic in the Eastern Transvaal and Swaziland in 1980, Swaziland imposed a total ban on the importation from South Africa of fruits and vegetables. This move has created a major local market opportunity for vegetable and fruit production as there is little likelihood of the ban being relaxed in the foreseeable future. Only by invoking a "health requirement" can such bans be imposed without violating the provisions of the Southern African Customs Union.
- 16 The Tinkundhla is an institution of which all Swazis are members. There are 45 Tinkundhla in the country organised on a ward basis usually embracing two or three chieftancies. At their gatherings, which all members are expected to attend, local and regional issues are debated. No votes are taken but attempts made to develop a general consensus of the meeting's views. If necessary, these views can then be conveyed by the MPs to Parliament or by the Chiefs to the Swazi National Council.
- 17 Barclays bank, op cit, p 11.
- 18 Times of Swaziland, February 17, 1982.
- 19 Ibid, October 9, 1981.
- 20 Crush, op cit, p. 63.