

ESWATINI ECONOMIC CONFERENCE 2019

CONCEPT NOTE

and

Call for Papers

**‘KNOWLEDGE, INNOVATION AND DEVELOPMENT IN ESWATINI: CURRENT
AND FUTURE PROSPECTS’**

October 23 – 25, 2019

1. Introduction

In 2017, the Eswatini Economic Policy Analysis and Research Centre (ESEPARC), the Central Bank of Eswatini (CBE) and the University of Eswatini (UNESWA) jointly held the first ever Eswatini Economic Conference (EEC) under the theme ‘Economic Recovery and Sustainable Growth in Eswatini’. A consensus emerging from this first conference was the importance of preparing the Kingdom of Eswatini for the economic challenges emanating from the global economy as well as those from the region by boosting the roles of innovation, knowledge generation and management in its development. The conference suggested that these themes should be pursued more vigorously in future conferences.

The theme for the second Eswatini Economic Conference to be held in 2019 is thus ‘**KNOWLEDGE, INNOVATION, and DEVELOPMENT IN ESWATINI: CURRENT AND FUTURE PROSPECTS**’. The purpose of this conference is to provide a platform to discuss and begin to materialise the knowledge economy Eswatini can become. This will be a two-and-a-half-day Conference, which aims at bringing together economic policy-makers, researchers, development practitioners, captains of industry, development partners, and other Eswatini stakeholders to discuss the challenges and opportunities of Knowledge, Innovation, and Development on the economy. Better insights emanating from this interaction will help contribute towards the country’s attainment of Vision 2022, the Sustainable Development Goals (SDGs), and the African Union Agenda 2063.

As is well known, the global economy has entered the fourth industrial revolution, in which technology is positioned to disrupt the way we live, produce goods and services, and relate to one another as individuals, countries, and global economies. To thrive in the fourth industrial revolution, countries must not only embrace science, technology, and innovation but also other aspects of the knowledge economy. The extent to which a country masters knowledge and innovation in the fourth industrial revolution will determine its pace of social and economic development. Therefore, knowledge and innovation present many avenues for unlocking opportunities for younger generations for many years to come. There is little doubt that knowledge and innovation will be key ingredients in preparing Eswatini for the economy of the future.

While governments often shy away from picking winners, the evidence suggests that the countries that prioritised science and technology are reaping the largest rewards. Moreover, not just science and technology need prioritisation. Equally important is the identification of niche products that will enable Eswatini to make regional, continental, and global impacts. Examples include, but are not limited to, (i) the manufacture of basic goods and services, with a focus on assembling technologies that are in high demand amongst the youth; (ii) the introduction of new cash crops such as industrial hemp for the manufacture of industrial fibre and fibre derivatives, cannabis for medicinal and medicinal research purposes, and cassava for making flour; (iii) skills and entrepreneurial development through the institution of a nationwide capacity building and professional development programme; and (iv) providing bold incentives to local businesses that will manufacture goods and services, including research and development support and tax breaks.

Growing the economy equally demands nationwide support for goods and services made within Eswatini's borders. Information and communication technologies (ICTs) have since made it possible for policymakers to expand their policy toolkits and to go beyond the known basket of policy strategies used to stimulate local economic development. This includes, but is not limited to, leveraging artificial intelligence, big data, and the internet of things to gain greater insights into how to better manage Eswatini's finite resources to satisfy the infinite needs and wants of Eswatini. Opportunities are plentiful for the country to use ICTs to deploy strategies that will encourage local SMEs - including farmers, handcrafters, and the youth - to take advantage of the market that the economy has to offer, which also includes sweating out the value of the country's international trade agreements.

2. About Knowledge, Innovation, and Development in Eswatini

2.1 Increasing Policy Emphasis on Science, Technology and Innovation, and Knowledge Generation

The last 50 years of Eswatini's development witnessed significant fluctuations. In the mid-1980s, the country was among the 20 fastest growing economies in the world only to plummet thereafter to the league of the worst global performers, especially since the late 1990s. What went wrong and what can Eswatini do to return to steadier and welfare enhancing growth? The government, the business sector, and other stakeholders believe that the answer lies in innovation and the deployment of science and technology. Whereas the National Development Strategy of the Kingdom commits government to use science and technology to stimulate and drive economic activity, not much has been achieved in reality - with the depressed economy of recent years putting a lid on what can be achieved.

The Government of Eswatini recognises the importance of knowledge and innovation in creating jobs for the population. However, the country continues to experience high unemployment (23% according to the 2016 Labour Force Survey (LFS), dropping from 28.1% in 2014), a brain drain, and low levels of innovation. Many have argued that the major cause of the foregoing issues is that there is limited exploitation of the scientific enterprise in Eswatini. For example, studies have shown that there is currently under-investment in research and development (R&D) and higher education¹, as well as limited support for entrepreneurship and entrepreneurial activities, which are restricting the country's ability to master knowledge and innovation and have greater control of the economy. Moreover, science, technology, and innovation policy is also restrictive, with glaring incongruences in the coordination of research and development, skills development, and technology management^{2,3}.

The good news, in spite of these challenges, is that Eswatini has a youthful population that demonstrates a high propensity for absorbing and adopting new technologies. For example, in 2017, the youth population (15-34 years) and children (0-14 years) accounted for 79.1% of the

¹ Hlophe and Dlamini (forthcoming). Mapping the National System of Innovation in Eswatini. Journal of African Economic Review.

² Hlophe and Dlamini (forthcoming). Mapping the National System of Innovation in Eswatini. Journal of African Economic Review.

³ ESEPARC and Taiwan Technical Mission (2018).

total population (GoE, 2017). A key objective of the conference will be to examine the best ways to use knowledge and innovation to support employment, income, and wealth creation in Eswatini with a special focus on the youth. The conference shall also discuss and propose strategies for expediting the economy-wide adoption of new technologies by Eswatini's small and medium-sized enterprises (SMEs). It will specifically provide a platform for analysing forward-looking industrial policies and science, technology, and innovation strategies that will support the country's push to operationalise 'Made in Eswatini', and unlock the economic opportunities evident within the Kingdom of Eswatini's borders.

2.2 Expanding the Catchment Area for Technological Innovation

The need to acquire technological competences has become critical as Eswatini enters the last three years of the implementation of the National Development Strategy. While the Kingdom of Eswatini has managed to develop excellent pro-poor infrastructure and economic strategies for transformative economic activities, the economy remains trapped in the *decline phase*. Eswatini's SMEs lack the technology needed to drive industrialisation and create jobs in the economy. The Global Competitiveness Index (GCI) 2017 ranked Eswatini 130 out of 137 countries on innovation and sophistication factors, suggesting that Eswatini is not an innovative economy. The GCI 2017 also ranked the country 124 out of 137 countries on efficiency enhancers, which suggests very low economic competitiveness. Therefore, to resuscitate economic growth, the importance of providing targeted support to local SMEs to jumpstart industrial activities and set the economy on a renewed and improved growth path cannot be overstated. To jumpstart economic growth and put an end to the *decline phase* requires that Eswatini's SMEs upgrade their operational competitiveness; meet local, regional, continental, and global technical production standards; and focus on the manufacturing and production of everyday goods and services with a view to developing the required set of competencies to renew foreign interests in Eswatini's economy.

The government's recent investment in a Science and Technology Park points to the bold steps Eswatini is willing to take to improve its capacity for innovation and competitiveness. It is the first decisive step towards transforming Eswatini into a knowledge economy, that is, an economy anchored on knowledge to sustain long-term growth. The World Bank *Knowledge Economy Framework* emphasises that besides having an institutional environment that is conducive to the creation, diffusion, and absorption of knowledge, the economy of the fourth industrial revolution will require a well-educated and skilled population, a dynamic information infrastructure, and an efficient national system of innovation. Here too the issue of providing targeted support to R&D, innovative activities, and skills development through improved funding for tertiary education and high-quality laboratories equipped with the latest equipment and software, and relevant curriculum is foundational to operationalise the Science Park and make 'Made in Eswatini' a reality. Likewise, the country's ability to develop the goods and services that Eswatini has the productive capacities to produce in Eswatini demands the proper organisation and coordination of regulatory institutions, especially those that deal with quality and standards, SME development and support (including the financial sector), and science and technology. Equally important will be the identification and prioritisation of what Eswatini wants to be known for in the world besides sugar.

3. Overview and Objectives of Eswatini Economic Conference Series

The EEC was established in 2017, through a collaboration between ESEPARC, CBE, and UNESWA. The conference also received funding support from the United Nations Development Programme (UNDP) in Eswatini. Generally, the EEC's intended purpose is to bring together economic policy-makers, researchers, development practitioners, captains of industry, development partners, and other Eswatini stakeholders to dialogue on economic policy issues in Eswatini. The conference provides a platform to discuss successes, lessons learned, and to identify gaps preventing Eswatini from attaining its developmental objectives, including the implementation of the country's development plans and strategies. The specific objectives of the EEC series are as follows:

- To promote policy dialogue and evidence-based policy planning and implementation;
- To provide an environment to foster dialogue and the free exchange of ideas and innovative thinking amongst local researchers, policy-makers, captains of industry, development partners, and the broader Eswatini, regional, continental, and international community in Eswatini.
- To stimulate and increase research on economic and policy issues related to the development of the Kingdom of Eswatini;
- To provide an opportunity for Eswatini's researchers, postgraduate students, and Emaswati in the diaspora, to disseminate research findings as well as share information with local policymakers and the broader Eswatini society on the work they do about the country.

4. Format of the Conference

The conference will be jointly organised by ESEPARC, CBE, and UNESWA. It will be held on October 23 – 25, 2019 in Eswatini.

Key discussion topics will focus on the broad theme of the conference, which is 'KNOWLEDGE, INNOVATION, AND DEVELOPMENT IN ESWATINI: CURRENT AND FUTURE PROSPECTS', and will enable rich deliberations and scholarship on a broad range of economic issues in Eswatini with a specific focus on Knowledge Generation, Technological Innovation, Entrepreneurship, and the 'Made in Eswatini' challenge. Furthermore, the conference will provide valuable insights for improved economic policy making to position Eswatini as a top-tier knowledge economy.

The two-and-a-half-day conference will provide a number of plenary sessions on the themes listed in Table 1 below. These will feature presentations and discussions by policymakers, the Eswatini private sector, prominent local and regional academics and opinion leaders, and development partner representatives. Breakout sessions will be used for more in-depth discussions and technical analyses of prominent topics related to the thematic focus of the conference.

Table 1: Themes for Discussions at the Eswatini Economic Conference 2019

Themes	Sub-themes/discussion
1. Knowledge generation and management for structural transformation	Innovations in science and technology policy; information and communications technology; innovation; assets, access to finance for women and youth; fintech and financial inclusion; eliminating barriers to R&D and innovation; strategies for promoting technology development and commercialisation; funding research and development; formulation of an R&D agenda for Eswatini.
2. The role of new technologies in strengthening productive capacities	Entrepreneurship and entrepreneurial activities; financial markets and stock exchange; mobile money and financial inclusion; market regulation; funding and protecting innovations; the role of development finance institutions.
3. Building a competitive industrial base	Approaches to economic governance; unique opportunities/value chains for industrialisation in Eswatini; the role of STIs in strengthening the manufacturing sector; operationalising 'Made in Eswatini': where do we begin?; industrial policy; prioritising Eswatini's trade agreements and relations; theorising and operationalising Special Economic Zones.
4. Human capital development and building capacities for the new economy in Eswatini	Teaching of science, technology and mathematics; addressing the challenges of certification versus practical experience; creating centres of excellence; estimating the economic impact of 'brain drain' in Eswatini (analysis by different economic sectors or by skills set); estimating the impact of tertiary students' strikes on human capital development in Eswatini (attaching a monetary value of tertiary students' strikes on the economy in Eswatini); innovative strategies for promoting university (college) - industry linkages; industry skills gap analysis; the role of technical and vocational education and training (TVET) in operationalising 'Made in Eswatini'; transforming education policy to meet the needs of the economy of the future; establishing a 'brain trust'.
5. Structural and macroeconomic reforms to boost competitiveness and growth	Regulation in the insurance industry; transitioning from customs and excise to a revenue authority; developing and sharing economic datasets; expanding and diversifying the economic base to increase export earnings, hence foreign reserves

	accumulation; trade facilitation and expanding export markets base; rural budget; efficiency in revenue collection and expenditure control; debt sustainability; other ideas for stimulating growth in Eswatini.
6. Financial innovation and macroeconomic stability	How financial innovation influences economic growth, price stability, financial stability and financial inclusion; strengthening of the financial sector regulation to accommodate financial innovation.

5. Submission Guidelines and Timeframe

Papers are invited on the topics outlined above. To submit papers, author/s must follow the following instructions:

- Abstract of not more than 450 words should be submitted as soon as possible.
- Submit the abstract by emailing it to the Conference Secretariat at EEC2019abstracts@separc.co.sz.
- Papers should use:
 - Font - Times New Roman, 1.5 spacing
 - Font size – 12
 - Not more than 6 200 words (excluding references).
 - Use the Harvard Referencing Style to cite information sources.

Contributors and experts submitting papers for the Conference must observe the following key deadline dates.

6. Annotation Deadline Date

- Deadline for submission of abstracts - March 15, 2019
- Notification of abstract acceptance - March 29, 2019
- Deadline for submission of full papers - June 28, 2019
- Notification of final acceptance - September 20, 2019
- Conference dates - **October 23 – 25, 2019**

Priority will be given to the submission of full papers. We also encourage the submission of policy-oriented papers with strong empirical work.

7. Outputs

The expected outputs from the EEC 2019 include:

- A Conference Report summarising key findings as well as important policy recommendations extracted from conference papers and keynote speeches;
- Conference proceedings in the form of a special issue focusing on innovative articles of policy and operational relevance as well as an inaugural issue of the Eswatini Journal

of Economics and Development Review (EJEDR) that will publish a selection of relevant papers with a strong empirical basis.

8. Secretariat

Mr Sikhumbuzo S. Dlamini - General Manager, Economic Policy Research and Statistics Department, CBE heads the Secretariat. He is deputised by Dr Thula Sizwe Dlamini - Executive Director, ESEPARC and Mr Sikhumbuzo Mlipha – Research Fellow, UNESWA Research Centre. Details of the conference shall be made available on the websites of the CBE, ESEPARC, and UNESWA.