SASPEN

Southern African Social Protection Experts Network

SOCIAL SECURITY THROUGH STABLE FARMING AND RURAL DEVELOPMENT IN ESWATINI

SASCON

Southern African Social Congress of Swaziland

ESWADE

Economic and Social Welfare Action Development Organisation

SOCIO-ECONOMIC OVERVIEW

ESwatini is a nation state in Southern Africa nestled between South Africa and Mozambique. Its land mass covers about 17 000km$^2$. The country boasts arable land and fairly pleasant climatic conditions the Eswatini economy is dominated by Agricultural sector. Agriculture currently contributes over 40% of the Gross Domestic Product (GDP) which constitutes over 70% of the country’s workforce outside government employment. Currently big industry in the sector produces products such as Sugarcane, Citrus and Canned fruit, wooden pulp just to name a few. There is a considerable market for crops and vegetables where shortfalls in production are covered through imports from neighbouring countries. In the last two decades the sector has steadily declined in the quantity and quality of jobs due to retrenchments and the deepening third party employment practices respectively.

According to World Bank data (2018) around 76% of Emaswati (Citizens of Eswatini reside in rural areas. Rural areas are mostly governed by Chiefs who allocate land for residency and for agriculture. Each family is allocated an average of 1.7 hectares for both residency and farming. Most families use the land to practice subsistence farming in the form of maize, beans, groundnuts, Sweet Potato amongst other. There is also land governed by Title Deed system (Private Property) that also falls within rural communities.

A Regional Strategic Analysis and Knowledge Support System of Southern Africa (ReSAKIS ,2014) assessment found that amongst others impediments to growth include the land tenure system that curtails dynamic growth in the sector because the land tenure system currently impedes the involvement of financial institutions because land under Chiefs cannot be utilised as collateral by any financial institution, and that farmers spend disproportionally towards livestock that crop farming yet they make limited returns to their livestock enterprises.

EMPLOYMENT IN AGRICULTURE SECTOR

The commercial agriculture sector is led Sugarcane production that is dominated by two large sugarcane estates namely Ubbombo Sugar in a town called Bigbend and the Royal Swaziland Sugar Corporation (RSSC) in the towns of Mhlume, Vuvulane and Simuyene. There are also private farmers who, individually and jointly through associations, have also joined the race to farm sugarcane. They sell their produce to the sugar mills run by Ubbombo or RSSC.

Another major commercial product in Agriculture is Forestry. Forestry is prevalent in high altitude areas in the towns of Bhunya, Pigg’s Peak and Nhlangano.

There are other stable agricultural estates for fruits particularly Citrus fruits that play a much smaller role in the sector that than sugarcane and forestry. Worth mentioning is that the citrus sector international conglomerate Rhodes Foods are also player through their Malkerns based firm known by the name SwaziCan.

Employment in the commercial agriculture sector constitutes around the 70% of the work force outside government employment in the country. Employment has, over time, been negatively impacted by factors such as volatile international markets, selling of the companies sometimes to conglomerates and corporate restructuring in companies leading to the selling, leasing out, outsourcing of certain non core units within companies. Further, World Trade Organisation (WTO) processes have led to the stripping of protectionist mechanisms of markets for vulnerable economies.

Eswatini which had a quota and a preferential price mechanism with trade blocs such as Europe suddenly had to compete with sugar from Brazil which came in cheaper at the market. This situation led to a situation where companies that boasted workers upwards of twenty thousands were only left with 3000 or so workers or less. The rest of the work that workers previously performed was outsources to service providers who still hired workers but paid far less what workers who were previously employed to carry out those functions in the previous epoch were paid.

This has left a large chunk of workers in a vulnerable state economically not being able to properly pilot their lives to decency and into prosperity that was enjoyed during the period where were employed directly by the company. These workers by now having acquired land in areas surrounding the place of work would need to turn to agriculture for survival or to supplement their now meagre income.

For many the choice whether to utilise the land to conduct farming for both subsistence and commercial needs or to look for work seem to favour going back to work. However given the depressed state of the economy many who may have desire to find employment may not get successful and since they already have access to land agriculture might become the only source of income that they would have at their disposal. The question then becomes that in such a situation can an agricultural enterprise provide a stable income that can both feed a family and provide social security for the breadwinner in the form of pension and perhaps life insurance.

SOCIAL SECURITY

ESwatini historically has had a national provident fund the Eswatini National Provident Fund (ENPF, previously SNPF) that was launched in 1975 after a decree to enact it was passed in 1974. After decades of workers demanding that the fund change from provident fund to national pension fund there is now progress in that area. There are also enterprise based pension funds and private funds that are governed by the retirement funds act of 2005 (As Amended).

The government is also running an Old Age Grant Scheme that provides cash to the value of £400.00 ($2.8) per month to beneficiaries (citizens over 60 years particularly those who are not members of pension funds). The £400.00 while commendable falls too short of national living rates that range way above £3000.00 ($2.8) per month to beneficiaries.

In June 2018 the Eswatini National Pensions Bill was published. The bill makes good provision for the inclusion of self employed persons together with owners of small businesses to register to become voluntary members of the fund.

Pending the finalisation of the bill it is worth stating that the new National Pensions bill presents real opportunities that will enable workers who have gone through retrenchments and who are now practising farming as a means of survival to become of society who may enjoy social security in the form of a pension their golden years.

POLICY INTERVENTIONS THAT CAN ACCELERATE THE ACHIEVEMENT OF THIS HIGH LEVEL OF SOCIAL PROTECTION

- The enactment of the Eswatini National Pensions Bill into an Act of parliament and therefore fully operational.
- The Act should include progressive legislation such as legislation that will allow fund members to access business finance using their pension as collateral.
- Broadening of the payment systems to include mobile payment systems that may make it easy for rural based people to pay their monthly contributions.
- Strengthening of support interventions to ensure that agriculture enterprises are stable and successful by making and maintaining links between farmers and the market. Initiatives such as the IFAD funded Smart Agriculture for Resilient Livelihoods project that is currently assisting farmers (A majority of whom are women in rural communities) to create stable income from agriculture production by linking them with the market and by ensuring their farming doesn’t harm the environment.
- Through state agencies such as the Eswatini Water and development Enterprise (ESWADE) develop a network of reliable water sources that could ensure that agriculture is practiced more or less throughout the year and regardless of rainfall patterns.
- Land reform to allow women and young people direct access to land for production.