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RESEARCH REPORT

FACTORS INFLUENCING THE EFFECTIVENESS OF PARLIAMENTARY OVERSIGHT OF EX-ANTE PUBLIC BUDGETING PROCESSES IN THE KINGDOM OF SWAZILAND

Presented By

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SCHOOL OF GOVERNANCE, UNIVERSITY OF THE WITWATERSRAND, SOUTH AFRICA

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DECLARATION ON PLAGIARISM

I, **LINDIWE NESILA KHUMALO**, *Student Number 418245*, am a student registered for **MASTERS IN MANAGEMENT (PUBLIC AND DEVELOPMENT) DEGREE** at the University of the Witwatersrand in the year 2014.

I hereby declare the following:

I confirm that the work I have submitted for assessment for the above course is my own unaided work. I have followed the required conventions in referencing the thoughts and ideas of others. I am aware that the correct method for referencing material and a discussion on what plagiarism is are explained in the P&DM Style Guide and these issues have been discussed in class during orientation.

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Signature: **Date:**

ACKNOWLEDGEMENTS

I wish to thank all respondents that contributed data to this research. Without your willingness to share your insights, this research report would not have been possible.

To my supervisor, Professor Pundy Pillay - thank you sincerely for your consistent support and direction and making certain that I completed what I had started.

To my children Jones, Gundi, Chemi, Jordy and Josh - for constantly giving me the *"Thumbs-up! Go mummy!"* sign. Your encouragement has kept me going.

Finally, to my father Dr Cleopas Mandlakayise Khumalo, my inspiration - you would have been proud of me.

LIST OF ABBREVIATIONS

ADB	African Development Bank
AG	Auditor General
CANGO	Coordinating Assembly of NGOs
COCCSO	Coalition of Concerned Civil Society Organisations
EU	European Union
GDP	Gross Domestic Product
GNP	Gross National Product
IFI	International Financial Institutions
IMF	International Monetary Fund
MOF	Ministry of Finance
MP	Member of Parliament
MTEF	Medium-Term Expenditure Framework
NGO	Non-Governmental Organisation
NNLC	Ngwane National Liberation Congress
OECD	Organisation for Economic Cooperation and Development
PFC	Public Finance Committee
PUDEMO	People's United Democratic Movement
SACU	Southern African Customs Union
SFTU	Swaziland Federation of Trade Unions
SNC	Swaziland National Council
UNDP	United Nations Development Programme
WB	World Bank

GLOSSARY OF TERMS

Appropriation: Legal authority granted to the executive by the legislature to spend public funds.

Balanced budget: A budget where the total revenues equal total expenditures for a given fiscal year. When the budget is not in balance, it is either in deficit or surplus.

Budget: An itemised summary of estimated or intended expenditures for a given period along with proposals for financing them. The budget is the main economic policy tool of the government and indicates how it plans to use public resources to meet policy goals.

Budget committee: A permanent and specialised parliamentary committee responsible for the scrutiny of the draft budget and related matters.

Budget process: The sequence by which a budget is drafted, approved, executed, and audited.

Consolidated fund: The account into which tax revenues and other current receipts are pooled and from which payments for the bulk of central government expenditure is made.

Debt: The outstanding amount the government owes to private lenders at any given point in time. Governments can borrow by taking out a loan directly from a financial institution, such as a bank, or issue bonds that are purchased by domestic and foreign businesses and individuals.

Deficit: The difference produced when spending exceeds revenues in a fiscal year.

Expenditure: Spending to fulfill a government obligation. Expenditure is sometimes distinguished between capital and current. Capital expenditures are investments in physical assets, such as roads and buildings that can be used for a number of years. Current expenditures reflect spending on wages, benefit payments, and other goods and services that are consumed immediately.

Fiscal discipline: The control of key measures of fiscal performance, including total spending, total revenue, the financial balance and public debt.

Fiscal policy: Policy on tax, spending and borrowing by the government, which is used to influence macroeconomic conditions. Government sets and implements fiscal policy through the budget.

Fiscal year: A 12 month accounting period on which most government budgets are based.

Gross Domestic Product (GDP): A measure of total national output, income and expenditure in the economy.

Medium term expenditure framework (MTEF): A multi-year framework of rolling budgets where forward estimates produced with the annual budget, usually covering another two to four years, serve as a starting point for preparing the following annual budgets.

Revenue: The total annual income of the state derived from taxation and other sources.

Surplus: The amount by which revenues exceed outlays or expenditures.

ABSTRACT

The fundamental purpose of public budgeting is to allocate national revenues, as well as borrowed income of a country, towards government expenditure, with the goal of achieving the best economic outcomes for the citizens. Every financial year, the Parliament, supported by a public finance committee, is tasked to conduct reviews of the draft public budget bill presented by the executive in order to achieve sound national fiscal outcomes.

However, studies carried out in Latin America show that an asymmetry exists between the formal *de jure* powers of the Parliament to oversee the public budgeting process, and the actual *de facto* execution of this oversight role. These studies also indicate that relative to developed economies and democracies, developing economies and nascent democracies are more likely to display such a disjuncture. The main factors that the studies suggest account for this variance are: a) weaknesses in the institutional capacity of parliaments; and b) weak political governance arrangements in the external environment. The result of these studies shows that in Latin America, a positive correlation can be observed between the quality of institutional capacity of parliament, and of political governance of the country, on one hand; and quality of national fiscal outcomes on the other.

The Kingdom of Swaziland is a developing country and a nascent democracy. It is situated in the global south, and shares similar socio-economic challenges with some countries in Latin America. Focusing on the Parliament of Swaziland as an object of inquiry, this research explores the applicability of the research conclusions in the Latin American studies to this sub-Saharan African country. The research considers the effectiveness of the Parliament, and its public finance committee, in overseeing the public budgetary process during the 2005/6-2010/11 fiscal period.

The choice of Swaziland is motivated by a recorded trend of declining national fiscal indicators from 2005/6 to 2010/11, culminating in a full-scale fiscal crisis during the period 2011/2. This fiscal crisis occurred notwithstanding successive years of review and approval of the draft national budget by the Parliament. This research is concerned with identifying both internal and external factors that may have served to either enhance or constrain the effectiveness of the Parliament of Swaziland in intervening in public budgeting processes during the period under review 2005/6-2010/11.

The research uses theories of institutional policy and political economy as frameworks for analysis. At one level, the research examines the adequacy of the Parliament's internal capacity, procedural and structural arrangements and intra-institutional power dynamics; and, at another level, seeks to investigate the extent to which the political economy of the country may have impacted the effective functioning of the Parliament.

The findings of this research indicate that although the Parliament of Swaziland possesses adequate formal powers to oversee public budgeting, the actual execution of this oversight role is weak. This is consistent with the research conclusions arrived at in the Latin American studies. The findings are that capacity deficits of the public finance committee, diminished political will amongst parliamentarians to interrogate the budget, coupled with weak parliamentary-electorate relations, collectively served to diminish the ability of the Parliament to exercise effective budget oversight during the period under review. Accepting the limitation of attribution, the paper concludes that these factors contributed significantly to the negative fiscal outcomes reported for the Kingdom during the period under review. Ultimately, the paper argues for reform of the Parliament of Swaziland as an institution of economic governance, as well as for further advancements in political governance reform in the country

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CHAPTER I: INTRODUCTION

1.1 Introduction

The budget is the most important policy tool of a government (Cove: 1985; Davey: 2000; Allen & Tomassi: 2001). It provides a comprehensive statement of the economic priorities, revenue sources and expenditure of a government. In this regard, the role of the Parliament, as an institution of fiscal governance, is a broad and onerous one. It includes the responsibility of *ex ante* accountability, which refers to reviewing the budget and amending and approving budget allocations *before* the executive implements the budget (OECD: 2002, 2007; Wehner: 2004; Stapenhurst: 2004; KPMG: 2006; Inter-Parliamentary Union: 2008). This responsibility positions the Parliament to counter-balance the powers of the executive and exercise effective influence over the overall fiscal performance of a country (Lienert: 2004; Wehner: 2004a; Phillip: 2005; Posner and Park: 2007).

To support the effectiveness of the Parliament, most parliamentary institutional frameworks provide for the establishment of parliamentary committees (Meyers: 1999; McGee: 2002; Gustafson: 2003). Typically, a public finance committee is established to preview and scrutinise all draft budgets presented by the executive before they go to the joint-sitting of the Parliament (Meyers: 1999; OECD: 2002; Lienert: 2005) for debate and approval. Such a committee provides the joint-sitting with early detection capacity in their debates on the budget. Public finance committees identify critical shortcomings in the budget expenditure or allocation, and present recommendations to the joint-sitting on how to review the budget (Krafchick et al: 1998; McGee: 2002; Wehner: 2003b; Jones & Jacobs: 2009). Through the detailed work of the public finance committee, the Parliament is able to ensure that the annual national budget position reflects pre-determined economic objectives and healthy revenues; and that budget expenditure is kept within appropriate and prudent expenditure levels for the country (OECD: 2002; Lienert: 2005: Jones & Jacobs: 2009; Jacobs: 2013).

This research is concerned with the effectiveness of the Parliament of the Kingdom of Swaziland, as supported by its public finance committee, to oversee the budget approval process. The Constitution

of the Kingdom of Swaziland empowers the executive branch of government to ensure the achievement of economic objectives of the country (Constitution Act, 2005). Consistent with the doctrine of separation of powers, the constitution empowers the Parliament to review draft national budgets proposed by the executive to ensure that the objectives of transparency, accountability and restraint in public finance management are met (Lienert: 2004; Phillip: 2005).

The problem that gives rise to this research is that the Kingdom recently encountered a fiscal crisis arising from a budget deficit that rendered the government unable to service its recurrent expenditure. The deficit in the national budget of Swaziland was first recorded in 2000 (EU: 2010; IMF: 2011), and successively grew over a period of a decade, culminating in a full-blown fiscal crisis in 2011 that rendered government unable to service critical expenditure, including public service wages (EU: 2011; IMF: 2011; Palitza: 2011; Timeworld: 2011; WorldBank: 2011). While the revenue side of the national budget has recovered since 2011 as a result of a surge in SACU revenue in 2013, serving to improve international reserve coverage, the Kingdom's overall fiscal challenges at the systemic and structural levels still remain significant (Swaziland Budget Speech: 2013). The weakness of fundamental budget positions points to the need for a systemic response; to strengthen Swaziland's resilience to shocks, improve national revenue collection and domestic growth performance, rationalising government expenditure, whilst also improving levels of delivery of social developmental needs (EU: 2011; IMF: 2011; World Bank: 2011).

The phenomenon that motivated this research is that since 2000, the executive has prepared draft budget bills and presented them to the Parliament for consideration. Each budget year, the Parliament of Swaziland has approved these draft budgets. And yet, as early as 2005, the national budget was already in deficit and Ministry of Finance and Central Bank projections indicated that the budget deficit would grow from 1.4 % to 3.6 % of Gross Domestic Product (GDP) in the next budget year. In his Budget Speech, the Minister for Finance advised the Parliament that the increased deficit was mainly a result of increased recurrent expenditure, and warned against increase in consumptive expenditure (Swaziland Budget Speech, 2005). Notwithstanding, the Parliament, upon the recommendation of its public finance committee, successively approved annual budgets reflecting unsustainable increases in the public service wage bill, without significant amendments.

The budget approvals were also granted by the Parliament despite a record of declining national revenue coupled with escalating recurrent expenditure levels (EU: 2011; IMF: 2011; World Bank: 2011).

The literature originating out of empirical studies carried out in Latin America suggests that a positive correlation exists between the ineffective intervention of ~~the~~ Parliament in fiscal governance and the poor fiscal health of a country (Alesina et al: 1999; Alesina & Perotti: 1999; Scartascini & File: 2004; Santiso: 2004a; 2004b). This research seeks to investigate whether a similar correlation exists ~~Building on this premise, a key assumption of this research is that a correlation exists~~ between levels of parliamentary effectiveness of the public finance committee of the Parliament of Swaziland, and the fiscal health of the Kingdom during the period under review. This comparison ~~assumption~~ is based on socio-economic similarities between Latin American economies and some developing economies in Africa. These include weak revenue collection systems, poor executive projections of expenditure and inflation, poorly managed expenditure, poor debt management, amongst others (Alesina et al: 1999; Alesina & Perotti: 1999; Santiso: 2004a). This study ~~assumption~~ therefore acknowledges that the effectiveness of parliamentary oversight is not the sole indicator of overall fiscal health, but one of a number of contributory factors (Santiso: 2004a).

Further, the literature suggests that a strong correlation exists between the fiscal health of a country and the quality of political governance operative in the country under review (Alberto & Perotti: 1995; Santiso: 2004b; Wildavsky & Caiden: 2004; Acosta et al: 2007). In this regard, factors such as weak governance institutions, weak civil society and media institutions, political interference with parliamentary decision-making, all have a contributory causal impact on overall fiscal outcomes (Wildavsky & Caiden: 2004; Scartascini & Stein: 2004; Acosta & Renzio: 2005; Acosta et al: 2007). Nascent or emerging democracies are particularly predisposed to these types of factors.

The objective of this research is therefore to explore the internal and external factors that either supported or constrained the effectiveness of the Parliament of Swaziland, supported by its public finance committee, to critically review the draft national budgets; and to the extent that shortcomings

are identified, to provide broad policy recommendations aimed at institutional strengthening and governance reform.

1.2 Background

Swaziland is a small country in sub-Saharan Africa that is governed by an executive monarch. In terms of the kingdom's national constitution, the King is the head of the executive, the legislature and the judiciary. The political system of the country is the *Tinkhundla* System of Government, which is based on a division of the country into geo-political administrative constituencies, controlled by chiefs under traditional governance arrangements (AfDB: 2001). Whilst the country is peaceful and stable, a number of national civil society and trade unions have expressed discontent with this governance system through public demonstrations, arguing that it inhibits political pluralism and freedom expression (AfDB: 2011).

The Kingdom has a population in the region of 1, 231 000 people (Unicef: 2012). In spite of its categorisation as a middle-income country, Swaziland is characteristically similar to Africa's lower-income countries with approximately 70% of its 1.2 million people deriving their livelihood from agriculture (AfDB: 2011) and 63% of the population living in poverty (AfDB: 2011). Both output and trade are not diversified; approximately 60% of the national budget revenue is derived from sugar cane exports to the Southern African Customs Union (SACU) (AfDB: 2011).

The country obtained its independence from British rule in 1968 and inherited a Westminster-type constitution (Matsebula: 1989; Frances: 1980). This independence was obtained through negotiations and consultations between the government of Queen Elizabeth of Great Britain and His Majesty King Sobhuza II, representatives of English settlers in Swaziland as well as stakeholders which included political parties (Zwane: 1988). The constitutional model eventually adopted for the Kingdom provided for a tri-partite government, separation of powers of the Parliament from the executive, as well as a multiparty-democratic political system (Matsebula: 1989; Frances: 1980; Hlatshwayo: 1992; Khumalo: 1993; World Bank: 2011).

However, in 1973 the Swazi King unilaterally repealed the independence constitution (Khumalo: 1993; World Bank: 2011), banned political parties and decreed that the country would operate under the traditional system of governance. In an infamous King's Proclamation to the Nation, King Sobhuza II announced,

"that the [independence constitution] has permitted the importation into our country of highly undesirable political practices alien to, and incompatible with the way of life in our society and designed to disrupt and destroy our own peaceful and constructive and essentially democratic methods of political activity; increasingly this element engenders hostility and bitterness and unrest in our peaceful society". (Paragraph 2 (c). Preamble, King's Proclamation to the Nation 12/1973).

To replace the independence constitutional framework, the King introduced what he described in the Proclamation as a "home-grown" system of government,

"my people heartily desire at long last, after a long constitutional struggle, to achieve full freedom and independence under a constitution created by ourselves for ourselves in complete liberty without outside pressures; as a nation we desire to march forward progressively under our own constitution guaranteeing peace, order and good governance and the happiness of all our people".

Despite the promise of the creation of a new constitutional order by the nation, the Kingdom operated for 32 years without a formal constitutional framework. During this time, all executive, legislative and judicial power vested in the King (Constitution Act, 1968) and the country was governed by the provisions of the King's Proclamation to the Nation 1973, a number of Acts of Parliament promulgated in terms of the Establishment of the Parliament of Swaziland Order 23 of 1978, coupled with a series of King's Proclamations that took the form of executive decrees.

In terms of this fragmented governance framework, political opposition parties and other progressive formations were expressly banned (King's Proclamation to the Nation, 1973). On the other hand, traditional structures such as those of the Chiefs and traditional advisory committees, *Emabandla*, were expressly provided for and legally recognised.

In 2002, the Swaziland Court of Appeal declared that the repeal of the 1968 Constitution was unlawful (*Lucky Nhlanhla Bhembe v. The King Criminal Case 75/2002* per Masuku, J; and *Lucky Nhlanhla Bhembe v. The King Criminal Case 75 and 11 of 2003*, per Sappire, CJ). Later, in 2005, the African Commission on Human and People's Rights in *Lawyers for Human Rights V the Government of Swaziland 251/2005* recommended that the government of Swaziland initiate political and governance reforms to comply with their civil and political commitments under international and regional human rights covenants.

In 2005, after 32 years of traditional rule, King Mswati III established a number of *Vusela Committees*[1], a Tinkhundla Review Commission (TRC)[2], Constitutional Review Commission (CRC)[3] as well as a Constitution Drafting Committee (CDC)[4]. The purpose of the Commission was to undertake nation-wide consultations in all administrative constituencies to obtain and record the views of the populace on the type of constitution that would suit the nation, whilst responding to international pressure for governance reform. The outcome of these initiatives led to the enactment of a new national Constitution which, although bitterly challenged by civil society as being illegitimate, introduced a number of critical governance institutions and empowered them with crucial public oversight roles (Constitution Act, 2005). One of the governance institutions established by the new Constitution of Swaziland was a legislative organ called the "King-in-Parliament" (Section, 106(a), Constitution Act).

In terms of the constitution, the central mandate of the King-in-Parliament is to act as a fiscal governance institution ensuring executive restraint, accountability and transparency in public finance management (Chapter XI, Swaziland Constitution Act). This legislative organ, which provides for the Parliament and the King to collaboratively "make laws for the peace, order and good government of Swaziland", is responsible for ensuring that the budget position in every financial year reflects

[1] These were Committees comprising persons hand-picked by the King, upon the advice of the Swazi National Council, which visited communities around the country to record citizen views on the elements that ought to be included in the new constitution.

[2] King's Decree No. 1 of 1992

[3] King's Decree No. 2 of 1996

[4] King's Decree No.1 of 1996

healthy revenues, and that budget expenditure is kept within the required limits. (Section 106 (b), Swaziland Constitution Act).

In addition, the constitution provides that the Parliament may make Standing Orders with regard to the regulation of its business (Section 121(1), Swaziland Constitution Act). In terms of the Parliament's Standing Orders, the Parliament may establish standing committees or portfolio committees to support the work of Chambers of the Parliament. These standing committees are constituted to apply focused and specialised attention to matters scheduled for debate before the joint-sitting of the House, and to make recommendations to guide the debates in the House.

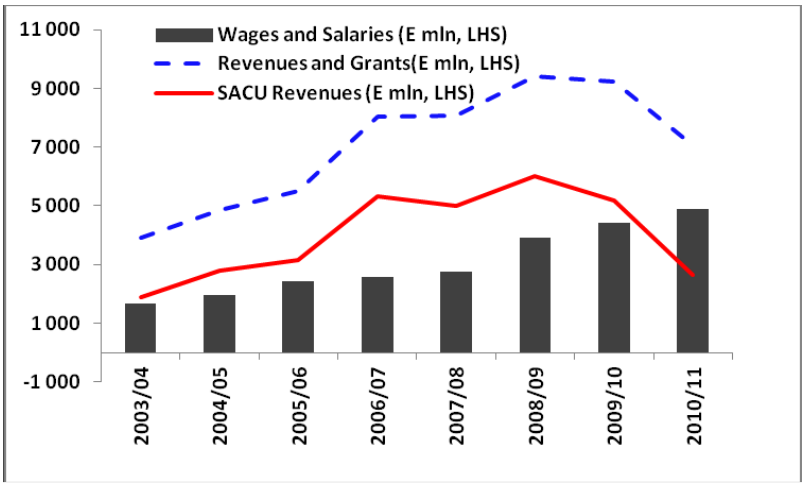
A key standing committee of the Parliament of Swaziland is the public finance committee (PFC). This committee has the special mandate of reviewing and scrutinising the draft national budgets proposed by the executive and making appropriate recommendations, prior to debate, to a joint-sitting of the Parliament for its review, rejection or adoption, as the case may be. Thereafter, after the budget has been approved, the Constitution provides that the budget bill is to be forwarded to the King for his assent (Section 108 (3), Swaziland Constitution Act). The King is empowered by the Constitution to assent or withhold his assent (Section, 108(3) (b), Constitution Act).

Notwithstanding the establishment of a public finance committee in the Parliament of Swaziland, in March 2011, economists reported that the country had reached a full scale fiscal crisis (IMF: 2011; AfDB: 2011). A review of the 2010/11 national budget indicated that there had been a decline in revenues from 34.2% of GDP in 2009 to 2% in 2010. (Annual Budget Speech: 2011). In 2010/11 the kingdom's fiscal deficit had reached 13.8% of GDP due to a 63% decline in SACU revenue (Annual Budget Speech: 2011; AfDB: 2011). In the same period, the Finance Minister announced that the country was constrained to borrow domestically from the Central Bank to meet its fiscal obligations (Annual Budget Speech, 2011). The government was in payment arrears to local suppliers, which stood at about 5.6% of GDP by the end of September, 2011. By the mid-term of the 2011/12 budget year, the budget deficit stood at 9.5% (Central Bank Annual Report 2011/2), and government reported that it was unable to honour public recurrent expenditure commitments which included some civil service salary bills. In August 2011, the Government of Swaziland was reported

to have approached the Reserve Bank of South Africa for a S2.4 billion (USD$350 Million) financial bail-out to pay its recurrent budget expenses (Financial Times: 3 August, 2011).

Various economic assessments of Swaziland's economic performance indicate that the fiscal challenge that embattled the Kingdom in 2011/2 arose as a result of executive imprudence both in terms of revenue collection as well as expenditure levels over a number of budget years (IMF: 2011). On the revenue side, analysts observe that owing to the small population, the country has a very narrow domestic tax base; added to this, the government poorly managed its revenue collection over many years and neglected to diversify sources of its economic revenue base which relied on a single SACU-determined revenue source; on the expenditure side, analysts suggest that the executive maintained unsustainable levels of public wage bill escalations, in the face of diminishing revenues (IMF: 2011; World Bank: 2011).

Figure 1a: Increasing Fiscal Revenues and Public Sector Wages for the period 2003/04 - 2010/11

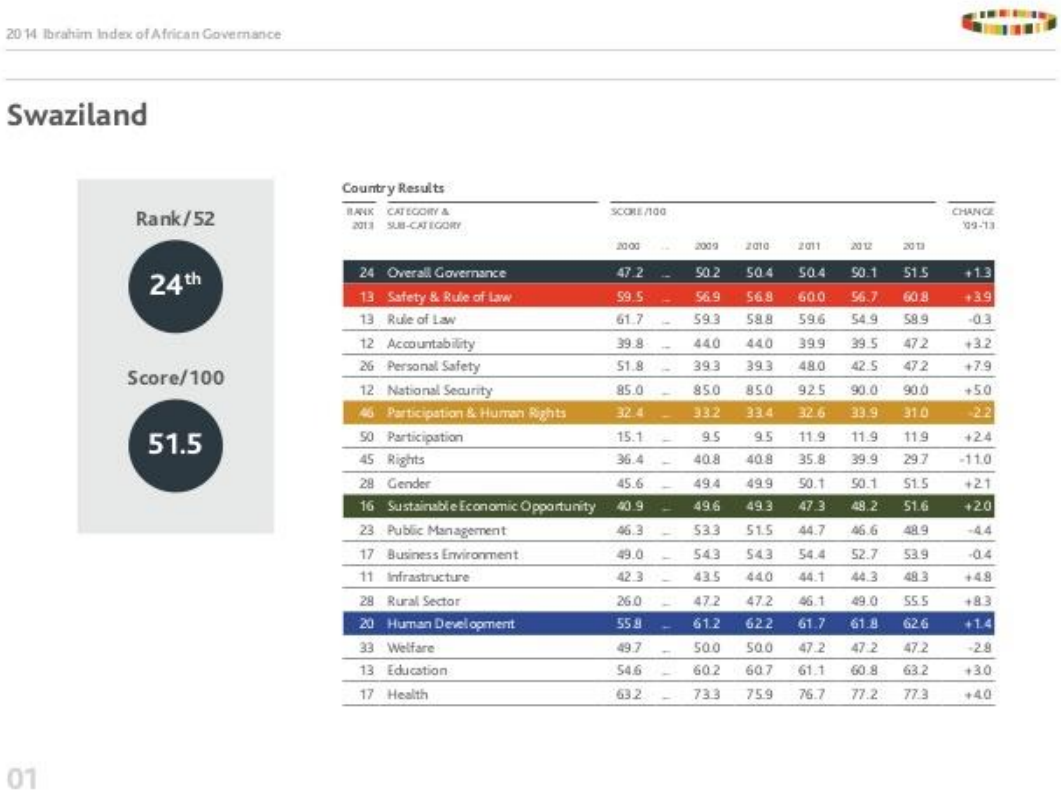


Source: UN Report, Rapid Assessment of Impact of Fiscal Crisis in Swaziland (March, 2012)

Notwithstanding these early indications of poor executive fiscal management, each successive year the budget was reviewed by the public finance committee, and upon the recommendation of this committee, adopted and approved by the joint-sitting of the Parliament of Swaziland.

At another level, opinions of political commentators and independent analysts suggested that governance weaknesses arising from the configuration of the political framework of the country, in particular the absence of a framework permitting formal political opposition parties to exist, low levels of public participation and voice in political governance, royal opulence and government corruption, had contributed to the fiscal failure (*Think Africa Press*: 2011, 2013; Mo Ibrahim Governance Index: 2014). Political governance indicators reflect that Swaziland's worst performance is on voice and accountability. The Mo Ibrahim Governance Index ranks Swaziland at 46th out of 53 countries in Africa on participation and human rights (AfDB: 2011). Public discontent has arisen from a perception that the lack of checks and balances, suppression of voice, has supported non-responsiveness of government and corrupt political elites (AfDB: 2011).

Figure 1b: Mo Ibrahim Governance Index (2014) reflecting low levels of public participation and citizen voice in political governance in Swaziland



2014 Ibrahim Index of African Governance

Swaziland

Rank/52

24th

Score/100

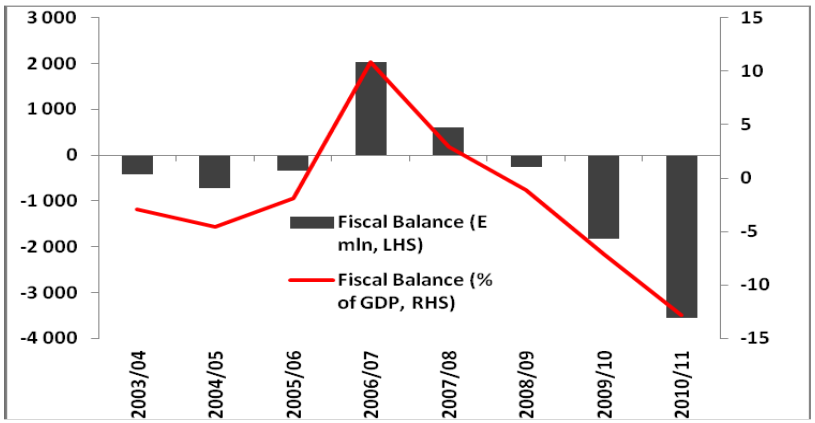
51.5

Country Results

RANK 2013	CATEGORY & SUB-CATEGORY	SCORE /100							CHANGE '09-'13
		2000	...	2009	2010	2011	2012	2013	
24	Overall Governance	47.2	...	50.2	50.4	50.4	50.1	51.5	+1.3
13	Safety & Rule of Law	59.5	...	56.9	56.8	60.0	56.7	60.8	+3.9
13	Rule of Law	61.7	...	59.3	58.8	59.6	54.9	58.9	-0.3
12	Accountability	39.8	...	44.0	44.0	39.9	39.5	47.2	+3.2
26	Personal Safety	51.8	...	39.3	39.3	48.0	42.5	47.2	+7.9
12	National Security	85.0	...	85.0	85.0	92.5	90.0	90.0	+5.0
46	Participation & Human Rights	32.4	...	33.2	33.4	32.6	33.9	31.0	-2.2
50	Participation	15.1	...	9.5	9.5	11.9	11.9	11.9	+2.4
45	Rights	36.4	...	40.8	40.8	35.8	39.9	29.7	-11.0
28	Gender	45.6	...	49.4	49.9	50.1	50.1	51.5	+2.1
16	Sustainable Economic Opportunity	40.9	...	49.6	49.3	47.3	48.2	51.6	+2.0
23	Public Management	46.3	...	53.3	51.5	44.7	46.6	48.9	-4.4
17	Business Environment	49.0	...	54.3	54.3	54.4	52.7	53.9	-0.4
11	Infrastructure	42.3	...	43.5	44.0	44.1	44.3	48.3	+4.8
28	Rural Sector	26.0	...	47.2	47.2	46.1	49.0	55.5	+8.3
20	Human Development	55.8	...	61.2	62.2	61.7	61.8	62.6	+1.4
33	Welfare	49.7	...	50.0	50.0	47.2	47.2	47.2	-2.8
13	Education	54.6	...	60.2	60.7	61.1	60.8	63.2	+3.0
17	Health	63.2	...	73.3	75.9	76.7	77.2	77.3	+4.0

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Figure 1c: Reflection of Fiscal Deficit (SZ Emalangeni (Mil) and % of GDP) between 2006/7 and 2010/11



Source: UN Report, Rapid Assessment of Impact of Fiscal Crisis in Swaziland (March, 2012)

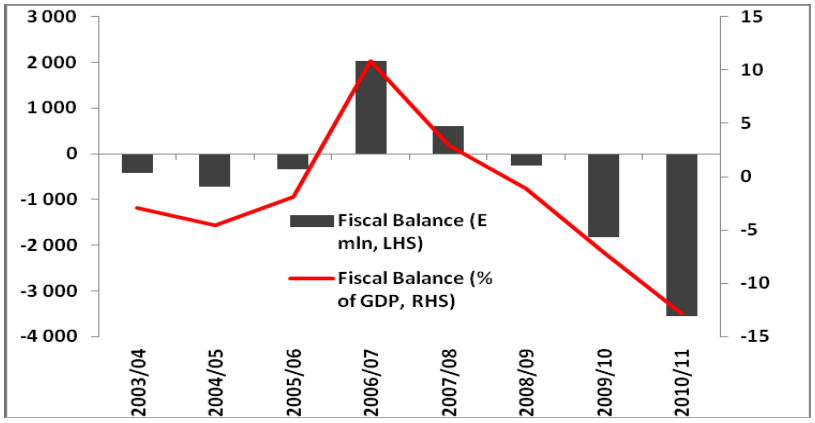
And yet, in the face of concerning fiscal trends, the Parliament approved successive draft budgets over the period under review, namely 2005/6-2010/11. The public finance committee which is vested with the mandate of pre-viewing and scrutinising draft budgets of the executive, and rendering necessary guidance and advice to the joint-sitting of the Parliament, recommended approval of the draft budgets with little or no variation.

1.3 Problem Statement

The problem that concerns the researcher is that a full scale fiscal crisis, attributable to budgetary deficit, occurred in the Kingdom in financial year 2011/2 notwithstanding the existence of a Parliament whose constitutional role it was to consider and review the national budget. The Parliament of Swaziland is authorised by the constitution of the country to review, amend or reject the draft public budget if it should be at variance with the economic objectives of the country. The crisis, which saw the government unable to service its recurrent expenditure, occurred notwithstanding that fiscal trends and patterns dating back to as early as 2005 indicated declining

GDP rates, declining revenues and escalating consumptive expenditure. By 2010/11, the budget deficit had reached almost 13% of GDP and 9.6% of GDP in 2011/12 (UNDP: 2012).

Figure 1c: Reflection of Fiscal Deficit (SZ Emalangeni (Mil) and % of GDP) between 2006/7 and 2010/11



Source: UN Report, Rapid Assessment of Impact of Fiscal Crisis in Swaziland (March, 2012)

And yet, in the face of concerning fiscal trends, the Parliament approved successive draft budgets over the period under review, namely 2005/6-2010/11. The public finance committee which is vested with the mandate of pre-viewing and scrutinising draft budgets of the executive, and rendering necessary guidance and advice to the joint-sitting of the Parliament, recommended approval of the draft budgets with little or no variation.

1.4 Purpose Statement

Parliaments possess a wide range of budgetary powers, but often fail to exercise them effectively or responsibly (Alesina and Perotti: 1995, 1996; Alesina et al: 1999; Santiso: 2004a). From studies conducted in Latin America, it appears that in emerging economies and democracies, Parliaments tend to lack both the technical capacity and the political incentives to assume a responsible role in public finances (Alesina and Perotti: 1995, 1996; Stein: 1998; Alesina: 1999; Santiso: 2004a; 2004b; Pelizzo et al: 2006).

The purpose, therefore, of this research is to consider the role of the public finance committee in the public budgetary process of the Kingdom of Swaziland, being a developing country and nascent democracy; and to explore the factors that either support or constrain the effectiveness of this committee in providing strategic support and guidance to the joint-sitting of the House of Assembly in the review and approval of the national budget.

1.5 Knowledge Gap

The role of the Parliament in the governance of the national budgets has been under-reported (Diamond: 2002; Santiso: 2004a; Bourdeaux: 2006). The weight of the literature on the theme of governance of the budget has largely concentrated on executive systems of fiscal governance. This knowledge gap is explained by the fact that the first wave of economic reforms undertaken by international financial institutions, in the early 1970s, focussed on strengthening executive government budget institutions. Consequently, the Parliament as an institution of fiscal governance, was neglected both in terms of reform and research (Diamond: 2002; Dubrow: 2002; Manning & Stapenhurst: 2002; Santiso: 2004a; Bourdeaux: 2006). Consequently, the effectiveness of the legislature as a protector of the public purse has largely been under-investigated and under-reported (Santiso: 2004a; Wehner: 2004).

In the late 1990s, the Asian and Latin American financial crisis highlighted the risks of unaccountable management of public finances and triggered a number of studies to examine the causal factors that accounted for these outcomes (Alesina et al: 1999; Santiso: 2004a; Scartascini & File: 2004). The realisation that, when left unchecked, excessive executive discretion in public budgeting led to deteriorating economic outcomes, encouraged economic policy makers and analysts to reconsider the contribution of the Parliament to the system of checks and balances in fiscal policy (Alesina and Perotti: 1995, 1996; Alesina: 1999; Stein: 1998; Santiso: 2004a). A central part of this reconsideration centred on the function of the Parliament in the public budgeting system. It also extended to the examination of the range of strategies that could serve to insulate institutions of economic governance from undue political influence (Santiso: 2004b; Phillip: 2005). Even then,

public budgeting processes in developing countries generally have only recently been scrutinised (Von Hagen: 1992; Wildavsky and Caiden: 2000; Shick: 2002; Santiso: 2004a).

It is hardly surprising therefore that there is a dearth of literature to explain the role and effectiveness of the Parliament of Swaziland in fiscal governance in the Kingdom; much less is there existing literature available that explores the factors that influence the effectiveness of the public finance committee in supporting the Parliament's oversight over the public budgeting process in the Kingdom.

1.6 Limitation of Scope

The theme of governance of the budget is a broad one. It deals with the notion of how institutions, structures, frameworks and practices are configured to create accountability, effectiveness and equity in budget systems (Phillip: 2005; Kaufman & Kray: 2010; UNDP: 2010).

There are two broad entry-points and mechanisms available for the Parliament to exercise oversight over executive public budgeting. The first entry-point for parliamentary intervention in the budget process exists at the *ex ante stage* of the public budgeting process; the second mechanism exists at the *ex post stage* of the budget process (OECD: 2002, 2007; Wehner: 2004). Time, resources and limitation of space, do not allow for both these mechanisms to be explored in this research report. This research confines itself only to the *ex ante* intervention mechanisms employed by the Parliament at the *review and approval stage* of the public budget process.

The second limitation of scope relates to the *period of review*. Whilst a number of economic assessments of the fiscal crisis in Swaziland suggest that budget deficits have been a consistent feature of the national budget of Swaziland since 2000, this research only explores the effectiveness of the Parliament of Swaziland over the limited period of 5 (five) years between 2005/6 – 2010/11. The justification for the limitation of scope lies in the fact that only since 2005 has the Parliament of

Swaziland been vested with clear constitutional and governance authority to oversee public finances in terms of the 2005 Swaziland Constitution Act.

The third limitation relates to the examination of causal factors. This research recognises the challenge of attribution. There are a multiple number of factors that potentially caused the fiscal crisis. These include weak domestic revenue collection systems; increased pressures for social expenditure; global financial meltdown and an associated decline in SACU commodity prices (EU: 2010; WB: 2011). Therefore, the examination of the contribution of weak parliamentary oversight, as a factor and performance indicator, should be understood as being only one of many factors that collectively contributed to the fiscal crisis.

1.7 Research Question

The key research question for this research is: "What are the factors that either supported or constrained the effectiveness of the Parliament of Swaziland, including the public finance committee, to carry out its *ex-ante* intervention role in the public budgeting process during the years 2005/6 to 2010/11?"

1.8 Significance of Study

The available literature indicates that the effectiveness of the Parliaments in developing economies and young democracies displays a disjuncture between their potential contribution and their actual role in public budgeting (Von Hagen: 1992; Santiso: 1994; Alesina & Perotti: 1996, 1999; Alesina et al: 1999). Focussed studies carried out in Asia and Latin America suggest that Parliaments in these nascent political-economy environments are particularly susceptible to barriers to the effective execution of parliamentary oversight (Alesina et al: 1999; World Bank: 2011; OECD: 2002; Santiso: 2004b). These studies conclude that the Parliaments of developing countries often fail in their

responsibility to perform the required accountability functions over the public budget (Alesina et al: 1999; Santiso: 2004a).

The significance of this study is that it makes a contribution to the existing body of knowledge in the area of governance of the budget. In particular, it is anticipated that the results of this research will be of interest and assistance to other researchers who are interested in investigating parliamentary budget governance in other comparable democracies and economies in the region. Finally, it is hoped that the research will also have a social benefit: to provide useful data and insight to private and public actors in the Kingdom of Swaziland that are concerned with improving the quality of economic governance in the country.

1.9 Outline of Research Report

Following this introduction, the report delivers its review, findings and conclusions in 5 (five) Chapters. **Chapter I** presents a *review of the literature* relevant to this research; and a synthesis of *key* themes and concepts that frame the research; **Chapter II** sets out the methodology; the *methods and approaches* used to investigate, collate and analyse research data. **Chapter III** presents both *primary and secondary data* collected from respondents and relevant desk-top sources during the research; **Chapter IV** sets out the *key findings* of the research. A *conclusion* setting out broad recommendations ends the report.

1.10 Chapter Summary

This chapter summarises the background, objective and approach to the research. The researcher is interested in exploring the factors that account for the effectiveness of the Parliament of Swaziland in the initial, or *ex ante*, stages of the national budgeting process. It seeks to examine the extent to which the Parliament of Swaziland, supported by its public finance committee, was effective in intervening in national budgetary processes during the 2005/6-10/11 fiscal years. The motivation

for this research is that the Kingdom of Swaziland experienced declining fiscal indicators over successive budget years, from as early as 2005. By 2010, the country was in a full-blown fiscal crisis and unable to pay its recurrent expenses. The question that concerned the researcher was whether the Parliament of Swaziland had contributed effectively, relative to its constitutional mandate, to the declining fiscal health of the country over the period 2005-10, and the resultant fiscal crisis of 2010/11. The research findings recognise that the contribution of the Parliament to the overall fiscal health of a country is only one of many contributing factors that led to the 2010/11 fiscal outcomes. The findings of this research take this causal limitation into account. The researcher seeks to make a significant contribution to the body of knowledge relating to the role of the Parliament in governance of the budget in developing countries.

CHAPTER II: LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to explain the key concepts, theories and analytical frameworks applied in this research. The first part of this chapter explores the conceptual underpinnings of the theme of "governance of the budget"; the origins and evolution of the role of the Parliament in budget governance; and the budget cycles and processes of the Parliament. The second part proposes two key theories, the institutional policy theory and political economy theory that are used as frameworks for analysis in this study. The third part proposes a set of indicators, both internal and external to the operations of the Parliament, which influence parliamentary effectiveness. These are presented as additional elements of the analytical framework for this study.

2.2 Framework for Study

2.2.1 Governance of the public budget

The stock of knowledge that relates to the role of the Parliament in the oversight of budget processes is located within the conceptual framework of *governance of the budget* (Dubrow: 2002; Manning & Stapenhurst: 2002; Santiso: 2004a; Stapenhurst: 2004).

Governance is defined broadly as the traditions and institutions by which authority is exercised (Kaufman et al: 1999). Fundamental aspects of governance include the rule of law, and accountability and voice (Kaufmann et al: 1999; Manning & Stapenhurst: 2002). Governance is said to be *good* when it is, "… among other things participatory, transparent and accountable. It is also effective and equitable, and it promotes the rule of law" (Dubrow: 2002; OECD: 2002; IMF: 2007; UNDP: 2010).

Governance of the budget is an incontestable fundamental for democracy. It can be defined as encompassing the interests and incentives of individuals and institutions governing the formulation, approval, execution and oversight of the budget (Dubrow: 2002; Santiso: 2004a). The central utility of governance of the budget is that it serves to mitigate the excesses of executive power (Mainwaring & Welna: 2003; Santiso: 2004; Lienert: 2005). Beyond this, governance of the budget framework suggests that the Parliament also has a role to provide crucial checks and balances to ensure good governance of the public budget in the medium to long term (Meyer: 1999; Mainwaring & Stapenhurst: 2002; Lienert: 2005; Posner & Park: 2007). It is for this reason that the budget governance framework is configured in such a way as to create structural and functional linkages, as well as checks and balances, between the executive and the legislature (Parliamentary Center: 1988; Lienert: 2005; Phillip: 2005).

Within the budgetary governance framework, the executive is accountable to the legislature (Parliamentary Center: 1998; OECD: 2002a; Phillip: 2005). This tension between the executive and the legislature in the public budgeting process is increasingly recognised as an essential ingredient of a sound public budgeting system (Parliamentary Center: 1998, 2008; OECD: 2002a; Phillip: 2005).

2.2.2 Dimensions of the concept of governance of the budget

The concept of governance of the budget encapsulates two dimensions; it connotes internal *institutional dimensions* of public budgeting as well as external *political economy* of public finance management (Wildavsky & Caiden: 2004; Santiso: 2004b; Scartascini & Stein: 2004; Acosta et al: 2007).

With regard to the Parliament as a budgetary institution, the institutional dimensions relate to the mandate and capacity of the Parliament itself to supervise, oversee and control the budget presented to it by the executive (Davey: 2000; Crippen: 2003; Stapenhurst: 2004; Posner & Park: 2007). A

budgetary institution is defined as "all the rules and regulations according to which budgets are drafted, approved and implemented" (Alesina & Perotti: 1996; Lienert: 2004; Posner & Park: 2007).

The literature on the institutional dimensions of budgetary governance suggests that good fiscal outcomes, such as fiscal discipline, and prudent allocation and expenditure of budgetary resources, depend on having in place efficient and effective internal parliamentary structures, processes and procedures for overseeing the budget (Parliamentary Center: 1998; Alesina et al: 1999; Meyers: 1999; OECD: 2003; EU: 2006).

The political economy dimensions of the concept relate to the role of individuals and institutions, examined together with their respective incentives and interests, external to the institution of the Parliament, in influencing the manner and extent to which the Parliament is able or limited in its ability to execute its role (Alesina & Perotti: 1995; Santiso: 2004b). These dimensions consider the political and economic dynamics prevailing in the external environment of the Parliament. Political economy considers the power dynamics, interests, and incentives of political and economic individuals, groups and institutions that have formal or informal influence on how the Parliament views the draft budget from the executive and what outcome it finally arrives at the end of the budget process (Alesina & Perotti: 1995; Wildavsky & Caiden: 2000; Santiso: 2004b; Saeigh: 2005; Scartascini & Stein: 2009; Acosta & Renzio: 2005; Acosta et al: 2007).

2.2.3 Historical evolution of parliamentary control of public budgeting

Parliaments have struggled over the course of history for a role in the budget process. The role of democratic legislatures in public budgeting is the outcome of centuries of contestation (Chubb: 1975; Kelsey: 1898; Wedgewood: 1919; Pollard: 1920). The trajectory of this struggle indicates that Parliaments first gained the right to consent to taxation (Chubb: 1975; Gladstone: 1891; Pollard: 1920). Gradually, Parliaments introduced mechanisms to control royal and executive spending (Gladstone: 1891; Chubb: 1920; Harris: 1975). Only thereafter did a variety of controls, checks and balances, including the establishment of parliamentary committees, a fiscal year, a consolidated

fund, and the establishment of the Office of the Auditor-General follow (Chubb: 1920; Pollard: 1920).

The first formal reference to the principle that executive government required parliamentary consent in order to impose taxes on citizens was enshrined in the *Magna Carta*. This was one of a list of concessions to the barons that King John signed in 1215 (Pollard: 1920; Chubb: 1952; Harris: 1975). In medieval England, the House of Commons strived to limit the King's powers to impose taxes so as to curtail their ability to maintain a standing army beyond times of war and immediate external threat (Pollard: 1920; Chubb: 1952; Harris: 1975).

Bitter contests between Kings and Parliaments in the seventeenth century catalysed procedural innovations that advanced the quest for parliamentary control over public finance (Gladstone: 1891; Chubb: 1952: Harris: 1975). Of particular importance was the increased use of a committee of the House of Commons that applied its mind to critical matters due to be placed before the House for plenary debate (Pollard: 1920; Chubb: 1952; Harris: 1975). This allowed the Commons to appoint their own chairperson, which reduced the influence of the Speaker, who at the time was generally regarded as aligned with the monarch (Chubb: 1952). The committee procedure also allowed each member to speak more than once and thus facilitated much freer debate (Pollard: 1920; Chubb: 1975).

However, of all the concessions extended by the monarch to the Parliament, a crucial shortcoming of parliamentary control was that it did not extend to control over royal emoluments or borrowing on the monarch's personal credit (Gladstone: 1891; Funnel & Cooper: 1998). There was no official distinction between public funds and the personal funds of the monarch. After Charles II claimed the throne in 1660, the Parliament started to demand estimations of the cost before voting money to be granted to the King. Only after 1688, was executive borrowing tied to parliamentary consent (Wedgewood: 1919; Pollard: 1920; Funnel & Cooper: 1998).

The Glorious Revolution of 1688 brought a decisive victory for the Parliament, and became a landmark in the evolution of its budgeting role (Wedgewood: 1919; Pollard: 1920; Chubb: 1975).

The 1689 Bill of Rights captured the outcome of the struggle. It firmly established the principle that "levying money for use of the Crown by pretence of prerogative, without grant of Parliament, for longer time, or in other manner than the same is or shall be granted, is illegal" (Wedgewood: 1919; Pollard: 1920; Chubb: 1975). In 1787, the concept of a consolidated fund into which all revenue collected was stored and from which all disbursement of monies for supply of public services was created. It took the Commons two more centuries to put in place a comprehensive system of expenditure control (Wedgewood: 19191; Pollard: 1920; Chubb: 1975).

Beyond Britain, only after the Glorious Revolution did the concept of parliamentary control over taxation spread to other territories. By the beginning of the nineteenth century, the United States Congress had put in place measures to constrain executive discretion through the use of authorised expenditure frameworks (Pollard: 1920; Chubb: 1975: Harris: 1975).

In Europe, France was the first country to develop modern expenditure control mechanisms in the first half of the nineteenth century. Napoleon put in place the institutional fundamentals of a modern public audit system. The tabling of audit reports to the assembly was made a legal requirement in 1832. By the middle of the nineteenth century, France had put in place the concept of a comprehensive budget encompassing all of the activities of government, a standard fiscal year, the principle of annual authorisation, and a developed system of accounting and audit control (Pollard: 1920: Chubb: 1975; Harris: 1975).

Back in the United Kingdom, modernisation of public finances was introduced by the Chancellor of the Exchequer, William Ewart Gladstone, in 1852. Determined to force greater economy in public finance, he introduced a set of reforms in 1860 that made annual and comprehensive estimates central to legislative oversight (Gladstone: 1891; Kelsley: 1898; Pollard: 1920; Chubb: 1952). In 1861 the Commons, based on the Gladstone initiative, resolved to establish a public accounts committee to examine the accounts showing the appropriation of the sums granted by the Parliament for public expenditure (Gladstone: 1891; Kelsley: 1898; Pollard: 1920; Chubb: 1952). The Exchequer and Audit Departments Act of 1866 required all government departments to produce appropriation accounts for audit purposes. The Act also created the Office of the Auditor-General by merging the

ex ante function of authorising the issue of money to departments with a new *ex post facto* function of examining every appropriation account and reporting the results to the Parliament (Gladstone: 1891; Kelsley: 1898; Pollard: 1920; Chubb: 1952). The committee developed a high standard of scrutiny and contributed significantly to rapid improvements in the disclosure of financial information in the following decades (Chubb, 1952).

The final step towards the democratisation of the budget process was taken when the hereditary chamber, the House of Lords, was stripped of its veto power over financial legislation (Gladstone: 1891; Kelsley: 1919 Pollard: 1920; Chubb: 1952). Since then, the supremacy of the lower house of elected members has been firmly established within the United Kingdom and all other countries with democratic credentials. The spread of parliamentary democracy to many other countries, not just in Europe, but also in Africa, ensured that the principle of parliamentary authorisation of taxation and public expenditure became a constitutional fundamental (Funnel & Cooper: 1998).

2.2.4 The budget as an economic policy instrument

The word budget is developed from the French word "*bougette*" or "small bag" (Pollard: 1920; Schiavo & Tommasi: 1999). The use of the word spread to England, where it came to designate the leather bag in which ministers of the crown carried financial plans to the Parliament (Pollard: 1920; Chubb: 1952). Later on, the word became synonymous with the contents of the bag. In most countries, the term refers to the annual expenditure and revenue plans tabled in the Parliament (Schiavo & Tommasi: 1999).

The first traceable legal definition of the budget is contained in a French decree of 1862: "The budget is a document which forecasts and authorises the annual receipts and expenditures of the State" (Stourm: 1917). In most countries, the government budget is drafted at regular intervals by the executive and tabled in the legislature for review and approval before the beginning of the fiscal year to which it applies.

Sources of income vary from country to country. In most countries, state income is raised by applying direct taxes on the citizens of the country. Other forms of state income are derived from indirect taxes that are levied on goods and services and passed on to the consumer.
On the expenditure side, government allocates funds to various functions such as health care, education, agriculture, justice and so on. The share of total expenditure allocated to each sector is an indicator of the spending priorities of a country for a given year. These shares shift from year to year, as priorities change.

When a government spends more money than it has available as revenue, it will record a deficit. A deficit is commonly accepted as the central indicator of fiscal health. A deficit is defined as the excess of government's total expenditure over total revenue. Whilst there is no absolute figure that indicates whether a deficit is acceptable or too large, an international benchmark in this regard is that a country's deficit should not exceed 3% of its GDP.

A government can overcome a deficit either by raising taxes or borrowings. Government borrowing can cause interest rates to increase and inflation to rise. This places an uncomfortable burden on citizen and institutional borrowers in the market. A deficit also means that there will be less money for service delivery. Government will either have to reduce service delivery to citizens or borrow money to be able to provide services at the optimal level.

The purpose of budgeting is to ensure that the spending needs of a country do not exceed the available funding (Meyer: 1999; Santiso: 2004a; Stapenhurst: 2004). Governments have to make choices about the allocation of scarce resources in order to meeting the competing needs of society (Parliamentary Center: 1998; Meyer: 1999; Santiso: 2004a; Stapenhurst: 2004; Stapenhurst et al: 2008). The national budget is an effective mechanism for facilitating the process of planning, and prioritising spending requirements (Meyer: 1999; Allen & Tommassi: 2001; Santiso: 2004a). The budget forces policy makers to think through the key economic objectives of the country, to consider competing claims for funding, and to negotiate trade-offs between them.

2.2.5 The public budgeting cycle

The creation of a public budget is the result of a process. There are 4 (four) key stages of the budget cycle. These are a) the formulation; b) its adoption; c) its execution; and d) its control (Meyers: 1999; Gustafson: 2003; Lienert: 2004; OECD: 2006; Posner & Park: 2007). Whilst the literature presents these stages as four consecutive processes, the reality is that the stages of the public budget process are intertwined and iterative.

The alternative literature proposes a more practical categorisation of these stages into 2 (two) main stages: **ex-ante accountability** and **ex-post accountability** (McGee: 2002; Gustafson: 2003; Stapenhurst: 2004; Lienert: 2004). *Ex ante* accountability refers to the first two stages of the budget process, namely *formulation and adoption of the draft budget bill stages*. The *ex post* accountability refers to the last two stages, stages three and four of the budget cycle, namely the execution and evaluation stages of the *budget - control and auditing stages*. The *ex post facto* stages are necessary to hold the executive to account for performance and results.

The *formulation and drafting* of the budget is typically carried out by the executive because it is this branch of government that possesses the required technical capacity and information base to do so (Lienert: 2004; Santiso: 2004a; Posner & Park: 2007). Traditionally, the finance minister and the budget department are responsible for the co-ordination of the budget drafting process within the executive (Lienert: 2004; Wehner: 2004; Santiso: 2004a; Posner & Park: 2007). This process requires the finance ministry to play a leading role in collating budget requests from spending departments in line with their projected expenditure (OECD: 2002; Inter-Parliamentary Union: 2008).

The second stage of the budget cycle is the legislative stage; that of *review and approval of the budget* (Meyer: 1999; Lienert: 2004; Santiso: 2004a; Posner & Park: 2007). Once formulated and drafted, the executive presents the draft budget to the Parliament for scrutiny and review. The draft budget must be approved by the Parliament before it becomes law. In this regard, Parliaments in

different countries have different approval levels. Despite country-specific variations, the general options that are available to the Parliament are to approve, amend, reject or substitute the draft budget tabled by the executive with its own budget (OECD: 2002, 2007; KPMG: 2006; Inter-Parliamentary Union: 2008).

The third stage of the budget process is that of *execution or implementation of the budget.* This stage involves the actual disbursement by the executive of budgeted funds to their budgeted purposes, coupled with the oversight by the Parliament of expenditure levels. Implementation of the budget commences with the beginning of the fiscal year. The Finance Ministry or Treasury plays a leading role in ensuring that funds are apportioned to spending departments in line with the approved budget (Lienert: 2004; Wehner: 2004; Santiso: 2004; Posner & Park: 2007). Sometimes, however, cash constraints may lead to approved expenditures being cut or funds being shifted to purposes other than those that were approved.

The fourth stage is the *accountability stage or audit stage of budgeting* in terms of which the executive reports back to the Parliament on how it has executed the budget. Typically an independent audit institution, such as an audit court or an auditor general, analyses government accounts and financial statements (Lienert: 2004; Wehner: 2004; Santiso: 2004; Posner & Park: 2007). In most countries, the audit of accounts is followed by the consideration of audit findings by the legislature. A central part of this stage is legislative scrutiny of public accounts to ensure compliance with auditing standards and limits (Lienert: 2004; Santiso: 2004; Posner & Park: 2007). In most countries, the auditor-general is responsible for the auditing of accounts (KPMG: 2006; OECD: 2002).

While budgeting on an annual basis is considered desirable, the changing needs of society and dynamics in the economy often create a shift of priorities over time. If the budgeting process is too rigid, there may be no recourse for the executive to address pressing needs and priorities that arise after the budget has been approved. Consequently, many countries have introduced a medium-term expenditure framework (MTEF) to support strategic prioritisation and sustainable fiscal planning for contingency expenditure during a fiscal year as well as the resources required during the mid-term

strategic period, usually between three and five years, in order to carry out existing policy (OECD: 2002, 2007; Inter-Parliamentary Union: 2008).

2.2.6 Role of Parliament in public budgeting

Scholars are convergent on the position that while the management of public finances firmly remains within the purview of the executive, the legislature is a central governance agency whose role is critical to ensuring that the executive is transparent, accountable and prudent in the management of public finances (Allen & Tommasi; 2002; Wehner: 2004; Santiso: 2004; Posner & Park: 2007). This "watchdog" role of the Parliament makes a significant contribution towards fiscal governance in general (OECD: 1998; Parliamentary Center: 1998; IMF: 2007).

Generally, the prime function of the Parliament is to make law. The Parliament scrutinises and approves legislative bills put forward by government and enacts those bills that reflect sound public policy into law. In exercise of this function, the power of the Parliament is not merely limited to enacting laws, in the mechanical sense, but also to have a strategic impact on *legislative content and outcomes (*Alesina et al: 1999; Meyers: 1999; Gustafson: 2003; Stapenhurst: 2004; Phillip: 2005; Posner & Park: 2007*).*

With specific reference to economic laws, the fundamental role of the legislature is to exercise oversight over public finances and uphold sound and prudent economic policies *(*Meyers: 1999; Gustafson: 2003; Posner & Park: 2007*).* The Parliament, through the committee system, is responsible for ensuring sound public finance management by guiding the process of planning, budgeting and control. The fundamental purpose of public budgeting is to allocate the revenues and borrowed income of a country towards government expenditure in a manner that will create the most economic impact for citizens (Meyers: 1999; Allen & Tommasi: 2001; Santiso: 2004a; Posner & Park: 2007). Budgeting enables government to plan and manage its financial resources to support the implementation of various programmes and projects that best promote the development of the country (Meyers: 1999; Santiso: 2004a; Posner & Park: 2007).

The role of the Parliament is to ensure that the budget prepared by the executive represents properly assessed fiscal choices and priorities (Meyers: 1999; Santiso: 2004a; Posner & Park: 2007); that expenditure and revenue trends have been assessed accurately; and that appropriate legal and administrative measures have been devised to restrain public expenditure (Meyers: 1999; Santiso: 2004a; Posner & Park: 2007).

2.2.7 The role of parliamentary budget committees

The literature is uniform in its assessment that the effective oversight of public budgeting by the Parliament requires strong and capable parliamentary committees to enable the legislature to deliver and fulfil their functions (Meyers: 1999; OECD: 2002, 2003; Santiso: 2004a; IMF: 2007; Bradbury and Crain: 2011). The literature suggests that amongst the portfolio committees of the Parliament, the public finance committee is the most strategic (McGee: 2002; Pelizzo et al: 2006; Phillip: 2005). Through the public finance committee, the Parliament is able to exert influence over the executive and through detailed committee scrutiny of the draft budget bill. This committee bears the responsibility of giving detailed attention to the draft budget and of crafting suitable and appropriate recommendations for debate and consideration by the joint-sitting of the Parliament (McGee: 2002; Pelizzo et al: 2006 Santiso: 2004a; Phillip: 2005; Bradbury and Crain: 2011). A positive correlation exists between strong public finance committees and well-managed public debt (Santiso: 2004; Bradbury and Crain: 2011).

The most important task of the Parliament in budgeting is to review the draft budget tabled by the executive for the upcoming fiscal period (McGee: 2002; Pelizzo et al: 2006 Santiso: 2004a; Phillip: 2005; Bradbury and Crain: 2011). With the acknowledgement that the plenary of the Parliament may not be a suitable arena for detailed discussion of budgets, smaller forums at committee levels were designed in order to give focussed attention to discussion of budget figures (Krafchick & Wehner: 1998; Wehner: 2003; Gustafson: 2003). Because of the importance of these discussions, it is crucial that these committees are effective. Public finance committees are the engine room of the budgetary review process of the legislature (Krafchick & Wehner: 1998; Wehner: 2003; Gustafson: 2003). It

is here that in-depth and more technical debate can take place, away from the political grandstanding that often characterises proceedings on the floor of the house.

2.2.8 Parliamentary-executive relationships within the public budgetary process

It is recognised in the literature that enforcing the rule of law in public budgeting processes, requires a re-enforcement of those institutions tasked with overseeing government (Manning & Stapenhurst: 2002; Bordeaux: 2006; Dubrow: 2006; Stapenhurst et al: 2008). In most emerging economies, the executive dominates the budgetary process and legislatures have largely been perceived as mere "rubber-stamps" (Schick: 2002; Kalitowski: 2008).

The bulk of the studies of parliamentary effectiveness in budget governance have been carried out in Latin America. (Wehner: 2003; Santiso: 2004a). These studies show that the Parliaments in this region are typically characterised by operational, administrative and resource problems that limit the fulfilment of their legislative, representative, and oversight responsibilities (Santiso: 2004a). These structural weaknesses impact on their ability to effectively engage with the budget process. These internal structural constraints are compounded by external political dysfunctionalities which affect the outcomes of many of the Parliaments in the region (Santiso: 2004b).

Consequently, there is heightened awareness amongst scholars and policy makers of the need to enhance the institutions of "horizontal accountability", (O'Donnell: 1998; Mainwaring & Welna: 2003). This awareness has led to a series of institutional reforms aimed at evaluating legislative oversight of the budget to strengthen government accountability (Krafchick & Wehner: 1998; OECD: 2001; Manning and Stapenhurst: 2002; Schick: 2002; Wehner: 2003).

2.2.9 Trends in legislative budget institution reforms

Studies in the area of budget governance reform indicate that in the early 1990s, the focus was placed on improving transparency and efficiency in government financial administration within the executive branch (OECD: 2001; Manning and Stapenhurst: 2002; Schick: 2002; Wehner: 2003a).

These reforms targeted finance departments, tax authorities and central banks. Following decades of fiscal mismanagement resulting in fiscal failure in many states of Latin America, a concerted effort was made at reforming budgetary systems. Largely led by the executive, the gains were marginal in transforming the budget into a credible tool of macroeconomic management.

During this first wave of economic reforms, the examination of legislatures as budget institutions was largely neglected (OECD: 2002; 2003). Reviews of Parliaments as budget governance institutions were conspicuously absent from key public expenditure management manuals (World Bank: 1998; Wehner: 2004). Also, there was little attention given to comparative research into the determinants of legislative budgetary capacity for effective oversight in emerging economies (Santiso: 2004a).

Later, in the mid to late 1990s, a second wave of reform of governmental financial administration emerged. This reform was catalysed partly by international financial institutions operating in Latin American countries (Alesina et al: 1999; Dorotinsky and Matsuda: 2002; Wehner: 2004).

In recent years, however, greater attention has been directed at strengthening the institutions of public finance management beyond the executive and improving mechanisms of oversight and accountability. As part of this second wave of reform, the contribution of legislative budget institutions, such as parliamentary budget committees, were identified as a crucial planning instrument in the governance of the budget (OECD: 2001; Manning and Stapenhurst: 2002; Gustafson: 2003; Wehner: 2003a; Phillips: 2005; Jones & Jacobs: 2009; Jacobs: 2013).

2.2.10 Vectors for effective parliamentary budgetary governance

It is now well established that political institutions influence budgetary processes and fiscal outcomes (Alesina and Perotti: 1996; 1995; Acosta and Coppedge: 2001). Available research provides insight into the understanding of the influence of budget institutions on fiscal outcomes (Baldez & Carey: 1999; Samuels: 2002; Weldon: 2002; Alesina et al: 1999; Phillip: 2005). These works posit that there are three main institutional arrangements that are conducive to the delivery of positive fiscal

outcomes. These are: a) laws which establish *ex ante* constraints on budget deficits; b) top-bottom or hierarchical procedural rules; and c) transparent procedures (Alesina et al: 1999).

The first vector for enhancing parliamentary budget oversight is to provide effective parliamentary oversight in budget transparency by having Parliaments which provide internal institutional checks on the accuracy of the budget (Alesina and Perotti: 1996; Santiso: 2004). By increasing scrutiny of the budget, legislative oversight helps redress the information asymmetries between the state and society, opening up the budget to public debate and control (Krafchick & Wehner: 1998; Gustafson: 2003; Wehner: 2003). Legislative scrutiny of the budget promotes greater debate on the facts and analysis underlying policy choices and budgetary allocations.

The second lever for budget oversight lies in providing greater opportunity for the Parliament to demand and enforce political accountability by the executive (Parliamentary Center: 1998; Santiso: 2004b; Acosta & Renzio: 2005; KPMG: 2006; Acosta et al: 2007). The exercise of this vector requires that the Parliament enjoys a level of insulation from the executive and other external power influences (Santiso: 2004; Lienert: 2005; Phillip: 2005; Bradbury & Crain: 2011). In this regard, the external political environment, the nature of informal and formal dynamics between the Parliament and the executive is central to this matter. Greater political independence of the Parliament and parliamentarians promotes greater ability for the institution to rigorously analyse budget propositions made by the executive (Lienert: 2005; Phillip: 2005).

The third lever, namely transparent procedures, speaks to the environment within the Parliament itself. This lever questions the extent to which the parliamentary space is conducive to parliamentarians to debate the budget freely, and access of the public to individual and collective positions taken by parliamentarians in the House. The literature advances that the greater the transparency, the greater the accountability and effectiveness of the Parliament (Von Hagen: 1992; Parliamentary Centre: 1998; OECD: 2002; Whittaker: 2006).

2.3 Analytical Framework

Two theories provide a framework for data analysis in this study. In a seminal study on "Budget Deficits and Budget Institutions", economists demonstrate that budget procedures and budget institutions do influence budget outcomes (Alesina and Perotti: 1996; 1999). This linkage is supported in other literature (Von Hagen: 1992; Baldez & Carey: 1999; Samuels: 2002; Phillip: 2005). Institutional policy theory assists in the analysis of the formal structures and frameworks for the workings of the Parliament as an institution (Alesina & Perotti: 1996, 1999). It provides the indicators for the analysis of the effectiveness of internal factors that affect the decision-making of the Parliament.

Political economy theory provides a set of indicators for the analysis of the external environment that influence the budget decision-making of the Parliament (Santiso: 2004b; Wildavsky & Caiden: 2004; Acosta & Renzio: 2005; Acosta et al: 2007). The Parliament requires both internal capacity to discharge oversight functions effectively and responsibly, as well as the existence of an enabling institutional environment that allows it (OECD: 2002, 2007; Lienert: 2005; Saeigh: 2005; Scartascini & Stein: 2009).

Scholars argue that the ability of the Parliament to exercise oversight over the budget process tends to be contingent on a number of variables (Allen & Tommasi: 2001; Santiso: 2004a). Generally, the variables emanate from historical, constitutional, political, legal and procedural aspects (OECD: 2002, 2007). These variables, which may be internal or external, support and constrain the Parliament's effectiveness in fulfilling these oversight responsibilities (Allen & Tommassi: 2001; Santiso: 2004 (a) and (b)).

The available literature suggests that the internal and external factors that influence the effectiveness of the Parliament to carry out its oversight over public finance form a constellation of a set of 4 (four) key indicators against which parliamentary effectiveness over the public budgeting process can be measured (OECD: 2002, 2007; Santiso: 2004a):

(1) The adequacy of the legal framework to empower the Parliament to oversee the budget process;

(2) The availability of institutional capacity within the Parliament to undertake this role;
(3) The presence of the necessary political will amongst parliamentarians to make effective interventions and to challenge the executive in the budget process; and
(4) The existence of a conducive governance environment in the country that enables Parliament to exercise its functions.

2.3.1 Internal factors influencing parliamentary budgetary governance

The **internal factors** influencing parliamentary decision-making relate to constitutional divisions of responsibility, institutional and policy design, and implementation capacity (Wehner: 2004; OECD: 2002, 2007). These include factors such as the constitutional composition of the Parliament, the design of parliamentary structures, processes and procedures, and the availability of institutional capacity, including experts, facilities, and information to support the work of the Parliament (Schick: 2002; OECD: 2007).

The most crucial variable for an effective legislature is the existence of adequate constitutional powers over budgets in order to influence decision making. Notably, the constitutional power for the Parliament to amend and reject a budget needs to be in place, and needs to be sufficient to allow for effective oversight and intervention (Sarraf: 1996; Baldez & Carey: 1999; Bradbury & Crain: 2001).

Formal constitutional powers, however, are not enough. Because of the responsibility that the Parliament bears to scrutinise the draft executive budget, it is critical that the Parliament should have strong and effective parliamentary public finance committees (Pelizzo et al: 2006; Jones & Jacobs: 2009; Jacobs: 2013). Associated with this, adequate expertise should reside in these specialised committees to allow for meaningful and effective scrutiny. This expertise can be resident within the membership of the committee itself, or made available to the committee through provision of expert support and advice (Mainwaring & Welna: 2003; Wehner: 2003a, 2003b; Pelizzo et al: 2006; Jones & Jacobs: 2009; Jacobs: 2013).

The literature suggests that the ability of specialised committees to scrutinise the budget is a function of the amount of time given to the committee to apply its mind to the content of the draft budget bill as well as the availability of relevant and high quality information.

Finally, the budget voting procedures leading to the formulation and approval of the budget are also crucial because they establish who has an influence on the final budget outcome (Von Hagen: 1992; OECD: 2002; 2007; Mainwaring & Welna: 2003).

Beyond the constitutional and technical capacity of the Parliament to engage with the budget, internal indicators require the Parliament, and parliamentarians, to be independent of the executive or other political authority in the application of their mind to the contents of the budget (Lienart: 2005; Phillip: 2005). This factor cannot be overestimated.

Related to the principle of independence of the Parliament is the need for parliamentary discussions on the budget to be open to public debate, contribution, and influence. Consequently, suitable entry-points for the participation of civil society formations, independent experts, and the media in parliamentary budget process are crucial (Krafchick: 2003).

2.3.2 External factors influencing parliamentary budget decision-making

On the other hand, there are a number of external factors that are exogenous to the workings of the Parliament that influence the Parliament in its budgetary decision-making**.** These are socio-political-historical variables, including the architecture of the political system, the electoral system, levels of civil society activism, and formal and informal political dynamics shaping executive-legislative relations (Santiso: 2004b; OECD: 2007; Bradbury and Crain: 2011).

The literature indicates that the emergence of "disciplined" political parties has contributed to the reduction in legislative independence (Schick, 2002; Jones & Mainwaring: 2003). The role and influence of international financial institutions and donor agencies in setting development goals and strategies also constrain the terrain of parliamentary autonomy (WB: 1998). Finally, the massive

expansion of social service entitlements has substantially created rigidity in the budget by reducing the remaining portion of the budget that is open for debate (Baldez & Carey: 1999).

2.4 Chapter Summary

The chapter proposes "governance of the budget" as a conceptual framework for this research. This concept recognises that the role of the Parliament in the budgeting process is that of scrutiny, approval, and oversight. In this way, the Parliament provides checks and balances to the influence of the executive over the budget. Recognising that the role of the Parliament in the public budgeting process has evolved over time, the chapter confirms the principle that the Parliament has a central role in ensuring appropriate fiscal outcomes. Institutional policy theory and political economy theory provide a number of indicators that may be used in determining the effectiveness of the Parliament in executing this role. These indicators are both internal and external to the workings of the Parliament. Internal factors include the scope of the formal mandate of the Parliament, the availability of technical capacity within the Parliament and specialised committees, the time provided in parliamentary procedures for the review of the draft budget bill, and the contribution of civil society and independent experts to the budget scrutiny process. The external factors that influence the effectiveness of the Parliament include the institutional arrangements for political and economic governance in the country; the power dynamics between parliamentarians and key actors within the executive; and the inter-play between interests and incentives of individual parliamentarians in the House.

CHAPTER III: RESEARCH METHODOLOGY

3.1 Introduction

This section provides a detailed outline of the research plan adopted in the undertaking of this research. It describes research approaches and methodologies for the gathering, collation, presentation, analysis and reporting of data. Finally, it outlines methods used to verify and validate the findings of the researcher, and the reporting method adopted for this report.

3.2 Research Objective

This research is concerned with extending the application of existing theories and assumptions in the literature to an identified case study. Seminal works on the theory of the governance of the budget were an outcome of research conducted in Latin America (Santiso: 2004a; Acosta et al: 2007). These works concluded that a positive correlation exists between strong and effective parliamentary budget committees and sound budget outcomes; and further, that in developing economies and nascent democracies, an asymmetry existed between formal powers of the Parliament to govern the budget and the actual execution.

This research seeks to test the applicability of indicators and assumptions offered by these studies to a developing economy in sub-Saharan Africa with comparable socio-economic and political-economy features to those of some countries in Latin America. The overall objective is to provide useful insights to inform policy decisions concerned with the enhancement of the effectiveness of the Parliaments of nascent democracies and economies in Africa.

3.3 Research Approach

The researcher approached this research with an existing theory and assumption (Maxwell: 1992). The theory on which this research is premised is that there are a core number of internal and external factors that either enhance or diminish the effectiveness of the Parliament in the exercise of its *ex ante* budget oversight functions. The researcher first used this theory to develop a set of specific research questions; and thereafter, these research questions were tested against data collected from documents and informants. In this way, the researcher was able to define the parameters of the research investigation and to see if the theory could explain the social phenomenon that this research is concerned with (Maxwell: 1992). For this reason, the research approach used in this study is *deductive.*

3.4 Research Problem

A research problem is "an intellectual stimulus calling for a response in the form of a scientific enquiry" (Frankfort-Nachmias and Nachmias: 1996). Put differently, a research question represents a social problem that requires some sort of research to try to construct a plausible and credible answer to the research question (Henn et al: 2006).

In this study, the key research question is: "What are the factors that either supported or constrained the effectiveness of the Parliament of Swaziland, including the public finance committee, to carry out its *ex-ante* intervention role in public budgeting process during the years 2005/6 to 20010/11?"

Sub-questions were designed for this study using a set of pre-existing indicators for parliamentary effectiveness. These were the following:

a) Is the legal framework adequate to empower the Parliament of Swaziland to exercise oversight over the budget process?

b) Does the Parliament of Swaziland have available and adequate institutional capacity to undertake an effective budget oversight role?
c) Does the necessary political will exist amongst parliamentarians to make effective interventions and to challenge the executive in the budget process?
d) Is there a political governance environment in the Kingdom that is conducive to the Parliament exercising a sound oversight function over the budget?

3.5 Research Hypothesis

Accordingly, an underlying assumption for this study was that declining budget outcomes in the Kingdom of Swaziland during the period under review were a consequence of negative factors within the internal institutional arrangements for the Parliament, coupled with factors within the external political environment of the country.

3.6 Research Paradigms

To answer the above research questions, the researcher elected to use a combination of *interpretive* and *critical social research* paradigms (Fay: 1993). Both the interpretive and critical social research approaches are associated with unstructured qualitative methods (Denzin: 2005; Onwuegbuzie et al: 2008).

The *positivist* paradigm was preferred in this study to address sub-research questions a) and b) above. An examination of the adequacy of the formal powers of the Parliament to intervene in the public budgeting process, and the adequacy of the structural and technical capacity of the Parliament, and the public finance committee in particular, requires technical examination (Denzin: 2005; Onwuegbuzie et al: 2008).

The *interpretivism* research paradigm holds that to explain human behaviour, social researchers need to understand the meanings and interpretations that people attach to phenomena in the social world

(Denzin: 2005; Onwuegbuzie et al: 2008). This research paradigm is designed to allow the researcher to explore the motivations, perceptions, and experiences of social actors (Denzin: 2005; Onwuegbuzie et al: 2008). Therefore, sub-research question (c) above sought to understand whether parliamentarians themselves had the necessary political will to make effective interventions and to challenge the executive in the budget process. To answer this question, this research sought to obtain an "insider" perspective from parliamentarians themselves as to the incentives and disincentives that enable or constrain their ability to challenge, where necessary, positions advanced by the executive on the budget.

The *critical social research* paradigm is an appropriate paradigm to examine the underlying structures that maintain and perpetuate suppression of the majority by an elite minority (Fay: 1993). Critical social researchers argues that the purpose of research should be to uncover the fundamental nature of the social reality by revealing these underlying mechanisms and structures which the elite have created to successfully persuade the vast majority of people to act mistakenly against their own best interests (Neumann: 2000). Therefore, sub-research questions (d) above explored the external political factors that impact the effectiveness of the Parliament of Swaziland in budget governance. This question required an in-depth examination of the external political environment within which the Parliament of Swaziland operates. This insight was best gained through qualitative informal interviews with key role-players and stakeholders to understand from their perspectives, in a critical manner, to what extent, if any, the political constellations in the country, impact on the decision-making capacity of government.

With regard to the political restraints around freedom of expression in the Kingdom, the researcher found it more pragmatic to use informal and anonymous in-depth interviews in order to effectively gain confidence of or social access to the informants, and to encourage them to discuss the issue frankly.

3.7 Research Methods

The methods used in this research include desk-top research, documentary review and field research.

3.7.1 Desk-top research

The study commenced with a review of the academic literature on the subject of governance of the budget (Hart: 2005; Mach & McEvoy: 2009). According to Gerard (2009), "Literature review refers to the theoretical exploration of theoretical and research publications in scientific journals, reference books, text books, government practice, policy statements and other materials about the theory, practice and results of scientific theory." Onwuegbuzie et al (2010) however argue that this is a narrow and restrictive definition. They propose a broader and more expansive definition of the literature review sources to include sources such as "research articles, opinions, essays, article reviews, monographs, dissertations, books, internet websites, videos, interview transcripts, encyclopaedias ... government documents, parliamentary bills ...."

This researcher favoured the more expansive definition of "literature" sources proposed by Onwuegbuzie et al. The reason for this is that literature sources relating to the work of the Parliament of Swaziland, the economic performance of the Swaziland government, and best practices of budgetary governance are not generally found in the mainstream literature. This information is found in grey literature such as country economic assessments carried out by international financial institutions, in budget policy documents and speeches, in parliamentary transcripts, in newspaper articles, and independent expert analysis and other soft literature sources.

Specifically, the researcher in this study examined the provisions of the national constitution of Swaziland (2005), relevant national legislation and economic policies, budget statements, and parliamentary hansards, websites of the Ministry of Finance and websites of civil society bodies commenting on the state of the kingdom's political-economy. Beyond these, best practice guidelines on parliamentary budget governance produced by international financial institutions such as the World Bank, the International Monetary Fund and the Organization for Economic Cooperation and Development were also useful in providing benchmarks for the assessment of the effectiveness of the Parliament of Swaziland in its oversight role. Other sources included civil society website

articles, commentaries and monographs on governance of the budget in Swaziland that contributed to the researcher's understanding of citizens' perceptions of the effectiveness of the Parliament in overseeing the public budget.

3.7.2 Documentary analysis

The literature suggests that "analysis" means to break down the whole into its components or constituent parts; and "synthesis" means to assemble parts into the whole Through the breaking down and assembly of the parts, one comes to understand the integrity of the whole (Schwandt: 2007).

In this study, the research sought to understand the role of the Parliament in budget governance in the Kingdom of Swaziland. In particular, the researcher sought to explore the role of the Parliament in one narrow aspect of the budget process, namely the interventionist role of the Parliament in *ex ante* stages of the budget process. In order to understand the importance of this very specific role of the Parliament, it was critical for the researcher to first understand that the Parliament is not the only budget institution operating in the environment under review. It was also important for the researcher to acknowledge that the *ex-ante* stage of the budget process is one of a number of other stages that make up the whole cycle. Thirdly, and most importantly, it was important for the researcher to maintain an appreciation of the causal contribution that other budget institutions may have had on overall national budget outcomes.

This fundamental premise for the research dictated that the researcher would need to review the available literature and documents relating to the "whole" in order to understand the limited "part" of the whole that is the subject of this research (Fay: 1993; Denzin: 2005).

Accordingly, the literature reviewed by the researcher for purposes of this study was extensive. It traversed the powers of the Parliament, its processes, and the public budgetary cycle. In addition, the review considered the role of the Parliament in relation to other budget and political institutions

operating in the country. This broad and comprehensive approach assisted the researcher to understand how the Parliament of Swaziland exercises its oversight role within a nuanced governance context.

This broad body of data gleaned from the review of the literature provided a very pointed understanding of the conceptual framework for parliamentary oversight, the constitutional role of the Parliament of Swaziland, the role of the public finance committee, the political architecture of the Kingdom of Swaziland and civil society perceptions of the effectiveness of the Parliament of Swaziland.

Essentially, the review assisted the researcher to derive meaning, perceptions and dominant narratives on the subject of parliamentary governance in public budgeting processes.

3.7.3 Field research

Following desk-top review and analysis, field research followed. The field research utilised unstructured open-ended face to face and telephonic interviews. The choice of unstructured interviews was utilised in order to allow for maximum unhindered expression of views by the respondents.

The advantage of qualitative interviews is that interviewees serve as key informants; they provide access to key data that the researcher requires; they provide insight into lived experiences; they also are a source of a range of perspectives regarding the phenomenon under review (Frels: 2010).
In this study, the researcher approached the interview of the three categories of informants with the objective of gaining insight into information that was not readily available in documented form (Fraenkel & Wallen: 2006). Informants were also able to provide the researcher with pointers as to sources of information, websites, studies, and newspaper articles that they considered were useful to this research. Finally, they were able to provide the researcher with detailed examples of their perceptions and lived realities with respect to the state of the economy, the prevailing political

environment, power dynamics, interests and incentives that drive the institution of Parliament and parliamentarians in their budgetary decision-making.

The interviews gave an opportunity to the researcher to triangulate, clarify and qualify the analysis for the documentary review (Greene & Graham: 1989; Delinger & Leech: 2007). It also provides information which can be compared against the indicators for assessment of parliamentary effectiveness.

During the interviews, the researcher made use of a semi-formal interview guide. The guide provided a consistent structure to the initial part of the interview. The researcher then built on this base by asking further open-ended questions that allowed the informant to express views, opinions, and perceptions on the issue under review.

3.7.3.1 Sampling

The literature on quantitative research methods indicates that whilst depth, breadth and cogency are required from field research, it is not possible or practical to study the entire population (Marshal: 1996). In this study, constraints of time, distance and cost limited the size of the sample that the research was able to investigate.

A sample is a subset of the population being studied, and is a representative of the larger population under review (Onwuegbuzie et al: 2008). This research favoured mixed approaches to population sampling. First, the researcher used a stratified sampling method, informed by theory, to determining the specific sectors of the Swazi society that were relevant to the study. Because the study related to the role of the Parliament in the budget process, and theories indicated that both internal and external factors were relevant, it was important that the sample represented internal informants as well as external informants. Internal informants in this instance were parliamentarians, members of the public finance committee, and administrative staff of the Parliament. External informants in this instance were officials of the executive, more specifically the Ministry of Finance; and members of civil society, generally.

Once the sectors had been identified, the researcher then used purposive sampling, a non-probability sampling technique, to select the actual interviewees. The researcher used prior knowledge of the population to select suitable interviewees on the basis of the criteria of their relevance to or participation in the parliamentary budget process. They were selected on the basis of their relevance to public finance management, particularly the budget formulation, review and adoption; and their participation in the parliamentary budgetary process.

3.7.3.2 Interview population

Key informants for this study were therefore drawn from the members and staff of the Parliament, members and staff of the executive, and members and representatives of civil society.

3.7.3.3 Sample size

The interview sample size is 15 (fifteen) respondents: 3 (three) current or former parliamentarians; 2 (two) members or staff of the executive; 4 (four) members of organised civil society; and, 6 (six) ordinary members of society resident within and outside the country.

The profile of *parliamentarian informants* interviewed was as follows:

Respondent 1 was a former, elected Member of Parliament at the time of the interview. This informant was helpful in providing a reflective view of the enabling and constraining factors that affect the effectiveness of the public finance committee, and decision-making processes of the House of Assembly**.**

Respondent 2 was a member of the Senate during the period under review. The relevance of this respondent to this research was the informant's ability to provide an "outsider" reflection on the effectiveness of the lower house in its deliberation of the budget.

Respondent 3 served on the public finance committee of the Parliament during the period under review. This informant had insight into the capacity enablers and constraints faced by this committee.

The following are the profiles of *informants from the Executive*:
Respondents 4 and 5 were officials in the Ministry of Finance. These officers were able to provide data relating to the budget development processes and procedures, executive approval processes and procedures, and the tabling of the budget bill in Parliament.

The following were the profiles of *civil society informants* interviewed were as follows:
Respondent 6 was a director of a non-governmental organisation operating in the country during the period under review. This respondent was able to provide a perspective on the political environment prevalent in the country at the time and the views of organised civil society bodies of the public budgeting process, the independence of Parliament, and the entry-points available to citizens to exert pressure for meaningful change to economic governance systems in the country.

Respondent 7 was a journalist with a newspaper operating in the country. This respondent was able to provide views on the role of the media in challenging and shaping the national budget agenda and debate.

Respondents 8 & 9 were ordinary citizens living in the diaspora. The relevance of these respondents was to present a view, from the outside, of what elements of the political and parliamentary governance framework were effective and the factors that accounted for their success; and vice versa.

Respondent 10 was an academic at the University of Swaziland concerned about governance, economic and political indicators of the country. This respondent was selected because the informant was an independent analyst of the factors under consideration.

Respondents 11-15 were ordinary members of the Swazi society, ranging from conservative to progressive. These respondents presented a "man-in–the-street" perspective of the economic climate in the country and the possible factors that account for this.

The researcher considered that this sample of 15 (fifteen) role-players, representing clearly defined sectors or institutions, would be sufficiently representative of the national population of the kingdom, and that the views of these informants could be generalised to the population as a whole.

3.8 Research Approaches

3.8.1 Interpretive social research approach

The interpretive research approach seeks to understand social phenomenon. They are based on a tradition that has its roots in the writings of Max Weber (1864-1930) who argued that in order to increase our knowledge of the social world, we must seek to understand it from the points of view of the people we are studying, rather than explaining human action or consequences by means of cause and effect (Weber: 1949). The interpretive research approach underlying the study is to describe a picture of "what is" (Miles & Huberman: 1994).

Interpretivism holds that to explain human behaviour, social researchers need to understand the meanings and interpretations that people attach to social phenomenon. The approach holds that the researcher cannot proceed by simply applying natural science methods. For this reason, the interpretivism paradigm applies qualitative methods (in-depth interviews, observation studies and so on) that place a high emphasis on validity. This approach enabled the researcher to gain new insights about the phenomenon under review and discover the challenges that exist within the phenomenon (Leedy and Ormrod: 2010).

3.8.2 Critical social research approach

The origins of critical social research theory were first developed by thinkers associated with the Frankfurt School of Social Research such as Habermas, Horkhimer, Adorno and Fromm (Crotty: 1998). This school was chiefly concerned with issues relating to social class and had their foundations in the Marxist view of society. The overall purpose of the application of this research approach is to ask critical questions with a view to changing society for the better. To do this, the researcher must generate knowledge that shed light of on the prevailing power relationships in society.

A *critical social research* approach was used in this study to understand social, political contexts which constrain human thought and action. This approach was useful in understanding how social structures have historically served to oppress individuals and groups in the target institution. In order for research findings to have practical force, they must become an enabling, motivating resource for their audience – it must, in short, empower them (Fay: 1993). The critical social research approach has social empowerment and emancipation as its goal and was a suitable approach for a study of this nature.

3.9 Field Data Analysis

The data collected from the field research is analysed using the analytical framework designed for this study. The framework utilises two broad theoretical frameworks for analysis: the institutional governance framework and the political economy framework.

The application of the institutional governance analytical framework seeks to analyse the data collected in terms of understanding the organisation of the Parliament, the resources available to the Parliament, the technical capacity of the Parliament, the functionality of the work of its committees, the availability and extent of legislative technical advisory capacity, and the extent of legislative budget research capacity. Examination of data through the political economy framework recognises

the critical role of political variables in explaining fiscal performance. It is now well established that political institutions influence budgetary processes and fiscal outcomes (Acosta et al: 2005, 2007; Alesina & Perotti: 1995, 1996).

The analytical framework for this study takes into account both formal and structural relationships between the Parliament and the executive, but also the subtle and informal relationships and dynamics to understanding how policy actors in the Parliament and government interact to shape legislative outcomes. (Kalitowski: 2008).

The framework incorporated 4 (four) key *indicators* against which the data is be tested to produce findings and conclusions as to the factors that support or constrain the effectiveness of the Parliament of Swaziland to intervene in public budgeting processes. These were (1) whether the legal framework to empower the Parliament to oversee the budget process was adequate; (2) whether institutional capacity within the Parliament to undertake this role was adequate; (3) whether there exists the necessary political will amongst parliamentarians to make effective interventions and to challenge the executive in the budget process; and (4) whether a conducive governance environment exists in the country to enable the Parliament to exercise this function. (Santiso: 2004a).

According to the literature, if the data collected by the researcher predominantly reflected that the answers to the above four questions were in the affirmative, then the Parliament of Swaziland had acted effectively as a budget institution and it could be concluded that the critical pre-conditions for parliamentary effectiveness do exist in the country. On the other hand, if data collected during research indicated that the four questions could only be answered in the negative, then the Parliament of Swaziland had not acted effectively as a budget institution during the period under review, and it could be concluded that the necessary pre-conditions for effective *ex ante* oversight do not exist in the Kingdom.

This is the approach taken in this research to the research question that motivated this study.

3.10 Validity of Findings

The researcher used various methods of legitimation in order to validate the findings of this research. Validity is the strength of qualitative research, but it is used to determine whether the findings are accurate from the standpoint of the researcher, the participants, or the readers of an account (Creswell: 2003; Delinger & Lincoln: 2005). Associated with this, "legitimation" refers to the credibility, trustworthiness, dependability, confirmability and/or transferability of the synthesis made (Onwuegbuzie & Leech: 2004; Denzin & Lincoln: 2005; Onwuegbuzie et al: 2008).

The first method used by the researcher to validate the findings of this research was the use of *multiple sources of information*. The researcher used a broad range of documentary sources, but also a broad range of human sources. This enriched the breadth of the information accessed to inform findings.

The second method used by the researcher was *triangulation.* In this regard, the researcher compared and contrasted the data obtained from multiple sources in order to assess levels of convergence and corroboration. (Greene et al: 1989; Leech & Onwuegbuzie: 2007; Dellinger & Leech: 2007).

The third method used by the researcher to validate findings was *representativeness.* This method allowed the researcher to draw perspectives from key sectors representative of the interests and stakeholders relevant to the study (Caracelli & Graham: 1989; Onwuegbuzie & Leech: 2008).

According to the seminal publication of the Task Force on Reporting Research Methods in American Education Research Association (AERA: 2006), research findings must meet a number of standards. First, reports of empirical research should be w*arranted*, that is, adequate evidence should be provided to justify the research results and conclusions. Second, reports of empirical research should be *transparent*; that is, reporting should make explicit the logic of inquiry and the activities that arose from the initial interest, topic, problem, or research questions. Third, research findings should be

comprehensive; that is, the inferences that have emerged, the inter-relationship of these inferences and the validity of inferences must correlate.

Finally, the study used verification to test the validity of certain assumptions, claims, theories, or generalisations made by respondents against realities within real world contexts. (Leech & Onwuegbuzie: 2009; Leedy and Ormrod: 2010). To do so, perspectives offered by a single respondent were verified and triangulated with at least two other interviewees. Respondent views were also triangulated with available literature on the subject to ensure that the interpretations were consistent with the reality pertaining in the environment.

The researcher is therefore confident that the findings and conclusions reached in this study are an accurate reflection of the respondents' views and can be generalised to provide a picture of the reality prevailing in the country.

3.11 Reliability

The sampling of the research population was a combination of stratified, purposive and convenience approaches (Maxwell: 1992; Onwuegbuzie & Leech: 2004; Onwuegbuzie: 2008). Inherent in each of these approaches is the bias of the researcher as the selection of informants is largely based on prior knowledge of the environment, the institutions and the issues. The researcher limited this risk by triangulating the data obtained from each of the interviewees by carefully assessing levels of convergence of views and fact, against data obtained from documented literature. This process required that a significant degree of rigour be introduced into the analysis stage of this study.

3.12 Ethics and Confidentiality

Ethics are those factors which arise when a researcher seeks to decide between one course of action and another, not in terms of expediency or efficiency, but by reference to standards of what is morally right or wrong (Barnes: 1979).

In all interactions with interviewees during field research, the researcher was guided by the University of the Witwatersrand Code of Ethics for Research on Human Subjects based on the Code of Ethics of the American Anthropological Association. This Code of Ethics directed the researcher, amongst other things, to permit informants to provide information on the condition of anonymity.

Accordingly, the researcher informed each interviewee of the purpose of the research before commencing the interview. Each interviewee was asked whether they wished their names to be revealed in the report or not. All respondents in this research study elected to provide information and documents to the researcher on the strict condition of anonymity.

Consistent with the undertaking to protect the identity of sources, the researcher has not made reference to any of the informants by name in this report. Reference has been limited to the institution or social grouping that the informant represents. Whilst representing all field data in a manner faithful to the context provided by the informant, every care has been taken to present data collected in a manner that does not indirectly or by inference reveal the identity of the actual informant.

3.13 Report Writing

The researcher has gathered, analysed and synthesised data collected during this research (Onwuegbuzie & Leech: 2004). This research report is a consolidated, comprehensive summary of the work carried out and the key findings reached.

The findings of the report are reported in chapter 5 and have been presented in narrative form, following a thematic categorisation of the data.

3.14 Chapter Summary

This chapter outlines the research methodology utilised during this study. The research uses a non-experimental qualitative approach, relying on the collection and analysis of data, and narrative reporting of findings and recommendations. The primary data was drawn from desktop research of various national legislative and regulatory instruments, international guidelines on public budgeting as well as various country assessment studies on the state of the economy in Swaziland. Secondary data for this research was drawn from unstructured face-to-face and telephonic interviews. The 15 (fifteen) informants for this research were drawn from parliamentary staff, former parliamentarians, Ministry of Finance staff and civil society. These informants requested to provide information on condition of anonymity. In order to enhance the reliability of the research data, the researcher drew information from multiple sources of information and used these to triangulate the data (Miles & Huberman: 1984).

CHAPTER IV: DATA PRESENTATION

4.1 Introduction

This section delivers a set of data drawn from primary and secondary data sources. Secondary data was drawn from desk-top documents, including parliamentary legislation, procedures and standing orders, parliamentary hansards and country assessment reports of various development agencies on the state of the economy and political governance in Swaziland. Primary data was drawn from in-depth discussions held with selected interviewees during field research, and presents key themes supported by quotes from participants' texts as the primary form of data reporting. The interviewees were asked to offer their reflections on how they considered the Parliament to have exercised proper oversight over the budget over the years 2005/6 – 2009/10 against a pre-determined set of indicators derived from a pre-designed analytical framework[5].

4.2 Framework for Presentation of the Data

The primary and secondary data collected during the study is organised around and presented in line with the 4 (four) key indicators or factors that the literature proposes are key measurements of the assessment of the effectiveness of the Parliament in carrying out budget oversight. These were: a) Is the legal framework adequate to empower the Parliament of Swaziland to exercise oversight over the budget process? b) Does the Parliament of Swaziland have available and adequate institutional capacity to undertake an effective budget oversight role? c) Does the necessary political will exist amongst parliamentarians to make effective interventions and to challenge the executive in the budget process? d) Is there a political governance environment in the Kingdom that is conducive to the Parliament exercising a sound oversight function over the budget?

[5] Annexure 1 is the interview guide used by the researcher in the collection of primary data from respondents.

4.3 Presentation of Data

4.3.1 The legal framework that empowers Parliament to oversee the budget process in Swaziland

4.3.1.1 Structure and composition of the Parliament in Swaziland

The Parliament of Swaziland is bi-cameral. It consists of a lower House of Assembly and an upper House of Senate (Section 93, The Constitution of the Kingdom of Swaziland Act 001/2005). The House of Assembly comprises a maximum of 76 Members (Section 95, The Constitution of the Kingdom of Swaziland Act 001/2005). The majority of Members of the House, a maximum of 60, are directly elected by the general populace at their various constituency centres in the country. These constituency centres are called "*Tinkhundla*" (Section 95, The Constitution of the Kingdom of Swaziland Act 001/2005). Each member represents one *Inkhundla* (Constituency).

The Constitution further directs that there shall be 4 additional female members specially elected from the 4 regions (Section 95 (1) (c)). This provision is to apply if, from the general elections at the *Tinkhundla,* the quota of women representatives has not reached the 30% representation in the House of Assembly. 10 members are appointed directly by the King after consultation with such bodies as the King may deem appropriate (Section 95(1) (b), The Constitution of the Kingdom of Swaziland). In doing so, the King shall appoint these members in such manner as to ensure that at least 50% of them are women, and that special interest groups, including marginalised groups, not already adequately represented in the House are appointed (Section 95 (2) (a) and (b), the Constitution of the Kingdom of Swaziland). The Attorney General is also an *ex-officio* member of the House (Section 95(1) (d), The Constitution Act of the Kingdom of Swaziland).

The Swaziland Senate is made of up not more than 31 senators. 10 senators, at least 50% of whom shall be female, are elected by the members of the House of Assembly from amongst its number

(Section 94(1), The Constitution of the Kingdom of Swaziland Act). Of the other 20 senators, at least 8 of these must be female, and all are appointed by the King after consultation with such bodies as the King may deem appropriate (Section 94 (4), The Constitution of the Kingdom of Swaziland Act). The King makes these appointments with consideration of representivity of various social, economic, cultural/traditional or marginalised interests not already adequately represented in the Parliament (Section 94 (4) (a), The Constitution of the Kingdom of Swaziland). The King shall also consider, generally, persons who, by reason of their particular merit, will be able to contribute substantially to the good government and progressive development of Swaziland (Section 94 (2) (b), the Constitution of the Kingdom of Swaziland Act).

The structure of the Parliament provides for 2 presiding officers, a Speaker of the House of Assembly and a Deputy (Section 102 and 103, The Constitution of Swaziland Act 001/2005); and the President of Senate and a Deputy (Section 100 and 101, The Constitution of Swaziland Act). The role of these officers is to preside and govern deliberation and resolution-taking in their respect chambers and to maintain order of proceedings.

The Constitution provides that the Speaker of the House of Assembly shall be elected by members from within or outside the House, in accordance with applicable Standing Orders Section 102 (1), The Constitution of the Kingdom of Swaziland Act). The Constitution provides that a person may not be elected unless that person has some parliamentary experience and is able to maintain order in the House and properly guide the members of the House in the discharge of the business of the House (Section 102 (3), The Constitution of the Kingdom of Swaziland Act). The Speaker of the House shall not be a member of the executive simultaneously (Section 102 (5), The Constitution of the Kingdom of Swaziland Act).

However, a former parliamentarian respondent argued that the examination of the formal structure of the Parliament was of little importance. "To understand the 'actual' structure of the Parliament, one must understand the historical role of the institution of the Parliament within Swazi politics". Venturing further, the respondent said, "When Swaziland negotiated power and independence from the British, the focussed intention of the negotiators was to restore the Dlamini Clan to power as a

historical symbol of unity of the Swazi people, as imagined in history. The institution of the Parliament was established purely to protect the monarchy and its interests. Independence, and the establishment of formal tri-partite organs of state, had very little to do with democratic values of people participation, and the building of an economy for the developmental benefit of all. It was about the restoration of the traditional monarch, and all institutions in defence of this institution; and then the people, purely as a collateral beneficiary of independence".

Civil society respondents described the political environment in Swaziland as "undemocratic" and "autocratic". Whilst the respondents conceded that the Constitution of 2005 had gone some distance to separate the three arms of government and to create checks and balances, these gains were watered down by the central role of the King and traditional leaders in the governance in the country. They highlighted several acts of suppression of the freedom of citizen expression in the country during the years 2005/6-2010/11, suggesting that the political and governance environment in Swaziland operates as an external factor that negatively affects the outcome of budget debates. The fact that parliamentarians are constrained by the political system from engaging in free and open debate in society served as a constraint on the openness of budget debates. This in turn influenced the quality of budget content and outcomes.

These sentiments are carried in the literature examined during the course of this research. The revocation of the 1968 independence constitution in 1972, by the then King Sobhuza II, was described by a respondent in the diaspora as a "parliamentary coup" in terms of which the King substituted the constitutional framework for a governance system in which the legislative powers were vested in the King (Mzizi: 2002). For 33 years between 1972 and 2005, the King issued legislation by way of royal decrees and proclamations that were not subject to parliamentary debate.

Most civil society respondents considered that the current political arrangements in the country were a vestige of this constitutional history. Parliamentarians largely saw legislation as the preserve of the King. Consequently, whilst the 2005 constitution vested powers in the Parliament to legislate, the lingering system of patronage to the King deprived the Parliament of incentives for effective parliamentary oversight over the budget bill.

With the lingering memory of the overarching powers of the monarchy to overrule and stage a *coup d'état* of the Parliament, "people have realised from the experience of previous parliamentarians that it does not pay to take a position in the Parliament that does not align with that of the King and the executive. Those that have tried have had very brief and marginal success. Even if they managed to mobilise, after they left the Parliament there was no one to continue the cause. In the end, parliamentarians self-censor themselves," a former parliamentarian respondent suggested.

4.3.1.2 Legal framework for budgeting

The legal framework that governs budgeting and the management of public finances in Swaziland are governed fundamentally by the 2005 national constitution. Supporting legislative pillars of public finance management which set out roles, responsibilities and procedures are to be found in the Finance and Audit Act 1967 (as amended), Financial and Accounting Instructions of 1970 and Financial Management and Accounting Procedures.

Chapter XI of the Constitution deals with public finances (articles 198-209). The articles include provisions on the establishment of a Consolidated Fund, Contingency Fund; the drafting of an Appropriation Act and Supplementary Estimates; provision for the power to borrow or to lend; the management of public debt; the establishment of the office of the Auditor-General; the establishment of finance and public accounts committees in the House of Assembly.

The Finance and Audit Act of 1967, as amended, provides for the control and management of public funds. The Financial and Accounting Instructions of 1970 provide specific guidance on the application of the provisions of the Finance and Audit Act, 1967 (as amended). In particular, they include provisions on budget preparation, implementation and control. A manual for Financial Management and Accounting Procedures Manual that complements the Act, 1967 and Instructions, 1970, was issued in 1993. It stipulates that the accounting policies and procedures are to be implemented by the Treasury Department and Finance sections in line ministries.

The Audit Act, 2005, is the legislative framework for the Auditor-General. The Act stipulates the role of the Office of the Auditor-General, appointment of the AG and operating and reporting procedures.

After the period under review, the Parliament considered the enactment of a Public Finance Management Bill that would serve to consolidate the various fragmented regulatory instruments governing public finance. In addition, this bill would introduce overall improvements to accountability and transparency in public finance management.

Respondents within the Ministry of Finance and civil society were unanimous that the constitutional and legislative framework for the establishment and operations of the Parliament were adequate. In the words of one of the respondents, "the legal framework and tools that enable the Parliament to do its work are in place and are adequate and compare very well with those of other countries. This is hardly the issue. The real issue is why the Parliament does not utilise the full extent of its formal powers to exercise oversight. This is the more compelling question that needs to be answered."

4.3.1.3 Parliamentary budgeting process

Ministry of Finance respondents advised that the budget is prepared by the Budget Department in the Ministry of Finance. This budget contains income estimates as well as objectives, activities and action plans in each item of expenditure. The draft budget is presented by the Minister for Finance to the cabinet of ministers for approval. If approved, the budget is then presented as an Appropriations Bill to the Parliament for review and approval.

The budget cycle begins in September. Ministerial consultations take place in October. These consultations lead to the drafting of the Budget Outlook Paper (BOP). The BOP is then presented to Cabinet at the end of October. The Budget Circular with ceilings is released immediately after Cabinet has approved the BOP. Thereafter, MDAs are expected to submit estimates to the Planning and Budget Committee (PBC) by mid-November. In practice, MDAs only have about two weeks from date of receipt of ceilings, to finalise their submissions. The PBC comprises a working group

of finance officers, who make recommendations to a forum of Principal Secretaries, who in turn make recommendations to Cabinet Ministers. By mid-January the draft budget is made available to Cabinet to approve the budget.

Once the Cabinet has approved the draft budget, the Minister for Finance delivers the budget speech. This is normally done at the end of February. From this point, the Parliament has about four weeks to approve the budget, by the end of March, after which the budget bill is presented to the King for his assent.

"The Ministry of Finance and other technical committees within various ministries are very competent," most government official respondents said. "The challenge is not so much with the technical crafting of the budget; it is rather the political interference in the budget development that complicates matters. For example, after the technocrats have done their homework, cabinet may yet propose changes to the budget dictated by sources outside the technocratic structures. They also still have to present the draft budget to the King for comment before they take it to the Parliament. In the end, there may be a huge difference between the initial draft budget proposed by technocrats and that which is presented to Parliament at the end of the day," said one official.
"The King has powers of assent. It is expected that the role of the King would therefore come in at the tail-end of the public budgeting process. However, this consultation that the executive has with the King on the content of the budget *before* it goes to Parliament is very problematic. Firstly, it makes parliamentarians unwilling to criticise the draft budget because they know or perceive that it has already received the blessing of the King; and secondly, it takes away from the expert work done by the Ministry of Finance in drawing up the first draft of the bill in the first instance."

The literature on civil society and democratisation in Swaziland revealed that tradition played a large role in prescribing parameters for thought, dialogue and expression in the Kingdom. The power of tradition is pervasive and used by the ruling oligarchy as an ideology of domination (Mzizi: 2002). In terms of Swazi culture, the King cannot lie; "*umlomo longacamb'emanga*" or "the mouth that tells no lie" (Mzizi: 2002). This ideology constrains public debate, especially critical debate, on matters that the King has expressed or is understood to have expressed an opinion on.

4.3.1.4 Budget scrutiny committee

The literature examined indicates that sound fiscal outcomes are an outcome of a match between the formal powers of the budget committee and the capacity to utilise these powers. Sources examined during this research suggest that where committee involvement in the budget is weak; and there is little guidance available to support the general debate in the House, the budget outcomes are correspondingly weak. Where committees are the engine of parliamentary budget scrutiny, there is more of a chance that detailed and more technical engagement will predominate over political posturing when the draft budget bill is debated in the joint-sitting of the House. In most countries a finance or budget committee accepts responsibility for the process, alone or as a coordinating body for other relevant committees.

The literature review conducted in this research informed the researcher that the House of Assembly has the power to establish standing committees to assist it with its work. Of the many standing committees that the Parliament establishes annually is the public finance committee whose role it is to act as a budget scrutiny committee and examine the Annual Appropriation Bill before it is presented to the House of Assembly for debate. The members of this committee may be drawn from amongst its members, and may also include outside members with the requisite professional skill to guide the scrutiny. This committee has the power to compel the production of documents from the executive and to summon the attendance of any person before the committee.

Various respondents interviewed considered that whilst Swaziland has one of the highest adult literacy rates and best education indicators in the sub-region, the technical capacity of the public finance committee was low. "The House of Assembly tries to put people with finance-related skills into the committee. Usually, accountants or business people if there are any. However, the problem is that people with financial skills may not be represented in Parliament in the first place," a Ministry of Finance official said.

Explaining why this is the case, a civil society respondent said: "The reason for the lack of skills in Parliament is that the bulk of the education tier of the Swazi society has left the country in

frustration, and taken their skills elsewhere. Of those that remain in the country, the general position taken by the intelligentsia is to disassociate itself from the *Tinkhundla* electoral system and not put themselves forward for election or appointment. Unfortunately, only people who play can win a game. If those with skills choose not to put themselves forward for parliamentary election, then those that don't will. This is a lose-lose scenario."

The consequence of this mass abstention of the intelligentsia from political participation is that the pool of those who avail themselves to serve in the Parliament is narrowed. "Budgets are made up of numbers, and numbers cannot talk. The reader of the budget needs to have the capacity to understand the narrative behind the numbers," the respondent from organised civil society offered.

A strong opposing view presented by another civil society respondent said, "It cannot be argued that technical expertise is a proxy for parliamentary effectiveness. If the Swazi budget is in a deficit because of poor parliamentary expertise, how does one explain why the USA, with highly technical and competent budget committees, is in trillions upon trillions of US Dollars budget shortfall"?

4.3.1.5 Budget scrutiny process

In the process of considering the draft bill, the committee must consider the budget proposal from each of the government ministries, the summary of their past operations and their new budget estimates. The Ministry of Finance will make a presentation to this committee and make proposals for its adoption. The committee is then required to scrutinise the budget in detail according to programme, project, outputs and activities.

The quality of the discussions that ensue during the committee deliberations largely depends on the ability of the chairman to guide discussions. Interviews revealed that in practice, the budget is rarely voted upon and consensus tends to be the norm. Respondents who had previously served in the Parliament indicated that very rarely does the committee disagree with the proposals suggested by the executive.

"It is very likely that the committee does not have the requisite know-how to interrogate and critique the draft bill in any degree of detail," the academician respondent suggested.

The literature suggests that in order for the committee to be effective, it ought to have access to technical and expert advisory support, whether sourced from within or outside Parliament (OECD: 2002, 2007; Wehner: 2003).

A senior respondent in government said, "Although the committee is entitled to appoint knowledgeable people to advise and provide expert assistance to the committee, I cannot recall an outside expert being invited to join the committee. The practice is for the committee to invite technocrats from the ministry of finance to explain this or the other aspect of the budget." Asked why this is the case, the same respondent said, "I think that outside government, the only source of expertise is found in NGOs. Unfortunately, NGOs are viewed by the system as having politically motivated agendas. Parliamentarians don't want to be seen relying on the advice of NGOS for this reason."

An NGO respondent agreed that this is the public stance taken by parliamentarians, but contended that parliamentarians were "hypocritical" in this regard because they "frequently consult with us in private to obtain our views on various issues."

4.3.1.6 Budget approval process

Literature reviewed during this research indicated that in Westminster Systems and most constitutional monarchies, the power to veto legislation by withholding the Royal Assent is a rarely used reserve power of the monarch. In practice, the Crown follows the convention of exercising its prerogative on the advice of its chief advisor, the prime minister.

Civil society respondents revealed that the challenge in Swaziland is that the Prime Minister is not the chief advisor of the King. In terms of the Constitution, the highest advisory body of the King is

the Swaziland National Council (SNC), a traditional policy advisory structure established in terms of the Constitution, and not the Prime Minister. The advice of the SNC may not necessarily align with the advice of government. The respondents from the media felt that if the King was confronted with conflicting pieces of advice from the SNC and from government, he would very likely adopt the advice of the SNC.

As indicated by government respondents, the parliamentary procedures direct that once the House of Assembly has approved the budget, the budget has to be presented to the King for his assent. Therefore, although the Parliament has formal powers to amend the draft Budget and to increase or decrease certain budget items, respondents from civil society and the media regarded the final arbiter of the content of budget to be the King. The respondent from the media regarded the King's powers of assent to be beyond ceremonial power. All respondents were unanimous in the view that the formal assent powers of the King were actually veto powers; and that if there were elements of the budget that the King or his advisory committee disagreed with, he could and would not hesitate to veto the Bill altogether.

But an alternative perspective was offered by the respondent from academia, "The veto power of the King over legislation, including the Budget Bill, is not an error and should not attract debate. It is a constitutional entitlement. This is why the institution of Parliament is not referred to simply as "the Parliament".

An examination of the text of the national constitution indeed confirmed that legislative power is vested in an organ called "The-King-in-Parliament", and not merely "Parliament". The exact constitutional implication of this hybrid construction of the Parliament that fuses the legislature with the monarchy has not yet been investigated in literature.

4.3.2 Availability and adequacy of institutional capacity within the Parliament to undertake public budget scrutiny

4.3.2.1 Technical institutional capacity within Parliament

The literature reveals that in developing countries, the Parliament usually does not have sufficient information or technical capacity to play an effective role in the budget process (OECD: 1998; McGee: 2002; Wehner: 2003). Consequently, the executive will always have a greater information base than the legislature. Moreover, most parliamentary committees in developing and transitional countries do not have sufficient technical research, or even administrative, capacity.

Building independent research capacity in the Parliament is one of the requirements for effective oversight. This capacity requires strengthening the number and quality of research staff and opening avenues for committee access to civil society research support.

In-depth interviews revealed that the office of the clerk of the Parliament, which is the secretariat of the House of Assembly, suffered from limited capacity in terms of numbers of staff and professional capacity and resources to provide support to the public finance committee to assist with budget analysis.

"The public finance committee does not have a permanent staff of its own, and relies on the facilities of the office of the clerk to the Parliament. There is no library or internet access for parliamentarians or members of the public finance committee to carry out research on aspects of budget scrutiny. The staff in the office of the clerk provides administrative and secretarial support, and not advisory services," a respondent in government service revealed.

Best practices found in the literature indicate that assertive Parliaments need more and better equipped staff to meet their greater information needs, and faster, more effective, and better-coordinated administrative systems.

Demonstrating the impact of the paucity of institutional capacity within the Parliament to analyse and critique the executive budget bill, a respondent from civil society said "it is difficult to see how a budget institution with such a paucity of technical resources can function meaningfully. The

warning signs of a declining economy were clear as early as 2009. That Parliament would endorse a budget with increased expenditure and declining revenue, is only possible in an institutional environment that has no early warning systems, no ability to identify the onset of a financial crisis, appreciate the implications of budget numbers, and no accountability."

Data gleaned from the literature confirmed that the warning signs of fiscal failure were apparent from as early as 2005, and progressively became more concerning with the onset of the global economic crisis. The Kingdom's growth rate had been averaging just over 2% for almost two decades before the crisis. The global financial crisis cut Swaziland's growth by half to 1.2% in 2009. The fiscal surplus of 6.4% in 2008/9 turned into a deficit of 7.1% of GDP in 2009/10. The fiscal deficit nearly doubled in 2010/11 to about 13.8% (ADfB: 2011).

Other respondents however disagree that the availability of resources within the Parliament is a matter of significance to this research. "This question is irrelevant to the issue being researched. Even if you were to bring in a state of the art library and computers into Parliament, first I can't imagine any parliamentarian using them; and secondly, these resources would not improve the ability of parliamentarians to interpret the figures in the budget," a civil society respondent said.
"The real question", says a respondent residing in the diaspora, "is whether these resources will cause parliamentarians to adopt a critical approach to the budget proceedings. The answer is no."

4.3.2.2 Information availability to Parliament

Whilst the Constitution provides that the Appropriation Bill should be introduced to the Parliament along with accompanying supporting documents and plans, the study revealed that the budget information provided was not comprehensive and even then was not always provided to committee members in advance.

According to a government respondent, "Parliament is provided with formal documentation such as the budget draft, expenditure framework. But, these are high level documents that do not help parliamentarians understand the elements that justified the allocations to the different ministries and

necessitated the programmes in the first place. The committee is not provided with explanatory notes that are easily digestible, that explain the story behind the numbers; for instance, 'What is the basis for the expenditure? Why is the Ministry spending more on one budget item rather than the other? Why is government focussing on developments in this region rather than the other?' This is the level of detail that should be provided to portfolio committees and that the committees should ideally be considering."

Overall, the interviews indicated that without sufficient experience in budget scrutiny, committee members often struggled with loads of new material and figures that bear very little meaning for them. The in-depth interviews also revealed that the accuracy of the supporting budget information was rarely questioned by committee members.

4.3.2.3 Independent expert support to budget scrutiny processes

Government respondents indicated that the public finance committee was entitled to call for additional expert information and explanations to assist them to scrutinise the draft Bill. "Very often, the public finance committee invites technocrats from the Ministry of Finance and other ministries to shed light on the budget allocations and some of the programmes that are proposed. The committee rarely avails itself of the assistance from experts outside government," a former parliamentarian respondent said.

One civil society respondent said, "NGOs have the expertise to assist the budget committee with their analysis and critique of the budget. However, our experience is that Parliament is reluctant to invite us to make submissions." A former member of the public finance committee confided that "NGOs have been stigmatised in the country. If Parliament takes advice from NGOs the authorities will regard Parliament as having been 'hijacked' by foreign and anti-*status quo* political agendas."

Bringing in a different dimension, a media respondent said, "I do not think that NGOs in Swaziland are playing any meaningful role in developing public discourse around national budgeting matters. They have all been watered down and neutralised by accepting government subventions. Most of

these NGOs are teetering on the brink of collapse. Taking money from government is a survival strategy. And then we all know what the result is: He who pays the piper, calls the tune."

The literature reviewed indicated that NGOs in Swaziland had been weakened in terms of "capacity, social base and service delivery" (Mzizi: 2002). First, there is no legislative framework for the registration of NGOs in Swaziland. "NGOs have come into being by registering their names and badges under a 1969 statute. There seems to be a concerted effort to deprive NGOs of legal standing and legitimacy in the country," a director of an NGO said. Also, the literature suggests that Government is very hostile to NGOs that are not development-oriented and does not allocate available funds to the work of social justice NGOs.

Another NGO respondent denied that this was the case: "it is not true that government subsidises the budgets of NGOs in the country. The government has actually been very selective when it comes to which NGO it will subsidise. If you look at which NGOs the Ministry of Home Affairs subsidises, you will see that government only gives funding to NGOs whose mandate is concerned with social challenges such as health care provision, such as hospices and HIV Aids treatment and care facilities, and education. Government routinely steers very clear of all NGOS whose business is concerned with matters of governance and civil and political rights of citizens. For instance, government would never provide a subsidy to the Swaziland Coalition of Concerned Civil Society Organisations (SCCCO) for the simple reason that the SCCCO deals with the real issues of what needs to change within the governance and political system of the country."

On another front, research showed that labour unions had gained voice in governance matters in the country. The Swaziland Federation of Trade Unions (SFTU), registered with the Department of Labour under the Industrial Relations Act, is a well-established voice in taking up socio-political questions in the public domain.

"Parliamentarians are taken through orientation and training workshops from time to time. But, if you look at the content of the training you will find that they are trained on procedural matters such as the Standing Orders, how to conduct themselves in the House, and so on. The training is not

directed at informing parliamentarians on the role of Parliament in development, their roles and responsibilities towards the electorate within a democracy," the respondent from the media said.
But then some government officials argued, "It's unfair to suggest that the country is in financial trouble because of the lack of adequate skills or training. We all know that the financial crisis was a result of a drop in SACU revenue levels. With standing developmental commitments on the expenditure side of the budget and a shortfall in revenues, what could Parliament – even if it were competent, qualified and informed – have done differently to change the outcome? The economic base is narrow and the size of the productive population is small. The options and alternatives were very thin on the ground."

In the same vein, an independent respondent said, "There are certain non-negotiables in a budget which include funding the civil service, the army and the public broadcaster. It is not an issue of training or workshops. These are standing budget items which should stand irrespective of whether or not the budget income allows it or not."

4.3.2.4 Adequacy of time provided for parliamentary scrutiny of budget

The procedures for a legislative review of the draft budget exist in the 2005 National Constitution and the Standing Orders of the Parliament. The House of Assembly of the Parliament of Swaziland has the mandate of reviewing and approving the Annual Appropriations Bill within a period of 30 days. If the House of Assembly fails or neglects to review and approve the bill within the time stated, then the bill will be deemed to have been approved and will be submitted to the Senate.

The Senate also has a limited period within which it must have approved, rejected or amended the bill. If within the period of 30 days the Senate has not approved the bill, then the bill will be considered to have been approved. After the bill has been approved by the joint-sitting of the Parliament, the cabinet shall present the bill to the King for his assent. Within 30 days of presentation of the bill to the King by the joint-sitting of the Parliament, the appropriation bill comes into force as soon as it has been published in the government gazette. The King has the authority to refuse to

assent to the bill, in which case, the bill returns to the joint-sitting of the Parliament to deliberate further.

Following the approval of the budget by the Parliament, the King ratifies the budget bill through an Appropriation Act. Approval happens before the start of the fiscal year in each of the three years under review compared to only once in the previous three years.

The legislative approval of the budget starts with the review of a draft budget by the public finance committee. Thereafter, the Minister of Finance presents the budget to the Parliament through the budget speech. This normally takes place in February.

The following table indicates the dates on which the budget is presented and the dates on which the King assents to the budget bill. These periods demonstrate the approximate length of time available to the Parliament to review and debate the budget Bill:

Figure 1d: Period of time available for Parliament to review and debate budget – (between date of budget speech and date of Appropriation Act).

BUDGET YEAR	BUDGET SPEECH DATE	DATE APPROPRIATION ACT SIGNED BY KING
2006/07	27 February, 2006	26 March, 2006
2007/8	27 February 2007	29 March 2007
2008/09	27 February 2008	31 March 2008
2009/10	27 February 2009	27 March 2009

Sources: *National Budget Speech***,** (2005/6; 2006/7; 2007/8; 2008/9)

The low expertise is compounded by the limited time allocated for PAC members to fulfil their roles. The Parliament's term commences annually in November. The executive draft budget bill is presented to the Parliament annually in February.

A Ministry of Finance officer explained that "between February and April, two calendar months in effect, the public finance committee must convene to scrutinise the bill and the House of Assembly must convene to debate, amend and or approve the Bill. There is hardly any time for a decent assessment of the budget against economic objectives."

Another Ministry official observed that, "in the first year of the Parliament's term many of the parliamentarians, including members of the public finance committee, have hardly been oriented and hardly understand their role. It is not possible for them to do justice to the scrutiny of the budget. In the second year, parliamentarians are just beginning to understand their roles. Only in the third and fourth year, have they gained confidence and does one see some meaningful debate. But then, by the fifth year their term ends and they exit Parliament. A new set of parliamentarians come in, and so the cycle goes."

"This budget cycle compares quite well with cycles of other countries," the respondent from academia said. "If other parliaments are able to do their scrutiny and debates within the same time frame, then clearly the poor public budgeting in Swaziland cannot be explained by the short time frame in the cycle."

An independent respondent observed that "an additional factor that compounds the problem of Parliament is that it is not the same parliamentarians that return to the House. New people are appointed and elected every term. Institutional memory is lost. Capacity flight is the result. In a party political system, there is opportunity for the party to ensure in their deployment positions that the necessary continuity is maintained".

However, another independent citizen respondent argues differently: "The fact that the same parliamentarians do not return to the Parliament should not be considered negatively. In any thriving democracy, a refreshing of views in Parliament is necessary in order to avoid stagnation. Bringing in new parliamentarians each term is actually a good thing."

4.3.3 The existence of the necessary political will exist amongst parliamentarians to make effective interventions and to challenge the executive in the budget process

4.3.3.1 Parliamentary-electorate relations

Section 79 of the Constitution provides that the country is governed by a *Tinkhundla* system of government. The *Tinkhundla* system is a constituency-based electoral system in terms of which parliamentarians stand for election as individuals and are nominated directly by citizens from their developmental centres. Constituents in a *Tinkhundla* geographic area vote directly for a candidate, and the candidate receiving the most votes wins (Mzizi: 2002).

Elections of parliamentarians take place in phases. The first phase sees the election candidates through a public gathering at the village level under the auspices of a local chief. The second phase sees the appointment of candidates as individuals at an *Inkhundla* level. The Swazi electoral system does not allow for nomination of candidates by any organised group or formation. Political parties in the country were banned in 1973 and therefore are unable to register or sponsor candidates (Baloro: 1997). Efforts by civil society to assert the right of public participation of organised civil society in constitutional and governance matters were unsuccessful. The Court dismissed the application of civil society in the case of *Swaziland Federation of Trade Unions & Others Vs Chairman of the Constitutional Drafting Committee and Others, Civil Case No. 3367/2004.*

The majority of the respondents interviewed said that parliamentarians, including elected Members of Parliament, were not accountable to their constituencies notwithstanding that they had been elected directly by the people.

"There are no mechanisms available to the electorate to hold their elected parliamentarians accountable. Civil society has no collective platforms for consolidating their views and positions. The electoral system has been designed to fragment and weaken civil society. Consequently, electioneering has very little about articulation of policy positions and commitment to be accountable, and more about transactional relations – a vote in exchange for foodstuffs, goods, and favours", the civil society advanced.

The literature reviewed during this study that examined the nature of the electoral system on policy effectiveness, indicated that "elections [in Swaziland] are an arena for competition over patronage and not policy" (Baloro: 1997).

Asked what recourse the electorate has against an elected parliamentarian who has not delivered on his campaign promises, a member of the community said, "After the expiry of the five year parliamentary term – the community simply won't re-elect such a member. Unfortunately, there is no 'recall clause' that entitles the electorate to recall an elected parliamentarian who has not performed to promise."

4.3.3.2 Dynamics of executive-parliamentary relations

Respondents noted that a significant number of Members of the Parliament were either members of the executive or members appointed by the King directly into Parliament. This composition accounted for the massive influence that the executive exercised over debates in the Parliament.

A respondent in the diaspora said that, "historically, the institution of Parliament in Swaziland was never really established for the purpose of interrogating the functioning of the economy, and challenging its foundation. Parliament is an institution that was established for no reason beyond the enactment of legislation, including budget legislation that serves to protect royal emoluments and economic positions that align with the voice of the King."

Another said, "It is not difficult for the executive to pass a budget bill through Parliament. Almost invariably, the budget bill is not debated; parliamentarians take their cue from appointed members of Parliament as well as from members of the executive as these members represent the views of the King."

Continuing, the same respondent said: "I cannot remember any attempt by Parliament to openly critique a budget bill or public expenditure proposed by the executive." Another said, "The only reported incident of open conflict in executive-parliamentary relations was when the executive attempted to use public funds to purchase the King a private jet. Even then, the cancellation of the intended executive transaction was brought about by rebuke from international donor agencies whose funds had also been earmarked for use in this purchase. It was not wholly as a result of the veto power of Parliament."

Going further, a respondent said that "a clear example of parliamentary impotence can be seen in the expenditure approved by Parliament for the International Airport in Sikhuphe. All feasibility studies by technical experts indicated that this project was not viable. Notwithstanding, Parliament approved this multi-million Swazi Emalangeni public expenditure. The impact of this expenditure on the budget generally, and the loss to communities developmental priorities, was a matter of no consequence to Parliament."

A civil society respondent said, "The potential of the King disagreeing and overturning the decision of Parliament on the budget is not a theoretical one. There are precedents of cases where the King has disagreed with Parliament's decision in a manner that has brought the work of Parliament to a complete standstill. For example, during the period under review," this respondent recalled, "the King disagreed with Parliament's nomination and appointment of the Speaker of the House of Assembly. When Parliament refused to reverse its appointment, the King refused to open Parliament. A stalemate resulted and the whole country was held to ransom as Parliament could not commence business for that financial year. Eventually, Parliament relented and reversed its decision. This is a stark example of the impotence of Parliament in the face of an order from the King."

Reference to this example by a previous respondent underscored the importance of this event in shaping citizen views of the role of the King *vis-a-vis* the Parliament.

4.3.4 Existence of a conducive governance environment in the country to enable Parliament to exercise public budget oversight functions

4.3.4.1 Constitutional arrangements for governance in the Kingdom of Swaziland

The Constitution of the country categorises the country as a constitutional monarchy. The monarchy is the Head of State. All legislative, executive and judicial power vests in the crown. The King appoints a prime minister, who heads the cabinet, for a term of five years. The King also appoints the deputy prime minister and selects cabinet ministers and deputy ministers from among the members of the House of Assembly and Senate.

The literature on constitutionalism and modernism reflects a growing consensus that public expenditure management is a political, rather than a simply technocratic, process. The detail of social, political and historical context has a huge bearing on the extent to which Parliament is able to execute its oversight functions. The politics of the budget process essentially means examining the ways in which the distribution of power within that process affects parliamentary outcomes.

The media respondent said, "The executive role of the King is problematic at many different levels. For one thing, government and the Parliament are constrained from exercising prudent and policy-based decision-making on national expenditure without an overriding decision-making authority that is not subject to any form of governance. For example, there are a number of national projects that have been undertaken that government did not approve, but were imposed from above."

Constitutionalism involves the task of defining limits of political authority. It defines, on the one hand, the obligations that individuals owe to society and to one another; at another level, it defines

mechanisms or instruments through which political authority can be checked (Hlatshwayo: 1992). "If this is so, the challenge in the Swaziland context is that the King is an active role-player in executive decision-making, and yet, there is no mechanism to question the exercise of his authority or discretion with regard to public expenditure," one of the respondents in the diaspora observed.

An independent respondent argued the converse: "The fact that Swaziland is ruled by an executive monarchy is not material to the issue of the fiscal health of the country. If Swaziland converted to a constitutional monarchy as some quarters seem to be calling for, what guarantee is there that the fiscal lot of the country would be reversed? One just has to look at the Kingdom of Lesotho that elected to convert the monarchy into a constitutional monarchy. The last time I checked, Lesotho was way behind Swaziland in terms of their economy."

4.3.4.2 Existence of distinct political factions and interest groups within Parliament

Political parties are a central feature of any democracy. They are the vehicles by which citizens come together freely to campaign for public office, express their interests and needs, and define their aspirations for their society. Parties in many countries may be flawed, but they are indispensable in democratic governance. When functioning properly, political parties develop common ideas among a significant group in order to exert pressure upon the political system. Thus, they help place citizens' local concerns in a national context. Through their efforts to control and influence public policy, political parties play an intermediary role, linking the institutions of government to economic, ethnic, cultural, and religious and other societal groups. They can rally support behind important legislation, advocate positions that improve the public welfare, and advance citizens' interests.

The literature reviewed in this study indicated that although a number of political parties exist in the country, they are not formally recognised in law and cannot therefore contest elections or represent their constituency in the Parliament.

For this reason, most respondents felt that there were no distinct political factions and interest groups within the Parliament, and therefore no plurality of voices and opinions represented in the House. "The reason for this," one government official respondent surmised, "is that parliamentary membership is not on the basis of political party representation. The political system has been designed to only allow individuals representing themselves to campaign for election into the Parliament. There is therefore no formal platform for mobilisation and consolidation of views into distinct and identifiable policy positions against which you can hold your representative accountable. Therefore, the special interest groups represented in Parliament that are provided for by the constitution – namely, women, people with disabilities and people with special skills, remain a very fictitious representation of groupings. At any rate, the King appoints parliamentarians from special interest groups, not on the advice of the groups themselves, but upon the advice of his traditional councils,"

But respondents from civil society and academia disagreed: "Who says that parties are not allowed in Swaziland? The fact that they are not formally recognised in the country does not mean that people are unable to form platforms and engage in caucus. For example, *Sibahle Sinje* is a political grouping which caucuses and deploys its members into strategic positions within organs of state. They meet and the take positions on issues."

Literature revealed that *'Sive Siyinqaba, Sibahle Sinje*' is a cultural formation sympathetic to Swaziland's cultural heritage and as such protective of the monarchy (Mzizi: 2002). The respondent from academia observed that the Parliament was a largely homogenous institution and had very monolithic views on the public budget. "There is no structural diversity in the Parliament, and therefore no diversity in outlook," one of the respondents said. "Actually," said another respondent, "there is no spectrum of political diversity in the country as such – principled diversity, that is."

He continued to say, "in order for there to be a diversity of views in the Parliament, one would have to have a diversity of social classes, political parties and a healthy tension between each of them. In this instance, the population of Swaziland comprises less than one million people; most of whom are

semi-illiterate have little political consciousness beyond a blind allegiance to the politics of patronage and tokenism."

He continued that, "introducing political parties in the Kingdom would have served to provide a diverse range of policy positions and perspectives on the budget that would have introduced diversity and rigour into budget debates. As things stand, parliamentarians take a 'welfare approach' towards budget discussions. This approach takes the view that citizens will be allocated and will receive what they are given, and not what they are entitled to as of right. The result is that the Parliament is just a rubber-stamp of the executive. No one wants to rock the boat."

Consequently, a former parliamentarian respondent said, "Whilst the executive presents a budget with huge allocations to royal emoluments and to military defence, these aspects of the budget are not discussed. No one asks: 'What is this money for? Why is this disbursement necessary?' The debates of the Parliament never get down to these questions. The Parliament does not 'drill down' to the details of this allocation; it may not be questioned – cannot be questioned."

The literature reviewed during the study indicated that Swaziland ranks below most sub-Saharan countries on "voice and accountability" on the World Bank's 2011 Worldwide Governance Indicators Survey. The Mo Ibrahim Governance Index ranks Swaziland at 46th out of 53 countries in Africa on participation and human rights.

However, contrary arguments were also presented by an independent respondent: "I don't think that the political environment and weak governance explains the budget crisis in Swaziland. This kind of argument is a very neoliberal in its basis. My argument is that if democracy and good governance guarantee a sound economy, then all democracies should have sound economies. USA and Greece, which are classical democracies, do not have sound economies. This argument that the budget crisis in Swaziland is a result of political and governance challenges is a fallacy."

Arguing similarly, a government official said, "China and other Asian giants which have budget surpluses and sound fiscal indicators have terrible democratic records. How do you explain this? This means that you do not have to have western-type democracy in order to have a sound economy."

4.3.4.3 External political incentives for parliamentarians to exercise rigorous scrutiny over budget

The literature indicates that possessing formal powers does not mean that legislatures will necessarily use them (Allen & Tommasi: 2001; Santiso: 2004a). In fact, constitutions and standing orders generally grant Parliaments more power than they ever use effectively (OECD: 2002). Studies indicate that two factors which impact on how legislatures use their powers are political will and political space (Santiso: 2004a). *"Political will"* is the strength of the desire of parliamentary leaders and influential members to exercise or expand the powers of Parliament. *"Political space"* refers to the willingness of key role-players in the political environment to cede or to share political power with Parliaments. Authoritarian political systems grant legislatures little political space, while more pluralistic, competitive systems permit more.

"Under normal circumstances in a constituency-based system, parliamentarians are supposed to take views on the budget from the electorate and then to use these as a basis for critiquing the budget when it is presented to the House. However, the trend in Swaziland is that as soon as MPs have been appointed, they don't go back to their constituencies to enquire about their views on the budget and execute their constituency's mandate."

"There are no mechanisms to hold a parliamentarian accountable," a community member said. "Most of these parliamentarians become aloof and arrogant once they are in the Parliament. Only towards the end of their term do they remember to be nice to us and buy our votes."

One respondent expressed the view that the majority of parliamentarians campaigned for election into the Parliament purely as a means of economic survival. "With the generous allowances and pension packages paid to parliamentarians, in an economy with limited economic opportunities,

many parliamentarians see the Parliament purely as a source of income rather than an opportunity to influence and impact legislative and economic outcomes." In the same vein, another respondent said, "for most parliamentarians, serving in the Parliament is a mere job. And in order to survive in a job, you need to listen to those that have appointed you, if you want to last."

During the presentation of the 2011/12 National Budget Speech, the Ministry of Finance estimated that corruption costs the government about 3.5% of GDP annually. Indeed, in the country's Vision 2022, National Development Strategy and the Economic Recovery Strategy (ERS) of 2011, there is an acknowledgement of the impact that weak institutional structures and limited capacity to implement reforms was having on the economy (AfDB, Country Strategy Paper: 2009-2013). Arguing in the same vein, another respondent, resident in the diaspora, said "because of the largesse that is distributed by royalty on loyalists, parliamentarians have been socialised to appreciate that if you appease royalty and support their positions in legislative debate, you elongate your chances of receiving favours from the top of the feeding chain. It has been made abundantly clear that those who do not toe the line will not be rewarded. This is a serious disincentive to the expression of contrary views on the budget."

"There have been many instances of parliamentarians who have strongly supported the status quo and were rewarded with appointments as cabinet ministers. This is a strong incentive and it therefore influences the level of rigour, for or against the approval of the budget bill, a parliamentarian may choose to display during budget debates," a former parliamentarian respondent advanced.

Along the same lines, another respondent who formerly served in the Parliament said, "The Constitution itself presents disincentives to parliamentarians to critique the budget bill. The Constitution itself states that the King has the final say on any budget bill through his assent powers. He has the power to reject a budget bill that the Parliament has debated and approved. Let's not fool ourselves; it is pointless for the Parliament to try to drastically change the budget when in the end it simply cannot be approved."

Developing the argument further, the respondent from civil society referred to the occasion when the whole institution of the Parliament was brought to a standstill on account of a disagreement between the King and the Parliament over the appointment of the Speaker. "In the end, the Parliament succumbed and withdrew its nomination; and the King's wishes prevailed. It is quite apparent that should the Parliament take a position with regard to a contentious element of the national budget, and the King held an opposing view, there is no question that the views of the King would win the day."

And yet other government official respondents argue, "I don't think that the compliant nature of parliamentarians in Swaziland is very different from what happens in other countries. Even mature democracies do the same. If a party deploys you to the Parliament, you are expected to toe the line otherwise obviously you will be dealt with one way or another."

Asked what motivated a few identified parliamentarians to raise difficult questions during parliamentary debates, and to take an anti-establishment approach in the House, one of the respondents living in the diaspora said, "There is always a role for a court jester; those who adopt untenable positions in parliamentary debates often do so purely because they have learnt that if you make loud noises, you are likely to become noticed by the powers that be, and may be 'silenced' by an appointment into an executive position. The rewarding of parliamentary 'rogues' is a proven model for an expedited political career in Swaziland."

"The only lever for the introduction of dynamism into parliamentary debate will come when a critical mass of like-minded people, who cannot be purchased by the system, assume membership in the Parliament. However, the current economic situation in the country is unhelpful. Save for contributions through remittances, the middle-class has largely left the country and have become disengaged with nation-building and re-construction of the economy," a respondent resident in the diaspora surmised. Put differently, another respondent said "there is an absence of capacity of the Parliament to inspire the best brains of the Kingdom to associate itself with the institution."

4.3.4.4 Political disincentives for Parliament to exercise rigorous scrutiny over the budget

Variations in the budgetary influence of the legislature are to a large extent a function of political dynamics. Parliamentary systems tend to be conducive to cooperative legislative-executive relations. For the Parliament to fundamentally rewrite the executive budget proposal would most likely be tantamount to a vote of no confidence in the government. The Parliament is much more likely to be critical of budgets and policies proposed by an executive with whom it may have little in common.

In the case of Swaziland, there is much commonality between the views of the parliament and the executive due to the homogenous political culture that exists in the country, coupled with a common mandate, whether express or inferred, derived from the King who either has appointed them or to whom they owe loyalty and allegiance.

For this reason, the literature suggests that public budgeting ought to take place in a broader political context in which vibrant and contesting power relations between multiple political actors can participate in the process (Alesina & Perotti: 1995; Santiso: 2004b; Acosta & Renzio: 2005; Lienart: 2005).

Asked what disincentive exists for parliamentarians to express strong views in the House against the proposed draft national budget, a respondent residing in the diaspora said, "You will be viewed as anti-establishment. The system will target you, and systematically wear you down; it will exert a cost on your social existence that is so costly that you eventually succumb and comply or leave the country – voluntarily."

"Actually", the respondent living in the diaspora said, "the lessons of how the system deals with its opponents can be found in history. When the opposition party in 1972 won three seats in the Parliament, the King's ruling party[6] was incensed. The leader of the opposition party was branded

as a 'non-Swazi' and the penalty meted out on the NNLC[7] for successful opposition to the King was the deportation order against the leader of the party[8]. These lessons have not been forgotten. Very few people want to take the system head-on for fear of reprisals."

Arguing similarly, another respondent from the diaspora said, "These kinds of social sanctions are real, and do matter, in an environment with nominal economic activity. With a largely agricultural economy, and with almost 60% of industrial economic activity in the formal sector controlled by *Tibiyo taka Ngwane*,[9] all commercial enterprises of significance operating in the country are controlled by the political establishment. Once you have been branded a 'trouble-maker' and non-compliant, the system has a way of excluding you altogether from any form of commercial opportunity for meaningful employment or enterprise."

Another civil society activist, now living in the diaspora, said "the most effective form of sanction that critical thinking and expression attracts in Swaziland is that you will be socially isolated and stigmatised and subjected to petty, but consistent, harassment. For instance, there have been many instances where petty misdemeanours will be blown out of proportion. In a small country, the 'village syndrome' serves to make propaganda a very effective form of harassment. Once this happens, you will have no option but to leave the country."

Bringing in another dimension, "Let's not forget that it is the King himself that pre-views and introduces the budget bill into the Parliament. Before the Minister takes the budget to the Parliament, they '*ncutfulisa*'[10] with the King. This being the case, which parliamentarian in their right mind would voice a view that runs counter to that of the King? There is no incentive to do so. No one wants to lose political popularity."

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[7] Ngwane National Liberation Congress

[8] Bhekindlela Thomas Ngwenya. The legal challenge mounted by Ngwenya against his deportation is reported in *Bhekindlela Thomas Ngwenya v The Deputy Prime Minister and the Chief Immigration Officer 1970-76 SLR 123*

[9] A national trust founded by the King that holds all mineral rights and equity stakes in key commercial enterprises in the country, on behalf of the Swazi Nation.

[10] Translated: 'consultation'.

But ordinary members of the community argued as follows: "The marginalisation of non-compliant parliamentarians and politicians who are not compliant with the views and positions of the ruling party is not something unique to Swaziland. Even multi-party democracies reward loyalty and sanction disloyalty. Why should Swaziland be held to a different standard?"

4.3.4.5 Influence of civil society pressure groups on parliamentary debates

The literature reveals that the concept of "civil society" refers to the aggregate of institutions whose members are engaged primarily in a complex of non-state activities and who in this way preserve and transform their identity by exercising all sorts of pressures or controls upon state institutions (Russon: 1995). The term "voice" refers to the range of measures – such as complaint, organised protest, lobbying, making claims and direct participation in decision-making and product delivery – used by civil society actors to put pressure on service providers and policy makers to demand better service outcomes and performance of public policy (Goetz & Gaventa: 2001).

Civil society performs many crucial functions for democratic development and consolidation. It limits the power of the state; more generally, it challenges and exercises voice over state abuse of authority; monitors human rights; and strengthens the rule of law (Sachikonye: 1995; Diamond: 1997).

The potential contribution for civil society to enrich parliamentary budget oversight is increasingly being appreciated in budgetary governance processes in developed economies. Civil society organisations can provide independent research from a perspective that is not covered by conventional analysis. In some countries where the legislature has limited research capacity, think tanks and universities can ensure access to sound technical analysis of fiscal issues. Civil society input to the legislature is particularly promoted when committee and chamber debates are open to the public, legislative information is freely available, and when committees conduct hearings and receive submissions on legislation and budgets from independent experts.

The media also has an important role to play in ensuring that the central issues in budgetary debates are widely understood by the public. In order to play this role, journalists require full access to the legislature and its committees, and all relevant documentation should be available to them.

Illustrating the importance of budget education, a parliamentarian said: "What's the point of going to discuss the budget with the electorate? I would be talking above their heads. All that people on the ground want to know is whether a bridge or a road will be built for the community. Bread and butter issues, really - politics of the stomach. The people do not understand what a budget is and how to read and interpret it."

The 2005 National Constitution provides for enhanced transparency of government financial information to the public. On the face of it, the Swazi public has access to information on fiscal plans, positions and performance of the government. Prior to parliamentary approval fiscal information is hosted on the government web site www.go.sz and also in the state print media.

"Publishing budget information in the government gazette is not enough. If government is serious about getting the views of civil society, then an announcement in the newspaper is not the way to go about it. The budget should be the product of meaningful consultation," said the director of an NGO. "A few key NGOs submit comment consistently to the Ministry on the budget in writing. I don't remember seeing any MP make submissions on the budget whilst it is in draft formulation stage, before it goes to the Parliament," a Ministry official said.

"The Economics Society,"[11] the journalist respondent said, "contributed substantially to public debates around the economy and the budget at the time. CANGO and SFTU also engage with the content of the budget and voice their views on its shortcomings. However, overall, civil society has diminished in its visibility and impact."

[11] A civil society forum, whose membership comprises economists from academia, non-profit organisations and private and public institutions, established to foster economic governance in the Kingdom.

"We are not invited by the parliamentary committees to share our expertise and views on the budget. It does not appear that our views are particularly welcome."

Regarding the media, most respondents felt that the media had done relatively good work in informing citizens about the budget, its contents and its implications for development. "The media has gone to great lengths to provide analysis of the numbers in the budget and even to provide analysis of the Swazi public budget comparative to other comparable economies." Of all civil society institutions, respondents felt that the media had been the most effective in its critique of the budget. "It was the media that first brought to the attention of the public the excessive and unwarranted amounts allocated to defence and royal emoluments," the journalist respondent said.

Some independent respondents however disagreed with this view: "The media is not effective at all. It merely whips up public emotions on issues that it has no business dabbling in. All the fuss about the defence budget! It would be irresponsible for the government not to allocate the bulk of its budget to defence. State defence is a non-negotiable for any country. Lesotho learnt this the hard way."

In the same vein, another respondent in the diaspora said, "The media made a big noise about Circular 1 which introduced higher emoluments for civil servants and parliamentarians. In a country where government and the Parliament are the largest employers of labour, it would be fool-hardy for government not to secure the acquiescence of the bulk of its staff by generously providing for them. If it didn't, there could easily be a revolution in the country."

Taken together, this research confirmed that civil society, including the media, operates in the external political environment as a crucial intermediary between the Parliament and the polity. Data revealed five entry-points for civil society engagement with the budget process which have been utilised with varying degrees of determination and success.

The first potential entry-point for civil society influence of budget debates and outcomes is in the parliamentary electoral process itself. The data presented indicates that this avenue has not been effectively exploited by civil society. It would appear that civil society took a popular decision to

abstain from participation in the parliamentary elections and from taking up membership in the Parliament. Although meant to be a principled objection to the legitimacy of the constitution itself and the election process, this position has served to close a possible opportunity for civil society activists to enhance the quality of budget debates and outcomes from within the Parliament.

Second, the executive makes annual invitations to civil society to submit comments on the draft budget bill. Research data shows that civil society indeed makes written contributions to the executive on the budget draft, in response to this invitation. However, this research did not encounter any data to show that these submissions meaningfully influenced the direction of the budget.

The third entry-point presents itself in engagement with portfolio committees. Field data indicated that committees are generally reluctant to invite civil society experts to make technical presentations to the Parliament on the bill, although they may consult with civil society actors privately. An examination of standing orders of the Parliament indicates that there is no provision that compels portfolio committees to invite such representations. As a result, the wealth of technical expertise that resides in civil society is lost to the budget process.

A fourth entry-point for civil society engagement lies in the judicial process. Here data finds some effort on the part of civil society bodies, particularly Lawyers for Human Rights, in using judicial avenues to exert pressure on parliamentary process. The limiting factor in this regard has been low levels of judicial independence and activism.

The final entry-point for civil society engagement rests with the media. Here there is clear evidence of consistent effort of the media to raise public awareness on issues pertaining to the budget, including budget allocations and expenditure. There is evidence of year on year analysis of expenditure, highlighting variances, conducting comparative analyses and so forth. However, these efforts meet frequent reprisals against editors of newspapers, thereby threatening media independence.

4.4 Chapter Summary

The chapter presents information gleaned during desktop and field research. Secondary data examined, coupled with interviews, indicated that the formal powers of the Parliament set out in the constitution are extensive, adequate and consistent with best models for parliamentary establishment. However, the study revealed that the most of the technical capacity of the Parliament and the public finance committee is inadequate to enable the Parliament to carry out this role. The paucity of finance and budgeting skills amongst members of the PFC was compounded by unavailability of independent expert advisory resources to support the work of the committee. Whilst the period provided to the Parliament to apply its mind to the draft budget bill is short, this timeframe is not significantly different from the time provided to Parliaments in other jurisdictions. With no research staff within the Parliament, the situation is aggravated by the paucity of library and other research materials to support the budget scrutiny process. Within the House itself, the intra-parliamentary dynamics between members pose a different range of challenges. The study found that parliamentarians lacked the political will to raise critical questions and interests around the budget and to suggest amendments to the executive draft budget. Data collected suggested that the disincentives for this arise from a fear of political reprisals and social stigmatisation. Conversely, the incentive to support the budget without amendment was perceived by respondents to a result of the external political environment of the country which introduces additional influential behind-the-scenes role-players who exert influence, directly and indirectly, on the ability of the Parliament to independently engage in rational budget decision-making.

CHAPTER V: RESEARCH FINDINGS

5.1 Introduction

The preceding chapter presented detailed primary and secondary data collected in the course of this research. This chapter presents the findings of the researcher, based on careful analysis of this data. The findings are presented against the two key hypotheses and assumptions that formed the basis of this research: first, that in developing economies and nascent democracies an asymmetry exists between the formal powers of the Parliament to oversee public finances and their actual execution; and secondly, that a positive correlation exists between parliamentary governance and the fiscal health of a country. The chapter presents findings on these hypotheses and their applicability to the Kingdom of Swaziland.

5.2 Key research findings

5.2.1 Asymmetry between formal budget oversight powers of parliament and actual execution

It is the finding of this research that the formal legal framework for the establishment and empowerment of the Parliament is adequate for the purpose of enabling the Parliament to exercise oversight over the public budget. The Parliament of Swaziland has the formal power to debate and amend, reject and approve a draft budget bill presented by the executive. These powers are provided for in the national constitution. A comparative analysis of the Swaziland Constitution with constitutions of other jurisdiction does not indicate any significant variance. Beyond this, the Swazi Parliament has the power to reduce or increase levels of expenditure in the budget, within the ceiling provided by the MTEF. These powers, which are enabled by domestic legislative and regulatory

frameworks, are consistent with best models for parliamentary formations in any modern democracy (OECD: 2007).

The research also finds that the regulatory framework of the Parliament of Swaziland provides for the establishment of both parliamentary standing committees and parliamentary ad hoc committees to provide technical, detailed and rigorous scrutiny of budget documents. This is consistent with OECD guidelines for best practice for the composition of parliamentary sub-committees (OECD: 2007).

The study was unable to find evidence that supported the notion that the time provided to parliamentarians in Swaziland was inadequate to enable them to apply their minds to the budget. Whilst relatively short, the time provided in the budget cycle was generally consistent with periods allowed to the Parliaments of other comparable jurisdictions.

However, despite these formal structural arrangements and oversight powers, this research finds that a variance exists between the adequacy of formal oversight powers and the execution of these powers by the Parliament of Swaziland during the period of review. Despite early indications of an approaching financial crisis, there is little evidence that the Parliament took available steps open to the institution to address this matter with the executive. During the period under review, the Parliament approved a number of imprudent expenditures. For example, amidst widespread citizen protest, the Parliament approved an increase of civil service and parliamentary emoluments. The Parliament also approved expenditure towards the construction of an international airport whose feasibility was not supported by research.

This finding confirms the hypothesis on which this research was premised that suggests that this asymmetry occurs in underdeveloped economies and nascent democracies between the legislative powers of the Parliament and the actual execution of these powers.

The research identified two key internal factors that account for the weakness in parliamentary effectiveness in Swaziland. The first is the inadequacy of the institutional capacity of the Parliament

to undertake effective budget oversight. The Parliament of Swaziland does very little to orient parliamentarians into their role in the Parliament. The nature of the training provided to the parliamentarians relates to procedural knowledge of standing orders, procedures and decorum. There is a paucity of dialogue around themes of their budgetary governance role, and the importance of this role to the advancement f development and democracy in the country.

The second element of the institutional inadequacy relates to the absence of technical resources to support critical and rigorous interrogation of the public budget. These would include library resources, research assistance, internet facilities and expert advisory services. The study found that the staff of the Parliament was thin, and even then provided support of a purely administrative content. These shortcomings compounded the general lack of financial skills amongst parliamentarians to read, analyse and interpret the budget. Whilst many parliamentarians do not necessarily have all the skills that are required to carry out their roles, technical support would mitigate the challenges encountered and make the challenges less serious. Without this type of support, the inability to appreciate the narrative and implications of the budget numbers for development, for communities and for democracy greatly diminishes the rigour of budget scrutiny in the Kingdom of Swaziland.

The researcher grappled with the question whether the parliamentarians possessed the political will to review with rigour the draft budget bill presented to them for scrutiny and debate. The finding of the research was that the parliamentarians did not possess the will to debate the budget bill with any degree of rigour. Data collected during in-depth interviews with stakeholders converged on the view that, broadly speaking, the parliamentarians possessed neither the will nor the incentives to critique the budget bill. The overwhelming majority of respondents appeared to explain away the lack of will by pointing to a repressive political culture prevailing within the country and arguing the futility of challenging the bill because of the overriding legislative veto powers of the King. Those who agreed with the futility of challenging the bill, but provided a more positive reason for this, argued that it was the prerogative of the King to determine all elements of the national budget and it was not for the Parliament to go against known wishes of the King.

Whether real or imagined, the fear of sanction and reprisal from the political authorities was a clear theme that emerged from interviews with the majority of respondents. Clearly, the perception was strong that the political system had the ability to exert a burdensome social cost on non-compliant parliamentarians. This, it was posited, served as a disincentive for parliamentarians to want to vigorously critique a budget, or specific imprudent budget items that they perceived to have emanated from the King. As they serve in the Parliament as individuals, and not on behalf of a political party, any statements made by an individual parliamentarian are attributed directly to the individual. With no corporate veil to shield a parliamentarian, and no political platform to galvanise collective voice to support a view, the incentives to be outspoken on positions contrary to those of the executive are extremely low. The consequence is a conspiracy of silence and acquiescence of the House of Assembly to a monarchy-backed budget bill presented for debate and approval. This supports the notion that the Parliament is a mere rubber-stamp of executive fiscal positions, and confirms the positive correlation between fiscal governance and the fiscal health of the country suggested by the literature (Allen & Tommasi: 2001). This research conclusion suggests the need for careful examination of the external factors that define the governance environment within which the Parliament operates.

In this study, therefore, the question that begged analysis was whether the external political environment prevailing in the kingdom negatively impacted the ability of the Parliament to exercise effective oversight over the public budget in Swaziland during the period under review.
The research confirms that the absence of a formal party political system in the kingdom is a factor, amongst a number of others, that constrained the capacity of the Parliament to exercise meaningful oversight over the public budget during the period under review. In addition, whilst civil society, particularly the media, attempted to use available avenues to contribute to the budget debate, parliamentary review of the national budget draft largely lacks rigour.

Theoretically, rigour in the debates of the Parliament is the result of a diversity of views and contestation around different policy options. Party politics by their nature invite and offer a basket of economic policy alternatives to the polity. In the case of Swaziland, these alternatives do not exist because of the absence of formally recognised political parties (Russon: 1995; Mzizi: 2002). Field

interviews advised that the political environment is characterised by a culture that supports a preference for consensus and unanimity, and discourages political contention and dissent. The relatively small population, with a mono-culture and language, presents little opportunity for diversity of political and governance perspectives (Russon: 1995; Mzizi: 2002). This is compounded by the absence of bipartisanship in the political environment, which engenders an inclination of key actors towards self-censorship. Consequently, there is a paucity of critical and nuanced discourse and debate around the budget, not only around the issues of diversification of economic revenue sources, but also national spending priorities. Ultimately, the approved budget becomes a product of rigour-free engagement.

At yet another level, this research finds that executive role of the monarch in the governance framework of the Kingdom was a factor that contributes to the poor fiscal outcomes during the period under review. The researcher discovered that the King enjoyed entry-points into the national budget process, both at the budget formulation stage as well as at the final budget approval stage. At both stages, the King enjoyed veto powers over the budget. The research finds that the appreciation of this fact served as a *fait accomplis* that rendered all other budgetary review processes pointless. To a great extent, the appreciation of this fact rendered parliamentary debates around the budget a mere formality and rubber-stamping of a draft budget that all role-players regarded themselves powerless to meaningfully alter.

This would explain why major spending decisions, which were imprudent and unsupported by technical feasibility studies, were rubber-stamped by the Parliament with very little debate during the period under review. In the final analysis, this research came to finding that the poor fiscal outcomes were a result of the poor political governance.

The final question for determination in this study was whether the factors discussed above were the sole cause of the financial crisis that occurred in the Kingdom during the period under review. While each of the factors served to constrain the ability of the Parliament to act with effectiveness over the national budget, this research was unable to conclude that these factors were solely responsible for the financial crisis in the country. Democracy and good governance are critical pillars that support

fiscal health; however, these are not a proxy for parliamentary effectiveness. Numerous countries across the globe that epitomise democracy and good governance also found themselves in fiscal crises.

The study identified a number of other unrelated factors, of equal importance, that also had a contributory effect on the fiscal outcomes of the country. These include the global economic meltdown that affected all export-oriented economies; the size of the economy itself; the narrow revenue base of the country, and capital flight from the country.

5.3 Chapter Summary

This chapter presents a synthesis of the findings of this research. The findings are that the there is an asymmetry between the constitutional powers that the Parliament of Swaziland has been vested with, and the actual execution of these powers; and a range of factors account for this. These factors are both internal to the institution of the Parliament, as well as external to the institution.

The findings concluded that the factors internal to the Parliament include the unavailability of technical and physical resources to support the work of the Parliament, the poor access to independent technical expertise during budget scrutiny, the paucity of research facilities and the relatively low level of education of parliamentarians. These internal factors, which point to an absence of institutional maturity, are characteristic of other Parliaments in many developing economies in Africa.

With respect to the external factors that affected the Parliament's capacity to act in a manner consistent with their oversight role, the first finding in this regard was that the levels of political debate and citizenship within the polity are rudimentary. As formal platforms for political dissent and diversity, neither exist, nor are they encouraged either culturally and by political design; the opportunities for public participation in the budget critique are extremely limited. Citizens are generally inclined towards self-censorship to avoid political and social reprisals, whether real or

imagined. Due to the absence of recognised political parties in the Parliament, there is a dearth of bipartisanship reflected in budget debates in the Parliament of Swaziland. Parliamentarians largely support fairly mainstream positions on budget issues, and appear to exhibit lack of agency and powerlessness to effect change to the fiscal environment through the budget process. The executive role of the King in the parliamentary process is one of a few plausible explanations for this absence of agency. The research finds that the central role of the King in the eyes of key role-players in the budget process exerts a disempowering influence on the scope and quality of parliamentary debate on the budget. Taken together, these findings support the thesis that nascent democracies, demonstrated by the case of Swaziland, which are vulnerable to governance and capacity weaknesses, produce poor national fiscal outcomes.

CHAPTER VI: CONCLUSIONS

This study was directed at examining the factors that either inhibit or enhance the effectiveness of the Parliament of Swaziland in its budget intervention role in *ex ante stages* of the budget review process. The researcher was motivated to research the effectiveness of budget governance by the Parliament of Swaziland because of the record of declining fiscal indicators over the period 2005/6-2010/11, leading to a full-scale fiscal collapse in 2010/11-12. The researcher was concerned that this fiscal crisis had occurred notwithstanding the fact that the Parliament had a constitutional role, and power, to critique, amend and reject the draft budget bill presented by the executive should it not have reflected sound economic policy objectives.

The research was predicated on an assumption that the Parliament had contributed to these negative fiscal outcomes in the Kingdom by inadequately exercising its *ex ante* intervention powers to critically examine and amend the budget. This assumption drew its theoretical premise from available literature that suggested that whilst the Parliaments of nascent democracies possess a wide range of budgetary powers, they often failed to exercise them effectively or responsibly (Alesina et al: 1999; Baldez & Carey: 1999; Samuels: 2002; Santiso: 2004a). Further, the Parliaments of emerging economies tend to lack both the technical capacities and the political incentives to assume a meaningful role in the public budgeting process (Alesina and Perotti: 1995; 1996; Alesina: 1999; Stein: 1998). Further still, that political neutrality is a fundamental for effective public finance committees (Pelizzo et al: 2006; Wehner: 2003; McGee: 2002).

The object of inquiry in this research, namely the Parliament of Swaziland, operates within a traditional system of governance. Whilst democratic constitutional reforms were introduced in 2005, governance institutions and mechanisms are still in nascent form. Also, whilst economically classified as a medium income country, Swaziland compares more readily with low income countries. The combination of the Kingdom's embryonic political and economic governance systems made it an interesting focus for research. The purpose of the research was to test the validity of the hypothesis suggested by the literature in the Swaziland context. The research sought to understand, using institutional policy and political economy theories, how the internal rules and

dynamics within the Parliament, coupled with the external political and governance arrangements, either enabled or constrained the negative fiscal outcomes of the Kingdom during the period under review.

The research adopted qualitative research methods to investigate the main and research questions. Framed by a hybrid of interpretive and critical social science approaches, the research conducted both desk-top and field research to obtain data to answer the key research question and sub-questions: (a) whether the legal framework to empower the Parliament to oversee the budget process was adequate; (b) whether the Parliament had available and adequate institutional capacity to undertake this role; (3) whether there existed the necessary political will amongst parliamentarians to make effective interventions and to challenge the executive in the budget process; and, (4) whether a conducive governance environment exists in the country to enable the Parliament to exercise this function.

In assessing the formal powers that enable the Parliament of Swaziland to function, the researcher conducted desk-top research and document analysis (Hart: 2005; Garrad: 2009; Machi & McEnvoy: 2009). In this regard, the researcher reviewed legislative and regulatory legal instruments establishing the Parliament to understand the scope of its power. This data was critically analysed to determine the adequacy of the powers. It was supplemented and triangulated with data obtained from in-depth interviews with key respondents (Onwuegbuzie et al: 2008).

To understand the external environment within which the Parliament of Swaziland operates, the researcher drew from literature sources as well as in-depth interviews with identified respondents. Whilst the researcher had pre-designed questions, the researcher did not pre-administer the questionnaires to respondents. Rather, the researcher used the questionnaire as an interview guide, and used an interpretive approach to tease out the perspectives and insights of the respondents on the political environment pertaining in the country, and to obtain their views on whether or not there were elements in this environment that served either as incentives or disincentives to Parliament to act responsibly or effectively in the budget oversight process (Maxwell: 1992; Creswell: 2003). In the same manner, the researcher used the questionnaires to explore and probe the respondents' views

and perspectives on the institutional capacity of the Parliament, the quality of budget debates in parliament, the calibre of parliamentarians, the dynamics between parliamentarians and their constituencies, as well as the political incentives and disincentives that shape parliamentarians' positions on the budget. These interviews provided the researcher with rich data on the interests of various role-players in the budget process, and the factors that shape their interactions (Maxwell: 1992; Schwardt: 2007: Stake: 2005).

Sampling of the research population led the researcher to key role-players within the Parliament, the executive and civil society In-depth interviews with these role-players provided very useful and frank insight on the questions under investigation (Maxwell: 1992; Onwuegbuzie et al: 2008). This broad sampling provided opportunity for the validation and triangulation of the research findings (Onwuegbuzie & Leech: 2004; Delinger & Lincoln: 2005; Onwuegbuzie et al: 2008). All the respondents that contributed to this paper were only prepared to provide data under the strict guarantee of confidentiality and anonymity. The researcher proceeded with interviews on this basis.

Common themes emerged from the research data collected. First, the data showed that the majority of respondents recognised that the House of Assembly of the Parliament of Swaziland is legally empowered to intervene in the public budgeting process to ensure sound budget outcomes. A review of literature supported this view. The national constitution provides for the establishment of the Parliament as an institution of governance, and provides for powers to enable the House of Assembly to review and approve, reject or propose amendments to the budget. To this extent, the framework is consistent with parliamentary establishments elsewhere in world.

However, the construction of the Parliament of Swaziland introduced a constitutional novelty that blended the institution of the Parliament into an organ referred to in the constitution as *'The King-in-Parliament'*. This construction created inroads for the monarchy to participate in policy-setting and legislation making for the country, without associated mechanisms for checks on his discretion or decisions. This presents challenges for the independence of the institution of the Parliament at multiple levels. First, the King becomes an integral part of all stages of the budget process whether formally or informally. Second, this model anticipates that all legislation will be the product of a

collaborative and consensual engagement between Parliament and the King. Third, as the King is not a Member of Parliament, and is not subject to the rules of the Parliament he falls outside the ambit of the governance mechanisms and accountability framework of the Parliament. Fourth, the power-sharing relationship between the Parliament and the King as constructed in the constitution negates the opportunity for differences in positions between these two legislative collaborators on budget bills. It makes sense then that the golden thread gleaned from interviews with respondents would show that invariably the Parliament takes its cue for legislative action, or inaction, from the stated or perceived understanding of the King's wishes at any point in their work.

Indeed, field data collected during this research indicated, although not specified in any formal legal instrument, that the King is informally consulted by the executive during the budget formulation process. This provides critical budget agenda-setting powers to the King. The King is also the final legislative approval authority in the assenting process. In this capacity, he enjoys veto powers over the budget bill. This research did not encounter an equivalent or similar model elsewhere in the region. This nuanced element appears to result in an asymmetry between the adequacy of the powers of the Parliament to exercise oversight, and the actual exercise of these powers during the period under review.

Data examined showed that the actions of the Parliament during the period under review were lacking in foresight and rigour. During the period under review, whilst the Parliament was aware of declining national revenues, it failed or neglected to intervene by passing suitable taxation legislation or appropriate resolutions to direct executive action in relation to revenue diversification measures to mitigate the prospects of a fiscal crisis. On the expenditure side of the budget, this research concludes that the Parliament exercised poor judgement with respect to national spending priorities in the light of diminishing revenues. The parliamentary approval of public service salaries during the period under review demonstrated an absence of foresight.

Structural arrangements of the Parliament aside, this research also reached conclusions regarding the internal institutional challenges faced by the Parliament. The first internal challenge is that of parliamentary capacity. Data indicated that at one level, the principled position taken by civil society

groups to abstain from taking parliamentary membership has served to narrow the pool of competent citizens who can contribute to good governance in the Parliament; at another level, the paucity of physical, technical and financial resources provided to parliamentarians to do their work also contributes to poor parliamentary outputs coupled with the short period of time provided by the budget cycle for budget scrutiny represent additional challenges to the effectiveness of the Parliament.

An examination of the internal capacity resources of the Parliament indicated that there are low levels of in-house or external and independent technical support provided to these committees to carry out their scrutiny responsibilities. Parliament is poorly staffed with less than 10 (ten) members of staff, most of whom are administrative staff that do not have any technical research capacity. The Parliament does not have substantive library resources to assist the committee with its work. This is compounded by the provision of a fixed budget, which role-players considered to be grossly inadequate to allow for procurement of capacity.

Data from in-depth interviews revealed that the capacity of the individual members of the budget committee varied over the period under review, but leaned predominantly in the direction of poor technical knowledge of budgetary matters. Based on data collected, this research finds that the high rotation rates amongst those legislators sitting in those committees, tends to weaken the committee's capacity to effectively engage with the budget process.

Even if this technical capacity existed, another key conclusion that is drawn from the data is that levels of political will of individual parliamentarians that may have capacity to challenge the budget were low. In the main, the incentives to voice critical views on the draft budget were unconvincing to many parliamentarians. At one level, the nature of the electoral system operative in Swaziland, namely first-past-the-post, resulted in weak accountability linkages between appointed members and the communities that voted them into office. Once appointed, it would appear that individual parliamentarians lacked agency to take advantage of political space, however limited, to voice the views of the electorate. The absence of political parties, or other forms of collective platforms to consolidate their voices, the electorate remained fragmented and their positions incoherent. This,

coupled with a largely rural populace and a disengaged middle-class, renders the quality of political conversations in the polity rudimentary. At another level, social costs in the form of ostracism within the House emerged as major disincentives that discouraged parliamentarians from being critical of the budget even when there was good cause to do so.

In this regard, the researcher found it is remarkable that a culture existed within the Kingdom that discouraged and sanctioned dissent. It would appear that this culture has its root in Swazi tradition. This tradition, expressed in idioms and in socialised conduct, applauds consensus and harmony, and discourages dissent. It also appears that this culture has its roots in the political history of the country; political opposition was denounced soon after independence as a "divisive" element in the country and the proponents of such "divisive" voices were dealt with swiftly and harshly. The consequence of this culture and history has been a trend towards acquiescence and rubber stamping of executive positions by the Parliament.

The absence of formally recognised political parties, which could serve as platforms for galvanizing civil society positions, appears to be a major reason why the Parliament is largely ineffective in its oversight. The absence of the corporate protective cloak provided by a party position served as a major disincentive to any individual parliamentarian raising a critical perspective on the budget bill.

The research concludes that organised civil society remains a critical lever for fostering parliamentary accountability in the country. However, the decline of donor funding to NGOs in the country to address governance issues has served to weaken the reach and effectiveness of these organisations. On the other hand, both private and public print media appear to be the only consistent vector for challenging deficits in economic governance in the Kingdom. Despite reprisals, the media continues to inform the public of governance shortfalls and anomalies as they become aware of them. The middle-class in the diaspora also represents a grouping that is positioned to influence economic governance discussions in the Kingdom.

The absence of structured accountability links between members of the Parliament and the voting electorate has a significant effect on the effectiveness of the Parliament. The research concludes that this poses serious agency problems for parliamentarians. This research concludes that the

relationship between parliamentarians and their constituency can best be described as "fleeting and transactional". It would appear that votes are traded for provisions during the election season, and the relationship ends at that point, to be resuscitated at the next elections. The relationship between parliamentarians and the electorate during the course of the term of the Parliament is not an enduring one.

This absence of parliament-electorate relations appears to be explained by the absence of mechanisms in terms of which the electorate is able to hold the Parliament accountable. As there are no formalised political parties, the electorate is fragmented and ineffective in its demands. There is no formal structure to which a parliamentarian is accountable. Further, as there is no constitutional power of recall that vests in the electorate, no recourse is available to the voters to withdraw an ineffective parliamentarian. Within this electoral structure, connections between parliamentarians are sporadic and superficial, with very weak incentives for parliamentarians to lobby for the public good.

Discussions in the public finance committee are in the end reduced to an arena for bargaining between parliamentarians and the executive in which the executive, being the party that controls information, expertise and political power, becomes the outright winner. In this regard, this research concludes that the absence of a healthy and robust contestation between Parliament and the executive confirmed pre-determined theories that high degrees of congruence between executive and the legislative majority result in diminished levels of rigour in budget oversight. The conclusions of this study confirm theoretical assumptions in the literature that external political environments in the country of operation affect the effectiveness of the Parliament to exercise budget scrutiny and interventionist powers.

That said, with all these internal and external elements taken together, this research is unable to come to the conclusion that the ineffectiveness of the Parliament of Swaziland was sole cause of the financial crisis in the country during the financial period 2005/6 – 20010/11. Whist data shows that there was a characteristically low level of scrutiny and critique of the budget bills during the period under review, the research concludes that other exogenous factors played a contributory factor in the

poor economic outcomes that the country encountered. Some of these factors include the declining revenues accruing to the Kingdom from SACU, which affected all countries in the trading group, as well as the global economic meltdown that affected all countries with a global trading portfolio. However, the contributing factors that are internal and external to the operations and dynamics of Parliament are equally significant and must be acknowledged.

By way of contribution to future reforms in the Kingdom, this paper makes two main recommendations. The first recommendation relates to the institutional capacity of the Parliament. It is recommended that policy makers in the Kingdom of Swaziland consider reviewing and enhancing the technical capacity of the Parliament. In this regard it is recommended, first, that a dedicated research unit with an appropriate level of resources be established to support the work of the public finance committee; and, second, that the procedures of the Parliament allow for structured contributions from independent experts and civil society to provide the Committee with an independent assessment of the Budget Bill drawn from a broad-based representation of the electorate.

The second recommendation relates to the external environment in the Kingdom. It is recommended that decision-makers in the governance sector of the country consider refreshing national dialogue around the formal recognition of political parties as a mechanism for citizen representation in the Parliament. Such a development would serve to coalesce citizen agency in the Parliament; would create formal structures through which citizens make collective contributions to budget debates; would provide an avenue through which communities hold their elected representatives accountable; and finally, would create the basis for rigorous policy-based debate in Parliament around the national budget thereby effectively counter-balancing the power of the executive.

It is hoped that these findings will serve to inform future parliamentary policy and regulatory reforms in the Kingdom of Swaziland and comparable developing economies and nascent democracies in Africa.

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