ISS AFRICAN FUTURES

Eswatini

Combined Agenda 2063 scenario

Alize le Roux

Last updated 30 November 2023 using IFs v7.63

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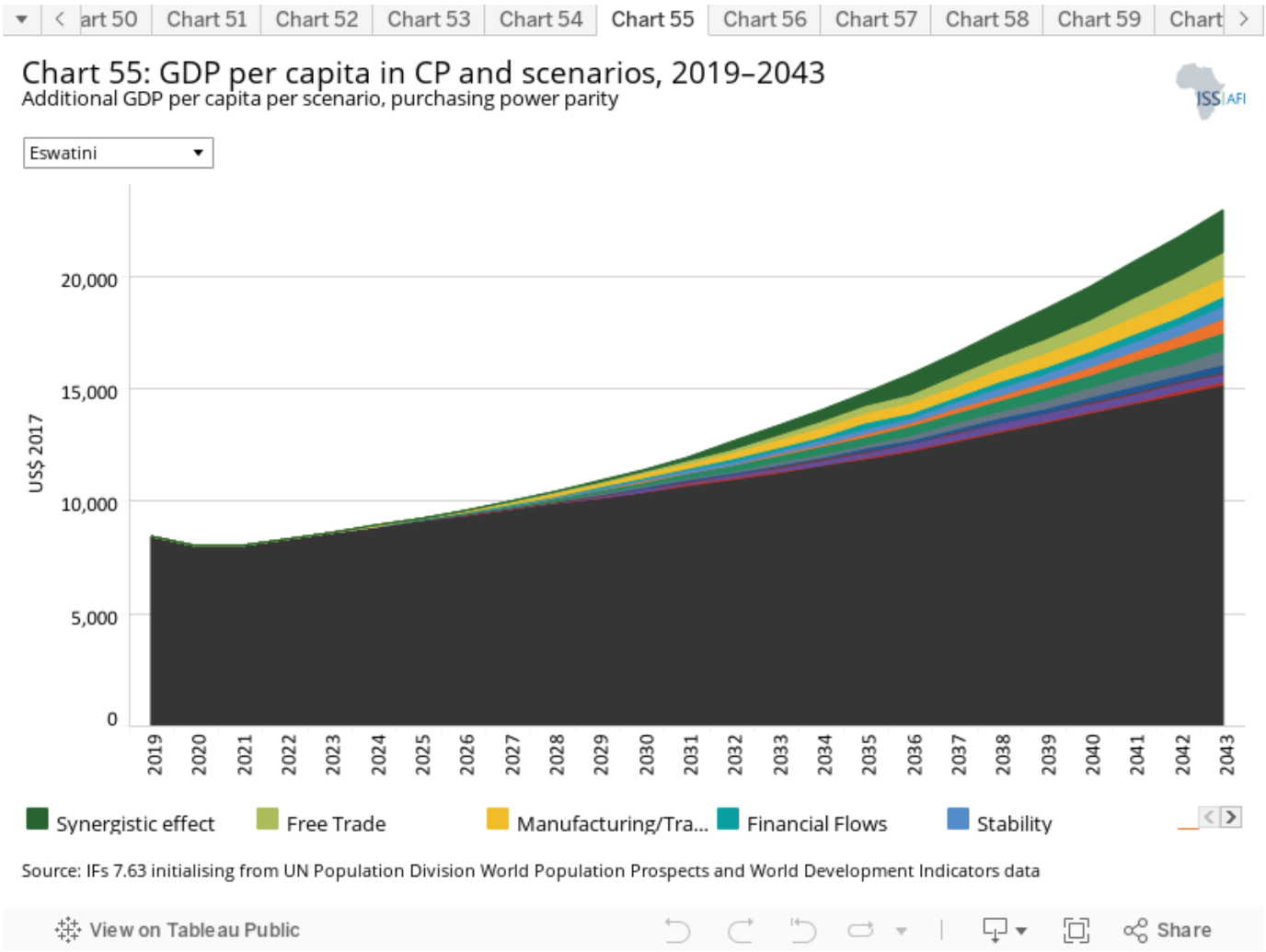
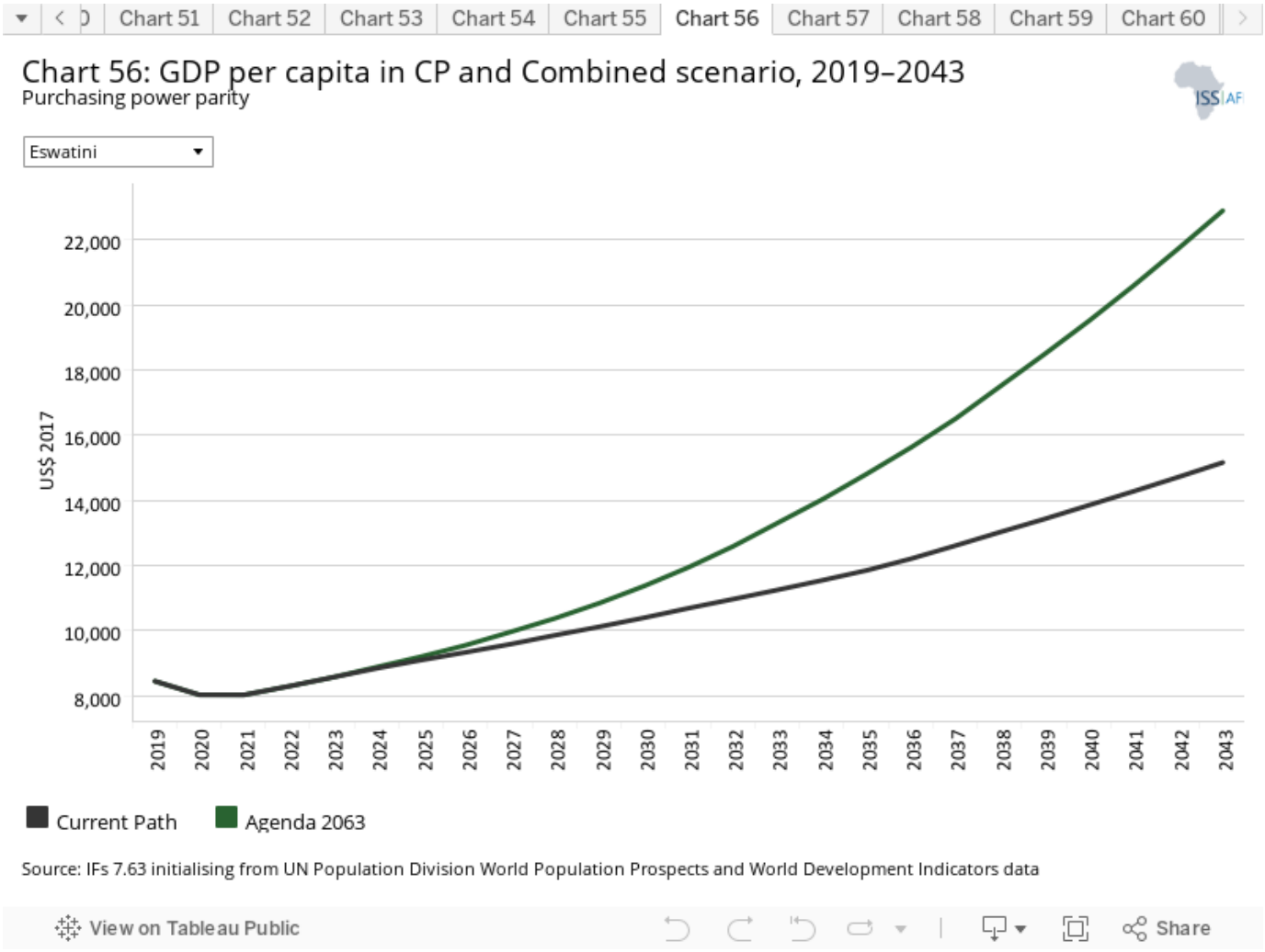


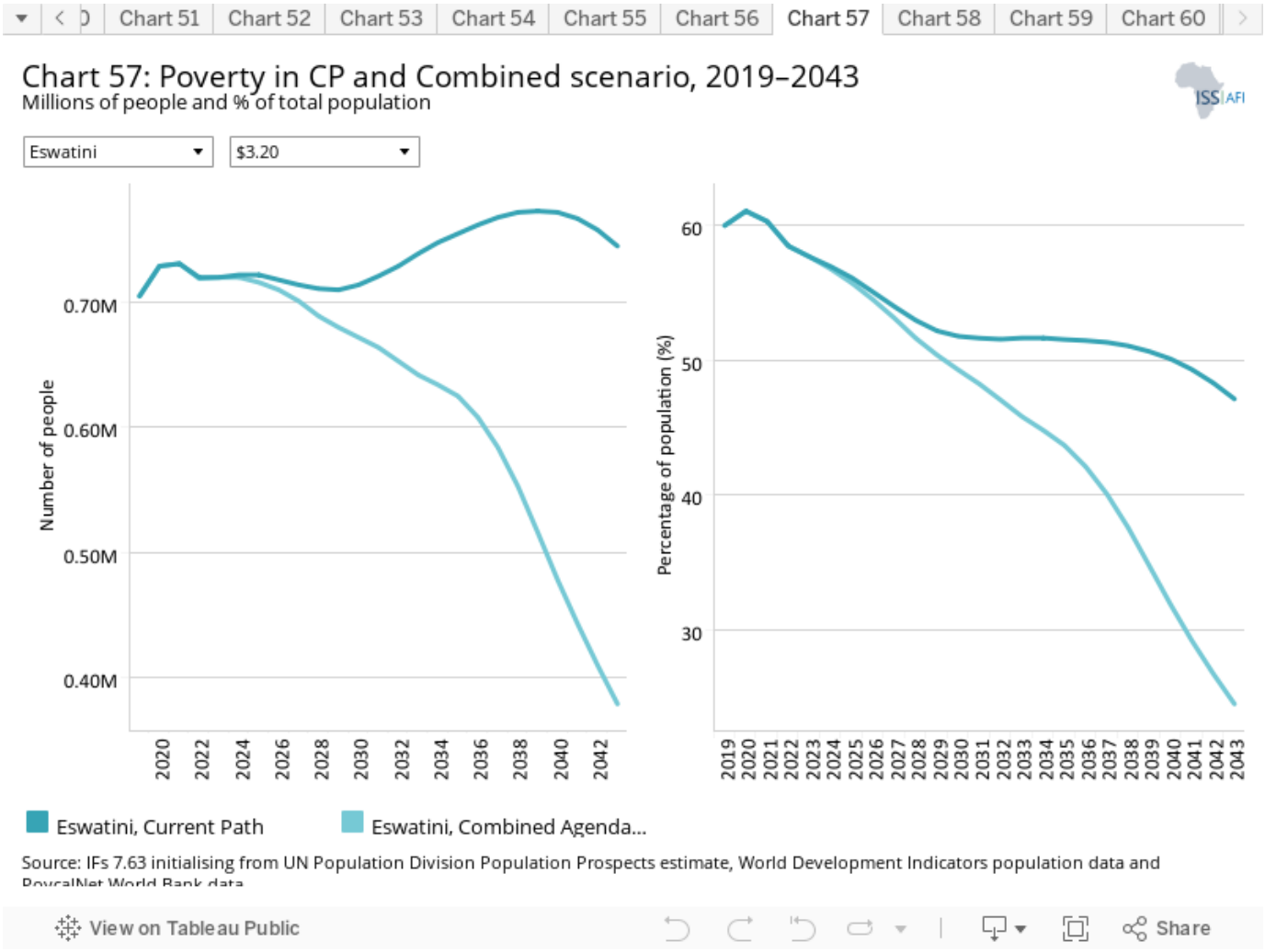
The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

Eswatini boasts great economic potential and there are plenty of opportunities to improve the future of the country. Improving intra-Africa trade (as captured in the Free Trade scenario) will raise GDP per capita the most by 2043 with an additional US$1 137 above the Current Path forecast. Improving manufacturing will raise GDP per capita with US$861 above the Current Path forecast while leapfrogging could raise income by US$807 in 2043 above the Current Path forecast by 2043. The synergistic effect of a Combined Agenda 2063 scenario that assumes improvements are made in all 11 broad intervention areas could add an additional US$1 864 in 2043 on top of the combined per capita income. The Health/WaSH, Financial Flows and Governance scenarios are the interventions that will lead to the least improvement in GDP per capita by 2043.

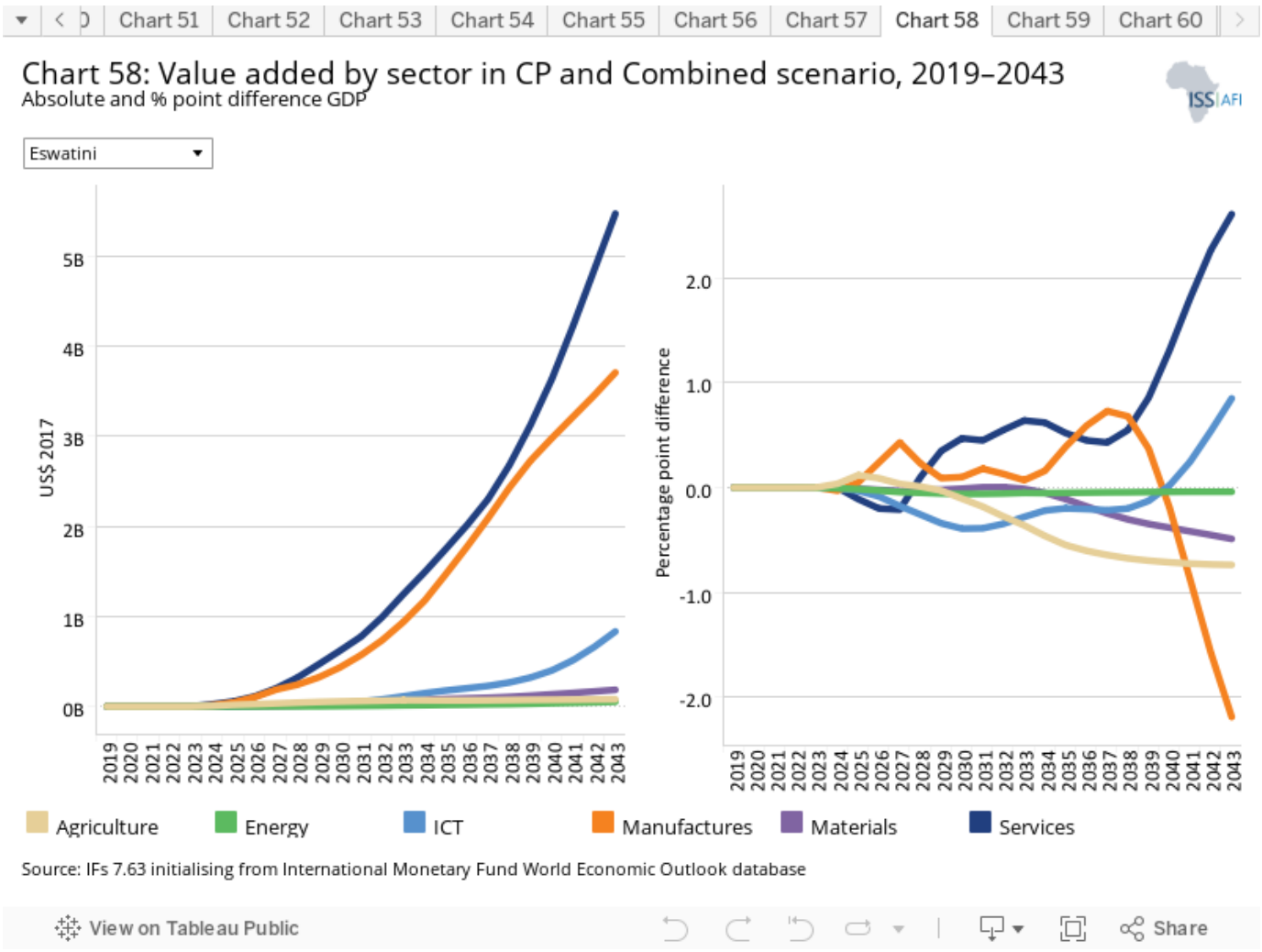


Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

In the Combined Agenda 2063 scenario, it is assumed that improvements are made in all the 11 broad intervention areas. It is a concerted effort to remove the binding constraints to growth and development in the country. The Combined Agenda 2063 scenario has the potential to raise GDP per capita in Eswatini to US$22 901 by 2043 — a significant US$7 739 above the Current Path forecast for the same year. The Combined Agenda 2063 scenario shows that a policy push across all the development sectors is necessary to achieve growth and development in Eswatini. An intervention at this scale is crucial to addressing the low productivity of human capital, high rural poverty rates and high disease burden in the country.



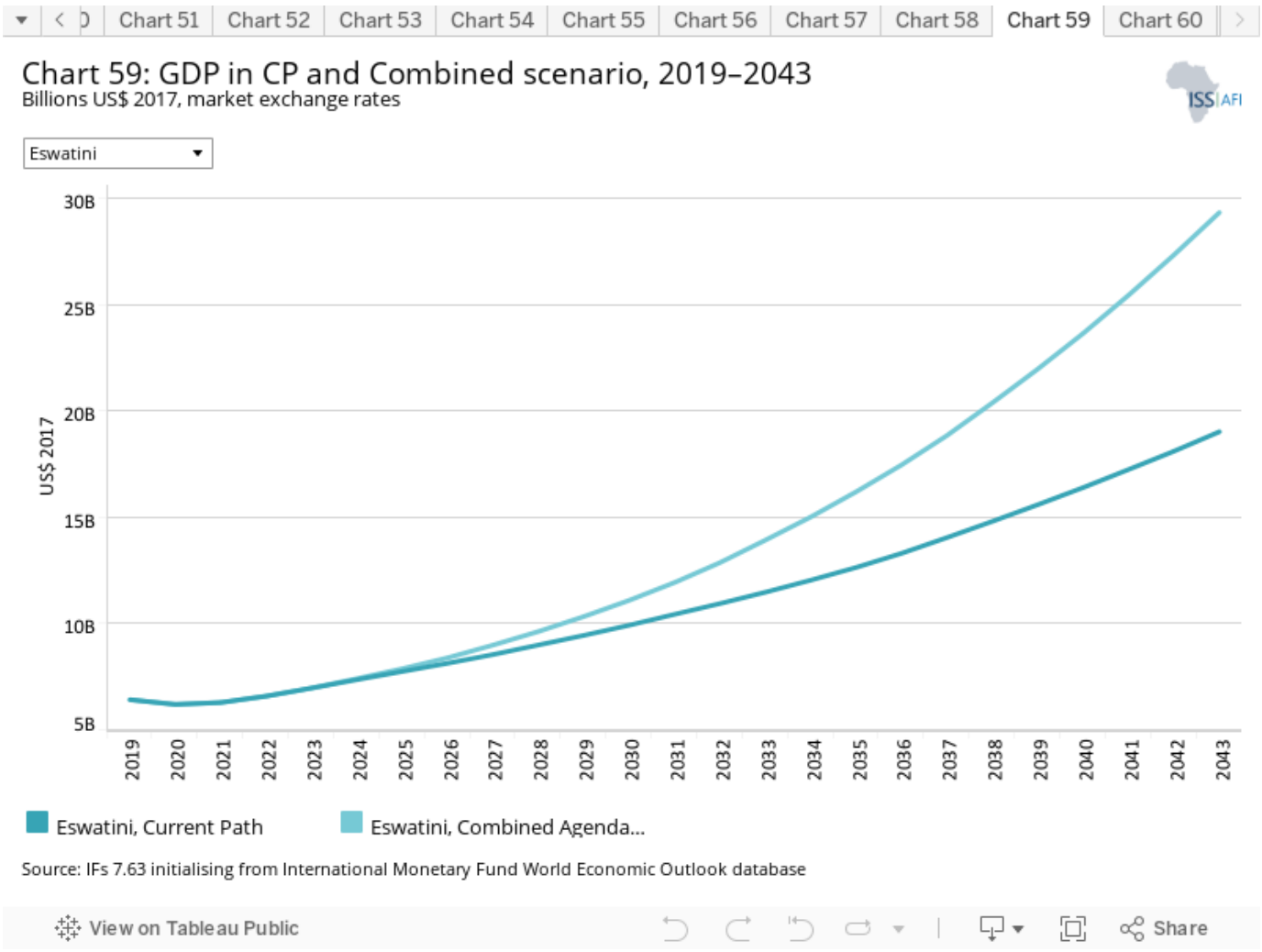
The Combined Agenda 2063 interventions can benefit the economy of Eswatini, significantly reducing the poverty burden of the country. If Eswatini can effectively implement measures as outlined in the Combined Agenda 2063 scenario, poverty can be reduced from 60% in 2019 to 24.5% in 2043 using the US$3.20 benchmark for lower middle-income countries. The scenario has the potential to reduce poverty in 2043 by 22.6 percentage points compared to the Current Path forecast, lifting an additional 400 000 people out of poverty. Despite this significant improvement, 380 000 people will still be living in extreme poverty by 2043.



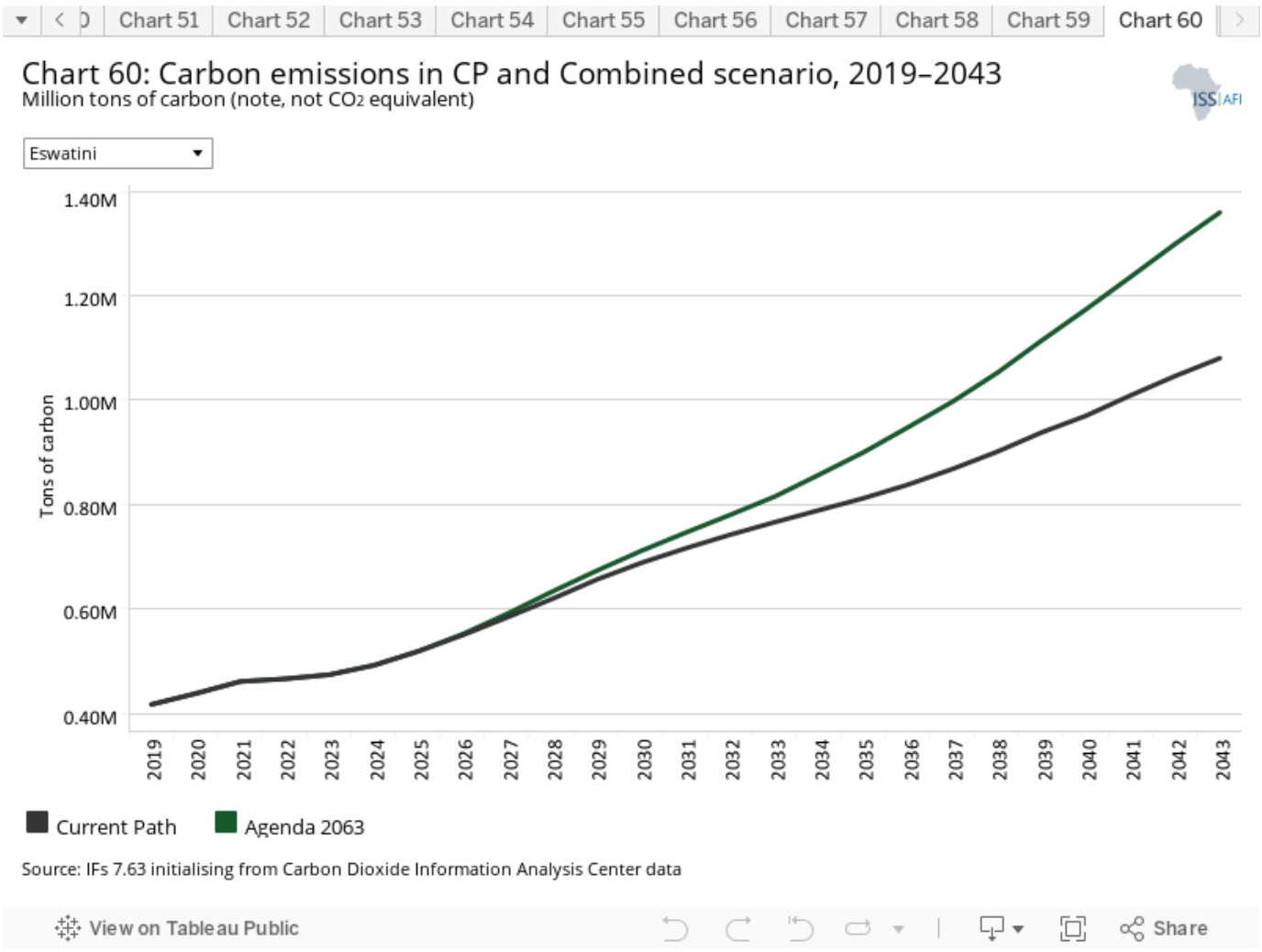
See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

The service sector will contribute 2.6 percentage points more to GDP in the Combined Agenda 2063 scenario compared to the Current Path forecast, equivalent to a difference of US$5.5 billion by 2043. The ICT sector will contribute 0.9 percentage points more to GDP in the Combined Agenda 2063 scenario compared to the Current Path forecast, adding an additional US$800 million by 2043.

Even though the manufacturing sector will contribute 2.2 percentage points less by 2043, the value would be US$3.7 billion more by 2043 compared to the Current Path. Similarly, the agriculture sector will contribute 0.7 percentage points less compared to the Current Path by 2043, but the value would be US$100 million more compared to the Current Path forecast in the same year.



Eswatini's GDP is forecast to grow to US$29.3 billion by 2043 in the Combined Agenda 2063 scenario, compared to US$19 billion in the Current Path forecast. It means that in the Combined Agenda 2063 scenario, the size of the Eswatini economy will grow by an additional 54.2%. This shows the value that the interventions in the 11 sectoral scenarios will have on economic growth.



In 2019, Eswatini emitted 0.4 million tons of carbon and it is projected to increase to 1.4 million tons of carbon by 2043 in the Combined Agenda 2063 scenario, 0.3 million tons above the Current Path forecast for 2043. The higher carbon emissions in the Combined Agenda 2063 scenario reflect the ambitious economic growth that is projected to occur in this scenario.

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Cite this research

Alize le Roux (2024) Eswatini. Published online at futures.issafrica.org. Retrieved from https://futures.issafrica.org/geographic/countries/eswatini/ [Online Resource] Updated 30 November 2023.

About the authors

Ms Alize le Roux joined the AFI in May 2021 as a senior researcher. Before joining the ISS, she worked as a principal geo-informatics researcher at the CSIR, supporting various local and national policy- and decision-makers with long-term planning support. Alize has 14 years of experience in spatial data analysis, disaster risk reduction and urban and regional modelling. She has a master's degree in geographical sciences from the University of Utrecht, specialising in multi-hazard risk assessments and spatial decision support systems.

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