PN-AAZ-452

Country Development Strategy Statement

FY 1987

Swaziland

BEST AVAILABLE

NOVEMBER 1984

Agency for International Development
Washington, D.C. 20523

****

THIS STRATEGY STATEMENT HAS BEEN PREPARED BY THE A.I.D. FIELD MISSION. IT IS PREPARED ANNUALLY AND USED FOR PLANNING PURPOSES IN THE FIELD AND IN WASHINGTON. IT DOES NOT REPRESENT OFFICIAL AGENCY POLICY.

****

****

****

****

****

****

****

****

****

****

****

******

****

**

*

EMBASSY OF THE
UNITED STATES OF AMERICA

MBABANE

October 26, 1984

Mr. Mark L. Edelman
Assistant Administrator
Bureau for Africa
Room 6936 NS
Agency for International Development
Washington, D. C. 20523

Dear Mr. Edelman:

I am pleased to endorse the Swaziland Country Development Strategy Statement for FY 1986 through FY 1990. I believe it reflects a sound analysis of the development climate in Swaziland, including the economic, political and cultural factors which are important here. The problems which USAID proposes to address are the most serious ones facing the country, and I believe the strategy for tackling them is the right one to follow under the circumstances now existing.

Swaziland holds considerable promise for the future prosperity of its citizens. The key to that prosperity is development of its human resources. I am pleased, therefore, to note that this CDSS proposes to allocate a substantial portion of its budget to human resources development, particularly the long term participant training programs which will provide a firm basis for responsible leadership and strong institutions.

USAID/Swaziland will have our full support in implementing the strategy proposed in this CDSS. In particular, I regard the adoption of a sound national population policy as a goal for the entire U. S. Mission.

Sincerely,

Charles E. Lahiguera

Charles E. Lahiguera
Charge d'Affaires, a.i.

TABLE OF CONTENTS

	Page
I. EXECUTIVE SUMMARY	1
A. Introduction	1
B. Development Overview	3
C. The Economy	3
D. Problems and Strategy	4
1. Skilled Manpower and Leadership Development	4
2. Rapid Population Growth	4
3. Poor Health Status	5
4. Agriculture	5
5. Employment Generation	6
6. Other Program Areas - Urbanization	7
E. Resource Requirements and Staffing Levels	8
II. ANALYSIS	8
A. Human and Natural Resources	8
1. General Setting	8
2. Resources, Prospects and Problems	9
B. Macroeconomic Analysis	10
1. Summary	10
2. Income Growth and Distribution, Production and Investment	11
3. Macroeconomic Policies	13
4. Trade and Balance of Payments	14
5. Government Revenue, Expenditures and Debt	15
6. Employment	17
7. Forecasts	18
8. Natural Disaster	19
C. Political and Administrative Setting	20
1. Tradition and Change	20
2. Governments - Modern and Traditional	20
D. Social Setting - The Swazi Homestead	22
1. Agriculture - The Homestead Economy	23
2. Role of Women	24
3. Continuity and Transition	25
E. Development Problems and Prospects	26
1. Skilled Manpower and Leadership Development	27
2. Rapid Population Growth	30
3. Poor Health Status	32
4. Poor Agricultural Productivity	35

		Page
III.	**STRATEGY**	40
	A. Human Resources Development	41
	1. Leadership and Manpower Development	42
	2. Primary Education	43
	3. Future Directions	44
	B. Health and Population	45
	1. Reducing Under-Two Mortality	46
	2. Reducing Population Growth	47
	C. Agriculture	48
	1. Agricultural Research	50
	2. Agricultural Production	50
	3. Policy Support	52
	4. Future Directions	52
	D. Employment Generation	53
	E. Other Program Areas - Urbanization	54
IV.	**ASSISTANCE PLANNING LEVELS**	55
	A. Funding Levels	55
	B. Staffing Implications	57
	BIBLIOGRAPHY	

I. EXECUTIVE SUMMARY

A. Introduction

Three major events have combined to place Swaziland in a somewhat less optimistic situation now than at the date of the previous CDSS in January 1980. The impact of the economic recession in South Africa and elsewhere has resulted in a decline in real per capita income; the nation must rebuild from a natural disaster of major proportions which struck in early 1984; and the country's relative political stability, enjoyed for decades, is no longer assured since the death of King Sobhuza II in 1982. These conditions are surmountable or transitory, however, and should not seriously affect long-term goals. Within the country's development sectors, there has been continued, albeit uneven, progress toward building a firm basis for self-sustained and equitable growth--the overall objective of the 1982 CDSS. This CDSS confirms that objective, although we now believe the year 2000 is a more likely time frame for achieving it than the 1990-95 period suggested earlier.

Neither the analysis, the conclusions nor the overall strategy contained in this CDSS differ markedly from those of the previous one. Emphatically, the strategy continues to focus on human resources development. More recent experience, however, suggests that in all sectors it will take longer to build the human and institutional capacity to absorb the levels of assistance proposed earlier. Hence, we propose a more deliberate approach during the FY 86/90 period. Consistent with that approach, and as our thinking has evolved in the light of experience and AID policy emphases, our strategy tends to give increased attention to participant training and leadership, institutional development and improving capacity for policy analysis and formulation. Swaziland's greatest potential for income growth and employment is based on resource- and agro-based private industry and related commercialization. Further analysis and better understanding of private sector dynamics will therefore be a program objective during the early years of the CDSS period, with program expansion in mid to later years. A growing understanding of the Swazi homestead and of the traditional system of responsibility and authority has encouraged us to undertake more direct approaches to these elements of the social system in order to improve the quality of rural life. Finally, more rapid urbanization seems to be an emerging problem which warrants at least study and analysis during this CDSS period.

B. Development Overview

The Kingdom of Swaziland is one of the smallest countries in

Africa, about the size of New Jersey. It is landlocked, but has good transportation links to South Africa and Mozambique. The country is reasonably well-endowed with natural resources. Its soil and water resources and climate provide the base for diversified agricultural and forest industries, and there are commercially viable mineral deposits, some of which are now being exploited. Transportation and communications infrastructure are rather well developed.

For many decades, Swaziland enjoyed political calm under the rule of King Sobhuza II. Since his death in 1982, various factions have sought control. While the initial period of unrest has abated, a return to the former level of tranquility is unlikely. The commitment of the present leadership to development varies but, on the whole, with the notable exception of population policy, it is adequate in the areas that concern us. Alongside its modern form of government, briefly described as a parliamentary monarchy, Swaziland has a traditional system of organization under which some 200 chiefs enjoy considerable influence in their respective areas. In fact, traditional attitudes and practices strongly affect nearly every aspect of Swazi life, although modern influences are gradually increasing.

Swaziland's population at mid-1984 was about 637,000, and is growing at about 3.4% per year. About three-quarters of the population live in rural areas in homesteads, averaging 10 members, formed by one or more related households. These homesteads are dispersed over the countryside, mainly on the 56% of the land which is held by the King in trust for the nation. The average homestead farms about 2.75 hectares of cropland, producing mainly food for home consumption, and its cattle are grazed on much larger tracts of communal pastures. However, most homestead income comes from the two members (on average) who are employed by large agricultural estates, industry and government. Urban areas are not large now, but they are growing at about 10% per year.

The literacy rate is about 65%, and Swaziland has made excellent progress in expanding access to basic education. Over 80% of the 6-12 age group are now in primary schools, and over half of the students are girls. Less progress has been made in improving the quality of education. Also, the present and future needs of the economy require expansion and changes in vocational/technical education.

Swaziland lags behind other countries in the health of its population. The problem is most evident in the high mortality rate for children under two years old.

Swaziland has significant economic potential arising from its commercially advantageous location and its natural resource

base. There is a good possibility for self-sustaining growth, ultimately to a significant level of prosperity. Swazi society is reasonably equitable and the benefits of such development are likely to be spread fairly broadly. The rate at which Swaziland fulfills its potential depends fundamentally on its progress in developing its human resources.

C. The Economy

Swaziland's economy has done relatively well over the past decade, although recent performance has been less encouraging. Production has increased, particularly in agriculture and manufacturing; exports have grown rapidly and have become more diversified. From 1972 through 1976, real GDP grew on average by 3.6% per year and from 1977 through 1981 at 5.6%. However, real GDP did not grow at all in 1982 and was negative in 1983. Record maize and sugar harvests in 1984 have been offset by reductions in manufacturing production, and GDP growth is expected to be only slightly positive. With population growth estimated at 3.4% per year, GDP growth per capita has been negative during the past several years. GDP per capita was estimated to be $886 in 1982.

Swaziland's economy is open and diversified. Agriculture and forestry accounted for 25% of GDP in 1982; an additional 23% came from manufacturing, much of which was processing of agricultural and forest products. Government, including parastatals and the investment activities of the traditional government, contributed 22% of GDP. Swaziland's economy is closely linked to that of the Republic of South Africa. As a member of the Southern African Customs Union and Rand Monetary Authority, it has little scope for independent fiscal or monetary policy. However, relatively sound policies pursued by South Africa have generally benefitted Swaziland's economy. The government is committed to a free enterprise system and has attempted to design a tax and loan policy to stimulate foreign and domestic private investment.

Government revenue, the majority of which comes from the Customs Union, has been stagnant in recent years; recurrent expenditures have been rising much faster than revenues. Government debt has been increasing, although it is still relatively low. In 1983, debt servicing required 5.3% of government revenue and the debt service ratio was 6.5%. Reconstruction from the January 1984 cyclone will increase government spending and divert funds from other development priorities.

Swaziland has a relatively high ratio of paid employment to working age population: 29% in 1982 with another 4% employed in South African mines. However, over the past five years, approximately 20% (1,350 people annually) of those leaving

school and seeking paid employment were unsuccessful. Total paid employment fell by 2.2% in 1982; further declines are estimated for 1983 and 1984.

D. Problems and Strategy

This CDSS affirms the analysis in the FY 1982 CDSS which concluded that the following problems most inhibit Swaziland's progress:

- Rapid population growth
- Poor health status, reflected by very high child mortality
- Low productivity in traditional agriculture
- High and growing unemployment

The FY 1982 CDSS also concluded, correctly, that effective solutions to all of these problems require attention to human resources development.

1. Skilled Manpower and Leadership Development

A basic lack of skilled manpower and leadership affects every sector and every institution, and it occurs at upper management levels as well as on the homestead. The proposed strategy has three time horizons. In the long run, the basis for increasingly effective leadership in the next generation is being built through improved primary teacher education and infusion of a more practical curriculum. This aspect of the program also has medium- and short-term impacts on the effectiveness of secondary/higher education, employability and productivity of school leavers and on personal attitudes and practices in health, agriculture, conservation and other areas. In the medium term, a substantial participant training program is the key element in strengthening the present and ascendent management and leadership of development-related institutions. The selection criteria emphasize potential for leadership in policy development, management and technology transfer. More immediately, the strategy attempts to reach the homestead level using both traditional systems (chiefs, traditional healers, women's associations) and modern technology (mass media) and to improve technical and management skills in the modern public and private sectors through in-country training and related technical assistance. All of the human resources development programs will be coordinated to bolster activities aimed at the problems mentioned in the following paragraphs.

2. Rapid Population Growth

The rate of population growth does not seem to be abating, nor does the national leadership recognize rapid population growth as a problem. The Family Life Association of Swaziland (FLAS)

is the most effective institution in the field and the number of acceptors they serve is expanding, but from a small base. The strategy approaches the problem at three points. At the policy level the issue will be raised directly on all appropriate occasions. This is a U.S. Mission priority. Secondly, we will provide continued support to FLAS through intermediaries. Third, specialized training will be given to health personnel. Solution of the population problem is closely interrelated with progress in maternal/child health, education and employment, as well.

3. Poor Health Status

Although the statistics are not wholly reliable and are subject to varying interpretation, there does seem to have been some progress in reducing child mortality rates. There has also been considerable progress in expanding facilities, training health personnel and establishing primary health care policy, but application of policy and management of the resources have not kept pace. It is possible to bring Swaziland's child mortality rate down to a level comparable to similar countries by 1990. The strategy has two aspects. One is a direct approach to reduce the incidence of childhood diseases. The other approach is focussed on increasing the effectiveness with which health resources are managed, concentrating efforts on those elements in the institutional framework which are most closely related to maternal and child health. This combination of approaches could result in having a reasonably effective primary health care system in place by 1990.

4. Agriculture

Sixty percent of the working age population farm two-thirds of the nation's cropland, but their output is only 20% of the total. In sum, that is why this CDSS confirms the assessment in the preceding one that increasing productivity on Swazi Nation Land (SNL) could be a major factor in alleviating poverty in rural areas and could provide, for some people, an alternative to wage employment. The results of the combined efforts of the GOS and donors over the past five years have not been very encouraging. Those efforts were concentrated on the Rural Development Area Program (RDAP), which achieved moderate success in establishing physical and organizational infrastructure in the nineteen areas included in the program. However, the production response has not been commensurate with the investment made. An AID evaluation concluded that the production expectations were probably too high, and that the RDAP did in fact result in much better physical access (rural roads), social infrastructure (water systems, clinics) and expanded land and water conservation works. Nevertheless, the RDAP has been going on since 1973 and the GOS apparently is now examining how the next phase of the program can increase

production.

The FY 1982 CDSS proposed a strategy based on converting SNL farms from dryland to irrigated farming, on the hypothesis that irrigation would permit double or triple cropping and that the increased income would be sufficient to encourage farmers to remain on the homestead. Certainly, wage earning employment will continue to be a relatively attractive option for many Swazis. However, our present view is that the wage employment option is not actually available to many Swazis. Also, a recent study indicates that about a third of homesteads already farm on a commercial or semi-commercial basis and that yet another third have enough land to do so. More extensive use of improved irrigation technology is still part of our proposed strategy, but we plan to modify the emphasis from a concentration on the relatively few homesteads close to a water source to one which increases productivity and income on the much larger number of homesteads where agriculture is already, or could be, a commercial proposition. In brief, that strategy is to use a market-led systems approach to increasing productivity. It will identify specific markets and strengthen the institutions which provide directly relevant production/marketing support systems. An agricultural production/marketing project is scheduled to begin in FY 1986 and will constitute one leg of our agriculture program.

Research is one of the systems necessary to support increased productivity. It is a long-term, continuing need. The other leg of our agricultural program strategy, therefore, is continued support for the Cropping Systems Research project, through this CDSS period and probably beyond, although on a diminishing basis as the capacity of the Swazi research system expands.

5. Employment Generation

Unemployment in Swaziland has two aspects: on the one hand, lack of qualification, leading to low productivity and a low incidence of Swazis in middle and upper level management positions; on the other hand, lack of opportunity, i.e., the number of jobs created by the economy each year is insufficient to keep up with the number of people joining the labor force. USAID's strategy in human resources development, described briefly in paragraph D.1. above, is aimed in large part at resolving the first of these aspects. Our agricultural strategy is designed to increase the number of people productively employed in commercial agriculture on SNL.

The inclusion of job creation as an element in the USAID strategy is a departure from and an expansion on the earlier CDSS. It builds on activities in human resources development undertaken over the past several years, and we expect it to

become a major area toward the end of the present CDSS period.

Our principal objective is to assist Swaziland create the conditions whereby its economy is producing enough jobs to employ all school leavers, i.e., no net increase in the number of people unemployed, by the early 1990's. This objective implies USAID involvement not only in action programs to create new jobs, but also policy analysis and dialogue with the GOS, and building--perhaps creating--institutions in the private sector to improve the prospects for economic growth and to maximize the benefits of that growth for Swaziland in terms of jobs, value added and equitable distribution.

Our strategy early in the CDSS period is of necessity analytical and experimental. Over the next two to three years, USAID will focus on the following activities:

- Further analysis and a better understanding of private productive sector dynamics and institutions.

- Conduct tracer studies on school leavers to get a better idea of the extent and nature of unemployment.

- Further analysis of GOS and other policies and performance affecting the productive sector, particularly wage policies and investment incentives and attraction, and their effect on employment.

- Initiate one or more small-scale projects, possibly through private voluntary organizations or local private sector groups, to explore ways of assisting indigenous small and medium sized enterprises.

Beginning during the middle year of the CDSS period, the Mission will build on the results of these analyses and exploratory projects to put together an expanded program.

6. Other Program Areas - Urbanization

Rapid urbanization is a new phenomenon in Swaziland. It is beginning to strain Swaziland's ability to provide shelter, water, etc., to its urban population. Slum areas are beginning to grow up around Mbabane, and the increasing unemployment problem will only aggravate this situation.

During the early years of the CDSS period we propose to look more closely at the urbanization that is occurring and its dynamics. We propose to conduct an urban development assessment in 1985. Based on this information, a decision will be made whether to initiate a small Housing Guaranty program, emphasizing low-cost sites and services activities in the poorer neighborhoods around Mbabane and Manzini, during the

CDSS period.

E. Resource Requirements and Staffing Levels

Proposed budget levels to implement our strategy are presented on page 61. They increase approximately 10% per year through the CDSS period. The largest share of funding planned is for human resources development. The majority of AID assistance to Swaziland finances technical assistance and training, for which grant funding is proposed. Current U.S. staffing levels are adequate to implement our strategy. We would, however, increase our Foreign National direct-hire levels by two or three positions beginning in the middle years of the CDSS period.

II. ANALYSIS

This analysis is in two parts. The first section begins with an overview of Swaziland's potential and problems, followed by an analysis of economic performance, policies and projections and a discussion of the political/ administrative background as it affects development programs. Finally, at the micro level, there is a closer look at the basic unit of Swazi society--the homestead, including the role of women. The second part of the analysis deals with the development problems USAID plans to address, updates previous knowledge of their nature and extent, notes progress made in resolving them and describes the related policy and institutional framework.

A. Human and Natural Resources

1. General Setting

The Kingdom of Swaziland, independent since 1968, is one of the smallest countries in Africa, with an area of 6,700 square miles (about the size of New Jersey). The maximum distance from north to south is approximately 120 miles, and from east to west about 90 miles. The country is landlocked, bounded on three sides by the Republic of South Africa, and by Mozambique on the east.

The mid-1984 population of Swaziland is estimated to be about 637,000 (626,000 African and another 11,000 resident non-Africans). The population growth rate is estimated at 3.4% per year. The population density is about the same as Kenya or Senegal; although increasing, it is not yet a serious problem. The Swazis are a relatively homogeneous ethnic group. They speak a common language (siSwati), have a literacy rate of about 65% and are taught English in the schools. About three out of four Swazis live in the rural areas and most of those who live in the more rapidly growing urban areas maintain strong ties to the rural homesteads from which they came. The majority of Swazis are Christians, with a very liberal blending

of traditional beliefs and practices.

2. Resources, Prospects and Problems

Swaziland is reasonably well-endowed with natural resources. Perhaps the major economic resource of the country is a combination of generally productive soils and adequate water supplies associated with a wide range of micro-climates. These range from the highveld, with an average altitude of 4,250 feet and 55 inches of rainfall annually, to the lowveld, averaging 650 feet altitude and 20 inches of rain. There are four major all-season rivers which provide necessary irrigation water, especially in the lowveld. The diversity and quality of agricultural conditions suggests considerable scope in the potential variety of crops grown and their harvest times. Extensive commercial forests have been established in the highveld.

For such a small country, underground resources are also unusually diverse. Iron ore and gold deposits are economically exhausted, but large reserves of asbestos, coal, kaolin and some diamond pipes are now being exploited. There are proven reserves of tin, copper, nickel and chrome not being mined at present.

By LDC standards, transportation, communications and power facilities are well developed. All regions of the country are linked by all-weather roads, and the network of farm-to-market roads was expanded considerably during the Rural Development Area (RDA) program. Railroads handle bulk commodities to/from Maputo, Richards Bay and Durban, and a northern link to Komati Poort in South Africa is being constructed. Clearly, Swaziland's physical resources and proximity to large southern African markets give the country significant economic potential.

Swaziland is gradually building the human resource base necessary to exploit its natural advantages. At independence just under half the primary school-age population were in school; now, over 80% are. Adult literacy at independence was 30%; by 1982, it was 65%. The quality of primary education needs significant improvement, and its rapid expansion has created pressure for expansion of secondary and higher education facilities. A more practical orientation is needed at all levels of education. Despite these problems, the overall capacity of Swazi society to absorb and utilize more modern technology is expanding rapidly. Much remains to be done, however, and it is the work of a generation.

Somewhat surprisingly, Swaziland lags behind countries of comparable income levels, as well as its poorer neighbors, in the health of its population, especially children. In this area, however, new technology (oral rehydration and others) and

a sizable increase in the numbers of well-trained nurses and other health personnel provide reasons to hope that Swaziland can catch up by about 1990. The high rate of growth in population adds to maternal/child health problems and, of course, affects other areas as well. One of these areas is the labor force. Current projections of formal sector employment and of Swazis entering the labor force indicate a growing amount of unemployment, along with poverty and the other social problems associated with it.

Unfortunately, some of the resources needed to cope with these development problems will necessarily be diverted to reconstruction efforts following a major natural disaster in early 1984.

In summary, Swaziland has substantial advantages arising from its location and natural resource base. The potential exists for self-sustaining and independent growth to a significant level of prosperity, with benefits flowing to its population on an increasingly equitable basis. Although progress has been made since independence, it certainly can be accelerated, and fulfillment of Swaziland's potential will occur sooner if the problems noted briefly above are effectively addressed.

B. Macroeconomic Analysis

1. Summary

The economy of Swaziland has done relatively well over the past decade. Exports have grown rapidly and have become more diversified. Production, jobs and real income have increased. After two years of devastating drought, good rains led to record agricultural production in 1983/84. The nation is classified as a lower middle-income country with a per capita GDP of $886 in 1982.[1/]

However, there are emerging problems which need to be addressed before they become serious. They include:

1/ Because of extreme fluctuations in the emalangeni/dollar exchange rate there are a wide range of estimates of the dollar value of Swazi output. To reduce misunderstandings we have used real emalangeni growth rates and proportions in subsequent analysis. The per capita GDP figure was calculated at the 1982 rate of U.S.$1=E1.07. The October 1984 rate is $1=E1.75.

- the inability of traditional agriculture to generate consistent food surpluses and to provide acceptable alternatives to the available wage earning opportunities;

- the decreasing ability of the economy to generate jobs; and

- stagnant government revenue combined with inadequate controls over expenditures which have resulted in increasing government debt.

The economy has three major structural features. It is an open economy, dominated by trade; it is a relatively diversified economy focused on agriculture and forestry; and it is a market economy with limited government intervention.

2. Income Growth and Distribution, Production and Investment

From 1972 through 1976 real GDP grew on average by 3.6% per year and from 1977 through 1981, at 5.6%. Since 1981, there has been negligible real growth, due to the drought in 1982 and 1983, and a reduction in new investment. While there were record maize and sugar harvests in 1984, reductions in manufacturing output occasioned by South Africa's recession will probably lead to only slight growth in 1984. Average annual population growth for the decade ending 1976 was estimated to be 2.8%. The current estimate of the population growth rate is 3.4%. Thus, the real per capita income growth of the 1970's has not continued into the 1980's.

Swaziland's economy is very diversified, with agricultural and forest estates forming the base of the modern economy and accounting for much of that economy's growth. Many manufacturing and support services were directly or indirectly established to meet the needs of the estates. Agriculture and forestry accounted for a quarter of GDP in 1982. An additional 23% came from manufacturing, of which the processing of agricultural and forest products accounted for nearly half. Including both the agricultural and manufacturing elements, the sugar industry accounted for 19% and woodpulp for 7% of GDP. The third largest sector is government which contributed 18% of GDP. (Including parastatals and the investment activities of the traditional government, total government contribution to GDP is 22%). Since the closing of the iron ore mine, the mining sector has been of decreasing importance but the recent commencement of diamond mining and the potential for expansion in coal mining may reverse this situation. Overall, as shown in the following table, the composition of GDP changed remarkably little between 1972 and 1982.

GROSS DOMESTIC PRODUCT, BY SECTOR OF ORIGIN
in millions of constant 1980 emalangeni

SECTOR	1972		1977		1982	
	Amount	%	Amount	%	Amount	%
Agriculture	61.7	23.1	69.4	21.8	94.2	23.6
of which: Crops SNL			(10.4)	(3.3)	(8.6)	(2.2)
Crops ITF			(39.5)	(12.4)	(63.8)	(16.0)
Other			(19.6)	(6.1)	(21.7)	(5.4)
Manufacturing	54.5	20.4	65.3	20.5	92.6	23.2
Government Services	36.0	13.5	52.0	16.3	71.5	17.9
Transport/Comm/Const	48.4	18.2	35.3	11.0	40.3	10.1
Distribution	29.1	10.9	37.5	11.8	34.7	8.7
Business Services	5.3	2.0	20.3	6.4	25.7	6.4
Mining	18.0	6.7	15.3	4.8	12.2	3.1
Forestry	5.1	1.9	5.4	1.8	5.9	1.5
Other	9.2	3.4	18.2	5.7	22.1	5.5
TOTAL	267.3	100.0	318.7	100.0	399.2	100.0

In each of the past five years gross fixed capital formation has been over 25% of GDP. The proportion of government to total investment has been dropping, with the private sector now making 94% of total investment compared to 75% in the mid-1970's. Very little investment is financed by domestic private savings as most investments are made by foreign (including South African) companies using foreign capital. Given the high level of investment it is surprising that there has not been more real economic growth. In the past each additional lilangeni invested has resulted in an increase in output of less than two emalangeni. One reason is that Swaziland is an exceptionally open economy and many of the benefits of additional investment result in increased imports. With most of the imports coming from South Africa, that country receives much of the benefit of the increased investment. Another reason is that at independence Swaziland had poor economic infrastructure. Much government investment has therefore been on basic roads, medical and educational facilities which do not yield quick returns but lay the foundation for significantly larger future growth.

On the whole, compared to other traditional societies and some modern ones, Swaziland provides relatively equitable opportunities and access to the benefits of development. Data collected by a 1977/78 survey of rural homesteads found that the Gini coefficient for total income inequality was comparable to other countries: 0.46. The same type of analysis applied to 1982/83 land distribution data yielded similar results. A comparison of the spread in urban wages shows that since 1977 unskilled wages have risen faster than middle or upper management wages. Casting aside statistics, however, Swazi society clearly accords males the advantage in terms of income and property rights. Nevertheless, there are unmistakable signs of increasing consciousness and a probably irreversible trend towards greater equality for women.

3. Macroeconomic Policies

Swaziland has chosen to remain within the Southern African Customs Union (SACU) and the Rand Monetary Area (RMA) and thus has little scope for independent fiscal or monetary policy. The government and business sectors feel the benefits from membership in SACU and RMA outweigh the disadvantages. The government's policies are supportive of expanded activity by the private sector.

Swaziland's partners in SACU are South Africa, Botswana and Lesotho. Import tariffs and conditions are determined by South Africa after consultation with the other members. Th

The receipts from SACU are the major source of government revenue, and SACU's rates and terms are essentially beyond the control of the government. Because of the open border and the lack of substantial border restrictions, prices in Swaziland and its inflation rate are determined by those in South Africa. Although Swaziland nominally controls the prices of many essential commodities and those which enjoy a local production monopoly, prices are necessarily adjusted to reflect prevailing prices in South Africa.

Swaziland's monetary policy is similarly restricted because of its membership in the RMA with South Africa and Lesotho. This permits South African rands to circulate as legal tender in Swaziland with no restrictions on the movement of funds within the RMA. Thus Swaziland's interest rates and credit availability are determined by conditions in South Africa. Swaziland's emalangeni are backed 100% by rands, rand deposits and South African government securities: emalangeni and rands are interchangeable, and emalangeni are convertible into any world currency with a minimum of difficulty.

The government is committed to a free enterprise system and has attempted to design a tax and loan policy designed to stimulate private investment both foreign and domestic. The major incentives cited by companies locating in Swaziland are the economic and political stability in the country, liberal foreign exchange controls, access to the South African market and cheap labor. However, the policies have not been as effective as desired because of better financial incentives offered in South Africa's so-called "homelands" and periodic difficulties in acquiring necessary government residence and work permits or approval for specific activities. The government recently liberalized work and residence permits to encourage further private investment. The overall policy stance regarding private investment is encouraging, but it needs more careful articulation and better, more consistent implementation.

4. Trade and Balance of Payments

Swaziland's exports are equal to 62% of GDP while imports are 88% of GDP. Even with likely errors in the data, this indicates the importance of trade to the economic welfare of the country and an economic openness greater than that of nearly all other countries. This openness means that Swaziland is strongly influenced by changes in demand on worldwide markets. However, the overall impact on the economy of changes in any one product's price and demand is limited due to the wide variety of products traded.

Swaziland exports a wide variety of products, and exports grew by 17.2% per year from 1978 to 1982. A third of export earnings comes from sugar, most of which goes to protected markets paying above world market prices. Declining demand and prices on the open world market have restricted Swaziland's ability to expand the value of

its sugar exports. Also exported are substantial quantities of woodpulp, asbestos, timber, citrus, pineapples and, until recently, chemicals, fertilizers and electronic equipment. New export-oriented industries (such as clay bricks, diamonds and non-traditional agricultural products) are being developed. Swaziland's export markets are well diversified, with South Africa, the U.K., Western Europe and the U.S. being the major customers. Partly due to lack of capacity and resources, GOS policy is generally not to attempt to limit the influence of international markets; surviving industries are thus reasonably competitive.

Imports have been rising considerably faster than exports: 23.6% per year on average during 1978-1982. The fastest growing components were fuel, machinery, food, chemical and manufactured items. Nearly all imports come from or through South Africa (83% in 1982) and include the entire range of consumer and producer needs. Import figures are politically sensitive since the government receives from the SACU's common revenue pool at least 17% of the value of estimated imports.

During the last few years, the balance of trade deficit has increased and is estimated to be about one quarter of GDP in 1983. This has created fears that Swaziland may not be able to continue importing and may be unable to service its foreign debt. Some of the deficit is associated with imports required by foreign investment or development projects financed by donors, and is thus automatically financed. However, Swaziland's ability to resolve the balance of trade deficit is constrained by its membership in the SACU and RMA. It cannot restrain the international flow of its currency nor can it limit imports. In this regard, Swaziland's situation can be compared to that of a state in the United States: net financial outflows automatically lead to restraints on domestic commercial activity, or increases in external indebtedness.

5. Government Revenue, Expenditures and Debt

While the current debt situation of the GOS is reasonably good, recurrent expenditures have been rising faster than revenues, leading to reduced ability of the government to finance its capital budget. To reduce the government's dependence on SACU receipts and to develop an additional revenue source, the government recently imposed a Sales Tax.

From 1978 to 1982, total revenue collections of the GOS increased from E99 million to E177 million, or by 15.6% per year. About 60% of the revenue comes from SACU. An additional 12% comes from the Company Tax and about the same percentage from the Individual Tax. Because of low world prices, the Sugar Levy has not collected any revenue since 1982/83. In the past the major taxes have not been responsive to changes in income. For every one percent change in GDP, receipts from the customs union have risen by 0.48%, company

and individual tax receipts by 0.69%. The new Sales Tax is estimated to collect E18 million during 1985/86.

Since 1979/80 recurrent budget expenditures have increased by 24% per year, or 5% per year in real terms. This is considerably above the growth in revenue. Nearly a fourth of all recurrent spending has been on education, with general administration of the government accounting for an additional sixth. Wages and salaries account for nearly 60% of all recurrent spending in the 1984/85 proposed budget. Swaziland spends both a higher amount per capita and a higher proportion of its recurrent budget on education and health than other comparable African countries. Major increases in foreign donor financed capital spending on education and health have resulted in increased recurrent budget demands for teachers, books, desks, drugs, nurses and physicians. However, recurrent budget allocations have not been adequate to meet the demand, and overspending reached 15% of the total budget in each of the last three years. The GOS is making efforts to bring the situation under control, but they have not yet been successful.

Swaziland's capital program has been dominated by a few large projects and thus shows considerable fluctuation by sector and by year. For example, in 1979/80 capital spending fell by 17%, but in 1981/82 it rose by 37%. Because of increasing demands of the recurrent budget, the real 1984/85 capital budget was to be the lowest of any recent year. However, capital outlays for reconstruction will increase actual expenditures above the budgeted amounts. Between 1978/79 and 1982/83, one fourth of the capital budget went for roads and transportation; another fourth was spent on agricultural projects; and 17% on education. Due to implementation difficulties, the capital budget has seldom been fully implemented. Only 66% of the 1982/83 capital budget was spent. In practice, underspending on the capital budget has allowed the GOS to transfer funds to meet recurrent costs and thus escape some of the consequences of recurrent budget overspending. However, such juggling of expenditures has also made planning and budgeting extremely unrealistic and has encouraged fiscal irresponsibility.

Recent deficits have substantially increased the size of total government debt and reduced the government's net creditor position with the banking system. In the mid-1970's, bilateral loans with concessional interest rates made up the majority of the country's debt. More recent borrowing has been from international development and commercial banks with substantially harder terms. As of the end of March 1983, external public and publicly guaranteed debt was E188 million, or 30% of estimated GDP. Debt servicing required 5.3% of government revenue in 1983 but is expected to take 12.4% by 1985/86. The debt service ratio (debt repayments as a percent of total exports) has been rising and stood at 6.5% in 1983. It is lower than that of most comparable countries and while it bears close attention, it is not seriously constraining government activities.

6. Employment

Swaziland has one of the highest ratios in sub-Saharan Africa of paid employment to working age population: 29% in 1982 with another 4% employed in South African mines. However, the growth in paid employment, although significant, has not kept pace with the growth in working age population. During the past five years 7,200 people have left school each year with at least a fourth grade education and have sought formal sector employment. Approximately 4,850 were able to find paying jobs each year with an additional 1,000 becoming self-employed or informally employed. Thus, the number of people who wanted but could not find paid employment each year has been about 1,350. The situation has been getting worse; in 1982 total paid employment actually fell by 2.2% and the Ministry of Labor estimates that paid employment has continued to fall in 1983 and 1984.

There are four principal causes of increasing unemployment in Swaziland: high population growth; the lack of adequate preparation of the workforce, leading to low productivity; the convenience of importing inputs and consumer goods from South Africa, resulting in an underexploitation of internal linkages and potential value-added; and failure to exploit fully the advantages Swaziland offers for investment and job creation.

Because of the small size of the major cities in the country, one result of the increase in the number of jobs over the past decade has been a rapid urbanization rate. Firm figures are lacking, but the town councils of Mbabane and Manzini estimate urban population growth rate in excess of 10% per year. In addition, since the last census the company town serving the Simunye Sugar Estate, Ngomane, has grown from 400 to an estimated 30,000 people.

Just over a fourth of the paid jobs are in agriculture and forestry (primarily with the large estates). Government accounts for another 25%, services (community, personal and social) for 19% and manufacturing for 13%. Wage employment in the private sector is dominated by a few large employers, with 57% of the employees working for firms employing over 250 people. In manufacturing, six firms account for nearly two-thirds of total employment. In the past the government acted as employer of last resort, but budgetary difficulties have forced it to impose a partial freeze on filling currently vacant positions. Modern sector paid employment has been primarily for men, who currently account for 77% of the jobs. In agriculture, an increasing proportion of the jobs are being held by men, but in the manufacturing and business services sectors, the proportion of women is increasing.

Localization, i.e., replacing expatriate workers with Swazi workers, is one of Swaziland's employment objectives, and steady, though unspectacular, progress is being made. Non-Swazis accounted for

4.4% of the total private sector employment in 1982, with both the number of foreigners and their percentage of the work force down slightly since 1980. Nearly all the clerical, semi-skilled and unskilled jobs in the private sector are localized, but only 52% of the professional and technical positions, 57% of the administrative and managerial positions and three-fourths of the skilled manual labor positions have been localized. In government, non-Swazis account for 12% of the professional and technical positions. The major factor constraining further localization is the lack of qualified Swazis to fill the positions.

7. Forecasts

An econometric forecasting model of the Swazi economy was created by USAID to assist the GOS in developing its Fourth Five Year Plan (1983/84-1987/88). The model can most appropriately be viewed as a status quo forecast. That is, it projects the direction the economy is likely to take considering only those new investments which are definite. Changes in government policy and unforeseen events and investments are not included, although in a small economy like Swaziland's these items can have a major impact.

If the status quo prevails, the model projects that through the end of the decade:

- Real income would rise by 2.2% per year but, with population growing by 3.4% per year, there will be a fall in real income per capita of 1.2% per year on average.

- Real government receipts would increase by only 1.6% per year, with the largest increase coming from the new sales tax. The demand for real government recurrent spending will increase by 1.8% per year. Thus, there would be a slow expansion in national debt.

- With current employment elasticities, real income would have to grow by 8.2% per year (and not the projected 2.2%) to generate sufficient formal sector jobs for those seeking work.

Thus, the model projects that the economy will gradually expand, but not rapidly enough to provide jobs for all the new entrants to the labor force, or to provide a rising real income per capita. The model also projects that the government will have insufficient revenue and that demand for capital spending will be greater than the government can afford. Imports are expected to increase by 2.8% per year while exports are projected to rise by only 1.3%. The resulting trade deficit is expected to increase from 29% of GDP to 36%. The balance of payments situation will not improve. This deficit will require additional external borrowing. If the government is unwilling to borrow, then the automatic adjustments to net financial outflows will result in reduced economic growth.

These projections suggest areas in which government policy could be changed to improve economic prospects. The GOS's interpretation of the results is that:

- Greater efficiency in and control over government spending is necessary, as is better compliance with existing taxes;

- Increased attention has to be paid to privatization of some government functions; and

- The incentive structure for new domestic and foreign investment has to be improved, with a bias shifting towards labor-using investments.

Since Swaziland is such a small economy the impact of new investments can result in major changes in the forecasts. If, as is probable, some of the investments currently under discussion materialize, the employment, income and government revenue picture will be better than the model projects. Additional benefits would result from progress toward the policy objectives noted in the foregoing paragraph.

8. Natural Disaster

The preceding economic statistics and forecasts do not take into account the effects of a recent natural disaster or the cost of measures which will be required for reconstruction.

Cyclone Domoina struck Swaziland January 29-30, 1984. High winds and flooding cost the lives of about 65 people; left hundreds homeless; damaged numerous water supply systems, irrigation works, and some schools and clinics; and caused massive destruction of Swaziland's well-developed transportation infrastructure. Many road and railway bridges were swept away or badly damaged. Huge sections of some major roads were destroyed, while at least 1,800 miles of roads throughout the country require some type of repairs to restore them to their pre-cyclone condition.

Reconstruction is now under way and is expected to take at least five years and $60 million or more to complete. The present estimate of total damage to public infrastructure alone is about $53 million, of which road and bridge damage is $35 million and damage to the railway system $13 million. Private sector damage is much more difficult to assess. It has been estimated that insurance claims will be about $9 million, but this does not take into account large amounts of uninsured property, damage to private homes (particularly traditional homes in the rural areas) or damage to crops. It also does not consider the long-term impact of the cyclone on industries which depend on the transportation infrastructure. Until roads and bridges are fully repaired, these industries must use alternative, invariably more expensive routes and methods to secure raw materials and to market goods.

Reconstruction efforts will necessarily receive high priority attention and preferential funding from the GOS for the next few years. Although some grant funds from donors will be available, the GOS will also need to borrow heavily from development banks and commercial lenders. The proportion of government revenue devoted to interest payments is expected to rise from 5.3% in 1983 to 12.4% in 1985/86 and 10% by the end of the decade because of reconstruction borrowing. The debt service ratio (debt service/exports) will rise to about 10% of exports (from 6.5% in 1983), but still well below the internationally accepted danger point. On the positive side, however, the reconstruction program should have a beneficial, albeit temporary, effect on employment.

C. Political and Administrative Setting

1. Tradition and Change

Swaziland is a monarchy with strong traditional roots. King Sobhuza II, who ruled for 61 years until his death in 1982, was the universally accepted authority and final arbiter on all questions of Swaziland's policies and practices. While total respect for tradition and a sometimes tedious practice of consensus in decision-making were hallmarks of his reign, the policy framework that emerged was generally permissive if not always totally supportive of development. The King also provided the elements of unity, authority and decisiveness which are important in the national development process--elements that are now diminished and are likely to continue thus until well after the investiture of his successor several years hence.

After the King's death, Swaziland entered a period during which various factions have been contending for power and position under the nominal leadership of a Queen Regent and the Liqoqo, an "advisory" body whose leading members have expanded their power and influence well beyond that enjoyed while the King was alive. While the confusion and rapid change which characterized the early part of the interregnum seem to have abated, the relative calm and unity of the Sobhuza reign cannot be expected to return. The extent to which political squabbling continues or is resolved greatly affects the economic policy making process and the planning and implementation of development programs. At present, the situation appears stable enough to provide reasonable continuity of policies and programs. However, traditional attitudes predominate in the Liqoqo and they have significant influence in all major political factions. Thus, whatever happens politically, traditional attitudes will continue to affect the approach to such areas as land tenure, programs aimed at women, family planning, health education, and virtually all others.

2. Governments - Modern and Traditional

Swaziland's modern government consists of a judiciary, a parliament,

prime minister, cabinet and an array of line ministries. The parliament plays a watchdog role with regard to the national budget and to the ministries and the various programs administered by them. It does not directly or openly criticize the monarchy (or the current political leadership), and it does not formulate major policies. The Prime Minister and cabinet direct the operations of the government's ministries and agencies which are established along the usual functional lines. It is with this part of the government that donor agencies principally work. The executive branch ministries are being staffed increasingly by western trained and oriented Swazis who generally understand, in the broadest sense, the need for and goals of development efforts. However, the responsibilities of most ministries, e.g., Education and Health, have expanded much more rapidly than their management cadres and systems can handle efficiently. Well-trained and experienced planning personnel are in extremely short supply throughout the government.

An interesting and important feature of Swaziland is the extent to which a powerful system of traditional government exists side by side with the country's modern government. The traditional government consists of various institutions and structures that have historically been part of the Swazi monarchy, as well as newer institutions that represent adaptations to the changing requirements of government. The King and the Queen Mother (in the present situation, the Queen Mother alone acting as regent) possess ultimate authority in a complex monarchal system based on a ranked hierarchy of clans. Descendants of both reigning and former kings are entitled to the rank and privileges of princes and princesses, resulting in an extended royal "family" large enough to be considered a social class of aristocrats.

At present, the Queen Regent and the Liqoqo rule the nation with the help of princes and chiefs throughout Swaziland. As local representatives of the monarchy, chiefs technically are answerable only to the King (Queen Regent at present) or to more powerful regional representatives of the King. They are not subject to modern government authority in their roles as chiefs and wield considerable power within their home areas. They can impose fines, allocate or withhold land, confer citizenship locally, demand labor services of their followers, appoint followers to positions of authority, banish people from their chiefdoms, and support or block development projects being carried out by modern government ministries.

At the center of Swaziland's traditional government is the Tinkhundla system which was established by King Sobhuza II. It forms a link between the chiefs and the advisory councils to the Regent. The nation is divided into 40 Tinkhundla or regional assemblies of chiefs. Through the Tinkhundla, chiefs can be contacted in groups and can express their interests and needs on a

common, regional basis. The influence of the Tinkhundla has varied during the past 40 years but now appears to be on the rise. An Office of the Indvuna yeTinkhundla was created in 1982, given cabinet rank, and is gradually assuming more responsibility in rural administration. In the government reorganization carried out in 1983, the Indvuna yeTinkhundla was given the responsibility for regional administration formerly handled by the Ministry of Home Affairs. Thus, with local level administration under the traditional government's coordinating agency, traditional leaders are expected to play a more important role in national policy making and to enjoy somewhat greater autonomy within their home areas than in the past.

A greater role has already been proposed for chiefs and the Tinkhundla in identifying development priorities at the local level. Under that proposal, a chief-in-council (i.e., in consultation with other notables in his chiefdom) is to identify such needs. Proposals are then to be discussed among small groups of chiefs at the local Inkhundla, presented as Inkhundla proposals to one of the four regional assemblies, then forwarded to the national Tinkhundla office for action (which would normally mean coordination with one or more of the functional ministries). The Tinkhundla system would attempt to handle proposals at the regional level in order to encourage greater self-reliance at the local level. Obviously, the traditional authority system, including the Tinkhundla, has a significant role in the development process.

D. Social Setting - The Swazi Homestead

Programs aimed at improving the quality of life and increasing the incomes of the Swazi people, the vast majority of whom are poor and live in rural areas, must reflect an understanding of the structure, dynamics and pervasive influence of the Swazi homestead, which is the basic social, economic and residential unit of the Swazi society.

Swazis do not congregate in villages but live on small, widely dispersed "homesteads." Each consists of one or more households (usually nuclear family groupings) which are the primary production and consumption units. There are currently more than 54,000 homesteads in Swaziland. Recent surveys suggest an average of 10 people per homestead: 8 resident and 2 absentee workers. However, homestead size depends upon the stage in its development cycle. As one or more sons marry, bring wives to their father's homestead, and have children, the homestead grows in number of residents and number of constituent households. Also, polygyny remains an ideal for most Swazi men, and a man might establish several separate households, each with a wife and her children, within the homestead. Eventually, most of the married sons are allocated their own land by the chief of their area and fission occurs with new homesteads being formed and the cycle is repeated.

1. Agriculture - The Homestead Economy

The typical Swazi homestead contains 2.75 hectares (6.8 acres), of which some 80% is devoted to raising crops primarily for subsistence, 17% lies fallow, and 3% is used for the homesite and cattle byre. Extensive communal lands are available for livestock to graze. Homestead crops include (invariably) maize which is the staple of the Swazi diet, plus lesser quantities of pumpkins, groundnuts, beans, sweet potatoes, tomatoes and cabbage; valuable nutrients are added to the diet in homesteads which produce bananas, papayas and/or avocados. A recently published survey (deVletter, 1983), found that nearly half of the homesteads purchase additional maize to meet consumption needs. Many of these, apparently, do not have enough land to produce their full requirement.

For some years, limitations on farm income combined with opportunities for relatively well paid wage employment have induced many homestead members (particularly men) to seek off-farm employment, leaving only enough family members on the homestead to grow subsistence crops, tend the cattle and maintain ties to the land. The deVletter survey found that 68% of all homesteads had absentee workers. To the extent that relatively remunerative employment is available, there is less incentive to make optimal use of land, adopt improved farming methods and increase agricultural production beyond the subsistence level. According to deVletter, most homestead cash income (51%) comes from the wage earnings of residents who commute to work. Other cash income comes from remittances from absentee members (22%), non-agricultural income-generating enterprises (12%), and crop sales (9%).

Homestead expenditures are primarily related to education, agricultural cropping and purchase of supplementary food. Other expenditures are on transportation, clothing and medical costs (including the services and medicines of traditional healers to provide protection from enemies or bring luck in employment, schooling or romance).

Cattle occupy an important place in Swazi culture and in the economics of the homestead. They are the principal means for accumulating wealth on the traditional homestead and are the currency traditionally used as bride price. In addition, they provide milk, meat, manure, blood and hide. Since access to communal grazing is free, cattle cost next to nothing to maintain. They are regarded as (and, in fact, are) secure investments and hedges against inflation. The consequences of overstocking are unfortunately difficult to perceive at the homestead level, where it seems to be in the individual and family self-interest to have as many cattle as possible. It is not surprising therefore that warnings about overgrazing and soil erosion have in the past had little effect in discouraging the accumulation of cattle.

The attitude of Swazis living traditional lifestyles toward the accumulation of material possessions and the outward display of economic success is worth noting. It is generally acceptable for chiefs and members of the royal Dlamini clan to accumulate and to display wealth. It is also accepted that traditional healers often become wealthy. Others who are too successful, who accumulate too many cattle or wives, who have too grand a house or who display other conspicuous signs of wealth, are thought to be either behaving in a non-Swazi manner or achieving greater success than their neighbors through sorcery. The concept of ensuring economic rewards through hard work and the application of better knowledge and improved technology appears to be relatively alien to Swazi traditional thinking. The rural Swazi who is too conspicuous in his possessions or lifestyle may find himself in very real danger of reprisals from his less successful neighbors who will likely employ sorcery combined with more direct means to combat what they perceive as the successful person's machinations. Therefore, fear of supernatural phenomena still acts as a constraint to economic enterprise. It also acts as a disincentive to the assumption and exercise of leadership roles throughout the society. Despite these fears, there is an emerging class of Swazis consisting of mostly urban-based, higher-salaried civil servants, businessmen and managers of industry and commerce. They or their children tend to be better educated, are acquiring attitudes and outlooks quite different from those of most rural Swazis; and, by virtue of living much or all of their lives off of the homestead, may never have fully absorbed many of the beliefs and values characteristic of most Swazis. A somewhat less affluent lower middle class, with its own changing values and emerging interests, can also be identified.

2. Role of Women

Since men are away from their homesteads much of the time, and since women perform most agricultural tasks and have virtually all responsibility for childrearing and domestic chores, life in the homestead is largely centered around women. Although women may be the senior members present on the homestead full time, they often are not given authority by the absent senior male member to make necessary decisions or to try new approaches and have fewer means of acquiring modern agricultural skills and knowledge. Agricultural education and extension programs directed toward women could therefore have significant impact on homestead productivity and income.

In such areas as health education, too, the greatest impact at the homestead level is likely to be made through programs for women. Health, nutrition, cleanliness and sanitation are among their responsibilities. When Swazis become ill, their first therapy recourse is self-treatment in the homestead, using local herbal medicines. Such domestic medical knowledge is handed down from elder women to younger women within homesteads, and it may be shared among neighbors. If the illness persists, Swazis then consult a traditional healer or go to the nearest clinic or hospital, or both.

The average Swazi woman will have nearly seven children, so a good deal of her time and energies are devoted to childrearing. Children are highly valued by Swazis: having more children means more hands to work at the homestead, creation of marriage ties with other families and incoming bride-payments for girls, cash remittances when children grow up and find jobs, the possibility of a greater land allocation and support in old age.

In addition to their many other chores and responsibilities, women often want--and may need--to earn additional income for themselves and their children. They typically do this by making and selling handicrafts, brewing traditional beer, practicing as traditional healers, performing agricultural work for neighbors, and by selling agricultural produce. For example, virtually all sellers of fruits and vegetables in Swaziland's public market are women. Many women also find time to become involved in community work, usually through the local Zenzele ("Do It Yourself") women's association, and to be active in a local church.

3. Continuity and Transition

Swazis at all levels of society recognize the importance of the homestead as the primary institution for the transmission and preservation of the Swazi way of life. Historian Alan Booth, who could just as easily be writing in the present tense, noted, "To be a homestead head was the life aspiration of every Swazi. Whatever he did, wherever he went, the homestead was the place he came from, and the place where he would return, to live in security and with respect until he died. It was the key to his rights to land and livestock. It was, in short, the primary agency for realizing and assuring his birthright to support, sustenance and position as a Swazi male throughout his lifetime."

The late King encouraged Swazis working in towns or commercial areas to spend any available spare time visiting and developing their homesteads. The majority of Swazis, it seems, need no such admonitions. Every weekend there is an exodus from the urban areas by car, bus and truck of employed Swazis returning to their homesteads. This is true even for the highest-ranking members of government. A principal secretary or the section head of a ministry is often also the head of a rural homestead with duties and obligations to his family, his ancestors, his regiment and his chief.

As to the future of the homestead in Swaziland, one observer (Ngubane, 1983) has noted that the main strength of the homestead--the characteristic that "provides grounds for long-term optimistic expectations"--is its variability and flexibility. The Swazi homestead can expand or contract in size; it can support polygynous, extended, nuclear or any other sort of family arrangements; it can divide into two or more new homesteads when desirable; it can be a subsistence or a commercial farm, a non-farm

entrepreneurial enterprise, or a refuge for the unemployed; and it can be transplanted to other chiefdoms or even to peri-urban areas. It seems clear that the homestead in one form or another will remain important to Swazis for the foreseeable future. Development strategies which benefit the homestead will have an impact on virtually every Swazi.

In designing programs to improve the quality of life on the homestead, it is essential to take into account the strength and nature of Swazi traditions and practices, unquantifiable as they are. At the same time, we need to realize that positive changes and progress are possible and are, indeed, occurring. Four of every five homesteads have radios; four of every five Swazi children, more than half of them girls, are receiving a primary education of gradually increasing quality. Homestead life can also be touched through the traditional authority and other social systems. Deeper understanding of existing conditions and beliefs and judicious use of available and accepted systems for reaching homesteads are essential features of any development strategy.

E. Development Problems and Prospects

For all of the cultural, political and economic reasons outlined in the preceding pages, Swaziland faces a period of difficult transition if it is to create and spread the benefits of development among its people while at the same time maintaining its cultural identity, national unity and relative economic independence. Modernization and development are vitally important if Swaziland is to be more than an economic backwater of South Africa, if it is to take advantage of opportunities for individual and national progress, and if it is to play a respected role in regional affairs, particularly in the Southern Africa Development Coordination Committee (SADCC). Swaziland has the potential to do all of this.

A common theme has emerged from dozens of studies; from twelve years of USAID development experience in Swaziland; from discussions with numerous GOS officials, private citizens, business leaders, other donor representatives, and others; and from daily observations. Most sources agree that the overwhelming constraint to truly indigenous development in virtually every area is the shortage of knowledgeable technical and administrative leaders, professionals and institutions capable of introducing progressive attitudes, systems and technologies into the society.

Beyond that general statement, applicable to many countries, what is different about Swaziland's problem? Part of the answer to this question may lie in an unusually long, widespread and tenacious adherence to traditional beliefs, practices and attitudes, some of which are inconsistent with objectives of rapid development and modernization. Although accepting and sometimes seeking the easy fruits of modernization resulting from the country's geographic

location, Swaziland also falls back upon tradition in clinging to the comfort of familiar technologies, policies and management processes appropriate to older generations. Although Swaziland is changing--rapidly in some areas--the change can be managed far better, and available resources can produce far greater benefits for peoples' lives than is now the case. The leadership cadre, both modern and traditional, and basic education are central to resolving this problem.

In addition to the need for knowledgeable, progressive manpower and leadership in every sector, there are four other key problem areas which negatively affect both national development and the personal development of the majority of individual Swazis and their families. These problems are: a very high rate of population growth, poor health status, low agricultural productivity on traditional farms, and unemployment. These problems are characteristic of the vast majority of the poor in Swaziland and also constitute the primary causes of their poverty.

Analysis indicates that programs aimed toward developing human resources and attacking problems in the other four key areas mentioned above have the greatest potential for making an important impact on the quality of life of the Swazi people and on economic growth and equity in Swaziland. Because they are closely interrelated, progress in any one of these sectors should eventually result in progress in the others. Therefore, USAID/Swaziland proposes to focus its development efforts in these areas, all of which were well identified and described in the FY 1982 CDSS. The remainder of the analysis section will briefly describe the current situation with respect to each of them, and will identify some of the factors holding back progress.

1. Skilled Manpower and Leadership Development

A basic lack of skilled manpower and leadership affects every sector in Swaziland and is the major development constraint throughout this analysis. It impacts directly on the key areas mentioned here and is a common thread throughout the development institutions and systems in Swaziland.

A broad foundation for leadership and the creation of a more knowledgeable, skilled populace is slowly being built through the formal education system in Swaziland. Quality, practical primary education will strengthen and broaden the capacity of the next generation of workers, mothers and leaders. It can also have shorter term impact on attitudes and knowledge regarding important subjects such as agriculture and health, and, through primary students, it provides an additional means of communication with a majority of homesteads. Since the early 1970's, USAID has concentrated its basic education efforts on helping the GOS develop a more practical primary school curriculum relevant to Swazi needs

and supportive of national and individual development objectives. That effort is continuing through training of primary school teachers and the gradual introduction of new curriculum materials into the system.

With 80% of the primary school age (6-12 years old) population now attending school, the national objective of universal primary education is well on its way to becoming a reality. Between 1970 and 1983, primary school enrollments grew 5% per year, from 69,000 to 130,000, and the number of primary schools from 351 to 468. During the same years, the number of primary teachers rose from 1,706 to 3,922 and the student/teacher ratio dropped from 40:1 to 33:1. There has been less progress in developing and disseminating the new Swazi primary curriculum. Over half has been written, however, and its infusion into the schools should accelerate with the beginning of the Teacher Training project.

Although the quantitative growth in students, classrooms and teachers is impressive, and there has been some progress in curriculum development, there are a number of concerns about quality and efficiency in the system at both primary and secondary levels. Indicators of these issues include flow of students, costs, and quality and appropriateness of instruction, especially as it involves pre-service and in-service teacher training and student achievement levels.

Repetition rates have a direct bearing on student flow. These rates are very high. With only 1.8 of every 10 students making a direct progression from grade 1 through grade 7, the system provides an average of 15.3 years of instruction for each primary school graduate. An even more important problem associated with student flow is the number of underage and overage children occupying primary school places. For the past five years, more than 7% of the total primary students have been younger than the designated age for their level. Overage students are an even larger problem. In 1983, 21% of the total primary student enrollment was older than 12. Because of the wastage brought about by the high repetition rates and student age anomalies, many children are unable to find places in the schools. If those constraints were lessened or removed, well over 90% of the 6-12 year olds would be able to attend school.

The quality of instruction throughout the system is also cause for concern. One indicator is that fewer than 2% of those who enter primary school progress through junior secondary and secondary school to successfully complete the "O" level examinations, and the pass rate in that examination has dropped from 62.1% in 1972 to 29.0% in 1983. The academic curricula taught in the schools in the past have not provided students information (basic health and nutrition, for example) which could improve the quality of their lives and have not given them the skills and attitudes necessary to take advantage of the types of employment opportunities the economy

is likely to offer. However, education in practical arts is part of the new USAID-funded primary curriculum and is expected to contribute to a trend toward more appropriate instruction at all levels. In general, GOS policy also is giving increasing emphasis to growth in practical, employment-oriented education. Agricultural education at primary and secondary levels has expanded rapidly over the past few years and there are similar plans for other vocational subjects. Plans are also well advanced for the establishment of Vocational Training Centers closely related to industrial needs, and the role of the Swaziland College of Technology is being examined more closely in relation to system-wide needs. Thus, there is an overall trend in the right direction.

Overall capacity at the University of Swaziland (UniSwa) is about 1,100, with available facilities and faculty. Instruction is at Certificate, Diploma and Bachelor's levels. Enrollment has increased from 756 in 1978/79 to 1,063 in 1982/83. Although only moderate expansion is probably needed, the direction of the economy requires strengthening of faculties related to commerce, industry, agriculture and related disciplines. Also, Swazi nationals account for only about one-third of the faculty at present.

Education and training institutions, including the Ministry of Education, in most cases are less effective than they should be. There is a general lack of planning, management and supervisory skills throughout the system, beginning with primary school headmasters. Even the USAID-sponsored National Curriculum Center is not a fully effective institution after 10 years of support. Management training at UniSwa is in the early stages of development. A recent evaluation indicates that the Swaziland Institute of Management and Public Administration is regarded as the least effective of its type in the SADCC countries. Although many years of staff training and institutional development are required in all of these institutions, there are reasons to be moderately hopeful. The principal one is a growing nucleus of returned participants, AFGRAD and bilateral, who are beginning to reach positions of influence in many parts of the system.

Gradual progress through the formal education system cannot produce change quickly enough to meet Swaziland's needs; nor can it provide training in all the fields or at the levels necessary to formulate policy, manage programs and facilitate technology transfer. As mentioned previously, numerous studies have highlighted major manpower shortages in technical and managerial skills as primary constraints to progress. Development efforts in every area have been hampered by institutions which do not work at all or work poorly because of these shortages. Some of the training required could be provided in Swaziland--managerial courses for small businessmen, for example--but much of it will need to be secured outside Swaziland, at least during this CDSS period. To cite just a few examples from a study by Colclough and Digby: of 54

post-graduate scientists Swaziland is expected to need by 1989, only six will be provided without training assistance from donors; of 16 needed in agriculture, only two would be provided; of 44 in social sciences, only 11. Participant training, both long and short term, is therefore a recognized, important need.

People outside the formal education system can also be reached. There are means to do so, underutilized by both GOS and donors, and this could have important economic and quality-of-life payoffs. In the rural areas, for example, traditional leaders who could mobilize support for development activities sometimes delay or obstruct development efforts because they have not been enlisted as part of the process and do not understand the potential benefits for their people. Homestead residents, who could take immediate advantage of some development activities to improve their incomes and/or quality of life, are poorly informed of the possibilities and inadequately motivated to do so. Mass media could be used to reach them, but the technological and institutional bases for doing so require strengthening.

2. Rapid Population Growth

A very high rate of population growth, currently estimated at 3.4% per year, is Swaziland's most serious development problem. It is beginning to place a strain on available land, is contributing to poor health and rising unemployment, and is putting increasing strain on public education and health resources and budgets. The total fertility rate is nearly 6.9, a level which means that the average Swazi woman has one more child during her life than do women in other countries with similar incomes.

A 5-year target of the previous CDSS was to reduce the crude birth rate from 52/1,000 to 45/1,000. Although population and health statistics are still fairly unreliable, the crude birth rate in 1984 is reported as 51.3/1,000. Thus, it appears that there has been little change since 1976 (52.5/1,000). The crude death rate, though, has dropped from 19/1,000 in 1976 to an estimated 17.1/1,000 in 1984. The averages in similar lower-middle income countries in 1981 show a crude birth rate of 38/1,000 and a crude death rate of 12-13/1,000.

Because of the high birth rate, Swaziland has a very young population. Currently, about 49.1% of the population are less than 15 years of age (21% in the 0-5 age bracket); 48.5% are between the

ages of 15 and 64; and only 2.4% are 65 or older. The dependency ratio is approximately 1,061 dependents per 1,000 persons 15-64 years of age.[1/]

The high population growth rate has been the subject of a number of policy discussions and seminars during the past few years, including a USAID-sponsored RAPID presentation to top-level government officials. However, there is still a lack of awareness and urgency on the part of both modern and traditional sector leaders as to the negative impact of the problem and to possible measures for dealing with it. Little high-level encouragement for family planning has been forthcoming.

Studies also show that the general public has little awareness of the negative impact of rapid population growth on the individual household or homestead level. Most do not realize that one of the reasons the family has too little money or the mother is constantly sick or the children are undernourished is that there are simply too many children and their births are too close together. High infant and child mortality is a major contributing factor to high fertility as women bear more children in an attempt to ensure that a certain number survive. Ironically, this high birth rate in turn contributes to high childhood mortality because mothers are less healthy during pregnancy, babies are born weaker and weaned earlier than they might otherwise be, and the household may not be able to provide the proper care for so many children.

The high cost of education may be generating the beginnings of individual and household awareness among Swazis, as are early programs of the fledgling Family Life Association of Swaziland and efforts of nurses recently trained in aspects of maternal/child health. Even with these early efforts, studies consistently show that only about half of the rural women know anything about modern means of contraception or how to secure them should they choose to do so. Recent homestead studies indicate that women are becoming more interested in family planning, but that men in general oppose it.

There are some reasons to be hopeful: the crude death rate has dropped since 1976; the number of family planning acceptors is increasing at about 10% per year, and services are becoming more

---

1/ All population statistics used in this CDSS are drawn from or projected from the 1976 census, Swaziland's most recent. Another census is planned for 1986 and should provide an opportunity to update the statistics, check the accuracy of current projections and establish up-to-date baseline data to determine progress toward some specific health and population objectives.

widely available (over 27,000 Swazis have requested information as of 1984); virtually all of the next generation of mothers will have at least a primary education; employment opportunities for women are expanding, and they are becoming more vocal with respect to rights and status. Offsetting these factors are the generally determined non-recognition of the problem by the nation's (all male) leadership; male attitudes toward contraception and the high value accorded fecundity throughout the population. The keystones here are leadership attitude and government policy; they will be exceedingly difficult to dislodge. Indeed, the situation at that level is probably less hopeful than at the time of the previous CDSS. Renewed effort on the policy front, plus continued support for expansion of knowledge and services are necessary to make a significant change. Such expansion, which fortunately is not actively discouraged, may in fact be the key, eventually, to a more supportive policy.

3. Poor Health Status

In the 16 years since independence, the GOS has invested heavily to improve and expand health care services. Clinics have been built and put into operation at a rapid rate, placing most Swazis within eight kilometers of some type of health facility; a first-rate training institution, the Swaziland Institute of Health Sciences, has been established with USAID assistance and is providing excellent training for nurses, health inspectors and other health personnel; immunization coverage has been increasing steadily; and endemic malaria has been effectively attacked and kept under control (although the country is currently experiencing an upsurge in malaria cases as one of the after effects of Cyclone Domoina). In addition, since the FY 1982 CDSS, the GOS has approved, and has taken some action to implement, a health policy emphasizing preventive rather than curative health care.

Although the crude death rate has fallen from 19/1,000 in 1976 to 17.1/1,000 in 1984, there are still severe health problems which decrease the quality of life in Swaziland, and are significant contributing factors to high population growth rates and to low levels of productivity on the homestead, in the classroom, and at work. The major indicator of Swaziland's generally poor health status is its low life expectancy of only 48 years, which compares very unfavorably with other lower middle-income countries and other countries in the area (60 years in Botswana, for example). Developed countries have an average life expectancy of 73 years.

The major factor contributing to that low life expectancy is Swaziland's high level of infant and child mortality. The infant mortality rate reported from the 1976 census is 156 per 1,000 live births (vs. 70 in Botswana); 0-2 mortality was estimated at a very high 192 per 1,000 live births (vs. 136 in Botswana and 130 in Lesotho); and childhood mortality, ages 0-5, at 231 per 1,000 live

births. Thus, nearly a quarter of Swazi children die before reaching their fifth birthday. Although reliable data is lacking to determine current infant and child mortality rates, there is some evidence that under-two mortality has been dropping and that the 192/1,000 rate estimated earlier may not have been totally reliable. However, the rates are still extremely high compared to other similar income countries and those in the area.

The Ministry of Health and USAID have selected high under-two mortality as the major health focal point because existing technology and human resources appear to offer ready means for significantly reducing that mortality level and because such a reduction would improve the quality of life for the general population, could cause a change in attitudes toward family planning, and is likely to result in improved health and sanitation practices throughout Swaziland. If the under-two mortality level were decreased to 126/1,000 for example, the average level for countries with comparable incomes, the life expectancy of the Swazi population would increase to 52 years, which is slightly above the average level for similar countries.

The primary causes of death among young children in Swaziland are the complex group of childhood diarrheas, pneumonia and protein-calorie malnutrition of early childhood. Although statistics are incomplete, and do not cover the total age group in question, hospital discharge data for 1979 covering children under one year old show that diarrheas accounted for 60.5% of cases, pneumonia for 24.3% and malnutrition for 4.3%. For that year, the same three conditions represent major causes of death for children under one year: 50.8%, 21.2%, and 3.6%, respectively. Contributory factors include certain social and cultural attitudes and practices, poor prenatal and birth care, malnutrition, high fertility rates and inadequate delivery of appropriate health services. In addition, life on the homesteads is generally conducive to a high level of childhood mortality. Hallmarks are: lack of accessibility to potable water, poor or non-existent sanitary facilities for the safe preparation of food and disposal of excreta, crowded living conditions with close contact to sick family members, endemic disease and a high proportion of infected individuals.

Three separate periods can be identified as critical to under-two mortality. (1) Neonatal mortality (0-1 month). The major causes of deaths at this stage in Swaziland are: prematurity, neonatal sepsis and septicemia and neonatal tetanus. Antenatal services which supervise the pregnancies of as large a fraction of mothers as possible can reduce deaths from these factors. First visits for antenatal care in Swaziland tend to be largely in the middle trimester, which results in a limited number of revisits and less than optimal antenatal care. There is a low rate of repeat visits, so preventable problems are often not corrected before delivery, and high risk cases are not referred to the appropriate level of care.

Only 40-50% of the deliveries are conducted by trained personnel. (2) Postneonatal mortality (1-11 months). In Swaziland the major causes of death during this period are: diarrhea, respiratory tract disorders, intestinal parasites, in combination with malnutrition. Encouraging prolonged breast-feeding, and gradual transition to a high-protein diet, better personal and domestic hygiene, keeping the baby under regular and frequent health supervision and early admission to a hospital in serious cases will reduce deaths during this stage. (3) Early childhood mortality (12-24 months). The immunizable diseases, especially measles, whooping-cough and typhoid, in combination with malnutrition, malaria, accidents, diarrhea and dysentery are the primary problems in Swaziland. A combination of preventive and curative services, including health and nutrition education, immunizations, introduction of appropriate weaning foods, supervision and early treatment readily available in health clinics can prevent and reduce deaths from these causes.

Lack of health knowledge on the part of mothers also contributes to the problem. Increasing education levels in Swaziland and provision of health-related curricula in the schools will make a difference in conditions on the homestead over time. Meanwhile, other systems, both traditional and modern, can be used to reach mothers.

USAID and the GOS, in collaboration with the Centers for Disease Control, conducted an extensive nutrition survey in 1983/84. Preliminary results indicate that while malnutrition is not a major problem, chronic undernutrition, or stunting, affects about 3 out of 10 children. This probably contributes to the high rate of childhood mortality. Although breastfeeding is widespread in Swaziland, surveys point to nutritional deficiencies in foods introduced during weaning, and the fact that most breast-fed babies also receive other foods at an early age (under two months), as major factors leading to stunting.

Traditional health practices and inadequate provision of health care services also contribute to the high mortality rates. When a child becomes ill, the family usually tries home remedies first, then takes him to a traditional healer. In some cases treatment is effective; in others it can be highly detrimental. For example, purges and enemas are commonly given to a child who has diarrhea, further dehydrating the child and making a serious situation worse. Certainly the traditional healers (there are about 5,000 of them) must be taken into account in any approach to Swaziland's health problems.

Even when children are taken to modern health clinics, the ability of those facilities to deliver health services is erratic. Because of weaknesses in management and logistics, supplies and services are not consistently available at health facilities, urban or rural. In general, what seems to have happened over the past 5-10 years is that the expansion in physical plant (clinics, health centers, etc.)

and health delivery personnel (nurses, health inspectors, etc.) has far outstripped the capacity of the management, supervision and support systems. Most of the resources necessary to deliver the full range of rural primary health care services from education to immunization either exist now or will be developed in the next few years. But they are neither deployed nor managed to obtain maximum results.

To summarize the health problem:

- The statistics related to morbidity and mortality rates are not wholly reliable; however,
- Life expectancy in Swaziland is lower than it ought to be;
- High under-two mortality is the major contributor to low life expectancy;
- According to very recent IBRD analysis, under-two mortality does seem to be decreasing, although it is hard to say just how much;
- Health resource availability: plant, equipment and personnel has increased substantially; but
- Management of available resources for maximum health impact has fallen behind.

4. Poor Agricultural Productivity

a. General

The agricultural sector is central to the country's development program and is key to economic growth and equity for the foreseeable future. Agriculture, forestry and their related manufacturing activities generate around 35% of GDP, account for 70% of total exports and provide employment to over 40% of the total wage-earning work force. About three-fourths of the Swazi people still live in rural areas. However, like so many other areas of Swazi life, agriculture is sharply dualistic. It is characterized by a modern, capital-intensive subsector (largely owned and managed by non-Swazis on plantation estates) which produces mainly for export and by a traditional subsector which produces mainly for subsistence.

The modern subsector exploits mainly the Individual Tenure Farms (ITF), which in 1982 constituted 44% of total land area. Most ITF land is owned by companies and non-Swazis (some of them absentees), although a recent survey (Hunting, 1983) found that an increasing amount is being purchased by Swazi nationals. Of some 52,000 ha. of ITF cropland cultivated by 206 farmers (1981/82), 146 farmers cultivated 4,200 ha. (average: 29 ha.). Eighty percent of the

remaining 47,800 ha. are accounted for by 16 large sugar and cotton plantations. Agricultural production on ITF grew in real terms at a rate of about 10% per year from 1977 to 1982. Assuming continuation of favorable macro-economic policies, the modern subsector can pretty much take care of itself. It is significant to our strategy mainly as a major basis for associated employment-generation activities and, possibly, nucleus farms.

The traditional subsector is basically that 56% of the total land area classified as Swazi Nation Land (SNL), which is not owned by individuals or organizations but is held in trust by the King for all Swazis. SNL is divided into designated Rural Development Areas (RDAs), which currently occupy about 51% of SNL land area; non-RDAs, about 30%; and the remainder "other land in trust." However, the GOS recently decided to expand the RDA system to encompass all SNL, which means that the capacity and efficiency of the RDA system are significant elements in planning overall agricultural strategy. About 10% of SNL is classified as cropland, 89% as grazing land, and the remainder for other miscellaneous uses. Of the approximately 97,000 ha. of cropland, the average homestead (9-10 persons) has access to just over 2 ha.[1/] Land for homesteads and crops is parcelled out to individual homesteads by some 200 chiefs under a complex land tenure system which is not well understood by outsiders. Another 860,000 ha. of grazing land are exploited on a communal basis. This SNL and its inhabitants are the focal point of our concern in the agricultural sector.

b. Crop Production

The FY 82 CDSS identified low agricultural productivity on SNL as a major development constraint and cause of poverty. This remains true today. Our concern is based on the observations that:

1. Some 60% (two-thirds of them women) of working age population reside and work on homesteads;

2. Two-thirds of the nation's cropland is on SNL;

3. The value of crop production on SNL amounts to only about 20% of the value of total crop production in a normal year; and

4. Assuming normal rainfall, total production on SNL would have remained steady over the past several years; whereas, in spite of decreasing rainfall, production on ITF has increased at about 10% per year.

1/ Statistics on numbers of households and arable land are not entirely reliable. The average size of arable plots has been decreasing.

Thus, overall productivity on SNL is low, per worker and per hectare.

Trends in productivity are difficult to perceive, given the major influence of weather on the maize crop which is grown on virtually every homestead and normally represents about 80% of total SNL production. Projections made during the drought years (1981/82 and 1982/83) tended to be pessimistic; this year (1983/84) there is a bumper maize crop, the marketing system is clogged, and the nation is nearly self-sufficient in staple food production.

The average maize yield per hectare in recent years has been 1.3 MT (over 1.7 MT in 1983/84). This compares favorably to the average yields in developing countries (1.5 MT), sub-Saharan Africa (1.0 MT) and in neighboring South Africa (2.0 MT). Carefully collected statistics from the RDA program provide some support for an increased productivity thesis; the yield of hybrids used locally is about 150% that of local varieties and the use of hybrids has increased from 55% of homesteads in 1980/81 to 76% in 1982/83. In the last five years, chemical fertilizer use has been growing by about 15% per year and use of crop protection chemicals by 58%. However, Swaziland has relatively favorable soil and rainfall conditions and significant potential for still further growth in productivity is indicated: maize yields on ITF are double those on SNL, and research station yields are four times as high.

Who are these Swazi farmers and what factors are inhibiting their productivity and that of their land? A recent study indicates that about one-third of SNL homesteads (34.5% to be exact) exploit their land on a commercial or semi-commercial basis, i.e., they aim to produce enough to be able to sell part of their crops for cash. Of the remaining two-thirds, half have insufficient land to be commercial farmers. Thus, there are perhaps 17,500 commercial homesteads, about the same number of potential commercial farms, and a roughly equal number of households which can be expected to raise crops only for subsistence and are in fact net purchasers of food. The same study indicates that the commercial homesteads have roughly the same farm labor availability and the same number of off-farm wage earners as subsistence homesteads. What distinguishes them seems to be that, on the average, they have been allocated more land; they use wage earnings to finance inputs; and they choose to farm commercially. For whatever reasons, there does appear to be a significant number of homesteads which do farm commercially despite the blandishments of wage labor and another large group who could do so given adequate motivation. (A third group are, basically, rural residents with gardens.) What are the inhibiting factors?

(1) The Human Resource

The existing farmers have less formal general education than will--certainly--the next generation. Nor have they had much opportunity for formal instruction in modern agriculture. This

situation is changing: The number of primary schools offering courses in agricultural education increased from five in 1973 to 83 in 1984; junior secondary schools offering agricultural courses increased from seven in 1973 to 57 in 1984, including over 17,000 students; and the number of high schools offering agricultural courses increased from four in 1982 to nine in 1984, including around 450 students. There were 80 agricultural education teachers in 1980 and 109 in 1984, and UniSwa started a BSc program for teachers of agriculture in 1982. Thus, basic agricultural knowledge and perhaps the disposition to farm may be increasing. What is largely missing at this point is vocational agricultural education: there are few learning opportunities for the person who wishes to become a professional farmer.

A 1983 study financed by AID found that although women provide approximately 70% of all agricultural labor, women farmers have received little attention or assistance in their farming activities. In addition, women have less access to cash for purchase of inputs, and limited access to credit due to male control over collateral (cattle). At the same time, the study found that women are playing an increasingly important role in decision-making with respect to agriculture, especially when men are away. Further work is needed to confirm/amplify these conclusions and to provide a more specific basis for program development. However, it does appear likely that if ways can be found to reach women more extensively and effectively, the use of more productive technology can be increased.

(2) The Land

a. Resource - Generally speaking, the land base is adequate relative to present population, and there is some land not fully exploited. Soils are reasonably fertile although frequently problematic; except in the lowveld, rainfall is reasonably adequate although sometimes erratic. Surface water is not fully exploited. Better irrigation technology is available and could be used more extensively.

b. Tenure - Many western observers, including long-time residents, believe the traditional tenure system to be a major constraint to increased agricultural production, but there is little real evidence. The right to allocate land appears to be a major source of a chief's power, and is held by many Swazis to be an inviolable, unchangeable part of Swazi tradition. Yet, some Swazis have broached the possibility of change--perhaps to long-term leases. Small-scale satellite sugar farms have already been tried. There does appear now to be a disposition to look, albeit gingerly, at the tenure pattern and at possible alternatives. (The GOS has agreed that the resources to do so will be provided under the Cropping Systems Research project.) Meanwhile, we believe increased productivity is possible within current constraints.

(3) Technology

In our judgment, the level of proven, available technology is adequate to support significant increases in productivity. There was a 6-7 year hiatus in compilation, adaptation and dissemination of current knowledge prior to initiation of the Cropping Systems Research project in 1982. That gap is gradually being narrowed, but it is still significant. Also, based on what we have learned from the Cropping Systems Research project, there is considerable potential for development or adaptation of new technology (e.g., new crops, new cultivation techniques, improved water management). On the whole, then, technology is not a constraint, and still more productive technologies are being developed. Such development is a continuing need which can be met, in the long run, only by a viable Swazi institution operating in collaboration with other national, regional and international institutions. The Cropping Systems Research project has made encouraging progress toward building such viability at an initial level.

(4) Institutional Support

Over the last decade, the production response on SNL has not been proportionate to the increase (mainly in the RDA's) in overall inputs, including human and physical infrastructure. A number of recent studies, augmented by the judgment of informed observers, indicate that a major problem is a general weakness in the institutional framework supporting rural production. The principal public institution involved is the Ministry of Agriculture and Cooperatives. Over the past decade, the number of reasonably well-trained Swazis in the MOAC has increased substantially. Due largely to an expanded program at UniSwa, the extension service now has about one extension worker per 250 homesteads. (The norm is about 200.) However, as is true in other ministries, the growth in personnel has outstripped MOAC's planning and management capacity, with the result that extension, cooperatives, the RDA system, etc., are much less effective than they should be. In addition, there remain serious gaps in adequately trained technical expertise. For example, there are but two Swazi irrigation engineers.

(5) Markets/Pricing

Cotton and tobacco prices are set by their respective marketing boards; the farm gate and retail prices of maize are set by the government. All are necessarily based on prevailing South African prices. The remaining crop prices are set in private markets without government intervention. However, some of these markets only became effective when Swaziland closed the border to fresh fruits and vegetables from South Africa, and still do not perform all the functions of markets. In particular their wholesale function is not well established. The government, with assistance from IFAD, is attempting to improve wholesale marketing and also

provide timely market information for the producers. However, the domestic market is limited and any substantial increase in production will require increased domestic processing or a wholesale market able to provide fruits and vegetables of export quality. Swaziland's wide range of micro-climates and its off-season crop potential have convinced many people that export markets in South Africa and Europe can be profitably exploited.

As with nearly all other goods, the prices for agricultural produce are closely related to the markets in South Africa. It has been asserted (usually by farmers) that low prices for agricultural products in South Africa, made possible by subsidies, result in discouragingly low prices in Swaziland. Very little careful analytical work has been done to confirm that conclusion, however. The analysis is made complex by the fact that the use of SNL is virtually free. The variety and volume of crops grown also depend on feasible alternative employment of labor and a number of other factors.

c. Livestock

The livestock sector continues to be of major importance in Swaziland. It contributes about 25% of agricultural output and 6% of GDP. Eighty percent of the national cattle herd is situated on SNL, and livestock grazed communally on nearly 90% of SNL are an integral part of the homestead economy. The 50% of SNL homesteads which own cattle have on average 16 cattle; 28% of the homesteads own on average 13 goats and virtually all homesteads have chickens. Cattle-keeping, according to a 1979 study, "...is an integral part of social life, and...a nest of complexities." Clearly, cattle and goats are a store of wealth--in a recent study only one-fourth of cattle owners and one-third of goat owners sold animals during the preceding year. The same study found strongly differentiated sex roles: men usually make the buy/sell decisions on cattle and goats; women do so on chickens. Livestock fertility rates are low; mortality is high. Control of cattle numbers and rotational grazing seem to be taking hold in a few places, but the communal grazing system provides little incentive for this. In general, the support services (e.g., dipping tanks) for livestock are somewhat better staffed and organized than for crop production, but there is considerable potential for improvement.

III. STRATEGY

The AID program proposed for Swaziland during the next 5-6 years is designed to address the major development problems identified in Section II above. Because of the overlapping character of the constraints, and the integrated nature of our approach to their solution, the following presentation groups the Mission's strategy in four broad areas: (1) human resources development, (2) health and population, (3) agricultural development, and (4) employment generation.

A. Human Resources Development

Inadequacy in human resources constrains Swaziland's development at all levels and in all sectors. Human resource development has been, and will continue to be, the major, cross-cutting element of the USAID strategy in Swaziland. Without improved training and leadership, other development efforts that we, other donors, or Swaziland itself might finance will not achieve a full measure of success nor will the country fulfill its considerable potential.

Broadly speaking, our human resources development strategy has three time horizons. In the very long run, quality primary education lays the basis for leadership in the generation beginning 20 or more years hence. It also enhances the effectiveness of post-primary education and has somewhat shorter term benefits in productivity, health and other areas. In the medium term, expanded and quality-oriented participant training is aimed at enhancing the technological and managerial leadership capacity of the generation now occupying or about to occupy key positions in development-related institutions--public and private--including those concerned with human resource development. More immediately, there is need for in-country training aimed at specific problem areas in development-related institutions. We also believe that within the period of this CDSS, the productivity and quality of life in the Swazi homestead can be improved through innovative use of a combination of traditional systems and modern communications technology.

USAID has established the following major objectives for activities in human resources development through the end of the decade:

- Implement a Swaziland-specific, relevant curriculum for the primary school system.

- Establish primary education as a degree-level program at UniSwa, and improve the quality of instruction at Primary Teacher Training Colleges and in in-service training programs.

- Expand the capacity of selected Swazis and Swaziland institutions, both public and private, to plan and direct development activities.

- Significantly increase the percentage of Swazis occupying, and performing well in, executive and management positions in the public and private sectors.

- Develop long-lasting institutional development linkages between Swaziland educational and training institutions and U.S. counterparts.

- Improve skills training for new entrants to the labor force, in both the agricultural and manufacturing/commerical sectors.

- Encourage an increased level of informed participation by traditional leaders, women's groups, and the general Swazi population in development activities.

- Develop Swaziland's capability to plan, prepare, disseminate and evaluate development messages through various communication media, resulting in large numbers of Swazis receiving development benefits because of the information received through the media.

During the early part of the CDSS period, two projects will constitute our major efforts to achieve these objectives: Swaziland Manpower Development and Teacher Training. Future programs will build on these activities and, toward the end of the decade, increased program attention will focus on vocational training and additional development uses of educational media.

1. Leadership and Manpower Development

Throughout the CDSS period USAID will continue its emphasis on leadership and manpower development. We will build on the successes of a series of special training projects and of training elements in virtually all USAID projects undertaken since 1972, notably including AFGRAD and InterAf. We have already begun to see the impact of past training efforts; many returned participants are now occupying positions of considerable importance, and are having an impact on policies, programs and administration.

The centerpiece of our present assistance effort in this area is the $19.6 million Swaziland Manpower Development Project, signed in June 1984, and scheduled to be implemented through 1991. The project places heavy emphasis on overseas participant training for public and private sector personnel. In the selection of candidates for overseas training attention will be given to their role in their institutions and to their leadership potential. Priority will continue to be given to training in specialized fields in agriculture, education, health, business, engineering, and the sciences. In addition, specialized training in critical development areas will be offered for selected mid-level Swazis, as well as observation/study tours for key leaders and decision-makers. In-country training will also be financed, providing focussed training for specific development institutions. This project is thus supportive of the institutional framework with which present and future programs in other sectors will be concerned.

Through the Swaziland Manpower project, USAID will also initiate innovative activities in three areas. First, the project will attempt to improve the management capabilities of traditional leaders, increase their awareness and knowledge of development issues and activities, and encourage them to use their positions of leadership to support such activities. If successful, this activity

could have great impact on the implementation of USAID-sponsored programs in other problem areas. The project will also encourage the formation of more women's organizations, and improve communication between GOS development programs and these groups. Local-level development activities generated by these programs can be supported through, i.a., the Peace Corps SPA program and the African Development foundation, as well as bilateral projects in agricultural production, health, or other areas.

Secondly, the project will build an institutional base for development communications by establishing a Center for Rural Broadcasting and Information. This component will train Swazi communicators in the skills required to use mass media (mainly radio) to promote development more effectively. This activity also will be closely related to and supportive of other programs in agriculture, education and health. Both of the foregoing activities are intended to encourage nearer-term, self-supporting improvements in the quality of life at the homestead level.

Finally, an innovative approach to institutional development--the initiation of linkage arrangements between Swaziland training institutions and similar U.S. institutions--will be supported in order to strengthen the academic and administrative leadership and the programs of the Swazi institutions, concentrating on those most closely related to our program strategy. Implementation of these three activities will be closely monitored and evaluated, and will form the building blocks for further programs in these areas later in the decade.

2. Primary Education

USAID has been involved in assistance to primary education in Swaziland since 1972. As a result of the Primary Curriculum Development project, Swaziland's primary education program is undergoing a fundamental change to make it more practical and to lay the foundation for the attitudes and skills Swazis must acquire in order to continue and accelerate the development of their country. A new primary school curriculum is being developed; current efforts through the Teacher Training project are aimed at improving the quality of education of primary school teachers and teacher educators, at institutionalizing the new primary curriculum, and at upgrading the leadership skills of primary school education supervisors and officers. This project emphasizes both in-service and pre-service teacher training. One of the anticipated side benefits of the project is to reduce repeat and drop-out rates, issues highlighted by the recent modified education sector assessment financed by AID. The ultimate results of improved primary education will require a generation to be seen fully, i.e., until children now in primary school enter the work force. However, in the long run, the modifications being introduced in the primary education system should result in a population much better oriented

to and prepared for further education and employment opportunities available in Swaziland, in both the rural, agricultural and urban, manufacturing and service (including health and population) sectors.

3. Future Directions

The programs described above will require most of the resources available to USAID in the human resources development account during the CDSS period. We have identified four other areas in which assistance could have significant results if additional funding were available. We propose to explore opportunities for beginning small-scale activities in these areas within the CDSS time period, using funding from ongoing projects where possible, and for building the foundation for future programs.

Three of these areas are related to basic education and would be fully complementary to the primary teacher training emphasis which is central to our strategy. The first is English language training, one of the weaknesses in the existing educational system noted by several recent studies. Indications are that most of the instruction in primary schools is in siSwati, and this has had an adverse impact on formal test scores and on literacy skills in English, which are important in the modern sector. More advanced and technical subjects are taught, and materials are available only in English. Better English training may thus have important leverage on the whole education system. Results of radio education in improving English language skills in Kenya and elsewhere are encouraging and, if funding permits, USAID would explore the possibility of initiating a similar program in Swaziland.

A natural area for expansion of USAID-supported improvements in the primary school system is pre-primary education. The high primary school repeat and drop-out rates are attributable in large part to under-age children being enrolled in primary schools and to the absence of an organized pre-school program. Pre-school programs could also improve the readiness of children for primary school, thereby increasing the efficiency of the school system. The Mission plans to use funding from the Swaziland Manpower Development and other projects to provide training to selected Ministry of Education personnel in pre-primary education. These people could then be the nucleus of expanded GOS programs in the future. USAID support for these programs, which are suitable for American PVOs, would be weighed against other priorities in human resource development at that time.

The third area of need is in overall planning and management of educational resources. The management systems now in place in the Ministry of Education were geared to the much smaller school system existing prior to the large expansion which has occurred over the last decade. It is probable that improved planning and management systems, aimed mainly at the primary school system, could lead to

better use of existing physical plant and teaching staff. As the teacher training effort proceeds, the Ohio University contract team will be gaining more insight into all of the foregoing areas and we will be in a position to make professional judgments on their relative importance and the timing of possible assistance.

Vocational/technical and commercial education is an area which has become increasingly important to Swaziland during the past few years as unemployment has become a more serious problem. Future economic growth will depend on expanded business activities and commercial agriculture and improved skills training is necessary to improve the ability of Swazis to take advantage of opportunities to be offered by this economic expansion. The U.K. and West Germany have been the major donors and are expected to continue their programs. The EEC is also planning to allocate funds from Lome II and III to capital requirements in this area. However, the GOS is planning a major expansion of its programs and has also asked USAID for assistance. Programs in vocational agriculture will also be important, and opportunities to provide assistance in this field will be considered. Private sector technical training opportunities may also exist and need to be explored further. At the moment, the Mission proposes to limit its involvement in this area to focussed, short-term technical assistance, improved analysis of the skills training needs and institutions which can meet these needs, evaluation of ongoing programs to determine better the factors accounting for successful training results, and small-scale pilot programs which have potential for expansion later. As the Teacher Training project progresses, as the Swaziland Manpower Development project gets fully under way, and as results are received from the analytical and pilot efforts carried out in the near term, consideration will be given to expanded assistance later in the CDSS period in the vocational/skills training area.

B. Health and Population

Swaziland's high under-two mortality and population growth rates were identified as major, interrelated constraints to development in the FY 1982 CDSS, and continue to be so. The USAID program will continue to focus on these areas through the end of the decade and, in the case of population, beyond. Our program objectives in health and population for the CDSS period are the following:

- Decrease under-two mortality by 25% by 1990. This is expected to come about as a result of improvements in the health care system, including expanded access to and use of oral rehydration therapy (ORT) for treatment of diarrheal diseases, increased emphasis on maternal and child health/child spacing (MCH/CS), expanded basic immunization services, improved training of health personnel, and improved health care management and planning.

- Increase the level of acceptors of child spacing practices to 20% of couples of fertile age by 1990.

- Double the number of GOS clinics providing appropriate counseling in fertility management by 1990.

1. Reducing Under-Two Mortality

The causes of Swaziland's high child mortality rates are complex. Addressing them requires a comprehensive strategy that encompasses the major elements of a preventive/primary health care system. Through a combination of action programs focussed on maternal and child health, and programs designed to improve the capacity and management of the institutional framework related to MCH problems, USAID will provide support for the following GOS objectives to be achieved by the end of the decade: (1) providing up-graded pre- and post-natal care to 90% and 70% of pregnant women and newly delivered women, respectively; (2) reducing the percentage of deliveries unattended by health personnel and trained traditional birth attendants to 10-20%; (3) achieving adequate immunization coverage for 70% of children under five years of age; (4) providing ORT to 90% of children under two years of age; (5) providing nutrition surveillance services to 90% of children under two years of age; and (6) providing appropriate early treatment for infants, young children and women against parasitic and infectious diseases.

USAID support of the Health Planning and Management OPG over the past three years has been instrumental in bringing about a major change in the stated orientation of the GOS health system from curative to preventive medicine and from a hospital-based system to a decentralized, clinic-based primary health care system that emphasizes MCH/CS. However, while this change has been widely adopted at the conceptual and policy level in the Ministry of Health, its implementation is still incomplete. The proposed FY 1985 Rural Health Development project will be the USAID's principal instrument for strengthening the institutional framework in the health area during the next several years. The project will continue assistance in health planning, and will provide technical assistance and training in a number of management areas (e.g., personnel, finance, medical stores, logistics, clinic administration). Taking advantage of the capacity created at the Swaziland Institute of Health Sciences (SIHS) under the recently completed Health Manpower Development project, expanded training of health personnel in MCH/CS will also be financed.

The Mass Media for Health Practices (MMHP) and Combatting Childhood Communicable Diseases (CCCD) projects are the USAID/GOS instruments for promoting increased use of ORT. Health personnel at every level--doctors, nurses, health educators, rural health motivators (a network of about 400 homestead-based extension workers with minimal training), and traditional healers--are being taught how to prepare

and use oral rehydration salts. A health education campaign through the media, schools and clinics will support the program and attempt to make Swazis aware of the benefits of ORT. Through CCCD and other activities, USAID will also support a greatly expanded program of immunizations to attack other child-killing diseases, including measles and whooping cough. If preliminary results of the nutrition survey are confirmed, nutrition education programs may be incorporated into the project to focus on child nutrition.

USAID and the GOS will also continue to explore opportunities for working with traditional healers. Considerable research was conducted on the role and attitudes of traditional healers under the Rural Water-Borne Disease Control project. The Mission plans to continue this analytical work, as well as to undertake experimental programs to reach traditional healers with health messages and to incorporate them as much as possible into the modern health care system. Through seminars and other discussions, traditional healers will be encouraged to adopt helpful practices, such as good hygiene and use of ORT, and discontinue harmful ones, such as purges for children with diarrhea.

2. Reducing Population Growth

The set of factors which have led to a high, and increasing, population growth rate in Swaziland were described in Section II above. Circumstances dictate that our activities in population and family planning be less ambitious than we would like or than is indicated by the growth rate. These circumstances make it unlikely that anybody can make a major impact on population growth rates during the CDSS period. Our work in this area during the balance of the 1980's is aimed at laying the groundwork so that Swaziland can undertake programs in the next decade that will begin to have an impact on birth and population growth rates. Therefore, our objectives during the CDSS period relate to these intermediate steps. The Mission will emphasize three program areas in order to build increasing policy support and constituency for family planning, and to improve the ability of public and private institutions to provide family planning information and services. We do not envision a major, separate bilateral population project at this time. Rather, we propose to continue to work primarily through centrally-funded international population assistance organizations and through a number of ongoing or planned bilateral health and education projects to achieve our objectives in this field.

Our first priority, and perhaps the most difficult, is the policy area. The entire U.S. Mission will carry out policy discussions with GOS officials on this issue and attempt to influence greater attention on population issues at the highest levels of government. We do not expect rapid change, but between now and the end of the decade we hope to see the GOS adopt policies that are more actively supportive of child spacing and family planning. Part of our

approach will be to repeat and expand an earlier RAPID presentation to expose national leaders and special target groups (e.g. teachers, media personnel) to the implications of the current high levels of population growth. We will also encourage the efforts of the small but growing number of Swazi demographers, and of women's groups whose activities are relevant to the issue.

Secondly, the emphasis on MCH/CS as a focal point of Swaziland's health and education system will expand access to family planning information and services. USAID will assist the GOS to incorporate a number of information, education and communication (IEC) activities into the rural health care system through bilateral and centrally-funded projects. These will be aimed at increasing awareness and encouraging the adoption of improved health, nutrition and child spacing practices that would reduce childhood mortality and improve the well-being of the entire family. Expected success in reducing under-two mortality will also indirectly address the population problem, since decreased child mortality is expected to lead to decreased fertility in the long run. In addition, traditional leaders and women's organizations will receive MCH/CS information through the Swaziland Manpower Development project, while the Teacher Training project will encourage primary teachers to use health curriculum materials in their classes.

As the third element of our strategy in population, special emphasis will be placed on encouraging and supporting the work of the private Family Life Association of Swaziland. FLAS, founded in 1979, has expanded rapidly in the past year after getting off to a deliberate start. It now has three clinics in major peri-urban areas, a functioning education program, and is an active participant in numerous conferences and seminars. It has a growing roster of clients, and is respected and consulted by the Ministry of Health. FLAS also plays a role as an innovator in the family planning/child spacing field and serves as a model for subsequent GOS programs. Our analysis of the capabilities and potential of FLAS indicates that it unquestionably deserves support and that it is establishing a solid foundation for long-term and continuously expanding service in the population field. Attempts to inject large amounts of additional funding or to press for greatly expanded programs at this point, however, would be likely to overwhelm FLAS and damage its effectiveness. Therefore, during the CDSS period USAID will encourage FLAS activities and advocate continued support of it by intermediaries such as FPIA and IPPF. USAID will closely evaluate FLAS's performance and potential and expand assistance to FLAS where practicable.

C. Agriculture

Devising a convincing strategy for increasing agricultural productivity on SNL homesteads is exceedingly difficult. The factors involved are numerous and complex--especially the cultural

ones; our knowledge of them is not certain; and change is occurring as programs unfold. The FY 1982 CDSS proposed a strategy based on converting SNL farms from dryland to irrigated farming, on the hypothesis that an irrigated farm which allows double or triple cropping and higher yields will provide a sufficient increase in income-earning potential that farmers will remain on the land and utilize its potential. Certainly, wage-earning employment will continue to be a relatively attractive option for many Swazis, and the relative importance of wage-paying sectors such as manufacturing and commerce is likely to increase as the economy develops. However, our present view is that wage employment is not an available option to many Swazis and that, in fact, whether for lack of opportunity or by choice, a large proportion of homesteads already farm on a commercial or semi-commercial basis. Still others, apparently, could do so. Increased use of improved irrigation technology is still part of our approach. However, we propose to modify the emphasis from one which tries to make agricultural income comparable to wage employment on those relatively few homesteads close to sources of water to one which increases productivity and overall income on the much larger number of homesteads where agriculture is already, or could be, more than just a subsistence-level maize crop.

The focus of our strategy will be on production, making institutional changes in marketing, extension, research and other systems which support production of those cash or food crops where markets can be specifically identified. Due to the limited domestic market for most crops, this focus is expected to lead to production for export. However, in view of the universality and potential of maize, it also warrants inclusion in the strategy. For all crops grown on SNL, and especially for maize, there is a large gap between current yields and those possible with existing technology, as the data in the analysis section indicate.

Although market-led and production-focussed, the strategy will include a long-term steady approach of building viable institutions which can provide effective services to Swazi farmers and increase the planning/policy skills of the MOAC. Also, because of the lack of support and poor management of certain sections of the MOAC, the USAID strategy necessarily will be a flexible one where the interventions will occur in those areas where they would be most cost efficient and effective. Primary objectives of the strategy for the next five years would include:

- an effective, better-trained extension service making relevant recommendations to at least 80% of the Swazi commercial farmers in Swaziland. This would include a comprehensive extension training program in place.

- an effective and efficient marketing system along with the introduction of some new crops for export marketing.

- completion of a land tenure/land use study indicating the effects of the land tenure system on agricultural development along with recommendations to encourage more efficient use of SNL.

- continuing and expanding programs of agricultural research and information.

- enhanced capability within the MOAC to plan programs, to analyze policies and to make policy and program recommendations to the GOS decision-makers.

In order to implement the above strategy, USAID will continue the ongoing Cropping Systems Research and Extension Training project and implement a new project entitled Agricultural Production and Marketing. These two projects will involve the major areas of intervention, namely research and production.

1. Agricultural Research

A vigorous research program is essential for Swazi farmers to have access to the most productive available technology. We expect USAID support for agricultural research to continue for at least a decade. That support will continue to have as its ultimate objective the building of an adequate and self-sustaining Swazi institutional capacity. The subject matter emphasis will evolve as new knowledge, new products and new markets become available and as existing problems are resolved. However, the following characteristics should continue to be emphasized:

- Homestead-focussed research: research based on increasingly adequate knowledge of homestead objectives, motivations, resources and opportunities; directed at problems constraining more productive use of homestead resources; and carried out in close collaboration with homestead or small ITL farmers on their fields;

- Research directed toward crops and products for which there are remunerative markets;

- Increasing collaboration with regional and international center research programs;

- Strengthened linkage with agricultural production support systems, including agricultural information, extension and marketing.

2. Agricultural Production

The Rural Development Areas (RDA) program has been the GOS's major vehicle for carrying out its objectives in the agricultural sector

and the primary donor channel for activities in that sector since the program began in 1970. A considerable amount of social infrastructure has been built under the RDA program. USAID and other donor assistance has concentrated on the construction aspect of the program, which has been plagued with inefficiencies. Less emphasis has been given to developing the production-increasing potential of the RDA system. Our strategy during this CDSS period will be to use the RDA system as one element in a production-focussed program, coordinated with other systems necessary to ensure a market-related production response. Support for the RDA construction effort will probably be limited, therefore, to small irrigation dams, access roads, etc., directly involved in the production effort.

Given the complexity of the situation, we propose to use an integrated approach with a focus on production using marketing as one of the main leverage points. The integrated approach will include strengthening those institutions and systems which affect production such as marketing, extension, research and agricultural education to maximize farm productivity and farm income potential. At the same time, the integrated strategy will include the improvement of the policy analysis and planning capabilities of the MOAC. Obviously, close coordination is required between the production project and the Cropping Systems Research and Extension Training project.

The production support system for which AID assistance would be most essential will be better defined in the course of project preparation. However, certain key points seem to be emerging from recent studies, observation and informed opinion.

a. A credible market opportunity can stimulate a production response. The increase in vegetable production on SNL following the ban on imports imposed in 1980 is evidence. Potential markets need to be specifically identified and systems developed for channeling small farmer produce into them.

b. Agricultural extension resources have grown considerably over the last few years. The number of extension workers has increased from 102 in 1979 to 185 currently. However, the consensus of informed observers is that the extension service has not had the production impact it might have if given direction (plans, production-focussed programs) and better management. Also, it is nearly (87%) an all-male service, and it appears that a reorientation toward women agriculturists' needs could produce significant benefits.

c. Farmer demand for advice and technical support on installation and operation of irrigation systems is far in excess of MOAC's limited capacity.

d. One element invariably present in successful programs has been strong support from the cognizant chief and other leaders in the traditional political structure. PVOs and Peace Corps have successfully initiated programs in such areas with relatively limited resources.

To summarize, the production strategy is to identify markets and strengthen the institutions which provide directly relevant production support systems in a format which will enable us to move resources quickly into bottleneck areas. Our strategy would also include support for a small number of PVO and Peace Corps activities which can have a high localized impact on production and homestead income while providing practical insights into different approaches to bringing about change in the Swazi homestead context.

3. Policy Support

USAID has developed a detailed proposal for a land use/land tenure study which is currently under consideration by the GOS. We expect this study to take place beginning in FY 1985. The study will be a first step in assisting the GOS to determine the effects of the current land tenure system on agricultural efficiency and productivity, and to consider development of culturally acceptable alternatives to the present system. The Cropping Systems Research project has also been expanded to include assistance in overall policy analysis and development.

4. Future Directions

Given the importance of livestock in the SNL farming system, it is essential for the Cropping Systems Research project to expand its efforts into that area. Further training of Swazis in range management, forage and animal husbandry is also called for. If tenure patterns and acceptance of controlled grazing develop favorably, expanded support in range management programs would be appropriate later in the CDSS period. There also appear to be potentially profitable innovations (mohair, milk) related to the substantial small ruminant population. However, the EEC is expected to play the major role in livestock and dairy development. Our efforts are closely coordinated.

Present MOAC policy appears to be generally supportive of small-scale commercial farming. If, due to the rapid expansion in agricultural education, tightness in wage-earning opportunities and other reasons, there are more Swazis wishing to farm commercially, vocational agriculture programs would be a logical development. Such programs would be intrinsically useful to build a cadre of professional Swazi farmers, and conceivably could begin to elevate the level of public concern about the land tenure system and the effectiveness of agricultural support services.

D. Employment Generation

Unemployment in Swaziland has two aspects: one the one hand, lack of qualification, leading to low productivity and a low incidence of Swazis in middle and upper level management positions; on the other hand, lack of opportunity, i.e., the number of jobs created by the economy each year is insufficient to keep up with the number of people joining the labor force. USAID's strategy in human resources development is aimed in large part at resolving the first of these aspects. Our proposed program, which involves improvement of the primary school curriculum, mid- and upper-level management training, in-country training in administration and management for the private sector, and possible consideration of greater involvement in skills (technical) training, is described above. Our agricultural strategy is designed to increase the number of people productively employed in commercial agriculture on SNL. This section discusses USAID's strategy to increase the number of jobs available in the modern economy.

The inclusion of job creation as an element in the USAID strategy is a departure from and an expansion on the earlier CDSS. It builds on activities in human resources development undertaken over the past several years. If conditions are right, it could become a major program area toward the end of the present CDSS period.

Our principal objective is to assist Swaziland to create the conditions whereby its economy is producing enough jobs to employ all school leavers, i.e., no net increase in the number of people unemployed, by the early 1990's. This objective implies USAID involvement not only in action programs to create new jobs, but also policy analysis and dialogue with the GOS, and building--perhaps creating--institutions in the private sector to improve the prospects for economic growth and to maximize the benefits of that growth for Swaziland in terms of jobs, value added, and equitable distribution.

Our strategy early in the CDSS period is of necessity analytical and experimental. Over the next two to three years, USAID will focus on the following activities. We will want to draw on resources available centrally from the Africa Bureau (e.g., AFR/PRE) and the S&T Bureau (e.g., ST/RD/ESE) to help in these efforts.

- Further analysis and a better understanding of private productive sector dynamics and institutions.

- Further analysis of Swaziland's industrial and commercial potential. This analysis will focus on (1) possible linkages to all stages of agricultural production, including input supply, marketing and processing; (2) ways to maximize local value added through import substitution, particularly for GOS procurement and basic consumer items; (3) potential for

expansion of exports to southern African markets; (4) ways to take advantage of small, perhaps specialized niches in the South African market; and (5) the potential to expand the construction and housing industry, in order to satisfy the demand for shelter and services from an increasing urban population.

- Conduct tracer studies on school leavers to get a better idea of the extent and nature of unemployment.

- Further analysis of GOS and other policies and performance affecting the productive sector, particularly wage policies and investment incentives and attraction, and their effect on employment.

- Initiate one or more small-scale projects, possibly through private voluntary organizations or local private sector groups, to explore ways of assisting indigenous small- and medium-sized enterprises. Project activities would be aimed at improving the productivity and management of small entrepreneurs in Swaziland, strengthening local institutions that support small enterprise development, and possibly providing limited financial assistance, if necessary, as seed capital for the expansion or creation of small Swazi businesses. Care would be taken to emphasize enterprises which take the fullest advantage of Swaziland's labor and material resources. These activities would be closely evaluated for lessons on small and medium enterprise development in Swaziland, and the results fed into the design of future programs to be undertaken later in the CDSS period.

Beginning during the middle years of the CDSS period, USAID would build on the results of these analyses and exploratory projects to put together an expanded program. Creation of a sufficient number of jobs to absorb the annual increases in the labor force will likely require both policy changes and incentives by the GOS, as well as other donor input. Therefore, we will work closely with the GOS and other likely donors on the design and implementation of such a program.

E. Other Program Areas - Urbanization

Rapid urbanization is a new phenomenon in Swaziland. At present there are only three areas in the country that can be called urban, and the largest of these, Manzini (including the peri-urban industrial area of Matsapa), has a population of approximately 60,000. However, recent studies have shown an extremely high rate of urbanization. This is beginning to create strains on Swaziland's ability to provide a minimal level of services (e.g., shelter, water, sanitary facilities) to its urban population. Slum areas are beginning to grow up around Mbabane, and the increasing unemployment problem will only aggravate this situation.

During the early years of the CDSS period we propose to look more closely at the urbanization that is occurring and its dynamics. Of particular importance will be the relation of the urban poor to rural homesteads. With the assistance of PRE/HUD, we propose to conduct an urban development assessment in 1985. Based on this information, a decision will be made whether to initiate a small Housing Guaranty program emphasizing low-cost sites and services activities in the poorer neighborhoods around Mbabane and Manzini, during the CDSS period.

IV. ASSISTANCE PLANNING LEVELS

A. Funding Levels

The table on the following page presents our proposed funding levels to implement the strategy described above. These are based on overall planning figures for FY 1986-89 received from AID/W, and our projections for FY 1990 and FY 1991. These levels reflect a 10% annual increase in financing for AID assistance to Swaziland.

Consistent with our development strategy, the largest share of funding planned is for human resources development. Substantial amounts will be required for the Swaziland Manpower Development project through FY 1989. Upon completion of the Manpower project, funding is planned to continue USAID efforts in manpower and leadership development into the 1990s. Teacher training receives priority attention early in the planning period; follow-on activities in other areas of basic education will require funding through FY 1991. In addition, a skills training project is expected beginning in FY 1990, although this could be moved forward a year or two if overall funding availability permits.

Funding in agriculture and rural development reflects the twin emphases of research and production described in our strategy. Assistance to agricultural research, begun under the Cropping Systems Research and Extension Training project, will be required over at least a decade. Production support, initially through the FY 1986 Agricultural Production and Marketing project, will be a major emphasis in our budget throughout the CDSS timeframe.

Our health programs have made a significant impact on health policies, institutions and systems in Swaziland. It appears to us at this writing that major USAID assistance to the health system can culminate in the FY 1985 Rural Health Development project, which will require financing through FY 1988. If this project is successful, future AID involvement in the health sector can be limited to sponsoring innovative programs to improve access to health care and to addressing specific problem areas that remain. We expect that centrally-funded projects will continue to be a major part of AID's program in the health sector throughout the CDSS period, particularly in family planning. However, we have planned small amounts of bilateral population funding for studies, policy analysis and other high local impact programs where central monies may not be sufficient or available.

SWAZILAND: PROPOSED ASSISTANCE LEVELS (FY 1986-91)

($000)

	86	87	88	89	90	91
Human Resources Development						
1. Manpower/Leadership Devel.	4,000	3,400	4,000	3,150	-	3,000
2. Teacher Training/ Basic Education	1,000	1,700	2,000	1,750	1,000	1,200
3. Skills Training	-	-	-	-	3,000	-
Agriculture & Rural Development						
1. Research	-	1,700	-	3,000	-	3,000
2. Production	2,700	1,500	2,000	1,800	4,000	4,000
Health & Population						
1. Primary Health Care	1,000	1,300	700	-	2,500	-
2. Population Policy/Planning	-	-	100	-	200	-
Employment Generation	-	-	1,800	2,000	2,200	3,000
Urban Development	-	-	3,000**	-	-	-
TOTAL	8,700	9,600	10,600	11,700	12,900*	14,200*
of Which Ongoing	(6,000)	(8,100)	(4,700)	(3,150)		

* No planning figure received; this is 10% increase over previous year.
** HG (non-add)

The two new areas discussed in the strategy section above are employment generation and urban development. We propose to begin a major job creation project in FY 1988 (or earlier if funding is available), continuing into the early 1990s. Based on the results of the Urban Development assessment we are planning for 1985-86, we may be ready for a modest HG program beginning about FY 1988.

The majority of our assistance - currently and in the foreseeable future - finances training and technical services. Grant funding is appropriate for these activities. Depending on the mix of project activities, some funding in the areas of agricultural production and employment generation could be provided on a loan basis, especially in the FY 1989-91 period.

B. Staffing Implications

Currently, USAID staff levels in Swaziland include 12 USDH, 7 FNDH, one part-time local hire employee and positions for two IDIs. Four of our USDH staff have regional responsibilities in the legal, economic, health and population areas. We do not see the number of U.S. personnel changing during the CDSS period. Any reductions in the health area as programs wind down later in the period will be offset by the need for new direct hire expertise in employment and urbanization. We would, however, increase our FNDH positions by two or three positions beginning in the middle years of the period. This would allow USAID to bring on board a few well-qualified Swazi professionals in the main areas of our program focus, an important factor in improving project implementation and continuity of direction in areas in which, as we have described, we are involved in long term endeavors.

BIBLIOGRAPHY

Adu-Boahene, Yew "Health Services Fee Structure Rationalization and Government Financial Relationship with Mission Sector Health Services", Ministry of Health, Health Planning and Management Project, Feb. 1984.

Accelerated Development in Sub-Saharan Africa: An Agenda for Action-World Bank, Washington, D.C. 1981

Booth, A. - "The Homestead, the State, and Migrant Labor in 20th Century Swaziland". Paper presented at the African Studies Association Convention, Boston, Mass., 10 Dec., 1983.

"Budget Estimates" - Ministry of Finance, Government of Swaziland, Mbabane (various years).

Colclough, C. and P.W. Digby, "Skills for the Future: Education and Manpower Perspectives in Swaziland", Ministry of Finance and Economic Planning, Government of Swaziland, Mbabane, May 1978.

Collings, F., "The Rand Monetary Area", International Monetary Fund, Washington, February 1983.

"Combatting Childhood Communicable Disease Project: Swaziland Assessment", June 1983.

"Criteria for the Success of Regional Training Programmes". SADCC Study of Manpower Development through Regional Education/Training Programmes. Manpower No. 8. October 1983.

deVletter, Fion - "Recent Rural Development Research Findings and their Implications for Planning the Third Phase of the RDAP", Social Science Research Unit, University of Swaziland, Feb. 1984.

deVletter, Fion (ed), The Swazi Rural Homestead Survey, Social Science Research Unit, University of Swaziland, Kwaluseni, 1983.

"Economic Review" - Department of Economic Planning and Statistics, Government of Swaziland, Mbabane, 1982 and 1983.

Economic Memorandum on Swaziland - World Bank, (draft), Washington, D.C. January 1984.

Evans, Judith, L. - "Swaziland USAID Preschool Consultancy", June 22-July 22, 1983.

"Fourth National Development Plan" - Government of Swaziland, 1983/84-1987/88, (draft), Mbabane, 1984.

Fowler, M.H. - "Maize in Swaziland". A Review of its Production and Marketing in Recent Years 1980.

Previous Page Blank

Freund, Roland P. and Basil P. Maphalala, - "Economic Circumstances of Swazi Nation Land Homesteads, 1982/83". Swaziland Cropping Systems Research and Extension Training Project, Malkerns, 1984.

Funnell, D. - "Small-Scale Irrigation on Swazi Nation Land". August, 1984.

Gina, Thambo Eliezer - "Constraints to Rural Development in Swaziland and Some Potential Solutions". PhD Thesis, University of Guelph, December 1982.

Government of Swaziland, Central Statistical Office, 1982, 1983 and forthcoming. Annual Sample Survey of Swazi Nation Land, 1980/81, 1981/82 and 1982/83.

Green, E. - "Swazi Beliefs and Practices Relating to Diarrheal Diseases of Childhood". U.S.A.I.D. Swaziland and Academy for Educational Development, Washington, D.C. 1983. (Social Science and Medicine, Vol. 19, 1984. Forthcoming).

Green, E. - "Traditional Leadership, Community Participation, and Development Education in Swaziland". U.S.A.I.D., Mbabane, Swaziland, 1984.

Green, E. - "A Knowledge, Attitudes, and Practices Survey of Water and Sanitation in Swaziland", Ministry of Health, Mbabane, Swaziland and Academy for Educational Development, Washington, D.C. 1982.

Green, E. and L. Makhubu - "Traditional Healers in Swaziland: Toward Improved Cooperation Between the Traditional and Modern Health Sectors". Social Science and Medicine, Vol. 18, Section B, 1984.

Guma, Xolile and Vakashile R. Simelane - "Small Farmer Credit and Small Farmer Attitudes Towards Cooperatives." University of Swaziland, Kwaluseni, Department of Economics.

Guma, X.P. - "The Balance of Payments: A discussion of the Principal Issues with Heuristic Analysis of Developments in Swaziland, 1974-81", University of Swaziland, Kwaluseni, March 1984.

Hottle, A.K. - "Decentralization of the Management of Health Services", Ministry of Health, Government of Swaziland, June/July 1983.

Hughes, A.J.B. - "Land Tenure, Land Rights and Land Communities on Swazi Nation Land: A discussion of Some Interrelationships Between the Traditional Tenurial System and Problems of Agrarian Development", Institute for Social Research, University of Natal, 1972.

Hunting Technical Services Limited, "Review of the Rural Development Areas Programme." Final Report and Annexes, 1983.

IHAP - Health Planning and Management: Project Evaluation, July 1983.

"International Monetary Fund, Swaziland - Recent Economic Developments", Washington, D.C., April 1984.

Kuper, H. - "The Swazi", (Ethnographic Survey of Africa, Southern Africa, Part I), London: International African Institute, 1952.

Kuper H. - An African Aristocracy, London, Oxford Univ. Press, 1969 (1947).

Lassiter, J. - "Culture and Personality Aspects of Socioeconomic Development in Swaziland: An Analysis of Student Attitudes and Values". PhD dissertation, University of Oregon, 1983.

Low, A. - "Farm Household Theory and Rural Development in Swaziland". University of Reading, Development Study no. 23. 1982a.

Magagula, G. - "Population Issues and Strategies in Employment Generation in the Rural Areas of Swaziland". Workshop on population, Employment, and Rural Development. PBFL, FAO, Mbabane, 1981.

Matsebula, M.S. - "Structural Characteristics of the Swaziland Economy", University of Swaziland, Kwaluseni, 1982.

Mosley, W. Henry - "Will primary health care reduce infant and child mortality. A critique of some current strategies with special reference to Africa and Asia." Ford Foundation, Jakarta, Indonesia, for the IUSSP Seminar on Social Policy, Health Policy and Mortality Prospects, Paris, Feb/March 1983.

"National Health Policy", Ministry of Health, June 1983. GOS Fourth National Development Plan, (Draft), (1983-1988).

"National Seminar on Rural Development Strategies for the Next Decade; 1984-1994" Ministry of Agriculture and Cooperatives, March, 1984.

"Organization for Training: A Study of Training Needs Identification in the Civil Service of the Kingdom of Swaziland". SIMPA, March 1984.

"Quarterly Review" - Central Bank of Swaziland, Government of Swaziland, Mbabane (various issues).

Rural Water Borne Disease Control: Project Evaluation, November 1983.

Russell, M. - "Beyond Remittances: The Redistribution of Cash in Swazi Society", Social Science Research Unit, University of Swaziland, Kwaluseni, 1984.

Sachs, Carolyn and Christine Roach, - "Women and Agricultural Production on Swazi Nation Land." Research project conducted through WID, AID/WAshington and the Cropping Systems Research and Extension Training Project, August, 1983.

Sibisi, H. - "Keen Farmers on Swazi Nation Land: A Case Study in the Motjane-Siphocosini 'Minimum' Rural Development Areas." 1981.

Sithole, V.M. - "Cash Cropping: Constraints and Incentives in the Central Rural Development Area." (Unpublished).