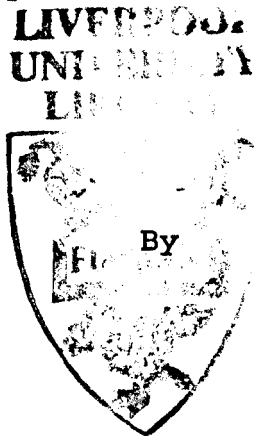


**LESOTHO: THE POLITICS OF DEVELOPMENT 1966-1993**

Thesis submitted in accordance with the requirements of the  
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ABSTRACT

Title: Lesotho: The Politics of Development

Lesotho is still one of the world's least developed countries. Migrant earnings account for about 50% of the national income while 70% of government revenue derives from customs union receipts and foreign aid. Less than 50% of its population has a monthly cash income. It provides jobs to only about 11% of its labour force of over 600,000, and imports over 70% of consumer goods. Economic development has barely taken place in Lesotho since 1966. Low levels of industrial development, few job opportunities, declining agricultural productivity, rural poverty and dependency remain the hallmarks of Lesotho's economy in the 1990's. Lesotho's failure to develop economically is not simply due to integration with South Africa, but rather it is a result of internal factors. Basotho have been denied the right to intervene in development planning processes affecting their future or present alternative development programmes. The abolition of democracy in 1970 and political instability further damaged the country's development prospects. Politically unaccountable, the post-1970 regime transformed development planning into a state secret and an exclusive activity of the Cabinet and state bureaucracy. Development plans exclude local businesses, thus effectively denying domestic capital - one of the most critical factors affecting Lesotho's development record - a role in the development process. Severed from the population, especially the business class, the government had difficulty in harnessing local capital for development. Combined with a weak resource base this diminished the government's ability to negotiate with foreign capital to maximize internal development potential. Estranged from the nation the government could neither provide effective leadership nor generate the necessary enthusiasm for its agricultural development programme. Lacking political legitimacy, government's ad hoc interventionist policies in agriculture and land use management were resisted or undermined. Government planning was conducted in ignorance of the farmers' interests and priorities, and the socio-economic networks permeating rural areas. Thus tension and mistrust increased over land issues between the central government, the chiefs and land holders, further complicated by patterns of partisan politics that could not be diffused through legitimate democratic practices. The scramble for the meagre land resources involving government ministers, civil servants, chiefs and villagers greatly undermined the government's authority. Even where economic incentives have led to popular involvement in development projects, the lack of democracy has meant no participation in decision-making. Investment concentrated in processes promising high profit margins even if this negated the objectives of the schemes - increased employment rates, and rural incomes. Ties with South Africa entail massive cash flows into Lesotho. Rather than Lesotho's problems being the result of dependence on South Africa, and thereby projecting a policy of delinkage we argue the contrary. It is precisely through closer integration and possible incorporation with South Africa that Lesotho can develop.

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## PREFACE

Lesotho remains one of the least developed countries in the world. Its economic problems - an inability to industrialize, declining agricultural productivity, economic insecurity for the majority of the population, and few job opportunities - have been attributed primarily to a loss of territory to the Afrikaners, British imperialism and economic integration with South Africa. Certainly the loss of fertile land and economic neglect by Britain have meant that efforts to transform Lesotho's economy had to start from a historically unfavourable position. However this explanation pays scant attention to Lesotho's politics and systems of rule, the nature of state development planning, development policies and the strategies for implementing them and management of the country's meagre resources. Moreover, it tends to equate development with autonomous growth, hence glossing over the positive role played by foreign aid and cash flows from labour migrancy, customs union and common currency agreement in Lesotho's economic development. Rather than being seen as sources of development capital, these resources are dismissed simply as mechanisms for perpetuating poverty and a fetter on development. Lesotho depends on foreign aid, migrant earnings and customs union revenue for its survival. These remain the cheapest sources of development capital readily available to Lesotho. I argue, therefore, that rather than being a drag on development, income from these sources offers Lesotho a unique opportunity to transform its economy.

Lesotho's failure to create a dynamic national economy has more to do with its internal problems than its subordinate role in the South African political economy. Total encirclement and economic and political domination by the apartheid South Africa have generated world-wide sympathy for Lesotho, elevating it to the top of the list of countries designated as "most deserving or worthy of international assistance" by the United Nations. Thus, apart from the financial benefits accruing from its economic ties with South Africa, Lesotho has enjoyed massive international assistance. However, Lesotho's economic development planners see the challenge facing their country as economic delinking from South Africa and achieving autonomous growth. Yet for Lesotho these goals are difficult, if impossible, to attain.

Lesotho's failure to develop economically is not simply a result of economic integration with South Africa, but rather it is primarily due to the factors internal to the kingdom. This is the central thesis in this dissertation. I argue that the country's politics, types of regime and the rulers' political programmes, lack of accountability, nature of development planning system, development policies and strategies for implementing them share a greater blame for Lesotho's failure to transform its economy. Only by refocusing our analysis on the role played by these factors can we be able to grasp fully all the aspects of Lesotho's economic development quandary.

The data used in writing the thesis derive from wide-ranging sources, namely literature on Lesotho and Southern Africa and the

subject matter of development in general - books, journals and/or periodicals, scholars' theses, reports, official state documents, pamphlets, letters, memos, bulletins, and newspaper reports - and personal interviews, observation and experience, and a specific questionnaire to the General Manager of Basotho Fruit and Vegetable Cannery [BFVC] whose duties left him no time for a personal interview.

Undertaking a research work of this nature and magnitude would have been impossible for me, however, without the direct contribution and assistance of a vast array of collaborators, people, institutions and organizations. I therefore thank all those who have contributed in various ways to the success of this research project. Worthy of special thanks are the British Universities Commonwealth Scholarship Commission which provided funding for my study, the National University of Lesotho for nominating me for the scholarship award and granting me study leave to enable me to further my academic studies, Basotho Fruit and Vegetable Cannery General Manager and the farmers co-operative, Setlabocha, for providing additional information about the asparagus project in Lesotho, the University of Liverpool which not only admitted me as a Ph. D. candidate, but provided all the required expert supervision. For this expert supervision I am indebted especially to Dr. Barry Munslow who supervised me throughout this arduous and often frustrating task. Without his professional assistance, which was by no means confined to academic business, my stay at Liverpool University during the period 1991 to 1994 would undoubtedly have been a frustrating



experience. I thank my family for their unswerving support and encouragement, particularly my wife 'Mamotsotua Makoa, who has had to endure the pain and suffering inflicted by my absence from home during this period. Finally, I would like to thank my friend and former colleague in Lesotho's Ministry of Labour, Motebele 'Mabathoana, who helped me in numerous and varied ways during my six months' field work in Lesotho from July 1992 to January 1993. However I am alone responsible for all the interpretations, opinions, sentiments, views and mistakes in this thesis.

## ABBREVIATIONS AND ACRONYMS

ACP	African-Caribbean Pacific Signatories to the Lome Convention
ANC	African National Congress
BAC	Basutoland African Congress
BCP	Basutoland Congress Party
BFP	Basotho Farm Produce
BFVC	Basotho Fruit and Vegetable Cannery
BMWLC	Basotho Mineworkers Labour Co-operative
BNP	Basotho National Party
BEDCO	Basotho Enterprises Development Corporation
CPDO	Central Planning and Development Office
CPL	Communist Party of Lesotho
DFI	Direct Foreign Investment
EEC	European Economic Community
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GNP	Gross National Product
GOL	Government of Lesotho
ICP	Industry Cooperative Program
IFAD	International Finance for Agricultural Development
ILO	International Labor Organization
IMF	International Monetary Fund
ISAS	Institute of Southern African Studies
JASPA	Jobs and Skills Programme for Africa
KM	Kilometre
LADB	Lesotho Agricultural Development Bank

LDCs Less Developed Countries  
LLA Lesotho Liberation Army  
LLB Lekhotla la Bafo  
LNDC Lesotho National Development Corporation  
LPF Lesotho Para-Military Force  
MFP Marema-Tlou Freedom Party  
MLL Minimum Living Level  
MLS Migrant Labour System  
MNCs Multi-National Corporations  
MTP Marema-Tlou Party  
NUM National Union of Mineworkers  
OAU Organization of African Unity  
ODA Official Development Assistance  
PAC Pan-Africanist Congress  
PMU Police Mobile Unit  
RLDF Royal Lesotho Defence Force  
RMA Rand Monetary Agreement  
SAA Selected Agricultural Area  
SACP South African Communist Party  
SACU Southern African Customs Union  
SADCC Southern African Development Co-ordination Conference  
SDA Selected Development Area  
UDP United Democratic Party  
UN United Nations  
UNCDF United Nations Capital Development Fund  
US United States [of America]  
WCCRD World Conference of Agrarian Reform and Rural  
Development

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Note on Lesotho's Currency: Lesotho's currency, Maloti, is pegged 100% to the South African Rand because Lesotho is a member of the Rand Monetary Area. Thus the South African Rand is legal tender in Lesotho, circulating freely alongside the Maloti. Since 1966 the value of Maloti/Rand to the United States dollar has fallen dramatically. At independence in 1966 one rand(maloti) was equal to US\$1.40. In 1990 one US dollar was worth 2.586 rand/maloti. In 1993 the exchange rate revolved around three rand/maloti per one US dollar.

## CHAPTER 1: INTRODUCTION

### 1: 1 The Problem

With political independence in 1966 Lesotho ceased to be a British possession, forfeiting the right to claim financial hand-outs from Britain. Regionally independence greatly altered the hitherto largely ambiguous political status of the Lesotho people in relation to South Africa. As Prime Minister Hertzog of the then Union of South Africa had warned towards the end of the third decade of this century, after Lesotho had opted for independence in the early 1960's, the laws relating to the employment of aliens in South Africa applied to Basotho of Lesotho, [1] severely limiting their chances of competing for jobs outside the South African mining industry. More importantly, Basotho were to be directly responsible for their country's development, namely what D. Pearce et al. term "change that is desirable... in order to maximize the ... social objectives;" [2] or, as the successive Lesotho regimes have put it, to promote industrialization, high productivity, employment, equitable income distribution, increased national income and reduction in rural poverty. [3]

Yet after 27 years of political independence development remains an elusive dream for post-independence Lesotho. The country is still among the world's least developed countries. In 1984 55% of its population was classified as poor while 86% of its labour was force employed in "subsistence agriculture." [4]

Paradoxically, however, only about 5% of its farming population was able to be self-sustaining from agriculture alone. In 1991 Lesotho's formal sector provided employment to only about 11% of the country's labour force of about 700,000. Unemployment stood at 30% while the labour force increased by 20-25,000 new entrants annually. "The dependency ratio - population under 15 and over 64 divided by the economically active population - was almost 79%." [5] Lesotho's trade deficit has been widening at phenomenal rates, rising from M331.9 million in 1980 to M2172.59 million in 1991 - a staggering increase of about 555%. [6] Meanwhile customs union receipts and foreign aid accounted for 70% of government revenue in 1989. Over 80% of the rural households are highly dependent for their livelihoods on migrant earnings. This suggests that, while 85% of Lesotho's labour force was said to be employed in agriculture in 1984, agriculture sustains only a small proportion of the population. Income from customs union, foreign aid and labour migrancy accounts for the country's astonishingly high per capita income of over US\$600. However, rather than being a reflection of affluence among the Basotho nation, this aggregate figure merely indicates the ideal income - the amount that every inhabitant would receive if the income were evenly distributed. In fact, it reflects the country's structural dependence on South Africa for "the average Basotho household has a monthly cash income of M236," or just about US\$78.66. Apart from this income distribution in Lesotho is highly skewed, with 50% of the lowest income earners receiving only 10.3% of the total national income while 10% of those within the highest income bracket receive 47% of the total. [7]



Economic development has barely taken place in Lesotho. Economic transformation involving significant expansion and growth of the industrial sector, agricultural productivity, increase in the number of jobs, high participation rates in the national income, and improvement in people's living standards has scarcely occurred in Lesotho. This situation poses a serious dilemma for Lesotho's population of 1.6 million with an annual growth rate of 2%. The dilemma is heightening with the declining job prospects in the South African mining industry for potential migrants, shrinking land resources due to poor management and disastrous land policies pursued by the successive Lesotho regimes, and stagnating agricultural production. In the 1990's Basotho are faced with even more acute economic and political uncertainty than was the case at independence in 1966. Yet independence has witnessed steady flows of cash into Lesotho, including cash from the Southern African Customs Union [SACU] and labour migrancy, as shown in Chapters 3 and 4 of this dissertation, raising serious doubt as to the tenability of the common argument that economic integration with South Africa is a barrier to Lesotho's economic development.

As will be shown in Chapter 3, the dominant view among analysts of Lesotho's political economy is that the lack of development in Lesotho is rooted in historical developments in Southern Africa in the last century, involving the conflict over territorial claims between the representatives of the British metropolitan bourgeoisie and the Afrikaners on the one hand and the people of today's Lesotho on the other. It is argued,

rightly, that the concomitants of this conflict have been the loss of major chunks of fertile agricultural land by the people of Lesotho and Lesotho's progressive economic decline. On the other hand the advent of the mining industry in South Africa and the extra-economic measures taken by the colonial administration in Basutoland and South Africa to ensure cheap labour for the industry resulted in Lesotho being integrated into the South African economy as a labour reserve. These supposedly block Lesotho's development in two ways. First, they lead to a polarity of development. Thus South Africa which is better endowed with resources and having a more developed infrastructure, attracts capital at the expense of Lesotho. Second, they create labour shortage in Lesotho via the migratory labour system, hence undermining development, particularly agricultural development. In sum, economic integration with South Africa has stunted or prevented the development of productive forces in Lesotho. It is argued in this thesis that the disappointing or low level of development in Lesotho is not simply the result of economic integration with South Africa. Rather it is primarily due to the factors internal to the kingdom. Among these are the political environment, types of regime and the rulers' political programmes, an inadequate policy framework, inappropriate development strategies and mismanagement of a poor resource base. I contend that, apart from being a modernizing force, economic integration with South Africa has shored up Lesotho's fragile sovereignty. The economic integration theory used to explain Lesotho's economic problems ignores Lesotho's independence. Lesotho has its own rulers, planners and decision-makers. The

economic integration/labour reserve thesis neither says what options are available to Lesotho nor provides an adequate economic development policy framework. It implies that the Lesotho rulers - recipients of foreign aid and managers of the nation's resources - the elite and the economically active Lesotho people, play no role in their country's economic activity. It neither offers realistic policy options for Lesotho nor helps us to understand the role played by the Lesotho state and its people.

The relevant theoretical literature and other studies on Lesotho's economic quandary and some of the key theses on development in general are critically reviewed below both to portray the nature of the debates about Lesotho and their inherent conceptual and methodological weaknesses, and to identify other possible alternative prisms through which Lesotho's economic development quandary can be examined.

In Chapter 2 I examine Lesotho's politics and its historical, contextual, structural and institutional setting, arguing that the political environment in Lesotho has provided little or no scope for effective economic development planning, mobilization of the nation's meagre resources, and the forging of the necessary partnership between the government and the nation. I contend that there has never been a consensus among Basotho on how the country ought to be governed and on who should govern it. I argue that a lack of consensus on how the country ought to be governed and who should govern it, the absence of a broad

agreement on what constituted national interests and priorities, and the abolition of democracy in 1970 conspired in throttling debates and discussions about issues of public concern and the future of Lesotho, thus fostering ignorance, complacency and cynicism among the population whilst also engendering popular hostility towards government-initiated development programmes. I also argue that political wrangling, lack of accountability, political repression and nepotism spanning nearly two decades could neither encourage development nor make possible cooperation and mutual trust between the rulers and the people. In Chapter 3 I examine Lesotho's economy, its key parameters, structure and orientation together with the relevant economic development policies adopted by the state since independence. I attempt, through a critical analysis of these characteristics, to show that none of the existing theories about Lesotho's economic stagnation offer any realistic solutions to the problems confronting the Basotho nation. More importantly, I present data on Lesotho's sources of income, demonstrating that South Africa is the prime source of cheap, interest-free, financial capital for Lesotho. I also try to show that industrial development policy and strategies adopted by Lesotho since independence have failed or had little desired impact: first, because their thrusts were directed at maximizing the flow of foreign capital and second, because they were used as tools for destroying or weakening the country's largely pro-Basutoland Congress Party [BCP] indigenous business class, hence making it difficult, if not impossible, for the rulers to mobilize local capital or channel it into the priority areas, thereby throttling the growth

of entrepreneurial skills and business acumen that the country so desperately needed.

Chapter 4 presents additional data on the flow of development capital into Lesotho, by looking at agriculture and agriculture-focused rural development programme - the largest beneficiary - arguing that, interspersed with and involving disparate political, social and economic groups and individuals, Lesotho's rural sector can be developed only with policies and strategies which take account of this diversity. It tries to show that the authoritarian, top-down, nepotistic and partisan approach adopted after 1970 impeded farmer participation and flow of information between the project managers and the farming communities targeted for development. More importantly, the chapter seeks to debunk the view that there is an inherent conflict between the present small-holder family production and commercial farming or modernization envisaged by the Lesotho rulers. It dismisses the two as non-issues, arguing instead that the majority of the problems stemmed from the lack of democracy which prevented an exchange of information and views on the relevant agricultural development projects, discordance between the government's policy objectives and the land holders' interests, spiralling farming costs, atrophying land resources due to erosion and the threat posed by the programme to the existing family farming with its in-built cost-minimizing mechanisms and social security. Chapter 5 further elaborates this theme, providing a more detailed exposition of the intricacies and magnitude of the problem by situating agriculture and rural development within the country's

land politics. It tries to show that understanding Lesotho's land politics and its underpinning philosophy is crucial to effective agricultural development planning. It argues that, despite ensuring the required political leverage for the land holders, the structure of land ownership greatly limits the political authority and leadership role of the government in rural development. I also try to show that it fans political antagonisms and encourages corrupt and illegal land deals with economically and ecologically disastrous consequences for the country.

In the Chapter 6 case study a further analysis of Lesotho's agricultural modernization programme and the policies guiding it is made in the light of the emphasis that is placed cash crops, trying to show that a resort to contract farming could transform both the government/landholder relations and Lesotho's farming system. I seek in particular to show that, subject to resource constraints, opportunities can be released by democratizing development planning, assuring the land holders that their land rights are not under threat, and by minimizing the cost to the producers of capital investment and marketing of the produce. Chapter 7 concludes the analysis by summarizing and pulling together the different strands of argument in this dissertation, and further highlighting facts and fallacies about Lesotho's disappointing economic performance. It underlines Lesotho's inextricable cultural, economic and geographical links with the Republic of South Africa and the cost of maintaining the fragile and largely symbolic Basotho nation-state. Hence a case for a

merger with a free democratic and non-racial South Africa is made.

## **1: 2. Debates about Lesotho's Economic Problems: The Key Arguments and Review of the Relevant Literature**

Theoretical literature on poverty, the low level of industrial development, and barriers to economic development broadly consists of or divides into three categories. The first category blames the lack of modernizing forces in developing countries and their societies' tenacious adherence to traditional values. Thus it presents a dualist view of societies - developed and undeveloped or modern and traditional - arguing that development involves a leap from traditionalism into modernity. This perspective is referred to in development/non-development discourses as the modernization paradigm, theory or approach. The second set consists of a cluster of related, but intellectually distinct, postulates opposed to, and critical of, the modernization paradigm. It defines failure to develop and underdevelopment in terms of the exploitative and subordinate relationships between the rich developed capitalist countries and their non-industrial undeveloped counterparts, particularly the economic, political and social inequalities that these relations have engendered both within the dependent systems and between the metropolitan and non-metropolitan societies. This cluster encapsulates the political economy and underdevelopment and dependency perspectives. The political economy approach emphasizes the nature, structure and basis of the economic

system, how it has established its dominance and the social and political relations that it has generated. The underdevelopment and dependency perspectives or schools argue that the problems of poverty, nugatory development and underdevelopment and dependency are rooted in unequal relations between the developed capitalist economies and the less developed systems. The third category, but certainly not as popular as the first two, stresses the geographical factors, namely a country's size, access to the sea and communication links with the outside world. Its intellectual or theoretical basis is the notion of small states/landlockedness.

Notwithstanding the neat divide presented above, theoretical postulates about Lesotho's economic predicament are largely eclectic, being an amalgam of the varied hypotheses posited by the three schools. Yet, as shown later in this dissertation, this reflects their individual limitations in explaining the lack of significant economic development in Lesotho. The theoretical debates themselves have hinged upon Lesotho's size, its encirclement by South Africa, dependence on and economic integration with South Africa and economic stagnation.[8] However, guided only by these variables, these debates have tended to externalize Lesotho's economic development problems, thus absolving Lesotho as a nation state and its successive rulers from responsibility. Thahane's description of Lesotho is instructive. He says of Lesotho:

"It is small in area... Lesotho has an area of approximately twelve thousand square miles and it is completely surrounded by the Republic of South Africa... It is a black-ruled island within a white-



ruled country and an island of human dignity within a sea of apartheid. It is unlike any other member of the United Nations in its insular position." [9]

While accurately portraying Lesotho's geopolitical situation, Thahane's statement directs the reader's attention to the factors external to the enclave kingdom. Indeed, it is not simply a statement of fact. It stresses the hostile environment within which Lesotho exists, hence it is an appeal for sympathy.

At the core of the small states theory is the argument that a small country retains "identity and autonomy only so long as its capacity for autonomous action is not put to serious test." [10] Small land-locked states are associated with lack of independent decision-making, negligible internal trade due to a small domestic market, restricted range of locally produced goods, mono-cropping, and inability to "withstand economic disturbance of any kind." [11] Lesotho's vulnerability to external pressure became evident in January 1986 when a two-week blockade by South Africa led to the collapse of the Jonathan regime. In fact, Molteno had warned barely five years after Lesotho's independence that Lesotho and the other two former British protectorates, Botswana and Swaziland, had hardly any capacity for autonomous action. He noted that

"The real problem is not so much whether economic relations can be severed as how far their indissoluble economic links with South Africa need limit their potential independence both at home and in terms of foreign policy. Clearly certain actions, for example, the provision of guerilla bases - would not be tolerated by South Africa whose economic stranglehold would be sufficient to enforce its will." [12]

The collapse of the Jonathan administration also served to

vindicate the view of the political economy/underdevelopment and dependency theorists that Lesotho's development efforts should be geared towards achieving self-reliance and autonomous growth. However Lesotho cannot solve its economic problems through self-imposed economic isolation. In fact, modernization theory implies that integration into the capitalist system, increased industrial investment and the adoption of modern technology and social values are preconditions of the less developed countries' economic development. For instance, according to Leistner, Lesotho's economic problems are due to a "remarkable tenacity of traditional institutions, concepts and values." [13] Wallman's argument embraces some of these sentiments. She argues that "non-development in Lesotho is a function of a complex of poverty, migration migration and ideology." [14] As indicated in Chapter 4, pressure for reforms in Lesotho has also come from the international donor agencies, especially the United Nations agencies, such as the International Labour Organization's Jobs and Skills Programme for Africa [JASPA] and Food and Agriculture Organization [FAO]. Yet for those who argue from the modernization perspective the purveyor of modernity is capitalism. According to Sender et al., the advent of capitalism in Africa heralded the growth of commodity production and exchange relations, infrastructure, transport and markets, and the collapse or weakening of the traditional modes of production, social hierarchies and hegemonic ideologies. [15] Warren, an ardent defender of imperialism, asserts that capitalist expansion has not only led to the incorporation of backward areas into the modern world, but has also transferred the Western culture to

these areas. [16] Modernization theory has remained the basis of Lesotho's economic development policy even though the kingdom's rulers have consistently blamed the external factors for their country's problems.

But in terms of the precepts of the political economy/underdevelopment and dependency schools, Lesotho is a victim of economic neglect and South Africa's ultra-exploitative racial capitalism originally constructed and nurtured by Britain. Examples proffered to buttress this argument include Britain's interventions in the Basotho/Afrikaner wars which merely legitimized the seizure of Basotho's fertile agricultural land by the Afrikaners, and South Africa's relentless campaign to prevent the flow of development capital into Lesotho. [17] As noted above, notwithstanding their manifest commitment to the precepts of the modernization paradigm, the Lesotho government five-year development plans have repeatedly blamed these factors for Lesotho's poor development record. [18] On what they term Britain's neglect Bardill et al. note that the degree of development and funds committed for this purpose in relation to the colonies reflected the nature and viability of the resources to be exploited. Thus in the case of Lesotho, they argue, "Britain preferred to have Basotho migrating to South Africa for employment on the mines where British interests lay." [19] In their assessment of the impact of the world recession on the Southern African Development Co-ordination Conference [SADCC], Munslow et al. similarly blame colonialism, arguing that

"The historical legacy of colonialism and the rise of a major sub-imperialist state is reflected throughout

the region. The West's regional interest long ago centred on South Africa to the neglect of the rest of the region, except in so far as the supply of labour was concerned." [20]

Stressing the need to take account of these factors when analyzing Lesotho's economic quandary, Murray warns that "the issue is not why Basotho are still poor but how they have become poor." [21] Indeed, directing investigation to the origins and sources of poverty in Lesotho is important. However it is equally necessary to know how Basotho have responded to this situation, why they did and what has been the result, for eliminating poverty involves action. At independence Basotho assumed responsibility for the affairs of their country, mainly its economic development, and indeed this is one of the key arguments in this dissertation.

Analysts guided by the political economy/underdevelopment and dependency approaches have been especially critical of Lesotho/South Africa economic ties and the regimes governing them. Kowet argues, for example, that, rather than facilitating industrial investment in Lesotho, the Southern African Customs Union [SACU] merely enables South Africa to extract Lesotho's raw materials. [22] Landell-Mills is equally critical of the SACU. Of what he terms the adverse economic consequences for Botswana, Lesotho and Swaziland he warns:

"A customs union between a rich and a poor nation normally produces a polarity of economic development with the better-endowed areas growing at the expense of the poor areas." [23]

Like the Rand Monetary Union Agreement [RMA] and labour migration, the SACU has been criticized for perpetuating

Lesotho's dependence and poverty.

The utility of these three schemas in providing a basis for ordered theoretical debates is not in doubt. More importantly, they constitute broad parameters within which the arguments in this thesis are conducted. Indeed most of their assertions cannot be dismissed as false or unimportant. Issues such as industrialization, technological innovation, bureaucratic efficiency, modernization of the system of rule and its institutions, popular participation, people's empowerment, training for self-reliance and diversification of economic and political ties, are certainly some of the preconditions for Lesotho's development. Traditional farming, together with the current land tenure system, cannot solve Lesotho's seething economic problems. Some of the political rights mentioned above have either been lacking or denied people in the last 27 years of independence. But by and large none of these alone provides full insights into why Lesotho has not attained a significant level of economic development. Neither do they constitute an adequate development policy framework. To illuminate this point I briefly criticise the schemas below, beginning with the small states/land-lockedness thesis. Studies guided by this approach have tended to exaggerate the power of South Africa over the former British protectorates, suggesting that these countries have little or no room for manoeuvre in their struggle to access or secure economic resources. [24] In fact, foreign aid flows into these countries since independence cannot be anything other than evidence of their having room for manoeuvre.

Selwyn acknowledges the potency of the polarity of economic development thesis, but warns that political boundaries are a significant factor in development, hence they should be taken into account when analyzing the economies of the small and/or land-locked states.[25] Thus, he contends, examining methods open to them is more important than simply looking at their sizes or geographical location.[26] With independence a state acquires decision-making powers. As Schaffer puts it, provided they are politically integrated, small countries can avoid "the reinforcing cycle of restriction, dependence and rigidity" by joining or seeking representation in regional organizations.[27] Apart from its membership of SACU, Lesotho is a member of the Southern African Development Co-ordination Conference [SADCC] along with Angola, Botswana, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. Lesotho has used the organization mainly to mobilize international aid. But the SADCC is not an alternative to the existing partnership with South Africa, however unpalatable this reality might be to the Lesotho rulers. Its aims are different from those of SACU, being directed only at achieving technical and economic co-operation among the member states rather than economic integration.[28] South Africa shields Lesotho from a number of problems, of which the most important include a market for goods and services, chronic unemployment, dearth of investment capital and the need to generate its own foreign exchange. Lesotho has been able to launch its mammoth Highlands Water Development Project only because South Africa has guaranteed the relevant loan and market for its water. [29] Indeed development - rightly linked to state-building by some analysts -

presupposes "economic surplus created both internally and externally through participation in the world economy." [30] South Africa had long provided an avenue for Lesotho's participation in the world economy. After independence the avenues of participation expanded considerably as Lesotho gained the membership of the United Nations and other world organizations and forged links with different governments.

The modernization approach has been subjected to a barrage of criticisms. In a nutshell, the approach has been criticized for its implicit assumption that tradition is synonymous with lack of modernity. [31] It is tautological in that it associates traditional institutions with the lack of development, and development with the absence of traditional institutions. It is this ethnocentric bias and its assumption that capitalism is the only vehicle of development which have attracted more criticism. It has also been criticized for its assumption that the rulers and bureaucracies of the less developed countries are ready and willing to effect changes that are likely to undermine the existing power relations and privileges attaching to them. [32] Indeed some of the prescriptions of the modernization approach - mechanization of production, use of technological inputs, such as chemical fertilizer and pesticides - implicitly assume some degree of affluence among the less developed countries' populations, hence the prescriptions are inaccessible to the majority of the target groups. Also, as indicated later in this dissertation, those analysts who blame what they call Basotho's adherence to tradition ignore Lesotho's participation which spans

a century in South Africa's modern economy and the extent to which it has been transformed by it.

Attacks against the political economy/underdevelopment and dependency approaches have equally been vociferous. These have received a detailed coverage in Chapter 3. Some of the most obvious and common are, in the case of Lesotho, their assumption that without economic and geographical links with South Africa Lesotho would be developed or wealthy. Data on Africa as a whole belie this assumption. As will be seen later, Lesotho has one of the highest per capita incomes in sub-Saharan Africa. Still with regard to Lesotho, their second weakness lies in their failure to identify a viable alternative to economic integration with South Africa in terms of feasibility and financial benefits. Thirdly, and more generally, they erroneously equate development with economic independence and autonomous growth. Fourthly, by over-emphasizing the external factors - South African racial capitalism and British imperialism in the case of Lesotho - they have glossed over or minimized the role of the national elites, rulers, government and political institutions. Fifthly, if surplus accumulation depends on greater "participation in the world economy", as it is now widely recognized, the delinking option implied in the approaches can only limit the poor nation's capacity to generate the necessary development capital. Indeed the collapse of socialism and the struggle for reintegration into the world capitalist system by the former socialist countries have greatly undermined the delinking hypothesis.



Notwithstanding their weaknesses outlined above, these schemas have been used as tools of analysis in this dissertation. They provide useful prisms through which some of the aspects of Lesotho's economic problems can be examined, for example, those problems related to size and enclave status, land seizure and forced migration and the politics of agricultural development and state-imposed land reforms. These certainly require a fair amount of exploration in any analysis of Lesotho's economic problems. The schemas are especially important in facilitating the ordering and contextualization of the debates and arguments about Lesotho whilst also enabling us to explore other possibilities and/or options, if any, open to the enclave kingdom. But this thesis argues that some of their assertions must be rejected and replaced by what the data reveal. In other words, how tenable is the hypothesis or argument that South Africa has up to this day waged a relentless economic war against Lesotho; and does development for Lesotho mean autonomous growth? What has post-independence Lesotho been doing to address the problems facing its people? Are Basotho mobilized for development? By answering these questions this dissertation should certainly fill the gaps left by the conventional theories used to assess Lesotho's development prospects. I argue that it is only by extending our analysis to cover these issues that I can be able to ensure that the relevant concepts have the required theoretical rigour, hence more clarity and explanatory power. Yet these issues would remain obscure without a critical scrutiny of the paradigms themselves.

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## CHAPTER 2: INDEPENDENCE AND POLITICS

### 2:1 Introduction

Bleak economic prospects in Basutoland and the country's dependence on South Africa did not deter the Lesotho people from demanding political independence which they achieved in October, 1966. However, completely surrounded by South Africa and in all major respects resembling South African bantustans, post-colonial Lesotho faced a stark challenge of building a viable nation state able to provide jobs and economic security for its population. But, wracked by power conflicts and political divisions often accompanied by violent clashes between the opposition and the police, the Basotho nation could only pay scant attention to this important issue. Commenting on the political disunity and power struggles in Lesotho in the mid-1960's, one analyst observed:

"There does seem ground for regret that Basutoland in the last years of colonial rule was unable to establish a united front to cope with the uncertainties of independence in economic and external affairs." [1]

Indeed, high on the political parties' agenda was winning governmental power. Because of what it termed Lesotho's geographical reality, Leabua Jonathan's BNP advocated close cooperation with South Africa, but this was dismissed by its national rivals and the South African liberation movements as a "sell-out" deal, that is, an attempt to turn Lesotho into a South African bantustan. The problem obviously lay with the timing rather than the policy itself. The 1960's mark the apogee of

apartheid oppression in South Africa. But by side-stepping the issue of Lesotho's future, the Lesotho politicians only blinded the Basotho nation to the real national agenda - how the Lesotho people could exploit their country's independence and its special economic relations with South Africa to create a basis for industrial and agricultural development.

This chapter explores these issues within the wider framework of the hypothesis that Lesotho's independence has done little or nothing to promote economic development. It argues, in the main, that the nature of Lesotho's politics and political institutions offered little or no scope for effective economic planning and development. The chapter is divided into six sections, excluding the introduction and conclusions. Section 2:2 assesses the independence struggle in Lesotho amid growing economic uncertainty and South Africa's attempts to incorporate the enclave country, arguing that apart from its strategic importance Lesotho would be as much a burden to South Africa as the black homelands. Section 2:3 examines the evolution of political parties and assesses their agenda, attempting in the main to tackle three questions. First, did they appreciate the nature, scope and magnitude of the independence challenge? Second, what was their vision of a post-independence Lesotho? Third, what was the relationship, if any, between Lesotho's economic stagnation and its national politics? Section 2:4 analyzes Lesotho's politics in the period 1966-1970, trying to show why, despite its being a highly priced value, independence merely fuelled tension and pandemonium. Section 2:5 assesses the relations between



chieftainship and the Basutoland National Party [BNP] regime, trying to put into perspective the conflict between the Monarchy and the new administration and showing why the institutions of Monarchy and Chieftainship have been preserved in post-independence Lesotho. Section 2:6 examines the constitutional impasse since 1970 and the praetorianism [the increase in the military's political role] to which it ultimately gave rise, and assesses the impact of military intervention in 1986 on the political, economic and social life of the Basotho nation. Section 2:7 tries to provide general conclusions from the analysis.

## **2:2. Independence and the Spectre of Incorporation**

Basutoland attained its political independence and became the Kingdom of Lesotho on 4 October, 1966, thwarting South Africa's sustained efforts at formally incorporating it. South Africa had, up to 1961, been trying to incorporate Basutoland. In its bid to attain this goal, it employed a number of tactics, ranging from cajolery to crude blackmail. Lord Bailey notes, for example, that, after it had become clear that Britain was unwilling to hand over the control of the territory to South Africa, the South African Police abducted a Pondoland refugee from Basutoland in 1961, releasing him only in 1962 following a court action by the High Commissioner for Basutoland, Bechuanaland and Swaziland Protectorates. [2] Dr. Verwoerd, Prime Minister of South Africa, had issued a veiled threat against Basutoland in 1961 when he warned that

"Basutoland and other countries being given their independence by Great Britain could well become a danger to South Africa, for a weak neighbour could become a danger if good relations were not maintained." [3]

The essence of Verwoerd's statement is that Lesotho's independence threatened South Africa's interests. Indeed, an independent Lesotho served as a reference point for the oppressed blacks in South Africa. Indeed, it is also possible that to some the South African blacks Lesotho may have represented a symbol of success in their wars of resistance against the Afrikaner settlers in the last century. Thus Lesotho's independence spelt political problems for South Africa. Existing as a dependent but separate entity in the heart of South Africa, Basutoland was clearly an irritant to the Union of South Africa. The Hertzog/Smuts coalition government argued in 1932 that control of Basutoland should be transferred to the Union of South Africa because in terms of access to jobs and customs union finances the Union treaded this small British possession as one entity with South Africa. [4]

But what were the financial implications for South Africa of Lesotho's incorporation into the Union? Lesotho would be a black homeland, hence it would be sustained through direct grants from the South African government. South Africa's grant-in-aid to Transkei alone in 1964/5 amounted to R13 million or 78.5% of the homeland's total revenue. This amounted to more than twice the British grant-in-aid to Lesotho between 1966 and 1970. The South African grant-in-aid to the Transkeian territory for the period between 1964/5 and 1975/6 totalled R71.8 million. [5] Thus

taking over Basutoland as a dependent homeland would entail additional financial costs to the South African regime. An independent Lesotho entails no economic costs for South Africa. Instead, Lesotho's independence entailed benefits for the apartheid South Africa. South Africa used Lesotho as both a bargaining chip with the United Nations [UN] and a sanctions-busting mechanism, as some branches of its export-oriented manufacturers of shoes and textiles moved into Lesotho as the UN imposed sanctions on the apartheid state.

By the early 1960's Basutoland had established itself as the citadel of anti-South African agitation and a refuge for those fleeing from racial oppression in the Republic of South Africa. Some of Lesotho's political parties supported the liberation struggle in South Africa. The Lekhotla la Bafo [LLB], formed in 1918, forged formal links with both the African National Congress of South Africa [ANC] and the South African Communist Party [SACP], thus adding to the anxiety of the South African regime. [6] But links with the South African liberation movements did not change Lekhotla la Bafo's conservative political outlook. The organization's prime political objective remained the restoration of the Basotho Kingdom. [7] Thus inside Basutoland the thrust of its political campaign was directed against colonialism and foreign institutions, especially the churches.

The emergence of Lekhotla la Bafo [LLB] marked the beginning of the end of the incorporation threat. Active only between 1919 and 1950, the LLB posed no direct threat to the South African

government even though, according to one analyst, its political agitation in Lesotho during this period encouraged black opposition in South Africa. [8] South Africa's anxiety heightened with the emergence of the Basutoland Congress Party [BCP] which linked the independence struggle in Lesotho with emancipation of blacks in South Africa. [9] This declaration scared South Africa as evidenced by South Africa's ban in the 1960's of the BCP leader and other BCP notables from entering the Republic of South Africa.

After it had become clear that Basotho wanted independence, South Africa's incorporation policy shifted to one of political manipulation. For example, it donated 100,000 bags of maize to the leader of the Basutoland National Party [BNP], Chief Leabua Jonathan, during a by-election in 1965, a factor which crucially determined the ultimate survival of the BNP's shaky government. South Africa had also provided a helicopter to the BNP leader during the April 1965 general elections to enable him to campaign in Lesotho's largely inaccessible mountain areas. [10] South African support for Jonathan came as no surprise, for his BNP was the most conservative of the three main political parties in Lesotho. [11] Yet South Africa's interference underlined Lesotho's vulnerability to pressure by the external forces. Notwithstanding this, Lesotho has used South Africa's apartheid policy as a bargaining chip in its search for foreign aid. Massive flows of international financial aid into Lesotho since independence vividly demonstrate that the apartheid system greatly bolstered Lesotho's bargaining position even though this did not herald the

end of its chronic dependence on South Africa.

Lesotho's dependence on apartheid South Africa and the frustration that this has engendered among the Basotho nation, are believed to be central to political wrangling in Lesotho. Weisfelder attributes political turmoil in Lesotho since independence to the "hovering spectre of the South African economic and political power on which they [Basotho] are so dependent and against which they have little leverage." [12] He argues that

"The endless power struggles, involving not only the King and the Prime Minister, but also the radical opposition and vested interests such as the church, could hardly have been pursued with such consistency, ruthlessness and widespread popular involvement were it not for the visceral fears that arise from being completely surrounded." [13]

The political parties have always had a blurred vision of an independent Lesotho, perhaps not a surprising development for there was little industrial activity in Lesotho in the 1960's. This occurred in South Africa where Basotho participated as migrants without political rights. Thus Lesotho became a platform for venting political frustrations rather than an object of development. However the Lesotho politicians have collaborated with the apartheid regime as long as this held prospects for governmental power. To this extent the apartheid South Africa has presented a curious paradox. For the power contestants in Lesotho it has both been an enemy and friend. These have often appealed to Pretoria for varying kinds of assistance. [14]

After independence Lesotho remained embedded within the

South African political economy as one of the underdeveloped areas of Southern Africa. Foreign aid access to South African wealth via the migratory labour became even more crucial to its survival. International development aid neither solved the problems faced by the country's agriculture nor led to a significant industrial development. Thus Lesotho has mainly succeeded in broadening sources of aid and markets for its products. As one analyst has argued, independence enables a small country to "exploit a multiplicity of little openings and opportunities" for its own survival.[15] As will be shown in the next chapter, regionally Lesotho has also vigorously sought to exploit every available opportunity. Jonathan justified his country's policy thus:

"Our geographical position in relation to South Africa is a permanent feature of our fate." [16]

Jonathan need not have been a puppet of South Africa to recognize this reality. Economic integration with the Republic of South Africa, however politically undesirable, is a condition for Lesotho's survival. However an increased amount of foreign aid for Lesotho in the early 1970's led to the illusion among the rulers that economic delinking from South Africa was possible. The Lesotho government economic planning office has since defined economic integration with South Africa as the root cause of Lesotho's economic problems. Hence permeating the country's post-1970 development rhetoric is the myth of economic independence.

### 2:3. Development of Political Parties in Lesotho: Facts and Fallacies.

Lesotho's political parties spearheaded independence, successfully foiling South Africa's attempts to incorporate Lesotho into the apartheid system. But what triggered the emergence of political parties in Lesotho is a matter for serious debate. Some writers associate this phenomenon with colonial oppression. However this view is misleading for it implies that struggles against oppression are a function of political parties. But in some cases political parties have been formed to defend the status quo. Strom sees Lesotho's political parties as a response to colonial oppression and a result of an inherently assertive Sotho political culture. She argues that

Political discussion has long been widespread in Lesotho. In spite of severe restrictions at times, people not only articulated their ideas of what the future should be like but also organized their implementation." [17]

In fact, freedom of expression is known to have been allowed and/or guaranteed in pre-colonial Lesotho. [18] However this, alone, may not have triggered the emergence of political parties in Lesotho. Colonial oppression smashed or prevented the formation of political parties in Mozambique, Angola and Guinea Bissau. In fact, not all political struggles have coalesced into national programmes, or produced permanent political organizations. Basotho's struggle against the Cape of Good Hope Disarmament Policy of 1879 is one good example of this. [19] It shows that political struggles can be waged without political parties.

The administrative reforms, which included the setting up of an elective National Council and Basotho Courts, instituted in Basutoland at the beginning of this century stimulated the development of political parties. Emphasizing participation in the running of government they triggered competition, thereby laying a basis for the development of competitive representative organs. The declining importance of the hereditary chiefs, on the other hand, strengthened the commoner's resolve to seize the initiative. Yet this does not represent a revolution, for the political parties undertook to enhance and maintain the status of the Paramount Chief [King] as the sole ruler of Basutoland. [20] As the BCP argued in 1960, chieftainship and the Paramountcy "are inseparable from the people's land rights". [21] But for the Paramount Chief independence meant a return to "the Basotho nation's traditions." [22] He wanted "a parliamentary democracy that would preserve the executive functions of the King." [23] This issue became a source of tension, culminating in bloody clashes between the King's adherents and the state police in 1966/67. [24]

The colonial administrative reforms shaped the political outlook of the Basotho people. The Basutoland National Council, created in 1903 as an assembly of Principal chiefs, stimulated political agitation among the commoners who believed that they had been unjustly discriminated against. They thus formed the Basutoland Progressive Association [BPA], in 1907, to articulate their demand for participation in the council. [25] The reformed system of rule further strengthened the position of the Paramount



Chief by confirming him as the sole ruler of Basutoland.[26] The council was never an object of political attack by the Lesotho political parties. They competed for membership of it or of Parliament, as it was later called. The council was transformed into a legislative body in the early 1940's, and used to prepare Lesotho for independence.[27]

Political development in Lesotho seems to be in line with Sartori's view that the primary factor behind the development of political parties has always been the government's initiative - the institution of parliament which owed its existence not to the parties but the state, which has necessitated, through the tension that it has engendered between the state and nominated parliamentarians, the need for a popular mandate and representation.[28]

The BPA and the Lekhotla la Bafo, which dominated the commoners' politics for nearly four decades, did not survive the 1940's because of their limited political programmes. As soon as Britain had effected the desired reforms these two organizations found it difficult to recruit new members.[29] Linked to the South African black political movements, the Lekhotla La Bafo became an irritant to the colonial administration.[30]

From the ashes of the BPA and Lekhotla la Bafo sprang the Basutoland African Congress [BAC] in 1952 - renamed Basutoland Congress Party [BCP] in 1959. Its leader, Ntsu Mokhehle, was a former student of Fort Hare University, with considerable

exposure to black politics in South Africa and long association with the key political notables, such as Nelson Mandela, Walter Sisulu, Robert Sobukwe and Oliver Tambo. [31] The BCP called for the immediate handing over of power to an elected government. [32] But this was not a new agenda as the legislative council under the leadership of the Paramount Chief was already preparing the country for self-rule. [33] Despite his opposition to chieftainship, the BCP leader argued that the Paramount Chief should be head of state of an independent Lesotho. [34]

In 1957 the BAC underwent a split when its pro-monarchy faction left to form the Marema-Tlou Party [MTP]. MTP advocated a strong monarchy with executive and legislative powers. [35] In 1960, the MTP merged with Khaketla's Freedom Party - a splinter group from the BCP - to form the Marema-Tlou Freedom Party [MFP]. The MFP's political agenda was also the defence and strengthening of the monarchy, seeing it as a force for national unity. [36] Paradoxically the King has been at the centre of political squabbles, rejecting the democratic constitution simply because it did not give him "control of the Army, Police, internal and external affairs." [37] One writer has observed that, "as a descendant of Moshoeshoe I who symbolized tradition and self-determination, the Basotho King could not accept titular headship of state without a struggle." [38] In pursuit of this objective, the King dismissed the 5 senators who voted in support of a constitutional amendment clause reducing him to a non-executive monarch. [39] The King's anti-democratic tendencies resurfaced after he was given executive powers by the military junta in

1986. The critics of his political programme were harassed, intimidated and detained.[40]

The MFP remained an insignificant force, winning only four of the sixty contested parliamentary seats in the 1965 general elections. It further declined in 1970 gaining only one constituency out of sixty.[41] The BCP aligned itself with the communist regimes, especially the Peoples' Republic of China.[42] But it did not espouse socialism, even though it attacked chiefs, white traders, and the Catholic Church.[43] Astonishingly, the BCP opposed women's enfranchisement for fear that this would bolster its main rival, the Basotho National Party [BNP].[44] This stance triggered a wave of resignations and splits from the BCP in the 1960's.[45] The BCP leader was accused of steering the nation towards a "one party - one man rule." [46]

The Basutoland National Party [BNP] was founded by Chief Leabua Jonathan in 1958. Presenting itself as a bulwark against communism, it won the support of the big foreign businesses, the Catholic Church, the conservative wing of the country's teachers' association and the South African government.[47] As a chief, Jonathan also offered to guarantee the continuity of chieftainship.[48] Many people saw the BNP as a creation of the Catholic Church to fight the BCP [49]. Indeed, some of them believed that the financial support provided by the Catholic Church was a crucial element in the BNP's success in the 1965 elections.[50]

Having won by a narrow majority, the BNP came under pressure from both the opposition parties and the politically assertive King. This presented a serious diplomatic problem. It led to delayed recognition of Lesotho by the Organization of African Unity [OAU] and prolonged defiance by the King and the opposition parties. At the London Constitutional Conference of 1964, the BNP had declared itself in favour of the King taking control of the police and the armed forces and having power to declare a state of emergency. [51] The King thus saw the BNP's amendment reducing him to a figurehead as a betrayal. The pressure was so intense that the BNP government barely had time to devote to development. It spent the period from 1966 to 1970 trying to consolidate its tenuous political power. Thus no coherent economic plan emerged during this period.

Other political parties emerging between 1960 and 1970 include the Communist Party of Lesotho [CPL], a revived Marema-Tlou Party [MTP] and the United Democratic Party [UDP], a splinter group from the BCP. These parties have remained small, indicating that they failed to mobilize popular support. Marema-Tlou Party disappeared after the death of its leader, S.S. Matete, in 1970. The CPL has not been able to endear itself to the population due apparently to its dubious ideology which simultaneously advocates socialism and monarchy. [52]. Like the BCP and the MFP, the CPL and the UDP spent their energies during the period, 1966-1970, plotting the downfall of Jonathan's government.

## 2:4 The Government and Opposition: 1965 - 1970

Following its narrow victory at the 1965 general elections, the BNP took over the country's administration amid calls by the opposition parties and the Paramount Chief for fresh elections. However, Britain did not yield to the opposition's demands. Basutoland was finally given its independence in accordance with the British Secretary of State's promise that

"If, at any time not earlier than one year after the new elections, the people of Basutoland, by resolutions of both Houses of Basutoland Parliament, or in the event of disagreement between them, by a majority of those voting at a referendum should ask for independence, the British Government would seek to give effect to their wishes as soon as possible." [53]

This would, however, according to the Secretary of State, depend on the presence of peace and order in the country, [54] and would be subject to any amendments to the constitution being made by the "Parliament of Basutoland, expressed by a resolution of each House." [55] However there were a few contentious issues still unsettled, among which was the future political role of the Paramount Chief. As indicated above, only the MFP unequivocally supported the notion of an executive monarch. The BNP supported the idea only because it believed that the BCP would win the elections. The BCP opposed the idea on the grounds that the King would thwart the wishes of the people as expressed by an elected government. After the elections the BCP and BNP exchanged positions, with the former joining the MFP while the latter relegated the Monarch to a ceremonial figure. [56]

The King's political role has been a recurring problem. Yet

this is because political parties of different ideological stripes have invoked the monarchy in their campaigns. As some analysts put it, they have always been "prepared when necessary to trade principles for votes." [57] Both the BCP and MFP, losers in the 1965 elections, invoked the Monarchy in their opposition to independence in 1966. On the other hand, encouraged by these parties, the King organized a country-wide defiance between 1965 and 1967. [58] In what appeared to be a warning of an impending war, the King asked the people attending one of his rallies to "feed their horses and strengthen their bodies and minds for he still intended to fulfil the promises that he had given the nation in the past." [59]

The opposition intrigues included a claim that Jonathan's administration was a minority government with only 42% of the total number of votes cast in April, 1965, against a combined opposition total of 58%. [60] But the opposition was not united. Victory depended not on the aggregate number of votes but on the number of constituencies gained. Moreover, the numbers of voters were not evenly distributed among all the country's sixty constituencies. The Jonathan regime was able to survive this pressure. But this antagonism did not augur well for future development efforts. Under pressure from the King and the opposition parties, the BNP devoted its time to maintenance of law and order between 1966 and 1970 to stem violence. In one incident a pro-monarch mob forcibly broke through a police road block, killing a police inspector and injuring scores of other policemen. [61] By January 1967 pressure on the government had

assumed a new dimension, involving attacks on police stations by the King's supporters.

Hall warns that the focus of the national politics crucially determines the success and failure of a nation's development. He argues that

"The outcome of the struggle over who governs is that too little is devoted to programs for dealing with the internal educational, economic, technical and agricultural policies necessary for development as well as to foreign policy beneficial to the state's needs." [62]

The Jonathan government ultimately succeeded in restoring law and order to the country, but not in creating a political climate conducive to development. The conflict between the government and the opposition continued, damaging the prospects for co-operation, mutual trust and popular participation in state-sponsored development projects. The National Development Planning Board appointed by the King in terms of the constitution only met regularly in 1966. [63] From 1967 development planning became a matter for the state bureaucracy, while the period from 1966 to 1970 witnessed the destruction of the government-sponsored village water supplies, tree plantations, food-for-help feeder roads in rural areas and wire fences along the main highways. This problem lingered into the 1980's. It showed an uglier face in January 1986 when the military coup was greeted with country-wide vandalism and destruction of government property. The national flag was burned while the woodlots were attacked and destroyed, prompting the Ministry of Agriculture to lament the fall of Jonathan, noting that the disbandment of the BNP village development committees had deprived it of a restraining

hand.[64]. Yet between 1966 and 1970 this behaviour had to do with the lack of democracy.

Basotho politicians and their King were clearly sceptical about democracy at independence, perhaps indicating that democratic culture in Lesotho, if it existed at all, was only rudimentary. They attacked and destroyed everything that they believed might increase the BNP's popularity. But the destruction of development projects in Lesotho immediately after independence suggests that any development theories simply defining the masses as victims of their governments should be accepted with caution. Lesotho's political history from 1950 shows that the masses cannot be defined a priori as infallible. Basotho have in some ways contributed to their own problems. Thus any analyses of development trajectories in Lesotho which ignore this fact are incomplete. However the BNP government undoubtedly contributed to this situation. In 1968 it abolished the then BCP-dominated but democratic local government, effectively getting rid of "devolution as the organizational principle guiding the distribution of governmental authority in Lesotho." [65]

## **2:5 The Government and Chieftainship.**

Until 1968 the relations between the BNP government and the chiefs on the one hand and the King on the other were fraught with ambiguity and uncertainty. This situation was partly due to the inherent contradictions in the system of government. The constitution created a two-chamber parliament consisting of a 33-



member Senate and a House of Representatives with 60 members elected from the country's 60 electoral constituencies. The country's 22 Principal Chiefs became ex-officio members of the senate in terms of the constitution. The other 11 members were the King's nominees. The chiefs were supposed to be answerable not to the government but to the King, who alone could discipline them. Herein lay the problem for the new regime. Even the senate could wreck the government's vital policies. The government was as dependent on the voting behaviour of this house as the King and the opposition parties were during this period. The granting of independence and the role of the King after independence rested on how the chiefs and the 11 nominated senators voted. Thus one of the BNP's dilemmas after taking over the country's administration in 1965 resulted from the structural opposition between the chieftainship and the government. The problem was further compounded by the fact that nearly the entire senate supported the royalist Marema-Tlou Freedom Party [MFP], staunch advocates of an executive monarchy.

Through their membership of the senate the chiefs were a sufficiently potent force able to block the passage of legislation in the Upper House of Parliament or Senate. Indeed, the government had to summon all its wisdom to overcome this difficulty, cajoling and manipulating the 22 principal chiefs for the purpose of its designs. After a prolonged stalemate on the issue of increased powers for the Monarch, the government was able to push its crucial amendment to the constitution - that the King must be titular head of state - through parliament. Jonathan

was also able to persuade most of the 22 Principal Chiefs to vote for what has come to be known as the "suicide clause" of the constitution - a public declaration by the King that, should he engage in politics or any activity not sanctioned by the government he should be deemed to have automatically abdicated. [66] But some of the chiefs voted against this clause, indicating that their membership of the senate and structural position in the system offered them a modicum of political leverage and some degree of independence. [67] Outside parliament the chiefs were supposed to be government servants, implementing and overseeing state policy. In parliament they were a political force not only confronting the government, but capable of overturning its programme. [68] To save itself from possible embarrassment by the chiefs the BNP government enacted the Chieftainship Act of 1968. The act formally transformed the chiefs into government servants. The King and his chiefs were thus tied in a more dependent relationship with the government. The act rendered them not only liable for disciplinary action like ordinary civil servants, but susceptible to pressure and manipulation by the ruling party. [69]

Notwithstanding the above, chieftainship has remained the focus of the ruling class ideology in post-colonial Lesotho because of its assumed role in ensuring national unity and social cohesion -the euphemisms for national identity and absence of dissension. It is ideologically functional to Lesotho's political system as a whole. As a legacy bequeathed by Moshoeshoe I, the founder of the Basotho nation, it is supposed to symbolize the

nation. It has been used to justify the dual political character of chieftainship and the double-pronged role of the government as the nation's representative and servant of the King. Thus the libertarian ideology invoked by the political parties in their struggle for independence has strengthened rather than supplanted the Moshoeshoe myth. But the flexibility of this myth presents serious problems to the rulers. People of varying social background, as Lekhotla la Bafo's campaigns against colonialism have indicated, can also appeal to the myth in their political struggles. Indeed, chieftainship or traditionalism has assumed special importance during national crises. Various Lesotho rulers and politicians have invoked it in their attempt to convince the nation that the country's problems were due to the adoption of alien culture. Responding to criticism of his unconstitutional seizure of power in 1970, Jonathan said:

"Democracy is not an exportable or an importable product. It is native to our people. It is a product of their way of life and traditions... What we need in Lesotho is the modernization, by stages of our traditional democratic process which strengthens our ties and has no room for division or strife..." [70]

On the other hand, Leselinyana la Lesotho, a Lesotho Evangelical Church fortnightly newspaper and staunch opponent of the Jonathan regime, responded as follows to the 1986 military coup which thrust the King on the pinnacle of political power:

The capturing of power for His Majesty, Moshoeshoe II, by Major General Lekhanya opens a new page, a real test as to how His Majesty will start in his efforts to return the country to Moshoeshoe's peace..." [71]

Moeletsi oa Basotho, a Catholic weekly, and an erstwhile supporter of Jonathan's BNP government, commented as follows:

"Major General Lekhanya says that he found it fit and proper to intervene in the interest of peace to

restore peace and stability among Thesele's [Moshoeshoe's] children... But only truth and justice will guide us back to Moshoeshoe's peace..." [72]

While these rationalizations were made from radically different perspectives, they have a common point of departure - the Moshoeshoe legacy that needs to be perpetuated in the interests of national unity. But it is national unity defined in narrow particularistic terms to suit specific circumstances. However, the degree to which the nation must be guided by the past has always been a matter for serious disagreement. As one student of Lesotho's politics has noted, this "historical legacy has no unambiguous interpretations for embracing it compromises democratic principles." [73]

Emerging as a product of political instability and uncertainty which engulfed the country from 1966, Lesotho's military government also tried frantically to legitimize itself. It did this not only by appealing to the past, but also by vesting the executive and legislative powers in the King. The King saw himself as the incarnation of Moshoeshoe I. Thus flaunting the coup as the second birth of the Basotho nation, King Moshoeshoe II said on March 12, 1986:

"A second miracle [to the birth of the nation] happened on the 20th January this year. This nation was redeemed for the second time, and given a new lease of life. The Armed Forces ushered in a new era in Lesotho in an extraordinary fashion, one so different from what usually happens in similar circumstances, that many people are asking themselves whether the change is real and lasting." [74]

The first miracle occurred when Moshoeshoe I founded the nation, guiding it through the turbulent period of his time to safety under the British protection. The second miracle is of course not

just the coup but the leader who emerged after the coup. Moshoeshoe II emerged as the leader and like his great-grand father, he would save the nation from destruction. However, notwithstanding this antiquarian view, the Lesotho Monarch preached modernity and innovation, and participated in study workshops and seminars held to explore ways of achieving political and economic modernization. Thus Moshoeshoe II was clearly aware of the limitations of the Lesotho chieftainship.

But serving as a political refuge for the different warring factions, the Moshoeshoe legacy and the chieftainship to which it confers legitimacy have clearly been a destabilizing factor in Lesotho's politics. All struggles for power between the King and the central government have invariably led to appeals by both sides to the nation. On the other hand, those politicians excluded from power have gravitated towards the Monarchy. For their survival, however, the King and the chiefs below him are dependent on the government. The government not only pays salaries to the relevant office holders but can dismiss the incumbents of these positions even though constitutionally it may not abolish their offices.

## **2:6 Politics after 1970 and Military Intervention.**

Leabua Jonathan's BNP maintained its tenuous hold on state power until January 29, 1970, the date of the first post-independence elections which it predictably lost to its arch-rival, the BCP, because of its flirtation with the racist South

African National Party. Jonathan's policy of accommodation with apartheid South Africa culminated in joint stock theft drives with the South African police inside Lesotho. These drives resulted in arbitrary transfers of herds of animals to South African white farmers. More importantly, Jonathan not only failed to deliver jobs but recruited white South Africans to fill politically sensitive civil service posts. [75] The Prime Minister responded to his electoral defeat by declaring the state of emergency, suspending the constitution and detaining his political opponents for allegedly disrupting the elections. [76] Announcing the annulment of the elections and his South African-backed coup, Jonathan declared that:

"I have seized power and I am not ashamed of it. I may appear undemocratic in other circles, but in my conscience I know that the majority of the people are behind me." [77]

South Africa supported the coup because Jonathan was staunchly anti-communist. He advocated close co-operation between Lesotho and South Africa on economic and security matters. As indicated above, Lesotho and South Africa mounted joint stock theft drives inside Lesotho's borders between 1966 and 1970. Like the South African bantustan leaders, Jonathan saw the South African liberation movements as terrorist organizations. Indeed, his coup served the interests of the apartheid South Africa. The South African political exiles were among the first people that he detained after declaring the state of emergency. However, by allowing the Transkeian army to overthrow an equally anti-communist Kaizer Matanzima in 1988, South Africa demonstrated that suppressing communism was just one of its priorities. Rumours of corruption and financial mismanagement by the Transkei

government were rife before Matanzima was ousted. The regime was certainly an embarrassment to the South African government on which it was dependent for its recurrent budget. Thus South Africa's role in Lesotho's 1970 coup and military interventions in its bantustans could have been a function of varied but often closely related political objectives.

Jonathan's seizure of power brought to an end a brief but fragile constitutional rule in Lesotho. This was replaced by a one-man dictatorship deriving its power exclusively from the Police Mobile Unit [PMU] which drew support from the South Africa security forces.[78] His 1975-85 interim parliament, made up of members nominated by him, failed to attract the support of his rival, Ntsu Mokhehle, leader of the BCP. Jonathan's coup had far-reaching political and social consequences. It not only marked the end of the rule of law, it also blocked all avenues to justice for the victims of police brutality. His BNP was among the victims of the state of emergency. Having ceased to be Jonathan's power base it became an irrelevant force. Thus, as I have noted elsewhere,

"The state of emergency and the suspension of the democratic constitution led to schism and formal split between Jonathan and his party and marked the beginning of personal rule... The prime Minister had a free hand over the B.N.P., dropping some of the veteran politicians from the cabinet and replacing them with appointed technocrats. Thus institutionalized patronage became the means of maintaining links with and controlling the party and the population.[79] [Emphasis added]

Jonathan's coup also ended a modicum of public accountability guaranteed under the independence constitution. Having neutralized the opposition and destroyed his own BNP, Jonathan

had nobody to report to or restrain his actions. This provided a fertile ground for corruption and abuse of public office by state functionaries. The financial costs entailed by these for Lesotho are examined in Chapter 4.

Alienated from the nation, the Jonathan regime increasingly relied on coercion and patronage to secure compliance with its programme. Civil service and parastatal jobs were used to buy support for the regime. In doing this the regime perpetuated the legacy bequeathed by the BCP-dominated district councils of 1960-1967 whereby preference was given to BCP members in staff appointments.[80] This further increased popular resentment against the regime, leading to the sabotage of development projects and the laws underpinning them. These were attacked because they were seen as mechanisms for entrenching a repressive unconstitutional regime. As indicated in Chapter 5, among the laws targeted for attack and sabotage was the 1979 Land Act enacted by Jonathan's appointed interim parliament to facilitate agricultural investment.

The Prime Minister's coup seemed not to have been unanticipated by the opposition and other forces opposed to the policies of the BNP regime. Towards the end of 1969 the African National Congress [ANC] of South Africa warned that:

"The aim of the neo-colonial regime is not to conduct fair and democratic elections, but to provoke, terrorize and intimidate the masses, to rig elections and to create conditions for a despotic, terroristic rule." [81]

Indeed a despotic rule emerged on 31 January 1970, leading to



violent repression of the opposition, country-wide political unrest and mass detention of the regime's opponents. More importantly, all the BCP-aligned organizations were crushed regardless of their positive contribution to the economy. Among these was the then seemingly successful Basotho Traders Association [BTA] "representing small indigenous entrepreneurs." [82] Jonathan's government also closed the BCP's printing press - the only enterprise of that type in the hands of Basotho - thus destroying jobs created for many Lesotho nationals. Likewise it undermined the Lesotho Co-operative Society Bank, the only indigenous financial institution. The Bank was ultimately forced out of business by rival state-controlled financial institutions over which the farmers, business people and co-operatives have no control. These rival institutions are the Lesotho Bank and Agricultural Development Bank which are guided solely by commercial principles in their operations. The government imposed compulsory savings and deferred pay schemes on the civil servants and mine migrants respectively, forcing them to bank a portion of their monthly earnings with the Lesotho Bank - 10% for civil servants and 60% for mine migrants. In addition to these measures, the state has been engaged in relentless campaigns country-wide, encouraging farmers and the rest of the population to bank with these two state banks. The effect of the policy is clear. It deprived the co-operative bank of clients, thus ruining it financially. The wider repercussions of these policies are discussed in the next chapter.

Political calm prevailed in Lesotho until 1974 when the BCP

launched what Weisfelder has dubbed "its hopeless, clumsy and unsuccessful counter-coup.[83] The mass slaughter of the BCP supporters by the PMU and the police following the failure of the counter-coup deepened the BCP's anger and frustration, and culminated in the formation, with the assistance of the South African security police, of the Lesotho Liberation Army [LLA] by the exiled BCP leader, Ntsu Mokhehle and some of his close associates in 1974. The LLA's insurgency and the government's counter-insurgency strategies led to a security crisis. Acts of sabotage, assassination of prominent persons and political figures and mysterious deaths of political detainees were rife between 1979 and 1986. Formed with the assistance of South Africa, the LLA was used by the South African government to destabilize Lesotho. Intensified pressure by the LLA and the South African security forces ultimately dislodged Jonathan from power and "handed over Lesotho to a corrupt, brutal and collaborationist Military junta at a high cost to the Basotho People." [84] [My emphasis] South Africa's aim was to install a regime that would deny refuge to the ANC exiles.

The LLA's attacks destabilized the Jonathan regime and disrupted or interfered with many of the country's development programmes. The consequences of this disruption included delayed completion of projects, high investment risk and diversion of meagre financial resources to national defence.[90] According to Bardill et al.,

"Economically, the LLA and South Africa have inflicted infrastructural damage, discouraged tourism and investment, and compelled the Lesotho government to divert scarce resources from urgent development tasks

to defense [sic] and security, whose share of the budget has risen [sic] from 8.4 percent in 1980 to 22 percent in 1983 and 1984." [84]

However, these problems are a consequence of Jonathan's anti-democratic political programme. Thus the political climate in Lesotho should not be absolved from the blame. This is not the same thing as saying that South Africa would not have destabilized a democratic and efficient regime in Lesotho. Indeed, we are not oblivious of the fact that South Africa exerted political, military and economic pressure on every Southern African state providing refuge for the South African political exiles. Rather what we are saying is that the LLA was formed by Basotho who had left their country because of oppression involving physical torture. Jonathan's resistance was finally broken in January 1986 by South Africa's three-week blockade of Lesotho, as indicated above. The LLA, like its mentor, South Africa, ceased its hostilities against Lesotho soon after the announcement of a coup on January 20, 1986. However the immediate beneficiaries of the coup were neither the LLA nor the nation but the military, the King and his close associates, and the chiefs.

After seizing power the six-man Military Council swiftly introduced three repressive pieces of legislation, namely Order No. 2 of 1986 which vested executive and legislative powers in the King, Order No. 4 of 1986 which outlawed party political activity, and Order No. 9 of 1986, which subordinated the rural development committees to the chiefs. [85] Other drastic changes occurred in the area of foreign policy. Diplomatic relations with

North Korea and the People's Republic of China were severed as the regime restored ties with South Korea and Taiwan.

The vesting of the executive and legislative powers in the King did not bring to an end a spiral of politically motivated murders unleashed by post-independence politics. Neither did it ensure public accountability. However, by assenting to the decrees legalizing repression, the King paid a high price, losing all the veneer of being a symbol of national unity.[86] He paid scant heed to the rampant corruption, political crisis and widespread poverty besetting the country.[87] Instead, he used the power acquired after the coup to reward his close associates, relatives and chiefs. "The coup makers displayed a slavish dependence on the Monarchy, allowing the King to appoint virtually all the members of the Council of Ministers, and in some cases, the senior civil servants single-handedly." [88]

The 1986 military intervention saw a surge in nepotism, corruption, abuse of power, and patronage as well as an increased clamp-down on civil liberties. The country's meagre financial resources were used mainly to reward the soldiers for staging the coup, as the 1990/91 budget allocations show. The military took the biggest chunk, M87,8112,630 or about 23.5% of the country's overall recurrent budget which amounted in total to M374,725,380. [89] In 1980/81 defence and security accounted for 16% of the recurrent budget, a figure well below education's share of 21.3% during this period. [90] The army's budget increase has proceeded alongside the International Monetary Fund's [IMF]

Structural Adjustment Programme which has seen an escalation in medical health care costs, as state subsidy was withdrawn on the advice of the IMF, and retrenchment of 807 civil servants in 1990 alone. [91]

Major General Lekhanya staged a second military coup on February 19, 1990, stripping the King of the executive and legislative powers bestowed on him by the army in January 1986, and arresting the King's relatives and members of the Military Council, Sekhobe Letsie and Thaabe Letsie. Sekhobe Letsie was subsequently charged with, and convicted of, complicity in the murder of two cabinet ministers in the Jonathan administration, and their wives. The King was finally dethroned in November, 1990, for allegedly forestalling the army's efforts to return the country to civilian rule, and for contravening the King's Order of 1970. Lekhanya promised sweeping constitutional reforms, which included elections in 1992. He instituted an interim constituent assembly, the members of which were appointed by him from the various groups, excluding the trade unions. Initially condemned by the BCP and BNP and the country's intelligentsia, churches and trade unions, Lekhanya's scheme was only implemented after all those invited to join, except Matete Majara's faction of the BNP and the churches, had accepted the nomination. Lekhanya sought to broaden the political and social base of the interim assembly by inviting politicians, church leaders, businessmen, police and army officers and prominent citizens. The assembly's task was to draw up a new constitution for the country, which it completed in 1992, even though it was also used to indemnify or pardon the

groups responsible for horrendous murders and corruption. Indeed, in the end it made an impassioned plea for a "let the by-gones be by-gones" approach. Lekhanya was, however, ousted before completing his programme. His successor, Major General Ramaema, pursued the programme with more zest and finally organized general elections on March 27, 1993, in which the BCP registered a stunning victory, capturing all the 65 electoral constituencies and 75% of the votes. [92]

Dominated by the reconciliation goal set by the interim assembly and constrained by the "let by-gones be by-gones" principle, the electioneering campaigns hardly addressed poverty, joblessness, income distribution, the country's tax structure and how it relates to the economy, corruption, crime, land use and management, and resource mobilization. There were overt attempts to please the army. Political parties' addresses were, for example, permeated by eulogies extolling the army for returning the country to civilian rule. The constitutional reforms in South Africa and their implications for Lesotho did not feature in parties' campaigns. A call by the National Union of Mineworkers [NUM] for a merger between Lesotho and post-apartheid South Africa was ignored by the main political parties, BCP and BNP. Yet "by seeking power within the state framework both the BNP and BCP seem to stand in the way of the future security of many migrant workers" who have no alternative sources of income. [93].

## 2:7 Conclusions.

Lesotho's surge towards independence was a relatively easy process, even though political sovereignty failed to bring about prosperity and political stability. South Africa's racial policies and its attempts to incorporate Lesotho strengthened the resolve of the Basotho to seek independence. But independence not only accentuated the existing political divisions, but also lay at the centre of political violence and large-scale vandalism against public property. As political polarization and mutual hatred intensified, less attention was paid to the challenges of independence.

But the quest for political independence cannot be ascribed solely to the incorporation threat. Ruled separately from South Africa since 1884, Basotho saw themselves as a separate nation. Hence they joined other colonized in demanding independence. Yet the political parties remained largely reticent on Lesotho's economic future relations with South Africa, for this was a highly emotive issue. Having been triggered by constitutional reforms instituted by Britain, Lesotho's political parties unsurprisingly focused their attention on state power. Thus competition for state power by the two main political parties entailed intense and bitter conflict. Development projects - regarded as political power building blocks by the ruling party - were seen by the opponents of the government as a threat to their future. Thus political independence became an end rather than a means to an end. Other problems have included the

structure of the government in which the chiefs play a dual role as government agents and politicians. This turns them not only into potential opponents of the government, but also into an effective buffer between the government and the people. Conflict or power struggle is certainly immanent in this type of regime. Yet Chieftainship remains important for it is bound up with national identity. Unsurprisingly, the opposing political factions in the rural areas would rather meet to discuss their differences or problems under the chairmanship of a chief rather than a government minister or state functionary. Unfortunately this situation cannot bring about genuine co-operation, mutual trust and political reconciliation.



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3:1. Introduction.

After attaining their political independence the Lesotho people found themselves in an even more insecure and uncertain situation. There was nothing in Lesotho that might point to a secure economic and political future. There was little economic activity and economic infrastructure in Lesotho. Economic activity inside Lesotho consisted mainly of subsistence farming and external and internal trade conducted through a few foreign-owned shops scattered around the country. Yet there is little evidence that the Basotho nation was prepared to confront this dilemma. As indicated in the preceding chapter, independence did not lead to political stability. Lesotho's 27 years of independence witnessed internecine power struggles. Apart from a rag-bag of pro-capitalist declarations, the BNP administration had no coherent economic development policy between 1966 and 1970. Yet when one finally emerged the policy was used largely as an aid-eliciting device and a means of creating economic opportunities for government supporters, thereby entrenching Jonathan's unconstitutional regime, rather than as a tool for mobilizing the national effort. Because of this the industrialization drive mounted since independence has been a matter for the government bureaucracy, the international capitalists and donor agencies. Not surprisingly the investment criteria have been determined by the interests of foreign capitalists rather than national needs and capabilities. With no

basis for a partnership between the citizenry and government, the country's industrial development planning has for the last 27 years been the exclusive responsibility of the Central Planning and Development Office [CPDO]. Yet rather than ensuring mutual trust between government and the nation, this authoritarian mode of development planning has led to cynicism or even outright hostility, as was demonstrated by the targeting of economic activity for attacks by the BCP.

This chapter analyzes the structure and characteristics of Lesotho's economy, including the national development policy and strategies employed to implement it, attempting to establish a new perspective on Lesotho's politics of development, arguing in particular that there is no inherent conflict between economic integration with South Africa and economic development in Lesotho.

The chapter is divided into five sections, including the introduction and conclusion. Section 3:2 analyses the key features of Lesotho's political economy, highlighting the problems associated with defining Lesotho as an independent economy and assessing the assumption that economic relations with South Africa militate against Lesotho's economic development. Section 3:3 examines the conceptual apparatuses or schemes through which Lesotho's economic problems have been examined, and how these have influenced the development policy direction. I try to determine whether these conceptual schemes provide an effective economic development policy framework, hence the basis

for a solution to Lesotho's predicament. Section 3:4 assesses Lesotho's development policy and its broad objectives, arguing that without the participation of the country's incipient bourgeoisie the state-directed investment programme could scarcely be expected to succeed. Section 3:5 attempts to draw some broad conclusions from the analysis.

### **3:2. The Economy and the Development Challenge**

Lesotho's economy has always exhibited contradictory tendencies. Agriculture is the most dominant economic activity in terms of the number of people engaged in it. However, agriculture barely meets the subsistence needs of 5% of the rural population. At independence 90% of the population was classified as rural but not more than 5% of the rural households were able to be self-sustaining from agricultural production alone." [1] Thus one analyst has argued that Lesotho's economy "is agricultural not because of any marked agricultural potential, but because there is no industry." [2] By 1962 80% of the rural population relied on migrant workers' remittances. [3] Thus Lesotho depended on South Africa for jobs. At independence in 1966, the total number of Lesotho migrants employed in various sectors of the South African economy constituted an astonishing 60% of the total number of Lesotho's formal sector employees. Migrants' annual earnings amounted to just under R30 million at the beginning of the 1970's - slightly over 61.8% of the country's GDP. [4] Lesotho is still dependent on migrant earnings. The ratio of the national income [GNP] to domestic product [GDP]

of between .50 and .60 in the period 1980 to 1987, reflected the dominant role of migrant earnings in the country's economy, according to the Kingdom of Lesotho. [5] Table 1 below shows the ratios between 1980 and 1987.

**Table 1: Gross Domestic Product [GDP] and Gross National Product [GNP] and per capita incomes in Maloti [at constant 1980 prices] between 1980 and 1987.**

Year	GNP (1)	GNP (2)	GDP (3)	GNP (4)	GDP As % of GNP
	['000 Maloti]	['000 Maloti]	Maloti	Maloti	
1980	297.3	502.3	224	378	0.59
1981	293.1	518.4	214	278	0.76
1982	295.9	577.3	211	412	0.51
1983	283.0	564.1	198	394	0.50
1984	306.2	588.6	208	400	0.52
1985	311.2	570.8	207	381	0.54
1986	329.4	575.3	208	364	0.57
1987	344.9	579.4	213	358	0.59

Source: Kingdom of Lesotho, National Paper on Environment and Development in Lesotho[undated] Prepared by the Government of Lesotho for the United Nations Conference on Environment and Development held in Brazil, 1992, p.10

Notes on figures in the table.

- a) Column (1) of the table is GNP in Maloti at constant 1980 prices.
- b) Column (2) of the table shows the GNP at current factor prices.
- c) Column (3) is GDP per capita at constant 1980 prices
- d) Column (4) shows GNP per capita at constant 1980 prices
- e) The last column on the right hand side of the table shows GDP as a percentage of the GNP. The proportions are derived by dividing 1980 GDP figures by corresponding 1980 GNP figures.

The country's exports at 1966/67 factor prices had fallen from R4.6 million in 1965 to R4.38 million in 1966 - falling further to R4.17 million in 1967. [6] As the following Table 2 shows, however, agriculture was the largest single contributor to the country's GDP, accounting for about R32.5 million or just over 68% of the country's R47.6 million in 1966. [7] Yet this was due to the absence or weakness of other economic sectors rather

than agriculture's good performance.

**Table 2: Lesotho's 1966/67 gross domestic product at factor costs [in 1,000's rand] by economic activity, including percentage share of each economic activity listed in the table.**

Economic activity	1966/67	% of GDP
Agriculture, Forestry, Fishing	32,484.9	68.24
Mining and Quarrying	978.5	2.06
Manufacturing	317.2	0.67
Construction	805.2	1.69
Retail and Wholesale Trade	2,033.3	4.27
Transport & Communications	429.7	0.90
Electricity, Gas & Water	722.8	1.52
Welfare Services	3,055.1	6.42
Financial & Professional Services	450.0	0.95
Government Administration	4,059.3	8.53
Domestic Catering & Other Services	387.0	0.81
Property Incomes	2,332.2	4.89
Gross Domestic Product[GDP]	47,605.2	100.95a

Source: Adapted from the Standard Bank Group, Annual Economic Review: Botswana, Lesotho, Swaziland, London, September, 1969, p. 17.

Note: (1) In 1965/66 R1 or M1 was equal to US\$1.40. In 1993 the exchange rate was M3 to US\$1 and about R5 to 1 British Pound. (2) a = rounding error.

In 1967/68 agriculture's contribution to the GDP had fallen to 34.5%. [8] Some analysts have suggested that the share was 41.9%. [9] This discrepancy is probably due to the fact that most of the data about Lesotho are often derived from estimates. Agriculture's contribution to the GDP declined significantly in 1968, not as a result of the growth of other sectors but rather as a result of drought, inadequate investment in farming due to rising costs, and declining soil fertility. As Table 3 below shows, a downward trend in agricultural production - more glaring in the case of maize, the staple crop - spans decades. Problems of rural development and agriculture are discussed in detail in Chapter 4.



**Table 3 Agricultural production in Lesotho, 1950-70.**

Year	Maize		Sorghum		Wheat	
	A	B	A	B	A	B
1950	214	11.9	49	8.7	50	10.1
1960	121	7.4	54	7.8	58	8.5
1970	67	5.2	57	6.9	58	5.4

Key: A. Production in thousand metric tonnes. B. Yield in 100kg per hectare (converted from 200 lb bags per acre).

Source: C. Murray, Families Divided: The Impact of Migrant Labour on Lesotho, Cambridge University Press, 1981, p. 17

Lesotho is known to have had difficulty in balancing its budget long before independence, incurring a huge public debt of £763,380 in 1962. [10] Between 1966 and 1970 Lesotho was over 50% dependent on Britain for recurrent budget. Britain provided an annual grant-in-aid of R5,202,000. [11] Table 4 below sheds more light on the problem.

**Table 4: Revenue and expenditure of central government, 1965/1966**

	Maloti ['000]	Percentage
Direct taxes	1,084	10
Customs Union receipts	1,637	15.9
Other indirect taxes	239	2.3
Other local revenue	406	4.0
UK grant-in-aid	5,202	50.7
UK overseas aid scheme	353	3.4
UK Colonial Development and Welfare grant transferred to current revenue	1,346	13.1

Source: J.E. Bardill and J.H. Cobbe, Lesotho: Dilemmas of Dependence in Southern Africa, Westview Press Inc. Boulder, 1985, p. 49

Migrant workers' earnings, which totalled R29,429,000, amounted to nearly three times the total state revenue of R10,266,000. [12] This staggering difference between what the government earned and what its citizens earned outside their own country is revealing. It underscored the fact that the economic security and political

stability of the post-independence regime rested on access to jobs in South Africa. In 1966 migrant earnings financed Lesotho's trade deficit of R18.5 million, which by 1967 had increased by a further R1.1 million to R19.6 million.[13] Maize imports alone were worth R2.2 million in 1966.[14] In 1968 there were not less than 150,712 Basotho migrants working in South Africa.[15] As shown in Table 5, there were 117,273 Lesotho migrants in South Africa in 1966. This clearly indicated the importance of mine jobs for many Lesotho nationals during this period. The number of Lesotho migrants in South Africa had risen in 1968, notwithstanding the fact that after 1964 the South African government tightened its immigration laws, making it illegal for foreigners to enter the Republic for the purpose of seeking employment. It specifically required the companies employing foreign labour to complete recruitment contracts within the labour-supplying states, thus creating problems for foreigners who sought employment outside the mining industry. [16]

The mining sector, with an established tradition of recruiting only men and having facilities to cope with this demand, was not adversely affected by the policy. As a whole, the policy imposed severe restrictions on recruitment of foreign women. Apart from this, it became illegal for foreigners to work or reside in South Africa without a permit issued by the Secretary of Bantu Administration and Development in Pretoria pursuant to a "no objection certificate" signed by the magistrate of the district or area concerned. The no objection certificate is a prescribed form under South African immigration law, signed

by the local Bantu Affairs Authority or magistrate, authorizing employment of a foreign worker, usually by small employers. Women migrants are especially vulnerable to the law because they have to compete with black South Africans in non-specialized jobs, such as factory, hotel, restaurant, clerical and domestic work. Hence it has been difficult for them to obtain residence and work permits. There are no figures on female unemployment in rural Lesotho, partly because adult women in rural areas are assumed to be engaged in farming. However there is no doubt that these restrictions have promoted a high rate of joblessness among unskilled Basotho women. As the following Table 5 shows, the numbers of Basotho men and women migrants fell from 112,790 and 41,992 respectively in 1956 to 97,529 and 19,744 in 1966. However, the numbers increased to 129,103 and 23,551 respectively in 1976. With regard to men the increase was clearly due to the economic boom in South Africa as a result of a rise in the price of gold. In 1964-66 South Africa enforced restrictions on foreign labour and travel within South Africa through the measures explained above and by requiring immigrants to produce valid national passports before entering the Republic. However, as indicated in Chapter 6 of this dissertation, intensified asparagus farming and processing in South Africa have stimulated a demand for Lesotho's female labour, prompting South African asparagus, vegetable and fruit growers to set up a recruiting agency in Lesotho which recruited hundreds of women to work on the asparagus farms and processing factories between 1989 and 1992. Provided it can be sustained, this development will undoubtedly change the character and sex composition of Basotho

labour migrants.

Table 5: Migrant labour from Basutoland - Lesotho, 1911 - 1976

Population Census	Men	Women	Total	Per cent of de jure Population
1911	21,658	2,972	24,630	5.8
1921	37,827	9,314	47,141	8.7
1936	78,604	22,669	101,273	15.3
1946	95,697	32,331	128,028	18.6
1956	112,790	41,992	154,782	19.5
1966	97,529	19,744	117,273	12.0
1976	129,103	23,551	152,654	12.5

Source: G.W. Strom, Migration and Development Dependence of South Africa: A Study of Lesotho, Scandinavian Institute of African Studies, Uppsala, 1986, p. 26

Migration for employment by Basotho has been ascribed to population growth, land shortage, low soil fertility and low yields, lack of employment opportunities, economic gains to the migrants and accessibility of jobs in South Africa. [17] These are important but, as indicated above, South Africa's political intervention determines the destination of a migrant. Male migrants are predominantly in the mining sector which recruits large labour gangs and has traditionally had few jobs for women because of the nature of its major operations and conditions under which they are performed. In South Africa and Lesotho women are not allowed to work underground, hence they cannot be recruited for mine work.

Notwithstanding the above, the current economic ties between South Africa and Lesotho, as one analyst has argued, entail benefits for Lesotho given its limited resources. [18] Lesotho's overall picture undoubtedly lends support to this view. Part of the explanation has been provided above. In 1966 the country's

manufacturing and construction sectors employed only 1,376 people. In 1970 domestic employment accounted for just about 7% of the country's labour force. Nearly ten years after independence, in 1974/75, Lesotho's nascent manufacturing industry created only 3,000 jobs or 12% of the total number of jobs in Lesotho. [19]

In his analysis of Lesotho's income-generating schemes, Weisfelder concludes that it is illusory "that back-breaking investment in agriculture could ever generate sufficient productivity to supplant remittances." [20] Notwithstanding the problems confronting it, agriculture has continued to be advocated, juxtaposed with modern industry in its various forms and presented as an alternative to labour migrancy. But nowhere has agriculture been developed as an alternative to other forms of productive activity. Thus agricultural development in Lesotho should be part of a wider programme of overall economic development. Indeed, the real problem is Lesotho's inability to develop its economy to generate employment for its vast labour force. In 1966 this totalled 427,433, and of this 263,287 or 61% were females. [21] By 1989 this was estimated at about 604,800 [and growing by about 20,000 per year] with an unemployment rate of about 23% for the country as a whole. [22] By 1991 the unemployment rate had rocketed to over 30%. [23] The above figures indicate that between 1966 and 1989 the country's labour force increased by 29%. According to the Government of Lesotho [GOL], 52.8% of Basotho households had no monthly cash income in 1992. [24] Lesotho's agriculture needs to be developed not only

to ensure food security for the nation but also to raise the incomes of the farmers. However, the current disarticulation between agriculture and manufacturing industry has to be eliminated if Lesotho is to achieve these objectives. There is little or weak sectoral linkage between agriculture and manufacturing as small-holder farming in Lesotho is - with the exception of a few cases discussed in Chapter 6 - concerned mainly with food production. As Hyden has argued, in his general analysis of the structural problems in Africa, "agricultural policy cannot be isolated from measures affecting job opportunities and wage levels in the urban areas." [25]

Basotho continued to migrate for employment in South Africa despite a fall in real wages between 1870 and 1969. [26] There could be two explanations for this. First, mine wages supplemented the declining income from agriculture, whilst also serving as a source of agricultural investment capital for many rural families. Second, it could have been the result of an increase in the number of landless people. Some studies have suggested that labour migration has proceeded alongside increasing returns to agricultural investment. [27] The implications of this are that the relationship between labour migration and agriculture is not a simple one. Good returns from agricultural investment may in fact encourage further investment in agricultural production, hence migration to find the required cash. Indeed, this demonstrates the untenability of the assumption that high agricultural incomes are negatively related to labour migration. More importantly, it shows that the economic

crisis in Lesotho cannot logically be attributed solely to economic integration with South Africa. This is, in fact, an essential source of income for Lesotho. Migrant earnings are an indispensable source of agricultural development capital, hence a crucial variable in the kingdom's overall economic development effort.

As will be argued in the following chapter, a major contribution to the failure of Lesotho's agricultural development policy is the assumption that there is an inherent competition between mine wages and agricultural income. Whilst there is some truth in this, because the technical coefficients of production limit to some extent the substitutability of labour time, the assumption must be handled with caution because agricultural income and migrant earnings are so intertwined, with farming in Lesotho critically dependent on access to migrant earnings. In fact, agricultural development is a function of a cluster of variables. For Lesotho the most crucial factors are the government's agricultural strategies and the political estrangement between the land holders and the rulers. Mistrust and mutual hostility between the rulers and the land holders impedes co-operation between agricultural development planners and the farmers. However, the politics underlying land ownership has to change if we are to see any sustainable agricultural sector in Lesotho. Land in Lesotho has more political significance than it has economic importance. It has been used primarily to promote loyalty and encourage political support for the rulers.[28] Hence it has been a politically divisive or

polarizing factor in Lesotho. Independence brought little or no positive change at all to Lesotho's land politics. Even the 1979 Land Tenure Act, undoubtedly the most radical of all land administration laws witnessed since independence, has barely affected the land politics in Lesotho. [29] This forms the subject matter of Chapter 5.

Agriculture, which could have been the base of Lesotho's national economy declined in importance as a source of income as early as the end of the last century. In 1875 the colonial administration warned that "there are many in Basutoland who have no stock" and for whom work is an imperative. [30] A 1949/50 survey revealed that 11,700 households, about 7%, out of 161,000 Basotho families were landless, while 53,000, or 33% of the remainder, held "less than 4 acres of land, compared to the overall average of 5.7." 97,000 families were found to be in the above-average group, with holdings of 7 acres per family. [31] Since then landlessness in the rural areas has accelerated, reaching a high of 26.3% in 1986. [32] Accompanying this has been the increasing importance of off-farm income and a corresponding decline in dependence on agriculture. Tables 1, 2 and 3 above vividly illustrate this point. Table 1, in particular, shows the dominance of migrant earnings. Details relating to food self-sufficiency, together with the relevant tables, are provided in Chapter 4. According to Lesotho's Fourth Five Year Development Plan 19886/87-90/91, agriculture contributes just 7% to the gross national product [GNP]. [33] Yet equally menacing for agriculture are pressure on land and soil erosion experienced since the



1870's. [34] According to recent estimates, "2% of the soil cover is lost annually due to erosion." [35]

The Southern African Customs Union [SACU] established in 1910 formally tied Lesotho to South Africa. The SACU has since then been a major source of revenue for the Lesotho government, generating R1,845,000 for the state in 1968. [36] Diamond exports, the most important after wool and mohair, amounted to just R697,205 in 1966. [37] Thus with virtually no internal productive base, Lesotho could hardly be defined as a viable independent economy capable of supporting an independent nation-state. In 1966 there was only one 5 kilometre tar road running from the Maseru border bridge to the main government office complex and the Resident Commissioner's house. The rest of the country's road network consisted of dusty gravel roads and tracks of which over one third was maintained by the traders and missions without any government assistance. The poor road network rendered internal communications and transport difficult and expensive. Cobbe describes the situation as follows:

"To a large degree, the economic life of the country was fragmented into a number of rural hinterlands that interacted economically with the closest South African market across the border and the more distant mine and urban centres where migrant workers earned cash incomes." [38]

The government's influence over its citizens, traders and economic institutions was clearly negligible under these circumstances. Lesotho had no electrical power plant to run a few modest industrial projects in 1966, indicating that Britain neglected the small kingdom. The new regime was thus forced to

import electricity from South Africa, hence reinforcing Lesotho's integration with the Republic. The country had only 180 university graduates at independence. [39] Hence in all respects Lesotho resembled any one of the South African bantustans or black homelands, save that it had the trappings of sovereignty and enjoyed recognition and support by the international community.

My summary cannot try to do anything other than attempt to set a new perspective on Lesotho's plight. The dilemma confronting the Lesotho rulers has not simply been the question of structural dependence and economic stagnation, but defining and conceptualizing their country's real problem. There was no effective national economy and this constituted a major quandary for the development planners, namely what the essence of Lesotho's development should be. Economically Lesotho was part of South Africa, hence was just one of South Africa's underdeveloped areas or bantustans, albeit with the formal trappings of sovereignty.

We show, by means of Table 6 below, how Lesotho compared with its Southern African neighbours between 1966 and 1971. While the data do not necessarily relate to common base years, they are nevertheless revealing. Lesotho lagged far behind South Africa, Swaziland and Botswana in terms of economic development, underlining the mammoth challenge confronting the Lesotho state. At independence Lesotho's gross domestic product of R47.8 was just above half Ciskei's R90.5. [40]

Table 6 : Basic Statistics of the Southern African Region

	Botswana	Lesotho	Swaziland	S. Africa
Population['000's]	626	968	451	21,448
	[1971]	[1966]	[1971]	[1970]
Area[sq.miles]	220,000	11,716	6,705	471,455
GDP at factor cost [R million]	46.0	46.3	50.6	9,641
	[1968/69]	[1967/68]	[1967/68]	[1968]
GDP per head[R]	73.5	47.8	118.2	450.0
Industrial produ- ction per head of population [R]	4.5	0.3	14.9	93.2
Industrial produ- ction as proportion of GDP[per cent]	6.1	0.6	13.2	21.1
Employment in manu- facturing industry [thousand]	2.0	0.5	1,164.0	-
	[1971]	[1969]	[1970]	1971
Absentees as proportion of dejure population	N/A	11.9	6.5	N/A
		[1966]	[1971]	

Source: P. Selwyn, *Industrial Development in Peripheral Small Countries*, in P. Selwyn [ed], Development Policy in Small Countries, Croom Helm, London, 1975, p. 83

Ciskei [3,547 square miles], less than one third the size of Lesotho, is one of the smallest South African bantustans. In 1970 its de facto and de jure populations were 525,000 and 915,000, [41] suggesting that it was more densely populated than Lesotho with a land area of 11,716 square miles and 968,000 inhabitants in 1966. Thus, as far as its budgetary position was concerned, Lesotho not only compared unfavourably with Botswana and Swaziland but also with one of South Africa's smallest homelands.

### 3:3. Poverty and Development in Lesotho: A Conceptual Framework.

Modernization theory, political economy and underdevelopment/dependency perspectives are the key theoretical

perspectives through which Lesotho's economy has been examined. This is not due simply to the fact that these schemes are competing theories of development. Lesotho's unique and complexities with South Africa and the way Lesotho has been transformed by them not only attract different approaches but are also subject to differing explanations. The basic pillars of these theories have been explained in Chapter 1. The modernization approach, most favoured by both the donor community and the lending agencies, constitutes the core of Lesotho's development policy framework. The second approach is the political economy perspective, often used in tandem with the intellectually distinct underdevelopment/dependency diad. Underdevelopment is said to be "a product of historical forces ... released by European expansion and ascendancy" which undermined economic development in what are termed the Third World societies in various ways such as the destruction of local enterprises and forced cultivation of certain crops at the expense of food production and other economic activities in these societies.[42] Thus economic expansion in the LDCs reflects the dynamics and interests of the metropolises. According to Frank, underdevelopment is the result of "exploitative relations between the most advanced and the most backward sectors of a society" which enables a transfer of surplus from backward areas to the metropolises.[43] Dependency is conceptualized as a relationship, of "external dependence" signifying a "lack of autonomy" in Third World societies, as the growth of their economies is conditioned by the developed metropolises. Underdevelopment and dependency are thus said to be mutually reinforcing.[44] Thus, for example,

Lesotho's dependence on jobs in South Africa leads to labour migration which in turn leads to a shortage of farm labour and low agricultural productivity. The political economy analysis stresses economic and political power relations and relations between the state and different groups. Thus in the case of Lesotho/South Africa relations, a political economy approach focuses on economic and political power relations both within and between South Africa and Lesotho and the forces sustaining them, and the mechanisms by which Lesotho was integrated into the South African economic system as a labour reserve, trying to show how these have damaged Lesotho's development prospects.

The modernization perspective attributes lack of development in Lesotho to the traditional and backward nature of the Basotho nation and its institutions. Tradition and backwardness are said to be mutually reinforcing and are both an impediment to change. Thus tradition supposedly limits Lesotho's ability to master and cope with the changing socio-economic milieu within which it exists. Poverty and lack of development are seen as original phenomena, that is, conditions without historical antecedents. Hence a solution to these twin problems lies in jettisoning tradition. Thus the packages of modernization - industrialization, economic diversification, mechanization of agriculture, use of fertilizers and pesticides - are seen as a solution to Lesotho's economic and social misery. [45] Modernizing Lesotho's economy would thus also involve a fundamental shift away from the existing farming methods. Agricultural production, in particular, is said to be faced with problems because it is

based on archaic technology and patently irrational land tenure system. Coates ascribes the farming methods in Lesotho to what he terms "incessant warfare from 1822 to 1868." He contends that, as men spent most of the time fighting wars, "the work of the fields was left more and more to women. Thus the tradition grew that agriculture was not a man's work." [46] Abolishing the system would radically alter the current state/landholder political relationships, severely reducing the peasants' political power. As will be shown in Chapter 5, Lesotho's land tenure system ensures some degree of independence for the peasants.

The modernization perspective reveals only part of the picture, however, and this is one of its major weaknesses. Lesotho has for more than a century been an integral part of the South African industrial economy. Hence describing it as traditional underestimates the structural transformation that has occurred in Lesotho as a result of economic integration with South Africa. However until 1960 differences in maize yields per hectare between Lesotho and South Africa were slight. [47] On the other hand, the presence of a modern administration in Lesotho, consumption by Basotho of industrial goods and their participation in wage employment at home and in South Africa, and investment patterns in Lesotho are further evidence of structural changes which have taken place in the enclave kingdom. Economic values in Lesotho are modern. Basotho engage in businesses, accumulate wealth subject to Lesotho's structural problems mentioned above, and maintain accounts in banks and financial institutions. Thus modernization theory cannot provide an

effective development policy framework.

For political economists, poverty and underdevelopment should be understood in terms of "economic forces, social relations, property rights and power." [48] Poverty and stagnation in Lesotho are said to be a consequence of the complex interplay between these variables. On the other hand, poverty and underdevelopment supposedly reflect the degree and level of economic exploitation in Lesotho and Lesotho's role in the world capitalist system, particularly its relations with South Africa. Based upon economic exploitation and unequal power relationships, political economists argue, capitalism is to blame for poverty and underdevelopment. Hence for political economists South Africa's racial capitalism underpinned by the migratory labour system lies at the centre of Lesotho's economic problems. Explaining the structural change in Southern Africa one political economist noted that

"In Southern Africa the necessity to expand the proletariat and the industrial reserve army was met by creating a structure composed of the organization and recruitment of labour from South African reserves and neighbouring countries such as Lesotho. The creation of this situation was made easy by transforming the economies of these countries into labour reserves through obstruction of any possible transition to independent commodity production" [49]

The underdevelopment/dependency theorists blame the problem on the asymmetric economic relations with the developed capitalist economies of which South Africa is their outpost in Southern Africa. Hence implicitly the remedy lies with a reorientation of Lesotho's economy and delinking from South Africa. However commoditization in Lesotho occurred long before the advent of

industrialization in South Africa. Hence the issue is probably one of disrupting rather than preventing the development of independent commodity production. Yet this is not a strong argument either, for there is no guarantee that an uninterrupted commodity production in Lesotho would ensure the requisite capital accumulation and industrial development. In any case, the notion of independent commodity production is not unambiguous for this presupposes a link with the Western-dominated markets. Thus subordinated to and dependent on capitalism, commodity production cannot have an independent existence. Indeed, this explains why commodity production in Africa on a significant scale only began after the introduction of exotic crops by the colonists.

A political economy approach remains a valuable tool for analyzing the economic performance of states. One analyst warns, however, that arguments based solely on the revolutionary Leninist tradition which sees the state merely acting as a tool of the economically dominant class, "forecloses the issue of the efficacy of reform." [50] Clearly this critique is opposed only to Lenin's revolutionary approach. Many political economy theorists take a different view. Market forces alone neither define national priorities nor ensure a fair distribution of resources and income. Wade at al succinctly put the argument thus

"The polity that seeks to achieve equity...will have to impose a satisfactory or acceptable distribution of all economic, social, and political resources throughout society." [51]

Citing Japan as an example, one writer argues that industrial development can be a function of the active interventionist role of the state and the pursuit of egalitarian policies. [52]



The demise of socialism in Eastern Europe and elsewhere in the world casts doubt over the efficacy of revolutionary models of development. In fact, there is no room for a socialist transformation in Lesotho because there is no national economy. Economically Lesotho is part of South Africa. In fact, "Basotho do not believe that economic independence is the only measure of development." [53] In small landlocked countries like Lesotho with virtually no options, "what matters is what cards are played..." for the aim must be "to exploit a multiplicity of little openings and opportunities." [54]

However the political economy and dependency-centred appeals and/or debates have contributed to the flow of foreign aid into Lesotho. They have portrayed Lesotho as a poor and small landlocked state, deserving massive injections of international financial assistance because of its existence within a hostile South Africa. But to the extent that it advocates structural transformation through increased investment, the political economy perspective has a common point of departure with the modernization theory. However, as indicated above, its importance for Lesotho lies in its being an effective propaganda tool for an otherwise unpopular anti-democratic post-1970 regime in its negotiations with the international aid donors. As it is given to the state rather than to the people and their organizations, foreign aid has led to a centralized planning system, hence an increased role for the state bureaucracy in determining the national investment priorities. Jonathan reinforced this tendency after 1970 by using foreign aid to build his political power base

and to destroy the opposition. These measures marginalized and/or weakened the indigenous development forces, especially the embryonic local business classes. In the absence of local business classes, state agencies and multinational corporations [MNC's] became the sole implementors of the country's economic development programme. As indicated above, the move aimed to destroy the BCP which has traditionally enjoyed more support among Lesotho's business class.

The above notwithstanding, the declared aim of the Lesotho government is to transform the country's economy. This is to be achieved via the process of modernization or massive investment in all sectors of the economy, the use of sophisticated industrial technology and the inculcation of modern economic and social values. Thus the precepts of modernization theory constitute the basis of Lesotho's development policy. However, as Lesotho has been part of the South African modern capitalist system since the last quarter of the nineteenth century, the policy ought to concentrate on those aspects of modernity which have eluded the country rather than on a costly and elusive goal of economic disengagement. The central aspect should involve building a mutual trust between the government and the people, to ensure a co-ordinated national approach. Unfortunately, Lesotho's industrial development programme has not addressed this crucial issue. There are no known surveys or studies that have been mounted by the government to determine the role of a local entrepreneur, the number and type of businesses in the hands of Lesotho nationals, and the scale and scope of their operations,

even though Basotho have always participated in commercial trade and small manufacturing. Neither have the rulers been able to devise effective ways of transforming migrant earnings into development capital.

#### **3:4. Development Policy: Nature and Constraints**

Lesotho's development policy has undergone a significant change, rhetorically at least, in terms of emphasis and thrust since independence. Prior to 1970 it consisted mainly of the Prime Minister Jonathan's desultory declarations that Lesotho's economic and political survival depended on close co-operation with South Africa and verbal appeals for international aid. Thus what could be termed Lesotho's development policy consisted of incoherent statements extolling the virtues of capitalism and eliciting foreign aid. What was largely an exploratory development plan was only produced in 1969.[55] Inexperienced, acutely short of investment funds and constantly under pressure from an opposition which never formally recognized it, the government concentrated on depicting Lesotho as deserving immediate international assistance and a suitable location for foreign capital. Indeed, Lesotho's Minister of Finance underscored the importance that his country attached to foreign aid in December 1966 when he warned "that economic development in Lesotho would depend on attracting and using external aid." [56] Soon after being installed as Prime Minister in 1965, Jonathan appealed to South Africa for financial aid.[57]

After 1970 the policy was recast in a clearer development lexicon, emphasizing rapid economic transformation through industrialization and modernization of agriculture, thus creating employment opportunities for the growing labour force and achieving food self-sufficiency. The policy's other objectives included a vigorous effort to reduce the trade deficit with South Africa, lessening of Lesotho's dependence on mining jobs in South Africa and mobilization of the nation's resources to augment the country's productive capacity.[58] These goals were to be achieved through private foreign capital investment and donor-supported state investment. However, after twenty-seven years of independence in 1993, Lesotho has achieved little, if any, progress in this direction. Through investment policies which discriminated against both the BCP-inclined job seekers and the country's business classes, the Jonathan regime discouraged positive involvement of the nation in its development programme. As noted in Chapter 2, after 1970 the government used jobs and other favours to buy political support. Used mainly to entrench the government of the day in power, the LNDC and BEDCO never included Basotho entrepreneurs in their government-appointed board of directors.

The trade deficit with the Republic of South Africa has grown enormously, suggesting that the development policy has failed to stimulate the growth of consumer goods industry in Lesotho. In 1973 this amounted to M51,875,000. [59] Fourteen years later in 1987, Lesotho's imports were valued at M700 million while value of exports was just M50 million. [60] While the value

of exports increased nearly four-fold to M186.16 million four years later in 1991, the trade deficit amounted to M2,172.49 million. Admittedly, this issue has been difficult to tackle because cash incomes for the majority of the country's population derive from employment in South Africa. Lesotho's rulers have neither the control nor influence over these incomes. However, I argue that this is not just a difficult problem. It is an indictment of Lesotho's industrial development policy which places little or no emphasis on production of basic consumer goods such as clothing, footwear and food stuffs for the domestic market. These consumer goods dominate Lesotho's imports. Dependence on migrant earnings increased by 46.74% from M124.35 million in 1982 to M233.51 million in 1989. [61] Public debt, of which nearly 70% was external debt, increased by 19.6% from M976.7 million in 1988 to M1167.7 million in 1989 or 57.7% of the GNP. [62]

Table 7 below highlights the key aspects of the country's balance of payments between 1985 and 1989. The value of exports is so small that it is easy to argue that Lesotho's development strategies should aim to promote industries producing for the domestic market. The 1988 and 1989 figures represent revised provisional estimates and preliminary estimates, respectively.

**Table 7: Summary of Balance of Payments in millions of Maluti between 1985 and 1989.**

	1985	1986	1987	1988	1989
Current Account	-16.4	-20.2	-22.7	-156.2	-49.8
)a Goods, Services & Incomes	-191.1	-187.8	-178.7	-333.6	-156.1
Exports f.o.b.	50.0	58.0	94.7	144.9	171.5
Imports c.i.f.	-751.0	-807.4	-954.8	-1292.6	-1243.6
Workers remittances	499.0	583.6	718.5	844.1	953.3

Source: Central Bank of Lesotho, Annual Report for 1989, Maseru, p. 17

The falling value of the rand [maloti] relative to the world's major currencies since 1981 suggests that Lesotho's exports pay for a smaller fraction of imports than they did at independence. Changes in the value of the rand [maloti] are shown in Table 8 below.

Table 8: Exchange rate:1 Maloti per US\$1 for the period 1981 to 1990.

1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
0.870	1.082	1.112	1.438	2.191	2.269	2.035	2.261	2.617	2.586

Source: Economist Intelligence Unit, Botswana, Lesotho, Swaziland Country Profile, 1991-92, p. 46

Indeed, at constant 1980 prices the country's aggregate economic indicators suggest that there was little or no increase in GDP in real terms in the period between 1982 and 1989. As Bardill et al. argued in 1985, the result of development efforts in Lesotho "remains...far more the potential of a national economy than the actual achievement of one." [63] The data pertaining to Lesotho's aggregate economic indicators between 1982 and 1989 are provided below as Table 9, showing that in real terms there has only been a minimal change.

Table 9: Lesotho's aggregate economic indicators for the period 1982-1989, showing GDP and GNP at current prices and constant 1980 prices.

Indicators	1982	1983	1984	1985	1986	1987	1988	1989
	Current Prices							
GDP (M.Ml)	371.7	391.5	454.4	549.3	614.4	733.0	974.6	1099.7
Change	-	-5.3	16.1	20.9	11.9	19.3	33.0	12.8
GNP (M.Ml)	744.6	816.6	941.6	1063.5	1197.7	1438.9	1807.7	2027.4

% Change	-	9.4	15.6	12.9	12.6	12.6	25.6	12.2
GDP per capita (Maloti)	266	274	311	366	389	452	587	643
% Change	-	3.0	13.5	17.7	6.3	16.2	29.9	9.5
GNP per capita (Maloti)	532	570	645	709	758	888	1089	1196
% Change	-	7.1	13.2	9.9	6.9	17.2	22.6	8.9
Constant Prices								
GDP (M.Ml)	300	275.7	290.0	308.9	311.0	333.3	374.9	382.7
%	-	-3.0	4.7	3.3	0.7	7.2	12.5	2.1
GNP (M.Ml)	577.5	560.0	586.2	572.4	560.4	597.8	656.9	638.2
% Change	-	-3.0	4.7	-2.4	-2.1	6.7	9.9	-2.8
GDP per capita (Maloti)	214	193	205	206	197	206	226	224
% Change	-	-9.8	6.2	0.5	-4.4	4.6	9.7	-0.9
GNP per Capita (Maloti)	413	392	402	382	355	369	396	393
% Change	-	-5.1	2.6	-5.0	-7.1	3.9	7.3	-5.8

Note: M.Ml = Million Maloti

Source: Central Bank of Lesotho, Annual Report for 1989, Maseru,

p.7

There were some positive changes, but economy experienced negative GDP per head percentage growth rates of -1.7, -3.8, -6.7, -0.6 and -1.1 in 1980, 1981, 1982, 1983, 1985 and 1988. [64] However Lesotho's industrialization policy was clearly articulated after 1970, creating scope for an increased and purposeful role of the state and facilitating institution building. By clearly defining the national goals the policy gave the planning system some direction. The government was clearly influenced by two factors. First, the first five years of independence in which laissez-faire statements predominated saw little foreign private capital investment. Second, opportunities for expanded sources of development aid had unfolded as relations with South Africa deteriorated, following Jonathan's co-operation with the ANC. Development aid enabled the authorities to address

Lesotho's problems with some confidence.

The Lesotho authorities, however, have sought to maintain a balance between their small country's regional and global policies. Thus the interventionist economic policies pursued after 1970 have preserved the existing economic ties with the Republic of South Africa. The Third Five Year Development Plan 1980-1985 argued that

"Whether or not it is desirable to achieve complete self-sufficiency, the geographic and economic facts of Lesotho's situation preclude this..., dependence for jobs in South Africa may lessen, but it will continue for a long time... Remittances from miners constitute two fifths of GDP and finance a large part of the imports on which Customs Union is based..."[65]

This has been echoed by the Fourth Five Year Development Plan 1986/87-90/91, which warned that

"The Customs Union receipts which account for over 60 per cent of Government revenue play a major role in financing the public expenditure which the government incurs in an endeavour to execute various national projects." [66]

Integration with South Africa has been seen both as a problem and an economic gain - a source of political uncertainty, yet an indispensable prop for the Lesotho regime. Thus the country's development plans have largely reflected this paradox. The Third Five Year Development Plan further highlighted this, thus:

"The challenge... is to transform Lesotho from being essentially a distributive system for migrant remittances, customs revenue, and aid into a viable domestically-based production system." [67]

That Lesotho needs to develop is not in doubt. However, as this policy statement shows, the government is clearly guided by a patently flawed assumption, namely that migrant remittances and customs revenue are important only because Lesotho is not a



domestically-based production system. These are legitimate sources of income for the income has been earned. Thus the thrust of the policy should be converting migrant remittances, customs revenue and foreign aid into development capital and helping the families of migrants to invest in productive economic activities - farming, manufacturing, commerce and transport.

Strom has suggested, rightly, that Lesotho's development policy reflects the government's conception of poverty and economic stagnation in Lesotho. She argues that

"The poor and stagnating economy in Lesotho is seen as the result of the limited economic relations with the outside world, together with government restriction on private investment." [68]

Indeed, this reflects the Lesotho government authorities' belief that modernity was a solution to Lesotho's economic stagnation. But, by and large, some of the policy choices were dictated by the lack of options. As indicated in the first section of this chapter, there was neither capital investment nor economic infrastructure in Lesotho at independence. Thus, since independence, the Lesotho rulers have been attempting to increase their country's economic relations with the outside world. Until 1966 migratory labour was the main link with the world economic system. Yet it was inadequate in terms of the benefits. Thus to this extent the policy seems consistent with what the country needed. But the strategies employed in implementing it have remained deficient, flawed and inadequate. Not only have they been fragmented, with little, if any, coordination but, as indicated above, they have also been used as mechanisms for perpetuating and entrenching anti-democratic and constitutionally

illegitimate governments. Rural development - a highly politicized sector in the Jonathan era - has always been an agglomeration of diverse and largely overlapping activities. [68] There is little co-ordination either in the industrial, commercial and service sectors in which several state monopolies, operating under the direction of different government ministries, compete with an essentially distributive private sector, nominally guided by two parastatal organizations, the Lesotho National Development Corporation [LNDC] and Basotho Enterprises Development Corporation [BEDCO], respectively. [70] However, Chambers warns that co-ordination should not be valued for its own sake for it can be used as a subterfuge for evading "the hard detailed choices of who should do what, when, and how." [71] Over-concern with co-ordination can indeed lead to unnecessary centralization, hence the stifling of personal initiatives. But where the achievement of the goals is dependent on the total national effort, co-ordination is definitely required to guard against misdirection of resources and to ensure maximum effort by those involved in the process.

The LNDC and BEDCO were created as part of the government's drive to promote investment. Notwithstanding the fact that they are not industrial organizations, the two state corporations have tried to mobilize and direct investment capital, albeit with limited success. The creation of these two organizations seems to contradict to Strom's view that "development plans in Lesotho merely list what the government sees as the goals to be attained." [72] By 1978 the LNDC-assisted enterprises accounted

for about 90% of the country's industrial output. [73] Indeed, by creating LNDC and BEDCO the government was able to overcome one of the major hurdles facing Lesotho - lack of institutions essential to project implementation. Unfortunately, as will be shown in Chapter 6, because of its limited assignment and political function, the LNDC has not been able to provide the leadership necessary for industrial development in Lesotho. Indeed, I argue that, as the partners of foreign capital and tools of an unpopular regime, the LNDC and BEDCO did little or nothing to facilitate mobilization of the local financial resources. As indicated above, the marginalization of the predominantly BCP business classes from the economic development process and discrimination against the anti-government job seekers after 1970 undermined the growth of industrial culture and skills among Basotho.

Some analysts have argued that colonialism brought economic benefits to backward societies by promoting trade and capital investment. [74] However, in Lesotho colonialism only fostered labour migration and wool and mohair exports, perhaps a not surprising development. Britain's economic interests lay in South Africa. The Lesotho migrants were legally not treated as foreign workers in South Africa until 1964, after it had become clear that Lesotho would become a sovereign state. Because its interests lay in South Africa the colonial capitalist state paid scant attention to Basutoland. But paradoxically, as the exploitation of Lesotho labour occurred outside its territorial boundaries, the colonial state reaped few financial benefits.

This form of labour exploitation never created a viable tax base for the regime. Neither did it lead to rapid development of productive forces in Lesotho. Yet, as the Resident Commissioner for Basutoland reported in 1898/89, these were of little concern to the colonial administration. He noted that

"Though for its size and population Basutoland produces a comparatively enormous amount of grain, it has an industry of great economic value to South Africa, viz., the output of labour...Primarily the native labour industry supplies a dominion want, and secondarily it tends to fertilise native territories with cash which is at once diffused for English goods. [75]

As should be expected, Lesotho's post-1960's interventionist policies have faced severe constraints. Combined with dependence on external sources of investment capital and the lack of skills and technology, the government's approach to development, as analyzed above, has confirmed or anointed foreign monopolies as the sole policy implementors. Thus the national interests have tended to be subordinated to the narrow economic objectives of the foreign capitalists. These have dictated the pace and type of investment. With this situation the chance of a partnership between the government and the incipient national bourgeoisie further receded. For its part, the government has not been able to strike a balance between its declared national development objectives and the interests of the foreign firms. For example, Lesotho's economic policy goals include the diversification of trading relations. However, topping the list of incentives offered to a potential investor is "duty free access to 30 million consumers in Southern African Customs Union." [76] But emphasis on the value of the South African-dominated customs union market could undermine the policy of diversifying trading

relations. More importantly, to attract foreign capital investment Lesotho pays a heavy price. It offers a package of incentives which include loan guarantees, equity participation, industrial sites for rental, purpose-built factories for rental or for sale, training grants, subsidies for various utilities, profit repatriation, tax holidays of six or more years, and machinery and depreciation allowances.[77] Apart from creating jobs [mainly semi-skilled] the investors have no reciprocal obligations. The argument is not that locally-owned firms can compete with South Africa. This has not been allowed to happen. Lesotho's locally-owned manufacturing firms are predominantly small family businesses, largely marginalized, and engaged mainly in masonry, metal works and brick and furniture making and producing only for the local market. Lesotho's industrial development policy which is implemented via the multinational corporations has targeted only overseas markets, thus failing to exploit the country's domestic market potential and thereby confirming Lesotho as a captive market for South Africa. By and large, Lesotho's resource base suggests that local firms would find it difficult, if not impossible, to compete against their South African counterparts.

Directed at attracting foreign capital, Lesotho's development policy has had little or no impact at all on the local entrepreneurs. The local entrepreneurs' only link with the Ministry of Planning is the government revenue office which collects taxes and licence fees. Operating outside the framework of the LNDC, they do not enjoy tax concessions and other benefits

available to the foreign firms. Neither do they have access to the LNDC's expertise. Even the enterprises established through BEDCO's loans operate independently of the government policy. The government is thus unable to fully exploit the country's indigenous resource base to create development capital. The fact that nearly all the locally-owned businesses are concentrated in commerce and transport reflects the failure of post-independence Lesotho to create an indigenous industrial class. It also shows the degree to which the government policy has marginalized the local businesses. However without a national industrial class working in partnership with the state, sustainable industrial development will remain an illusion. This is the area in which Lesotho's economic development policy faces a severe test. In fact, this raises an important political issue, namely whether or not foreign capital in Lesotho should be sought mainly to unleash the domestic productive forces. Admittedly the problem is how to balance the interests of foreign capital with the national needs. However, the argument does not end here. As indicated above, the government's priority is to promote foreign investment.

We argue that sustainable industrial development in Lesotho will remain a "pipe dream" as long as Lesotho's rulers see foreign capital investment as a substitute for indigenous capital, or as an excuse for alienating the local business classes. If encouraged and supported, and provided that it initially focuses on cheap resource-based enterprises, indigenous industrial bourgeoisie would develop in Lesotho. In fact, some

of the Basotho entrepreneurs invest in, and are dependent for their income on manufacturing, construction and quarrying despite stiff and often crippling competition from firms operating under the auspices of the LNDC and the Jonathan government's antipathy to the largely pro-BCP local business classes. Some Basotho own and run successful small enterprises country-wide, such as brick, block and furniture making, steel products manufacturing [viz; window and door frames, security gates and burglar proofs], masonry, textile and weaving factories, and leather works. As indicated in Chapter 2 above, co-operative members established a bank in 1960 which survived until the early 1980's when it collapsed apparently due to competition from the government-supported Lesotho Bank and Agricultural Development Bank. Noteworthy is also the fact that the BCP owned a successful printing press until Jonathan closed it in 1970. There is thus a need to bridge the gap between the local business class and the foreign bourgeoisie on the one hand and the government on the other. Yet this means transcending the narrow partisan development programme which has characterized Lesotho since 1960. It requires the extension of similar incentive packages to the local investors. However, this may not be able to fully resolve the dilemma as most of Basotho business men are fronts for big foreign monopolies. Frasers [Pty] Ltd. is one of the foreign monopolies which have strengthened their grip on Lesotho by operating its retail outlets through local proxies. There does not seem to be any solution to this for stopping it would exacerbate unemployment and deprive the existing beneficiaries of income that they need to survive. In any case it can be argued

that these help to spread financial wealth, another important factor in capital formation. Hence the "fronts", like the autonomous local business groups, are legitimate participants in the system.

Lesotho's industrialization policy has had little or no influence over the location of industry, source of investment capital, type of enterprise and ownership, and structure and content of the organisation.[78] Not surprisingly the majority of the firms operating under the LNDC auspices are shamefully small, on average employing less than 50 workers. Out of the 19 largest LNDC-sponsored companies in 1987, only 2 employed 500 workers each and the others less.[79] The Lesotho Industrial Licensing Act does not define clear criteria for eligibility for incentives. Neither does it protect Lesotho's industries against external competition. Nor does it facilitate the channelling of investment into specific priority areas.[80] In fact, any foreign firm would be entitled to all the incentives under the country's investment policy as long as it can forge links with the LNDC. Yet this does not simply reflect the government's weak bargaining power, but rather its failure to rally the domestic development forces behind its programme as a countervailing force against the power of the foreign firms.

Admittedly there is a myriad of hurdles which have been difficult to overcome. One of these is the stiff competition from the South African homelands to which many firms have been lost because of better incentives offered there.[81] Another problem



is the membership of the common monetary and customs unions. While benefitting Lesotho, these institutions also act as constraints on Lesotho's industrialization policy. The Southern African Customs Union [SACU] provides for the protection of infant industries by each member, but this is usually difficult to apply given the SACU's founding principle - the achievement of a free trade area.[82] Its membership of the Rand Monetary Area [RMA], on the other hand, makes it impossible for Lesotho to pursue independent fiscal and monetary policies.[83] However the benefits currently accruing from the membership of the RMA probably outweigh the costs. RMA membership solves the foreign exchange problem and ensures "access to the South African capital market by the Lesotho banking system." [84] But by facilitating easy transfer of money to South Africa it undermines growth in Lesotho's liquidity, hence the amount of funds available for investment. It accentuates the polarity of development problem. According to Hoohlo, Lesotho has suffered more from this "polarization effect" than Botswana and Swaziland. [85] But Selwyn argues that where the analysis affects two sovereign states the polarization hypothesis has limitations as a tool for assessing the location of firms. He argues that with political boundaries the movement of capital has to a large extent been influenced by political decisions or actions. [86]

Lesotho has clearly preferred a piece-meal approach to a coherent and rigid macro-economic development programme. This enables the government to negotiate and implement new programmes as it becomes necessary without fear of disrupting the long-term

goals. In fact, some development economists have argued that there is no inherent contradiction between long- and short-term goals as "long-term changes are a result of a succession of cumulative short term-changes of the right kind." [87] Lesotho's immediate problem is shortage of investment capital. Thus maximizing the capital flow has been a wise move, even though, as argued above, this has been used mainly as a subterfuge for de-democratizing the development process.

The two state agencies, LNDC and BEDCO, had managed to create only 12,600 jobs by 1989, a figure falling far short of the demand for jobs. It is estimated that 20,000 or more people enter the labour market each year. [88] In 1991 the number of jobs within the LNDC-associated manufacturing industries had increased by an insignificant figure of 2,606 or just 20.6%. [89] In the circumstances the migrant workers remittances, amounting to R958 million in 1989, have become even more important. [90]

Notwithstanding the fact that the migrants' remittances represent over 90% of Lesotho's GDP - M1099.7 million in 1989 - labour migrancy has continued to be defined as the most serious threat to development. It has been argued that it "strengthens the country's dependence on external sources of employment" because all the money paid to the migrants is spent on South African goods. [91] But if the migrants remit nearly R1 billion annually to Lesotho, there seems to be little justification why migrants, rather than Lesotho's rulers, should be blamed. Migrant workers cannot be singled out as scape-goats as long as there are

no choices. Dependent on South African goods, Lesotho itself sends money back to South Africa every day. Yet the point is that, in strict economic terms, there are no boundaries between Lesotho and South Africa, and it does not seem likely that these will ever exist. It is easy to argue that development efforts in Lesotho may have further blurred the economic divide between the small kingdom and South Africa. Every industry and its attendant operations requires inputs from and crucially depends on South Africa's markets, transport and routes. The Highlands Water Development Project, jointly owned by the two countries, the National Abattoir and numerous agricultural development projects, have further tied Lesotho to South Africa.

Dependence on South Africa for jobs, consumer goods and services needs to be reduced if Lesotho is to retain pride as a sovereign state. However it is a different matter to argue that economic ties with South Africa have had a totally negative effect on Lesotho's development. Without access to the South African wealth Lesotho would probably require about ten times the amount of foreign aid flowing annually into the country in order to feed its population and to undertake any form of development. Following democratic elections in South Africa, the attraction of Lesotho to foreign aid donors is likely to be considerably diminished.

Before we conclude this section we will highlight the situation concerning agriculture or agriculture-focused rural development. This sector has attracted more direct foreign

assistance than commerce and industry. This is because it is assumed to be the mainstay of the country's economy, supposedly supporting over 80% of the rural families. While area-based expatriate-run projects have been a dominant feature of Lesotho's agricultural development strategy, the farmers or producers themselves are supposed to be responsible for running the projects. As the Lesotho agricultural development planners put it in the early 1980's,

"The agricultural development programmes were so designed that households with few resources could participate." [92]

As we will further demonstrate in the next chapter, the regime's political programme and the projects' nature and scale of operation have, however, militated against household participation.

Agricultural development has been described as both a strategy for achieving food-self sufficiency and a means of creating employment. The government has emphasized the need for modernizing agriculture, changing the prevailing attitudes towards farming and halting further subdivision of arable land. The programme emphasizes increased use of motorised farm machinery, chemical fertilizer, high yield seeds and pesticides. The policy envisages commercialization of farming and a shift away from the present land tenure system whereby land allocations are based on a freehold system. Whether or not there is any conflict between these two goals is a moot point. But the existing patterns of agricultural production in Lesotho suggest that there may be no conflict between commercial agriculture and

the land tenure system.[93] These issues are analyzed in detail in Chapter 5.

After the military coup in 1986 the ruling junta made references to popular participation in agricultural projects, even though it did not indicate the form that this should take or how such participation would affect the farmers in the decision-making hierarchy. But, as the leadership role of chieftainship was emphasized, it is clear that no significant changes were envisaged. Rural development was simply redefined as primarily the task of chiefs. Thus apolitical village development councils chaired and controlled by chiefs were created. Their prime functions were described as the promotion of patriotism and improvement of agricultural production.[94] Apart from this the junta made no changes to the previous system.

Agriculture has attracted more foreign aid than any other economic sector in Lesotho. As early as 1969 a mammoth agricultural project, designed to improve the farmers' income and skills, was mounted under the name, Leribe Pilot Agricultural Project, with the support of the United Nations Food and Agriculture Organization [FAO]. [95] A more detailed analysis of this will follow later in Chapter 4. Noteworthy, however, is the fact that agricultural development in Lesotho is occurring in an environment in which the government is yet to establish a full hegemony over the peasantry.

Lesotho is a member of the ten member-state Southern African

Development Co-ordinating Conference [SADCC], formed to reduce dependence on the Republic of South Africa and to promote trade and economic co-operation among independent states of Southern Africa. Lesotho's geographical position, however, unsurprisingly limits its contribution to the organization. Despite its relatively high gross national product [GNP] of US\$624 million in 1986, Lesotho had the smallest manufacturing sector - worth just US\$26 million - of all the SADCC states. It has had only negligible trading links with the SADCC states, importing only US\$2 million and US\$1 million in 1981 and 1983 respectively from the SADCC countries, while exporting nothing between 1979 and 1984.[96] Clearly, direct economic benefits of SADCC membership for Lesotho are nothing compared to what accrues from economic integration with South Africa.

### 3:5. Conclusions

The above analysis brings to the fore several important issues. These include methodologies and/ or conceptual schemas appropriate for looking at Lesotho's economic problems. For example, can Lesotho not be legitimately defined as a South African homeland given its current status within South Africa? But political sovereignty distinguishes Lesotho from South Africa and its homelands. It competes with South Africa at both the regional and global levels for investment capital and political influence. But does this mean that South Africa wants to destroy Lesotho's economy, hence its sovereignty? This would certainly not be in the interests of South Africa. The problems entailed

by this would be daunting. First, South Africa would have to contend with the problem of illegal immigrants who are often difficult to identify in a country where Basotho out-number those living inside Lesotho. This would create intolerable socio-economic problems for South Africa. Second, South Africa would lose the economic benefits accruing from foreign aid flowing into Lesotho, most of which is spent in South Africa.

However, Lesotho has to be treated as an autonomous unit if we are to account for its economic performance, or to compare and contrast it with other countries. This thesis has adopted this approach, analyzing it as a system with objectives and goals, political structures, institutions, leaders, groups, communications and social networks rather than looking at it simply as an adjunct of South Africa. The analysis in this chapter shows that looking at Lesotho's economic development problems solely through the integration hypothesis unduly focuses our attention away from the Lesotho state, thus unwittingly condoning its failures. The issue is whether integration within South Africa impedes development in Lesotho and whether the kingdom has been unable to access resources necessary for investment. Our analysis in this chapter demonstrates that investment capital, of which some is South African, has flowed into Lesotho in massive amounts. Between 1983 and 1989 alone, official development assistance [ODA] to Lesotho amounted to not less than US\$514 million. In 1989 alone this amounted to US\$118 million or 26% of Lesotho's GNP.[97] Lesotho can and has been able to mobilize development capital, indicating that South

Africa's power and determination to block its development has been grossly exaggerated by radical scholars. Internal factors have played a major role. Politics in the form of a dictatorship since 1970 prevented the release of local productive forces. Government's investment strategies and the bureaucratization of the development planning process marginalized the local business classes, thus denying them a role in developing Lesotho. The lack of public accountability on the part of the rulers and a virtual absence of natural resources have also greatly affected the kingdom's ability to respond to the challenges of development. The analyses in Chapters 4 and 7 will further shed some light on these issues. Worth emphasizing is that the issue for Lesotho is how to convert gains from the ties with South Africa into tangible development assets, proper management of foreign aid, channelling investible funds into appropriate areas, and effective mobilization of the local resources.

The analysis shows that Lesotho needs the SACU, RMA and jobs in South Africa. Its political independence depends on these three factors. Lesotho's economic development planners and most analysts have conveniently ignored this for political reasons. The effect of this has been undue romanticization of Lesotho's political sovereignty. Lesotho's development planners believe that, because it is politically independent, Lesotho should adopt economic development strategies which weaken its ties with South Africa and thereby invest in projects which emphasize its sovereign status. Such is the case with the national currency, the maloti. In reality this is only symbolic as the rand is the



effective currency.

Finally, the theories employed in analyzing Lesotho's economic development problems singularly provide no adequate economic development policy framework. They do not address the issue of effective and efficient utilization of the available resources, the system's politics and the type of rulers, and the specific areas in which Lesotho has advantages. In sum they only highlight the origins of the problems. Yet effective development planning depends not just on understanding the origin of the problem at hand and its antecedents, but on knowing its solution.

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4:1 Introduction

The Lesotho development planners have defined agriculture as the life blood of the economy. Hence increased investment in agriculture is seen as a solution to the country's economic problems. Since 80% of the country's rural population is supposedly dependent on farming, agricultural development is the key focus of the Lesotho government's rural development programme. Agriculture-focused rural development - a colonial legacy - is seen as an effective strategy for eradicating rural poverty and unemployment, hence a tool for stemming labour migration. The Lesotho government believes that proper farming methods and increased use of technological inputs, such as fertilisers and hybrid seeds, will generate employment whilst acting as an incentive to proper farming and land use management. However this raises a number of important questions, among which are: have the authorities fully appreciated the nature and dynamics of the problem confronting the rural population? Is it correct to define Lesotho as an agricultural country? Is increased investment in agriculture an answer to Lesotho's development dilemma? Are the strategies employed to give effect to the policy appropriate, or are these just a means of [to use Rondenelli's phrase] "raising the priority of some political options that were not popular?" [1]

This chapter attempts to answer these questions by critically

assessing Lesotho's agricultural development programme and its underlying politics and their implications. It seeks to determine whether the programme does what it purports to do - that is, does it really develop the rural sector? The key argument is that Lesotho's agricultural development programme has faced problems because it barely accords with the farmers' needs and interests in their various ramifications - economic, political and social.

The chapter is divided into seven sections, including the introduction and conclusion. Section 4:2 interrogates the concept of rural development, not only trying to determine its essence but also the broad theoretical and policy issues that it raises. Section 4:3 assesses the Lesotho government's conception of rural development and its broad assumptions about rural poverty and its causes, contending that they hardly reflect the reality of rural Lesotho, hence they are of little or no relevance to the needs, interests and aspirations of the rural population. Section 4:4 examines the rural or agricultural development projects, their origin, nature, focus and politics, arguing that the underlying problem is not the lack of farming skills and Basotho's negative attitude towards farming, but rather the projects themselves - that is, their nature, focus and political repercussions. Section 4:5 attempts a critical appraisal of Lesotho's agricultural development policy and its implementing strategies and their problems, arguing that in Lesotho agricultural development will remain an impossible dream unless it involves the farmers or groups involved in agriculture in the basic planning process. Section 4:6 looks at the future prospects of Lesotho's



agriculture, attempting to find out whether the farming community will be able to cope with the ever-spiralling farming costs. Section 4:7 attempts to provide some general conclusions based on the analysis.

#### 4:2. Defining Rural Development.

Defining rural development has remained a difficult task. Thus exponents of the theory of rural development have focused instead on the concern of rural development projects and /or processes. According to the World Bank, rural development is

"A strategy to improve the economic and social life of a specific group of people - rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless." [2]

Chambers has reformulated the same definition thus:

"Rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves the helping of the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of development. The group includes small-scale farmers, tenants, and the landless." [3]

The latter definition widens the scope of the concept of rural development, whilst also emphasizing the type of actions needed to make it possible for the people to gain access to economic resources. However, this has not fully eliminated the ambiguity inherent in the concept, as Chambers concedes. He warns that rural development has been defined in various ways by different countries and scholars to include economic growth, modernization, increased agricultural production, socialism, education, good

health, improved transport, and water supply schemes, equity and guarantee of renewable resource base. Yet, according to Chambers, these are "means, not ends". [4] He warns that national strategies based on the above objectives could harm the interests of the supposed beneficiaries if they entail the use of techniques militating against increased employment opportunities. [5] Thus clearly for Chambers the effectiveness of a rural development programme should be judged by, among other criteria, the ability to create employment and to ensure equitable income distribution. Arguing from the same premise, Harriss notes that, as both a policy and a process, rural development is

"defined by its concern with equity objectives of various kinds - especially the reduction of inequalities in income and employment, and in access to public goods and services and alleviation of poverty." [6]

Rural development thus embraces two broad issues - enhancing the productive and earning capacity of the rural poor, and providing economic security for the rural populations. Yet enhancing economic security of the rural poor necessitates, according to one analyst, a drastic change in the existing political and social power structure. [7] The underlying assumption is that privation in rural areas is a consequence of exploitation and neglect by states whose policies have invariably served the interests of the dominant classes. [8] The link between political democracy and development has been explained thus by Burkey:

" [The existing] political structure may or may not benefit the individual or the general public as a collective entity. If development, in its widest sense, is to truly benefit the people, then the political structure must be responsive to their needs and aspirations as well as protect their rights and

their property." [9]

In sum, rural poverty is both the cause and consequence of political powerlessness. Thus changing the political and social structure requires focusing beyond the reform of the state and its institutions. For many analysts and students of rural development the change must include land reforms. As Dixon argues, "land remains the basis of wealth and political power in rural areas." [10] But the role of the land should not be exaggerated for, as Dixon warns, the rural "households engage in other activities and derive income from a wide and variable range of sources." [11] This suggests that rural development programmes should strengthen rather than supplant the existing means of livelihood in the rural areas. Mackenzie's view regarding the empowerment of the poor is instructive. She observes that

"to call for the empowerment of local people is to challenge the social structure. Profoundly, one is dealing with politics not policies, with struggle and not strategy." [12]

But empowering the people means democratizing the development planning process that affects them. As one analyst warns,

"Popular participation in the objectives of planning makes for a commitment which goes farther in implementation of a plan than the exhortation of planning officials and bureaucratic executors of the plan... Some form of planning must start from below in the communities and in the regions and then should be coordinated on the national level. People must be considered as masters of their own destiny and agents of change." [13]

Whether or not rural development has a core theory is certainly not important. Of direct relevance are the principles and the issues at stake for rural development planning. Indeed, the analytic utility of the concept is not in doubt. Rural development is defined by its broad concern with distributional

issues. Yet if they are to be distributive rural development regimes must be democratic. The communities or people being developed must have power to decide what they want and how this must be achieved. However the rural development philosophy, like the contemporary development theories, has one major weakness, namely in its implicit assumption that the rural poor are a homogeneous mass of people in terms of their political, economic and social aspirations.

Indeed it is precisely because of the political, economic and social diversity, and hence the lack of a consensus among the rural communities, that the definition of rural development remains a matter for controversy. Not surprisingly, some analysts have defined it "by its institutions, not by its rhetorical goals", arguing that

"it consists, then, of projects supported by aid donors and run by state agencies. In these circumstances, there is much talk of participation, but it usually comes down to doing what is good for you. These rural development projects favour both a small group of farmers who are in a position to take advantage of the particular package of technologies and services provided and the more disparate groups of bureaucrats and businesses that provide the package, market the products and tout their success as rural development experts." [14]

They see it as a means of drawing "peasants into production of commodities for sale - to force them to sell to the market in order to earn cash which is required, in increasing quantities, to provide for the necessities of life and to pay taxes." [15]

Subject to the above caveat, rural development programmes are a dominant feature of the development activity of the less

developed countries [LDCs]. But they are often not motivated simply by altruistic considerations or a felt need for a fair distribution of income and resources. Rather they have been undertaken as part of the broad political programmes of these states. They are a means of social and political control or influence over the "masses" and mechanisms for eliciting foreign aid. Thus many rural development projects are concentrated in the most dominant and encompassing rural occupations able to attract foreign funding. As Low observes,

"In practice, increased production and raised farm productivity have been the primary goals of rural development projects and most projects have been justified and evaluated on these terms". [16]

Rural development projects have become a means for "funding, procuring and supplying technical farm inputs" that are considered essential for increased production. [17] Indeed, nearly all the Third World rural development programmes are invariably focused on agriculture for this provides the basic needs - food and nutrition - without which there is no life. Agriculture has traditionally been the most accessible activity or sector for man apart from being the most dominant economic sector in the less developed countries [LDCs], and hence the centre piece of their national politics.

Declining rural incomes constitute a perpetual quandary for the Third World for this affects the majority of their populations. But what should happen after rural development is not clear. Neither is it clear whether or not rural development is only a transient phenomenon. However, seen against the postulates of the modernization theory and the political

economy/underdevelopment perspective discussed in the preceding chapter, rural development should be a transition to higher forms of production. In fact, it is precisely because of this that modernization theorists have associated stagnation in Third World agricultural production with inadequate investment and/or insufficient integration of the peasant production into the mainstream of the economy - capitalist or socialist. As explained below, Lesotho is one of those countries persuaded of the soundness of this argument. But any agricultural development programme which fails to convince the people that their security and well-being are enhanced by joining development schemes is bound to face difficulties. As shown below, this is one of the issues which have been ignored by the Lesotho agricultural development planners.

#### **4:3 Lesotho Government's Conception of Rural development**

The Jonathan regime defined rural development as "the overall enhancement of the lives of all rural people." It placed emphasis on the "need to increase the domestic income and wealth of rural households and to foster an equitable distribution of wealth." [18] As indicated above, however, the programme is agriculture-focused. All rurally-based agricultural development projects bear the appellation rural development. Hence rural development in Lesotho is synonymous with agricultural development, a view taken by this dissertation. The approach accords with the Lesotho economic development planners' view that 80% of the country's population ekes out a living from

farming.[19] However, farming accounts for a small proportion of the total rural income.

Lesotho's agricultural development programme focuses beyond family farming. It aims to transform the entire system of farming - to modernize and turn it into a commercial activity able to generate investment capital. Using Ickis's typology, it is what could be described as a "growth strategy." [20] The massive agricultural development projects mounted since independence aim to achieve this objective. They are geared to modernize agriculture, thus creating a strong national economy able to prop up the fragile Lesotho nation-state. One of the most nagging problems for the Lesotho authorities has always been that agriculture - unquestionably the most extensive sector in Lesotho - has largely remained outside the control and influence of the state. Yet without this influence the state cannot effectively exploit the peasants. Neither can the state provide the necessary political leadership required by its modernization programme.

With the above objectives, Lesotho's agricultural development programme becomes a class project, compromising the declared equity goals of the rural development policy. Large-scale commercialization of agriculture cannot be achieved without land concentration, hence growing landlessness among the rural population, and the destruction of a society still largely permeated by mutual help, co-operation and a pooling of resources. In its present form the programme will undoubtedly demolish this value structure notwithstanding the fact that it

has saved agriculture from total collapse. As shown in section 4:6, farming is so costly that, without mutual help, co-operation in its various forms and pooling of resources by the farmers, very little of what is today Lesotho's agriculture would survive. However, mobilizing the population for the programme has proved to be an intractable problem for the various Lesotho regimes. With no moral claim to political and social leadership, they have hardly succeeded in recruiting the land holders into the donor-funded agricultural development schemes.

The planned modernization of agriculture plus the apparent attempt by the state to extend its control over the peasant should, however, not be seen solely in terms of the political convictions or ideological leanings of those holding the reins of power. Rather it is also an attempt to placate an increasingly restive donor community on which the various Lesotho regimes have been so desperately dependent. Nearly all the international aid agencies have made persistent calls for modernization of agriculture in Lesotho, emphasizing in particular the abolition or review of the existing land tenure system to create a climate conducive to the development of commercial farming that should lead to "increased investment" in agriculture.

Despite being a politically contentious issue and being in conflict with the principles of rural development, commercialization of agriculture is a firmly established priority goal of Lesotho's agricultural development policy. [21] According to the Lesotho government's 1986/87-90/91 Five-Year Development



Plan,

"Government will use the Land Act of 1979 to promote agricultural development through equitable distribution of land to households interested in expanding agricultural output and maintaining sound practices of soil and water conservation and management." [22]

The policy is, however, clearly a threat to the poor households for they cannot meet the demands of the programme, namely the use of hybrid seeds, motorized agricultural machinery and pesticides. To this extent the policy can indeed become an impoverishing machine. Apart from legalizing land alienation by the state, the 1979 Land Act [the key instrument of the policy] envisages a 99-year leasehold system for agricultural land to enable the holders to lease their land to those who want to use it. Thus the hallmark of the policy is the privatization of land use rights and land expropriation. As the Ministry of Agriculture unequivocally declared in 1982,

"It is naive to believe that land reform measures leading to viable farming units will be supported universally because the process involves the dispossession of land." [23]

Indeed, the rationalistic precepts of modernity - efficiency, predictability and rationality - and the continuing pressure from the donor agencies present the Lesotho rulers with a stark choice, opening all the arable land for speculation or invoking the relevant legislation to flush out inefficient elements. However, enacted by a constitutionally illegitimate parliament, the relevant 1979 Land Act has not been fully accepted as a development policy instrument, as will be shown in Chapter 5.

The United Nations [UN] development agencies have taken the

lead in calling for changes in Lesotho's farming system. For example, after assessing Lesotho's development prospects in 1978 the International Labour Office [ILO] Jobs and Skills Programme for Africa [JASPA] Mission, reporting to the Lesotho government in 1979, argued that

"At the heart of the problem of land and livestock management is the system of land tenure. Communal grazing is inconsistent with improved land and pasture management and improvement of livestock nutrition. Improvements in these areas are crucial to improvements in crop production....

The land tenure issue is so crucial to changes in the productivity of land and livestock in Lesotho that we recommend an urgent fundamental review." [24]

The ILO/JASPA Mission, however, cautions against any measures that might threaten the existing land rights of the "small holders." [25] Yet these two contradictory positions are difficult to reconcile. Abolishing the existing tenurial rights will reduce the small land holders to tenants. But as this depends on payment of rent, the scheme will force most of them out of farming. The ILO/JASPA Mission contends that a leasehold system is a solution to this complex problem. Yet it does not show why this should be an incentive to innovation and/or investment. As argued in the next chapter, however, the leasehold system entails heavy financial costs for the land holder. Hence without increasing the land holders' capacity to absorb the costs of the planned changes, the government's agricultural development programme remains nothing other than a brutal land expropriation. If fully implemented, it will annul the political and economic rights built into the traditional land tenure system. On the other hand, good as it may seem, the policy of safeguarding the rights of

small holders may compromise other important and urgent national priorities, such as environmental protection and soil management. In fact, these constitute a challenge to Lesotho's land administration system in which the government plays only a limited role.

#### **4:4. Agricultural Development Projects: Origin, Nature, Focus and Politics.**

In his critique of both the World Bank report and the contemporary discourse on Lesotho's economic predicament, Ferguson warns that "if Lesotho is poor it is not because no one has ever tried such development before." Ferguson is particularly critical of the discourse because, according to him,

"It tends towards a picture in which the colonial past is a blank, economic stagnation is due to government inaction, and development results from development projects." [26]

Indeed, development projects in Lesotho were started soon after Britain took over the control of the country. Their number increased sharply following Lord Pim's report on the effects of the 1933/34 drought and its impact on the Protectorate's economy. The projects were directed at enhancing the productive capacity of the rural sector. Thus they were concerned with soil conservation, livestock management and horticulture. [27] However, Ferguson's trenchant criticism of the World Bank needs certain qualifications. These development schemes entailed "no clear strategy as to the long-run development of the territory.." [28]. Moreover, they failed to address the political issues crucial to development. Often imposed from the top by administrations with

scarcely any legitimate claim to political leadership, they have been resisted by the people. Indeed, notwithstanding that it has been ignored by the development planners concerned, politics is a major factor in the success or failure of a development programme. This is demonstrated below.

The debate on how to salvage Lesotho's shrinking agricultural land had been going on since 1874. The colonial officers and the Basotho chiefs were alarmed by the possible economic and social consequences of large numbers of people flowing into Lesotho bringing with them large herds following the abolition of tenant farming in South Africa. This led to a mushrooming of new villages within and around the arable and grazing lands. Fearful of the repercussions of this phenomenon, the Basotho chiefs began to debate the possible administrative actions that would halt further proliferation of small villages. The significance of this debate is that it ultimately crystallized into a public awareness campaign, the thrust of which was the achievement of sustainable agricultural development of some sort. That Basotho and their chiefs were aware that agricultural development depended on maintaining an ecological balance is evidenced by their criticism of the government policy allowing the churches and traders to settle within the reserved grazing areas.[29] But clearly the debate had arisen because until the 1880's Lesotho consisted of only the lowlands. The debate petered out as soon as the mountains were opened up for grazing and settlement.[30] This notwithstanding, the colonial regime was financially and politically ill-equipped to implement

its rural development policy. When it finally intervened, it employed soil conservation and farming techniques that were alien to the nation. The soil conservation measures included contour furrows and grass strips which the land holders found difficult to maintain because of the lack of technical know-how and money. On the other hand, the existing land tenure system and its underlying ideology - the communal ownership - was left undisturbed. Hence the interventions were largely seen as an unwarranted political interference by the colonial regime. Faced with this political quandary, the regime focused on the less controversial issues, such as the dipping tanks, bull camps and wool and mohair sheds. [31] However, as they served the interests of the rich elements of the rural community, the measures undoubtedly exacerbated the existing economic and social inequalities. Moreover they obviously encouraged the beneficiaries to increase sizes of their herds, thus further damaging the environment.

The colonial agricultural development programme was riddled with contradictions. For example, it discouraged or outlawed the construction of roads linking the main motor ways with the villages because of their assumed contribution to soil erosion. [32] But this impeded the expansion of communications networks, thus undermining the growth prospects of the rural economy which the regime sought to build. On the other hand, the use of a plough encouraged the use of modes of transporting agricultural equipment - ox-drawn sledges - which exacerbated soil erosion. [33] More importantly, the colonial regime saw

agriculture mainly as a means of reproducing the migrant workers. The regime was highly sceptical about crop production because of Lesotho's poor soil and unreliable weather. But with no sound tax base, the colonial government turned "its attention to the development of livestock production, particularly sheep and goats." [34] Wool and mohair exports generated revenue for the state via direct levies and annual poll tax paid by the farmers. But even here success, if any, was minimal because the regime did not develop the supporting infrastructure - roads, storage facilities, and communications and/or transportation systems.

The colonial government's rural development programme was implemented via area-based agricultural projects. Maphutseng Valley Project of 1947, in the Mophale's Hoek District, which aimed to increase grain production, improve pastures, and protect the environment, was the first of such projects. The scheme involved organizing the households with contiguous fields and teaching them about the appropriate farming methods, crop type and use of inputs, while setting aside a compact land area for a communal garden in which each villager was entitled to a plot. The scheme also organized grazing associations to manage the grazing lands. The villages in the area were to be grouped into a single village to provide more space for crop farming and grazing. The scheme failed to attract the support of the inhabitants and was therefore abandoned two years later. [35]

The planned villagization threatened the chiefs and their people for it struck at the heart of the country's rural politics

and its social basis. To appreciate the nature and magnitude of the problem with which the scheme was confronted, we need to fully comprehend the nature of Lesotho's rural political organization and its relevant formal and informal authority structures, and the complex social, familial and kinship networks permeating rural Lesotho. Rural Lesotho can be described as an aggregation of fiefdoms or wards under the country's 22 principal chiefs who are, in turn, responsible to the Paramount Chief [King], and not to the government in the administrative sense and in so far as land use rights are concerned. Maphutseng is a ward embracing several chiefs and headmen under one principal chief. Thus the consequences of the planned villagization were loss of political power, social prestige and salaries by the chiefs and their headmen in the area because their status and pay depended on control and administration of geographically defined areas and villages. Villagization thus threatened the chiefs' economic and political power. This important issue was ignored or misunderstood by the government.

The chiefs and their headmen had even stronger reasons for opposing the plan. The introduction in 1938 of the Administrative and Courts Reforms had led to the disappearance of hundreds of fiefdoms or wards and demotion of scores of senior chiefs and headmen. [36] On the other hand, for those households who would have to move from their existing villages the scheme would demand further investment in terms of maintaining distant cattle posts and building new homes. It would also increase the distance, hence the farmers' travelling time, between the homesteads and

the fields. The colonial administration neither had the constitutional powers nor financial resources to manage this planned change. Much depended on the co-operation of the chiefs which unfortunately could not be secured because the programme undermined their political power.

Notwithstanding the above problems, some state investment in agricultural development continued until independence. A department of agriculture was set up to provide technical advice on crop production, animal husbandry, and land management. More importantly, an agricultural training school was established for the training of demonstrators. In addition to these facilities the colonial administration created producer and consumer cooperatives, a cooperative credit bank, veterinary clinics, and agricultural trading account under the Department of Agriculture to ensure credit to the progressive farmers.[37] Above all, efforts to combat soil erosion, as indicated above, were mounted. For example, by 1958 1,700,000 trees had been planted, 572 dams built, 1,175,000 acres of arable land protected from soil erosion by means of terracing and buffer strips, and 30,000 miles of contour and diversion furrows erected.[38]

However, the efficacy of the above measures is questionable. As Showers argues, "the existence of extensive and severe soil erosion in Lesotho today suggests a serious technical failure." The concern of the colonial administration "was to keep anti-erosion costs to a minimum," as it was felt that it would be cheaper to repair the terraces "than to construct systems which



would withstand very exceptional storms." [39] The problem was that there were no institutional mechanisms to manage these innovations. Reporting to the High Commissioner for Basutoland, the Bechuanaland Protectorate and Swaziland in 1959, the Morse Economic Survey Mission noted this failure, adding that the soil conservation works undertaken by the government could not have stopped the soil erosion even if they had been maintained. [40] It was assumed that the people would take over the responsibility. However, as Chakela has aptly argued,

"The period...is characterized by low farmer participation in conservation and, in some cases, complete hostility to the works. Furthermore, there was no incentive for farmers to abide by colonial conservation regulations, the funds and staff of the Department of Agriculture involved in the conservation works were very limited,..." [41]

Indeed, as Timberlake noted in his general analysis of the crisis facing African farming systems, "such schemes can be helpful where local people have good reason for maintaining them." [42]

Tenuously linked politically to the colonized population via an increasingly unpopular Paramount Chief and seen as an alien and transient force by the Basotho people, the colonial regime had difficulty mobilizing support for its development programme. Its problems were further compounded by the growth of nationalist politics and the struggle for independence. These triggered competition and rivalry among the different political organizations. The colonial development projects were thus supported or rejected on the basis of their perceived implications for the evolving political struggles. [43] The colonial development projects thus often became objects of

attack, ridicule and sabotage by the politicians and chiefs if they did not increase their chances of being elected to the district councils, which were also electoral colleges for the national council.[44] In fact, the Morse Economic Survey Mission noted in its 1959 report on Basutoland that the most crucial aspects of one major rural development scheme - Taung Ward Rehabilitation Project - were not implemented because of their political repercussions.[45]

Political factors have had devastating consequences for development in post-independence Lesotho. The damage to the economic and social infrastructure by the opposition Basutoland Congress Party [BCP] through its Lesotho Liberation Army [LLA] during the Jonathan era is well documented.[46] Ferguson's study of Thaba-Tseka Rural Development Project has revealed that campaigns against and sabotage of government-sponsored grazing associations, including damage to the fencing enclosing the pastures, were protests against the BNP regime.[47] Destruction or sabotage of development projects was seen as one of the means of dislodging Jonathan from power.

Interventions by the colonial state in agriculture and land management were resisted because they also led to loss of good arable land. The creation and expansion of government reserves led to loss of arable and grazing land to the government. In Maseru, the capital, hundreds of hectares of arable land were seized by the government to accommodate an agricultural training school, race and polo courses, bull camps, pack-trek animal

centres, Police Training School, Leprosy Hospital, and a Mental Care Centre. Post-colonial Lesotho has pursued similar policies, but with potentially more devastating consequences for agriculture, as will be seen in Chapter 5.

#### **4:5. Agricultural Development and Problems since Independence.**

The BNP government embraced wholesale the rural development policy of the colonial administration, namely transforming agriculture through "education of the farmers" and state-funded, but discrete, area-based projects.[48] It saw these as both the means of attracting foreign aid and mechanisms for transferring appropriate technical skills and values to the farmers. There have been some shifts in emphasis, however. Since 1970 agricultural development has been declared as part of the overall state effort to reduce Lesotho's economic dependence on the Republic of South Africa. However, the projects have relied entirely on external funding. In the early 1970's there were not less than four externally funded projects in different parts of the country.[49] Between 1978 and 1985 there were ten externally funded agriculture-focused rural development programmes, comprising not less than 43 operational projects with a total cost of about M101 million, together with an equal number of approved projects worth not less than M109 million. In addition to these, Lesotho received food aid worth M20.35 million during this period.[50] The average life-time of the projects is five years. Included in the four earlier projects was Thaba-Bosiu Rural Development Project, with a total capital investment of

US\$9.7 million.[51] As the government owned no land the implementation of the projects depended on individual field owners' willingness to join, or remain in, the development schemes.[52] Thus post-independence rural development projects have not been able to avoid the political dilemma faced by their colonial counterparts.

The area-based agricultural development projects have been accorded undisputed leadership roles. For example, Thaba-Tseka Rural Development Project, according to the project memorandum, "would improve crop production amongst the farmers...; would supply the inputs necessary for improving the efficiency of arable farming." [53] Lesotho Agricultural Sector Analysis, on the other hand, aimed to "provide direct production and marketing assistance to small farmers and to strengthen GOL [Government of Lesotho] institutional capabilities in agricultural research and extension education." [54] As leaders the externally funded area-based agricultural projects have offered little scope for farmer participation. They are guided by their terms of reference as defined in the project memoranda, paying scant attention to the individual farmers' needs, priorities and problems. Yet, as one analyst has argued, "the priorities of the rural poor are not general. They are particular, immediate and personal." [55] More importantly, an "answer to poverty lies not in relief but in increasing the capacity of the poor to meet their own needs." [56]

The area-based agricultural development projects may, in some cases, have led to confusion and frustration among the supposed

beneficiaries. In the case of Thaba-Tseka Rural Development Project, not only was there no congruence between the project managers' and government's goal, on the one hand, and the land holders on the other, but the supposed beneficiaries were not clear about their relationship with the project authorities. [57] One of the criticisms levelled against this approach is that the projects tend to be isolated from the farming community "and the general process of government, and also because as each of the aid projects is necessarily terminal nothing is left when the projects terminate." [58] The WCCRD Inter-Agency Mission of Food and Agriculture Organization [FAO] of the United Nations has expressed similar misgivings about this type of project. Reporting to the Kingdom of Lesotho in 1982 on the food needs of the country, it observed that

"The area-based projects operated as autonomous projects largely geared to achieve objectives of growth in an economic and institutional environment where the pre-conditions for achieving objectives of growth were absent. In almost all area-based projects participatory development was defined in advance by the project staff and these preplanned activities and priorities barely conformed with the basic needs of the local population. Farmers were expected to participate in institution building largely defined [with good intentions] by outsiders. Invariably this resulted in lack of responsiveness by farmers to adoption of recommended technical institutional packages." [59]

Indeed, this captures the reality about the projects. But the mission would seem to confuse institutional weaknesses with the absence of institutions and structures supporting agricultural production. For example, while noting that the country had over 450 cooperative societies, 1000 agricultural extension agents and assistants, the various agricultural credit and marketing organizations, including the Lesotho Agricultural Development

Bank, the mission ascribes the projects' apparent failure to the lack of basic institutions, and therefore recommends the creation of what it terms "pre-cooperative actions which will ultimately result in making the cooperative movement a cornerstone of the nation's strategy for participatory rural development." [60] What all these represent and why they should ensure participatory rural development is not clear. But be that as it may, for an anti-democratic and unpopular regime such as Jonathan's, to which these recommendations were made, mobilizing a cynical rural population into representative associations was an impossible task. In any case co-operatives are not the only means of popular participation. Even loose associations or groups of producers can effectively partake in decision making processes affecting them. FAO's criticisms are not invalid, however, for the Jonathan regime neutralized what was then a BCP-inclined co-operative movement by imposing the government-controlled Co-op Lesotho on the farmers. Concomitant with the crushing of the pro-opposition co-operative movement was the disappearance of avenues for effective farmer participation in agricultural development. Thus the massive agricultural development aid could not be expected to have the desired impact on the lives of the rural population. The aid donors ignored the political dimension of rural development, recognized by many writers as a critical variable. On aid and development Clark argues, for example, that

"Conventional development aid has largely failed the poor, partly because the projects supported tend to serve the interests of a minority, but chiefly because they fail to address the political causes of maldevelopment." [61]

Lesotho's agricultural development projects have undoubtedly

been a source of bewilderment for the poor land holders. They have invariably been huge financially powerful edifices with highly mechanized operations. Thus one of the problems facing Lesotho's agricultural development is the dissonance between the projects and the local institutions in terms of objectives and the definition of the problem. But are co-operatives as crucial to agricultural development as they have been assumed to be? One would argue that much depends on their programme and the ability to pursue this independently. If they are dominated by the rich or the government they will obviously serve the interests of the rich or those of the government. Thus they can be dens of corruption, or can be manipulated by governments to ensure control over the markets.[62] Thrust upon Lesotho's farming community after Jonathan's coup, Co-op Lesotho has been performing the above function. It has exclusive monopoly over the purchase, sale and distribution of farming inputs and animal feed. It is a government agency, serving the interests of the country's rulers and top state functionaries. It enjoys exclusive monopoly over the purchase of grain, beans and peas. It has become a political arm of the government for controlling the farmers, and indeed a tool of the rulers. Notwithstanding these observations, there is a strong case for co-operatives in Lesotho to ensure effective participation by the farmers in development processes that affect them. This is so notwithstanding Wallis's important caveat that rural development lacks "clear formulas for success as different techniques succeed in different settings." [63]

The tables below show how agriculture has performed in the last four decades. The tables relate to arbitrarily selected periods and address different aspects of the sector. Table 10 below which covers a period of four years from 1955 to 1958, shows that during this period Lesotho was able to export certain types of food crops, barring maize which the country was importing. An important caveat, however, is that exports may merely mean that some producers had surpluses to sell for, as shown in Chapter 3, some people had neither the land nor livestock for farming.

**Table 10: Exports of Wheat, Peas, Beans, Sorghum and Malts in 200lbs Bags.**

Crop	Year	Year	Year	Year
	1955	1956	1957	1958
Wheat	27,575	82,114	101,077	51,741
Peas & Beans	39,677	62,943	47,300	38,608
Sorghum & Malts	10,168	5,645	10,003	11,868

**Source: Her Majesty's Stationery Office, Basutoland Report for the Year 1958, London, p. 49**

There were no maize exports as demand for it had already outstripped supply. Lesotho imported 8,245 tonnes of maize in 1957, 8,897 tonnes in 1958 and 12,315 tonnes in 1959. [64] In fact, all major crops experienced a decline. Table 11 below summarizes yields per acre in 200lb bags between 1950 and 1970. The small number of horses, mules and donkeys is due to the fact that these animals are used not as immediate sources of wealth but for transport. But these constitute the most serious threat to the environment.

Lesotho exported 410 cattle in 1965, 464 in 1966 and 1202 in



1967.[65] The number of animals for the years 1957 and 1958 is shown in Table 12 below.

Table 11: Major Crop Yields Per Acre in 200lb Bags from 1950 to 1970.

Crop	Year 1950	Year 1960	Year 1970
Maize	5.2	3.7	2.3
Sorghum	4.0	3.8	3.1
Wheat	4.5	3.8	2.4
Peas	4.5	3.3	1.8
Beans	1.5	1.6.	1.6

Source; J.W. Perry, Lesotho, An Exchange of Essays on the Economic Geography of Nine African States, in H. Blij and E. Martin [eds], African Perspectives, Methuen Inc., New York/London, 1981, p. 241.

Table 12: Animal Population in 1957/58.

Animal Type	Year [1957]	Year [1958]
Cattle	381,770	362,897
Horses	81,661	81,115
Mules	3,599	3,753
Donkeys	48,616	49,098
Sheep	1,220,769	1,231,669
Goats	535,286	505,562

Source: Her Majesty's Stationery Office, Basutoland Report for the Year 1958, London, p. 50

The big number of cattle exported in 1967 can be explained by the drought which hit the country that year, necessitating an exchange for cash to buy food. Until recently, trade in cattle involved an exchange of old animals for calves, plus some cash, between the South African livestock dealers and Basotho farmers. Thus, for example, one ox would be exchanged either for two calves or one calf plus ten or fifteen pounds. Lesotho did not have any organized internal market for livestock until 1985 when the present abattoir/feedlot came into operation. Between 1989 and 1992 the total number of cattle sold to the feedlot by the local farmers was 6,956, of which 3,233 were exported to South

Africa and Reunion Islands. In contrast, the numbers of sheep and goats sold to the feedlot by the local farmers were very small, totalling 1,200 and 564 respectively. Imports of sheep by the abattoir/feedlot alone amounted to 39,931 during the same period. [66] But sheep and goat sales to the abattoir/feedlot have remained insignificant. This is because these animals are reared for wool and mohair production. The country's total imports could not be established during the research. But as every butchery owner invariably buys from South Africa, the number could be more than ten times the abattoir/feedlot's total. The data on the abattoir/feedlot further confirm the indispensability of South Africa to Lesotho's development.

The number of cattle went up by over 25% from 381,770 in 1957 to 512,400 in 1974/75, while the number of sheep rose by 29% from 1,220,749 to 1,577,000. Goats experienced the highest increase, 66%, from 535,286 to 886,400. [67] The increases coincide with the abandonment of the fixed exchange rate for gold and the consequent rise in mine wages in 1974. But the growth in herd sizes cannot be attributed to the rising mine wages alone. Those who already owned animals may have increased the size of their herds for various reasons - rising prices of wool and mohair, the imperatives of cultivation, etc. The growth in size of animal herds has increased pressure on the meagre grazing land with dire consequences for the environment and agriculture. Table 13a below represents combined statistics for Lesotho's imports and domestic production of major food crops for the period 1974/75 to 1986/87 in 1,000's tonnes.

Table 13a: Imports and Domestic Production of Major Food Crops, 1974/75-1986/87 [in '000's tonnes]

Crop Year	Imports				Domestic Production			
	Maize	Wheat	Sorg.	Puls.	Maize	Wheat	Sorg.	Puls.
1975	74.5	23.3	3.7	0.9	122.5	57.0	84.0	4.7
1976	83.1	32.4	5.1	0.3	70.3	45.3	37.4	19.2
1977	96.3	50.8	5.8	0.8	49.1	44.6	24.5	18.8
1978	82.0	36.8	1.9	0.8	125.0	61.4	62.3	27.9
1979	91.3	32.1	1.8	0.9	143.2	57.9	85.8	15.2
1980	91.0	38.4	1.4	1.2	124.9	33.6	69.0	15.3
1981	205.7?	37.7	1.0	1.0	105.6	28.2	59.3	8.1
1982	117.0	30.3	1.7	1.2	105.7	17.0	47.7	6.7
1983	99.2	33.3	3.3	1.3	79.8	14.5	26.0	7.1
1984	103.9	52.4	1.3	1.8	76.2	14.8	30.7	5.0
1985	108.8	58.6	1.0	1.8	77.4	17.1	33.8	5.0
1986	117.3	62.7	1.0	2.3	92.4	18.4	54.6	5.8
1987	112.9	63.0	1.0	2.3	86.5	11.0	33.6	5.3

Source: M. Ngqaleni, A Review of Lesotho's Agricultural Policies and Strategies, in S. Santho and M. Sejanamane [eds], Southern Africa After Apartheid, Southern Africa Political Economy Series [SAPES] Trust, Harare, 1990, p.129. Notes: (a) Sorg. stands for sorghum and

(b) Puls. stands for pulses

(c) For 1981 maize figure is clearly erroneous. Problem apparently arose during the entry of figures.

Notwithstanding some fluctuations, the country's food self-sufficiency has shown a downward trend during the same period, the lowest figures for maize, the staple grain, being those for 1975/76, 1983/84 and 1984/85. Since 1982, the annual maize imports have far exceeded domestic production. The figures for wheat, consumed mainly by the relatively well-off and urban dwellers, have shown an even more drastic decline since 1980/81. One of the reasons for this could be the difficulty of harvesting the crop. The government's combine harvesters are never released by the Ministry of Agriculture until the country's rulers and the top ranking state functionaries have harvested their wheat. Thus to this extent Lesotho's rural development programmes are centres of corruption and mismanagement. Wheat has been especially vulnerable to this problem because it ripens in summer when the

risk of damage by hail and rain is high. With regard to sorghum and pulses Lesotho is nearly self-sufficient despite some noticeable fluctuations. Sorghum has a generally low consumption because it has been replaced by maize as a staple food. Pulses, on the other hand, are used as nutrients. But it could be argued that since pulses are also cash crops an increase in their production might generate cash that could be used to buy maize and wheat. But the low production figures for these crops as shown in Table 13a above suggest that investment in their production is a risky venture. Perhaps the declining food self-sufficiency in general for maize and wheat can also be explained in terms of increasing population pressure. Lesotho's population totalled 1,577,000 in 1986. [68] The food self-sufficiency table is provided below in Table 13b.

**Table 13b: Percentage of Lesotho's Food Self-Sufficiency for the period 1974/5 -1986/7.**

Year	Maize	Wheat	Sorghum	Pulses [Peas & Beans]
1974/5	48.5	66.0	91.0	95.5
1975/6	37.2	57.9	82.7	98.4
1976/7	56.6	54.7	91.5	97.2
1977/8	60.6	62.5	97.0	94.4
1978/9	61.1	64.3	97.9	90.5
1979/80	57.9	46.7	98.0	89.1
1980/81	50.0	42.8	98.3	88.2
1981/82	47.5	35.9	96.6	85.5
1982/83	45.6	30.0	88.7	84.5
1983/84	42.3	22.0	95.9	73.5
1984/85	42.2	22.6	97.1	73.5
1985/86	44.1	22.7	98.2	71.6
1986/87	43.4	14.9	97.1	69.7

Source: M. Ngqaleni, *A Review of Lesotho's Agricultural Policies and Strategies*, op. cit., p. 130.

In 1980 agriculture accounted for R54.7 million of the country's GDP of R382.7 million - calculated at constant 1980 factor prices - or just 14.3%. [69] This represents an

insignificant contribution to the national income. Despite its discouraging performance, agriculture has claimed the largest share of public expenditure. Table 14 below shows the pattern between 1970 and 1979. But most of the financial expenditure may have covered mainly the cost of launching and running the area-based projects rather than assisting the farmers. Indeed, development projects are largest consumers of financial capital. In fact, between 1980 and 1989 agriculture experienced a negative growth rate of 0.8%. Cereals imports rose by 191.6% from 48,000 metric tons in 1974 to 140,000 metric tons in 1989. Cereals food aid, on the other hand, rose by about 143% from 14,000 metric tons in 1974/75 to 34,000 metric tons in 1988/89. [70]

**Table 14: Capital Expenditure by Sector for Lesotho for five year periods from 1969/70 to 1974/75 and 1979/80 [Millions of Rands], excluding the recurrent budget in terms of expenditure and source.**

Sector	Expenditure					
	1969/70		1974/75		1979/80	
	Amt.	%	Amt.	%	Amt.	%
Agriculture	0.65	36.9	3.93	44.2	3.69	8.4
Indust., Com. & Tourism	0.04	2.3	0.73		5.06	11.5
Nat. Resources	0.05	2.8	0.17	1.9	0.49	1.1
Economic Infra-structure	0.51	29.0	1.07	12.0	16.83	38.3
Education & Training	0.11	6.3	1.21	13.6	5.08	11.6
Social Infra-structure	0.29	16.5	1.10	12.4	10.19	23.2
Government Services	0.11	6.3	0.68	7.6	2.56	5.8
Totals	1.76		8.89		43.90	
% Share of Agriculture	36.93		43.76		8.40	

Source: Adapted from Wellings's Comprehensive Table 1969/70 through 1979/80. Aid to the Southern African Periphery: The Case of Lesotho, in Applied Geography 2, [1982], p. 271.

Agriculture had the highest share of the total expenditure on new projects and other services in 1974/75. However, by 1979/80 the

percentage share of expenditure on new projects was just over 8%. Wellings attributes this to the changing donor priorities given that agriculture is financed mainly from external sources.[71] The table clearly shows a shift in emphasis towards industrial investment, communications, roads and other infra-structure. But the expenditure relating to most of the country's agricultural projects never appears in recurrent budgets because it is a donation to autonomous bodies. Hence Wellings's figures reveal only part of the picture.

Despite heavy capital expenditure on crop production, yields per hectare for maize, sorghum, wheat, beans, and peas declined by 58, 54, 58, 86 and 36 percent respectively during the period covered by the table above.[72] A number of factors are clearly at work here. Barring the unfavourable political climate, corruption, misdirection of resources and mismanagement, the three most important factors are less reliance on agricultural income as a result of increasing mine wages, increase in farming costs and decline in soil fertility. While at independence income from agriculture accounted for over 60% of the average household income, by 1973/74 this proportion had fallen to just above 40%, further dropping by 10% to 30% in 1977.[73] But 60% dependence on farm income at independence could also be a reflection of low mine wages and the lack of alternative sources of cash income, which include informal activities. Yet, much as the coefficient of 60% tells us nothing about the actual amount of income to the individual households affected, less reliance on agricultural income does not tell us whether or not off-farm incomes are

adequate to support the rural households' consumption needs.

#### 4: 6. Economic Integration and Agricultural Development.

After assessing Lesotho's agricultural development potential the ILO/JASPA Mission observed that

"The agricultural sector faces constraints and seemingly intractable problems of productivity and development. Here too migration puts its stamp on the available options; the high earnings in mines compared to returns from agriculture encourage flight from the land and engender an attitude that the farm is a place to live but not to make a living." [74]

The above statement inverts the problem. The cost of farming forces people to migrate to South Africa to find the required investment capital. In any case, increased returns from agriculture are unlikely to dissuade a potential migrant from migrating as long as this entails additional cash income. As Low has observed,

"Where wage employment or other non-farm production opportunities exist this means that farm households are often not solely or primarily farmers." [75]

However this does not take us beyond the labour reserve theory which presents a closed model of labour migrancy. The labour reserve theory of labour migration tends to freeze a migrant worker in subsistence agriculture and South African mines. Mine wages have been rising considerably since the early 1970's, suggesting that some Lesotho migrants now have the cash to invest in other non-farm economic activities. In fact, as a force in agriculture, migrant workers are in competition with the internal elite which enjoys more secure employment and income, greater access to credit, and has greater influence over the political

system. This elite includes government ministers, civil servants, employees of parastatal organizations, industrial and commercial workers, teachers, army and police officers, doctors, lawyers and businessmen. The abolition of constitutional rule in 1970 enhanced the role of technocrats of varying backgrounds in the system. These have made some visible inroads into agriculture. Recent studies reveal that the nascent dairy farming in Lesotho is dominated by these groups.[76] Thus the planned commercialization of agriculture crucially depends on these groups. The senior civil servants and other influential groups, as the ILO/JASPA Mission acknowledges in its report, have used their position to acquire credit.[77] Thus the migrants may have ceased to be the most crucial variable in agricultural investment.

Commercializing agriculture will inevitably individualize farming, thus making it expensive. It will isolate the farmers and poor land owners from their relatives and friends, whose collaborative effort has been so vital for farming in Lesotho. In spite of the damaging political antagonisms and the authoritarian political programme since 1970, farming has remained a shared activity because of the family ties and the need to pool the requisite resources. Hence share-cropping and other forms of mutual help are common.

The retrenched Basotho mine workers have demonstrated that there is hardly any basis for a priori assumption that a migrant should invest his earnings in farming. These group of ex-miners



have invested the money mostly in basic manufacturing industries, such as block- and brick-making, and transport. More interestingly, nearly all their businesses are located in urban areas. Basotho Mine Workers Labour Cooperative [BMWLC] has also organized the deceased mine workers' widows into an association of manufacturers, not farmers, producing candles and garments. [78] This could be further proof that additional income, as opposed to the current earnings, is important in any investment decision. The miners' projects are independent entities, operating outside the framework of the government development programme. They received no financial or other support from the state during the period covered by this study. Earnings from labour migrancy are, however, an important factor in agriculture as a source of capital. Most migrants engage in farming and this is made easy by their possession of the basic resources - cash, ploughs and draught animals. However, unlike the rest of the local elite, they have a precarious form of employment outside their country and are relatively more isolated from the system of government, hence their tenuous links with credit institutions, such as the Lesotho Agricultural Development Bank, which provides loans only to people with proven ability to repay the loan. Thus rural or agricultural development in Lesotho clearly requires the collaboration and involvement of all the forces engaged in farming in different ways. However, mobilizing these forces for this task, as experience has shown, is contingent upon the democratization of the political system at all levels. Two variables, namely economic ties with South Africa and the farmers' confidence in the programme, remain crucial to

agricultural development.

The integration of Lesotho's agriculture into the South African economy preceded and occurred independently of labour migration. This was precipitated by both the advent of mercantilist capital and the grain booms of the 1840's and 1870's, during which periods Lesotho became the main supplier of grain to South Africa.[79] The disappearance of this market following the imposition of restrictions on Lesotho's grain exports into South Africa and the importation of cheap grain from the United States and Australia in the early 1880's and plunged Lesotho's agriculture into a crisis. Other factors conspired to undermine Lesotho's agriculture. These include the deteriorating soil fertility due to soil erosion, periodic droughts, population pressure, poor internal communications network and the rising costs of farming.

Yet the real producers of surplus grain during the boom periods of the 1840's and 1870's were chiefs who used tribute labour.[80] Taking advantage of the lucrative grain market, the chiefs seized for their own use the commoners' best agricultural land. Thus the collapse of the tributary, but market-oriented, mode of production had an impact on aggregate agricultural production. Having lost this free labour the chiefs faced rising costs and could therefore no longer produce enough surpluses. The repercussions of tribute labour went far beyond reinforcing the dominant position of the Basotho chiefs as an economic class. Kimble has argued that:

"This gradually came to limit the capacity of commoner homesteads to organize production independently of the chieftainship...

The mobilization of male labor in activities organized by the chiefs was made possible by, and served to reinforce, the division of labor within the commoner homestead. This division was based on gender and age and increasingly tended to restrict women's productive activity to the homestead and to agricultural work." [81]

Indeed, while it is dependent on migrants' earnings, Lesotho's agriculture has its own peculiar historical links with the South African economy, and is indeed the first integrative mechanism which drew Lesotho under the South African domination. The grain booms mentioned above opened Lesotho's agriculture to market forces. Thus increased production depended not only on prices offered for agricultural produce, but also on the cost of capital required for investment in agricultural production - machinery, fertilizer, pesticides and cash. This is the legacy inherited and perpetuated by the donor-funded area-based agricultural development projects. Yet this has triggered a further spiral of demands for the externally produced agricultural inputs of which over 90% are imports from South Africa at the expense of the cheaper organic dung or kraal manure which the farming community can easily generate through their draught animals. By 1983 fertilizer use in Lesotho had more than trebled from 3,856 tonnes in 1974/75 to 11,596 tonnes, while the consumption of other plant nutrients had increased six-fold from 502 tonnes to 3216 tonnes. [82] These did little to improve the situation, however, in terms of increases in yields and better land use. [83] As the Forestry Division of the Lesotho Ministry of Agriculture and Marketing put it in October, 1986,

"Inorganic fertilisers have to be imported and applied

to try to maintain crop yields - but, in general, crop yields continue to decline. However, experience...showed that Lesotho maize yields increased by over 200% for each of the two successive years' harvests following a single application of kraal manure at a rate of 8.5 tonnes per hectare." [84]

In fact, according to the the Central Planning and Development Office [CPDO], increased fertilizer use has so far been "concentrated in areas of direct Government activity around Maseru, Leribe and Mafeteng" [85] - districts with the largest concentration of area-based agricultural development projects operated.

Increased use of chemical fertilizer and modern technology seems to be unavoidable, however. Soil fertility has been lost through decades of poor land management and soil erosion. The shrinking pastures, on the other hand, suggest that any draught animals must be stall-fed, but this will undoubtedly raise the cost of their maintenance. Indeed, this underlines the fragility of the social organization of Lesotho's farming system and its hallmark, the mutual support among the farmers. But, as only a small proportion of the rural households have direct access to farming resources, Lesotho's farming system offers the best alternative for the majority of the rural population. Because the farming system is based largely on animal draught power, the animals used for ploughing also generate cheap and productive kraal manure, thus obviating the need for expensive inorganic fertilisers. According to a survey carried out in 1981 at three areas in Lesotho - Molumong in the mountain area, Nyakosoba in the foothills and Siloe in the lowlands - out of 441 households interviewed, very few owned either oxen or basic agricultural

equipment. In Siloe, Taung, 83% had no oxen for ploughing, while the figures for Nyakosoba and Molumong were 62% and 56% respectively. Less than 1% owned four oxen, just enough for a span required for ploughing.[86] If less than 1% of the land holders in Lesotho own four oxen, reverting to animal draught power and encouraging every farmer to have a complete span would mean an increase of 99% in the current number of oxen, a phenomenon which Lesotho cannot afford. It also shows that, while their right to farm or own farming land is not in question, the majority of the rural families have no direct access to the means of farming.

Lesotho's agricultural development projects have failed to address this fundamental problem - the cost of farming. Mechanization and technological inputs - the packages offered by the projects - have certainly not made farming cheaper or easier for the majority of the rural population. As will be shown in Chapter 5, these are prohibitively expensive and therefore threaten the future of agriculture unless subsidies are provided to alleviate the costs. They have also deepened Lesotho's structural dependence on both the Western industrial nations and South Africa. The tables above confirm this. Financial aid from the Western industrial countries and cash from the SACU and labour migrancy constitute indispensable sources of development capital.[87] Between 1974 and 1981, committed external loans and grants to Lesotho totalled R114.4 million, while other forms of aid such as technical assistance, involving secondment of experts and scholarships for Lesotho nationals, and food aid have

increased.[88] However, for the compelling economic reasons most of the foreign aid is spent in South Africa. It is estimated that between 60% and 80% of the total amount of financial aid to Lesotho is spent in South Africa. But foreign aid flows have continued amid increasing corruption among Lesotho's rulers, with the Jonathan government not only failing to act against those responsible, but suppressing or preventing the publication of the Auditor General's report which uncovered this corruption.[89] Between 1982 and 1992 the government of Lesotho [GOL] lost M3,731,586.80 through misappropriation of public finances, fraudulent disbursements, unauthorized cash and salary advances, salary overpayment, theft, misuse of and/or damage to government property, unauthorized expenditure, rent evasion, and failure to collect revenue and debts due to government. During the period April, 1990 to March, 1991 alone the GOL lost M1,748,696.56. Details regarding the ministries and departments affected are provided in Table 15 below. The main culprits in terms of the share in the total amount lost are Public Works, Agriculture, Interior and the Military Council which account for 35.35%, 24.21%, 16.08% and 9.39% respectively. Apart from these losses, a donation of US\$4 million to the GOL from the Republic of China was transferred to a bank account of one Rudolf Bauer in Vienna in 1990 by the Lesotho Agricultural Development Bank [LADB] on the instructions of its chairman, the Minister of Finance, for no known reasons. This money had not been "accounted for in the Accountant General's books of account." Other leakages occurred via unsound business and investment ventures, namely the purchase of a second-hand Boeing 707 passenger aircraft and free supplies

of agricultural inputs to the farmers.

Table 15: Financial loss reported by the various departments and ministries during the period April, 1990 to March, 1991 as a result of theft of public money and stores and loss of government property.

Ministry/Department	Amount Lost [Maloti]	% of Total
Agriculture	423,425.78	24.21
Education	25,289.00	1.45
Finance	53,304.28	3.05
Health	17,784.37	1.02
Interior	281,110.64	16.08
Justice & Prisons	30,018.97	1.72
Military Council	164,122.25	9.39
Planning & Statistics	1,041.27	0.06
Public Works	618,122.43	35.35
Transport & Communications	56,073.56	3.21
Water, Mining & Energy	78,073.56	4.47
Total	1,748,696.56	100.01

Source: Adapted and calculated from S.P. Molapo, Kingdom of Lesotho, Report of the Auditor-General on the Public Accounts of Lesotho for the Year Ended 31st March, 1991, Annexure 1

Note: 100.01% is due to rounding error.

The aircraft, originally bought for M6 million in 1987, was sold for just US\$1.87 or about M4 million, after making losses amounting to M7.2 million in 1988. This left the GOL with a debt of M9 million, this being the amount borrowed from the Lesotho Bank to purchase the aircraft plus interest. Meanwhile a fire broke out in the LADB in 1988, destroying all the records pertaining to the transactions arising out of a contract between the LADB and Co-op Lesotho on the supply of agricultural inputs to the farmers. In terms of the agreement, Co-op Lesotho supplied the required inputs to farmers operating under the auspices of the government's Food Self-sufficiency Scheme and claimed payment from the LADB. The bank apparently owed Co-op Lesotho well in excess of M4.2 million, even though Co-op Lesotho submitted a claim of M2.4 million only. The LADB had no funds to meet this

claim, according to the Auditor-General's Report.[90] The financial losses highlighted above total M15,131,586.00 or 2.8% of Lesotho's 1990/91 recurrent revenue of M534,118,248.00.

Agriculture has been trapped in dependency since the last century. The lack of infrastructure, especially the poor internal communications networks, pushed the Lesotho peasant producer further under the shadow of South Africa. Lesotho's size, lack of resources and geographical position have confirmed this relationship. Reporting on this situation, the British Colonial Office Economic Survey Mission, studying the economic needs of the three British High Commission Territories of Basutoland, Bechuanaland and Swaziland in 1960, remarked as follows about the then Basutoland:

"In the circumstances it is not strange that the economically important movements of goods and people should occur primarily between Basutoland and the Union rather than within Basutoland itself." [91]

However, these historical antecedents only illuminate the nature, origin and scope of the problem. They do not tell us whether or not the current economic links with South Africa can be dispensed with. In fact, there seems to be no reason why increased economic activity within Lesotho should lead to weakening economic interaction with South Africa. I have demonstrated above that increased investment activity in Lesotho has been followed by increased economic interaction with South Africa. The Republic of South Africa constitutes the only freely accessible market for Lesotho.



#### 4: 7 Conclusions

The Lesotho development planners have clearly exaggerated the role of agriculture in the country's economy. It is one of the smallest sectors in terms of the contribution to the national income. With hardly any efforts being made to stem soil erosion and environmental damage, the future of the sector is bleak. Heavily dependent on migrant earnings it cannot stem labour migration. Thus stemming labour migration requires not just increasing the number of agricultural development projects, but reducing the cost of farming by providing subsidies, guaranteeing a market and high prices for farm produce, and ensuring access to credit for the farmers. But these measures alone cannot be a solution to labour migrancy because not every prospective migrant is a farmer or has resources to invest in farming. In fact, labour migrancy cannot be a threat to agricultural development if it shores up agriculture.

The area-based agricultural development projects have not been effective in mobilizing the rural population for agricultural development. Hence it can be argued that they failed to solve the problems besetting Lesotho's agriculture. They have failed among other reasons because they never addressed one of the most fundamental problems for the land holders, the risk factor. The farmers will support projects which enhance their capacity to invest in farming and minimize the risks associated with this activity. The mechanized operations and other technological inputs introduced by the projects increased the

farming costs, hence the risk for the land holders. Moreover, they aimed to supplant the existing mode of farming which enables the pooling of risks rather than working as partners with the people to improve or strengthen their methods of farming which are in fact cheaper than machine-based agriculture. In doing this they alienated the forces behind agriculture. Their focus has been and continues to be on what is desirable rather than what is possible under the circumstances. Thus they have totally ignored the reality of Lesotho's agriculture or rural sector - a shared activity in which different ideas and techniques are constantly tried, evaluated and/or rejected by the land holders as it becomes necessary.

Imposed and managed by an anti-democratic non-accountable repressive regime and hence being not open to public scrutiny, the area-based agricultural development projects were seen as the instruments of political manipulation. Being unaccountable and hence a closed secret to the farmers, they were unsurprisingly dismissed as Jonathan's ploy to entrench his unconstitutional rule. Hence they were attacked, sabotaged, resisted or undermined. Jonathan himself had joined other Lesotho politicians in attacking or undermining the colonial rural development schemes because they were imposed by an alien, unrepresentative regime. In any case, these projects induced fear rather than self-confidence. Their scale of operations and technological sophistication tended to render farmers' participation irrelevant. Yet the problem has not only been their mode of operation and political image. The projects did not stem

corruption and mismanagement, rather they opened up opportunities for it. As indicated above, more benefits in terms of the services they offered went to the rulers and top government officials. The cases of wheat harvest and egg marketing provide some clear examples. Finally, rural development in Lesotho will continue to face a serious dilemma as long as the policy makers and the international collaborators fail to inform the people affected of the full implications of the relevant development projects. People were expected to join the schemes by telling them only the good things. Thus as soon as they faced problems the people left them. Strengthening communication and consultation between all groups engaged in agriculture and the government planning machinery, and democratizing the system, will solve some of the problems mentioned above. But this should be accompanied by a relentless fight against corruption, nepotism and misuse of official positions. The rulers must allay people's fears that agricultural projects are a threat to their land rights.

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5:1. Introduction.

The notion of the centrality of the land to the survival of the Basotho nation permeates Lesotho's development planning rhetoric. This is due, however, not to the significance of the contribution of agriculture to the national income, but rather to the country's economic structure, as analyzed in the preceding chapter. Agricultural land in Lesotho is, however, not only in short supply, but has been declining over the years both in fertility and size due to erosion and population pressure. Planning efforts aimed at ensuring proper land use have, on the other hand, confronted serious political problems as land in Lesotho is not simply an economic resource but a political institution around which the rights and obligations of the citizens revolve.

This chapter, therefore, examines the political aspects of Lesotho's land tenure system and their implications for the government-led campaign to modernize agriculture. Section 5:2 analyzes the philosophical basis of the land rights and its crisis. In particular, it tries to answer this question: to what extent can this philosophy accommodate the envisaged programme of agricultural modernization? Section 5:3 critically assesses the politics of land administration, trying to find out the role of the government and the political parties in this complex process. It attempts to answer two questions, namely how is the



government perceived in relation to the land use, and what are the policy implications? Section 5:4 scrutinizes the farming system in Lesotho, trying to determine its nature and basis, including the participants in the system and their various interests. Two questions are tackled. First, what social forces lie behind Lesotho's agriculture and what factors have ensured their co-existence in this complex activity? Second, how appropriate is the concept "subsistence" in describing Lesotho's farming system? Section 5:5 attempts to provide some general conclusions to these questions.

### **5:2 Land Rights in Lesotho: Philosophical Basis and its Crisis.**

Reflecting on the environmental planning problems in Lesotho, one scholar asked,

"How do you as Basotho ensure that your resources are used in a sustainable way when your decision-makers [sic] decide over-night to mortgage the whole highlands [sic], some 2/3 of Lesotho, to a project to benefit RSA for life with water without concern for your future generation and without consulting the nation...?" [1]

This question highlights the confusion and controversy surrounding the issue of land rights in Lesotho. The decision-makers accused of failure to consult the nation about the mammoth Highlands Water Project with its potentially damaging environmental consequences are the Lesotho government authorities. The Basotho nation, through the King and not the government, is supposed to own the land. However, despite its limited constitutional powers regarding land control and administration, the government enjoys absolute monopoly over the

passing of the relevant legislation. As the 1987 Land Policy Review Commission has noted, it "has been very active in passing legislation concerning land allocation and land administration since independence." [2] The government has declared vast amounts of land as special development areas without consulting the people, thus annulling the rights and interests of the existing users. The enabling legislation is the 1979 Land Act. [3]

The philosophy underpinning the land question in Lesotho has, however, undergone little or no change. Official pronouncements and policy speeches relating to the land continue to be prefaced by the warning that "all land belongs to the Basotho nation" but is "held in trust by the King as Head of State." [4] The King, or Paramount Chief, supposedly embodies and epitomizes the nation. Thus the enjoyment of land rights in Lesotho is contingent upon "certain basic social and political qualifications", namely that one

"must be a member of the Basotho nation, accepting the superior and overall authority of the Paramount Chief. He must be a male adult; must be married and he must be a tax payer." [5]

Tax in this case means poll tax in its various forms as introduced by the colonial government. This was abolished following the introduction of income and sales taxes in the last two decades.

The government's lack of formal title over the land has led to administrative ambiguity. Land belongs to the people and is held in trust for them by the King. Thus land holders do not recognize the government as a custodian of their land rights even

though the government's power to enact land administration laws is not in question.

The notion of the King as the sole custodian of people's land rights has deep historical roots. "Basotho have traditionally observed an overall authority of only one king..."[6] This arrangement was hardly disturbed by Britain's annexation of their country. As indicated in the preceding chapter, the colonial administration controlled only the urban land, leaving the rural areas under the control of the chiefs, a legacy which has been perpetuated. Thus Basotho generally tend to see the government's role in land administration as superfluous, if not politically dangerous. The government has often been associated with factions or groups, while the King is seen as the sovereign. Notwithstanding this distinction, however, Basotho have opted for a democratic political party-dominated system of government. Indeed, while opposed to direct government control over the land allocation process, their independence constitution vests the power to legislate on land matters in the government. The law regulating land allocation ensures some degree of popular participation in land administration in the rural areas. In allocating land the chiefs are advised by democratically elected land boards or committees. Yet this democratic revolution seems to have strengthened Basotho's resolve that the government should only play a minimal role. According to the 1987 Kingdom of Lesotho Report of the Land Review Commission, Basotho believe that trusteeship of land should be left in the hands of "his Majesty the King." [7] This seemingly unquestionable trust in the

Basotho King clearly has something to do with the people's view of the government as transient rule by political parties, factions or groups. This view has clearly been reinforced by the fact that after 1970 the laws governing land use rights were enacted by unconstitutional regimes.

There are other strong reasons why the Basotho nation has resisted direct government interference in land administration. A unilateral extension of the government reserve boundaries and the declaration of certain areas of the country as development enclaves have resulted in the loss by Basotho of huge chunks of fertile agricultural lands and have heightened the land holders' scepticism about the role of the government. The government has since been perceived as an alien force with interests diverging from those of the nation. Yet in this kind of climate any official land use policy, however rational, will attract little support from the land holders. Thus the government's selected development areas [SDA's] and selected agricultural areas [SAA's] - created under the Jonathan regime's 1979 Land Act - have unsurprisingly been attacked or resisted. As the 1987 Land Policy Review Commission has argued, the fundamental problem lies with the fact that "the Minister has power to declare them as such with no clear requirement to consult local authorities." [8] [My emphasis]. The SAA's and SDA's have led to the loss of agricultural land to the government.

Lesotho's land tenure system is beset by a severe crisis. Yet this is closely linked to the assumptions and premise of its

underpinning ideology which defines land as a "free good notwithstanding demographic pressures." [9] But the fallacy underlying this view was exposed long before the advent of colonialism in Basutoland by the Basotho King, Moshoeshoe I, the supposed exponent of the theory. Moshoeshoe's exclusive monopoly over the control of the land and the use of land to reward his supporters vividly demonstrates that land in Lesotho ceased to be a free good soon after the founding of the Basotho nation. Moshoeshoe's land policy, as one analyst has observed, "served to reproduce the relations of dependence and domination between the chiefs and the commoners, thus "laying a basis for the growth of a royal aristocracy." [10]

The question is why, despite these inherent contradictions, the principle governing tenurial rights in Lesotho has been so resilient. The reason seems to lie with the principle's tantalizing aspect - the assumed right of the citizens to freely use the land for their own purposes. The people of Lesotho have grazing as well as farming rights, subject to the limitations and obligations imposed by tradition. These include respect for reserved grazing, using the land allocated for farming, leaving the fields unfenced, and removal and destruction of obnoxious weeds on one's field and other areas as the chiefs or headmen might direct. But population pressure and the attendant land degradation have continued to pose a serious challenge to the principle. The disastrous sub-divisions of the fields since the beginning of this century, together with the increasing environmental problems resulting from overstocking, debunk the

notion of unqualified land rights. However, as the former Deputy Commissioner of Lands and survey in Lesotho has noted, "changing the system of land tenure is proving difficult and controversial." [11] [Author's emphasis] Basotho see their supposed land interests in terms of their forebears' fight to maintain Lesotho's independence in the face of the pressure by "the developing Afrikaner nation." [12] To this extent, therefore, the land rights ideology is a structural problem. But arable land has decreased in size from 13 per cent to 9 per cent of the country's total land area," [13] thus increasing pressure on land use ideology. Yet effective rural and agricultural policies may continue to be elusive in a country in which the government and its subjects are competing inconclusively for the control and administration of land.

### **5:3 Land Administration and Politics.**

As indicated in the preceding section, Basotho chiefs under Moshoeshe I enjoyed exclusive monopoly over land administration. This hierarchical structure did not occur by accident. It was rather a consequence of the social conflicts and power struggles between and within the different clans which later formed the Basotho nation. While primarily economic, these inter and intra-clan struggles ultimately acquired a definite shape as the affected groups banded together, forming larger blocs to defend their interests - mainly cultivation and grazing rights. In its crude form this process of political centralization was achieved through conquest and subjugation of smaller clans by the bigger

and more powerful ones. Lesotho's land tenure system, together with its related politics, is a product of these two extremes. Likewise, the rise of the Basotho Kingdom under Moshoeshoe I is a result of this turbulent historical process. Moshoeshoe's adroit diplomacy enabled his Koena clan not only to survive the wars which ravaged Southern Africa in the 1820's, but also to extend its political and social domination over other Sotho groups in what is today Lesotho. Chieftainship and land allocation functions thus devolved upon the Koena clan.[14] As Kimble has argued, however, "control over land became the most important site of conflicts between chiefs." [15] Conflicts over ward boundaries and grazing, which at times assume a violent character, are not infrequent in contemporary Lesotho.

By 1868 a political system based on land control under the exclusive control of the Koena clan had been forged. Linked to citizenship and loyalty to the King, land acquired significance as a political institution, becoming an important instrument for regulating the political and social behaviour of the inhabitants. This Koena-dominated political system unsurprisingly led to the development of two socially distinct classes, namely the royal aristocracy and the commoners. This socio-political structure has been entrenched in the country's constitution and buttressed by law. Socio-economic inequalities between the Koena royal aristocracy and the commoners were also fostered through the transformation of the King, chiefs and headmen into salaried bureaucrats. Describing this state-fostered class differentiation Kimble noted that

By 1870 the Koena lineage led by the sons of Moshoeshoe had emerged as an upper class, reinforced by the political dispensation reached in 1884 between the British government and the ruling house of Moshoeshoe..."[16]

The 1884 accord confirmed Moshoeshoe's senior son as the Paramount Chief of Basutoland, thus guaranteeing the continuity of the system. But Britain's intervention also entailed some problems for the ruling house. The Paramount Chief lost control of the state, and hence the ability to maintain the system independently of the colonial regime.[17] Commoditization of agricultural products, on the other hand, pushed the land at the centre of the budding protest politics. Following the development of the mining industry in South Africa and the growing market for Lesotho grain, the chiefs appropriated their subjects' best agricultural land. In response to this the commoners began to agitate for some popular intervention to protect the citizens against the land-hungry chiefs.

Land in Lesotho is a political institution not only because of its implications for chief/commoner relations. It has symbolic overtones with a special message for Basotho as a nation. They have their own country existing in an environment in which African kingdoms have been obliterated and their peoples subordinated to an alien racist system. Having land, therefore, Basotho feel different from their fellow Africans in South Africa. Perry's observations are instructive. He notes that

"The laws of South Africa do not make it officially possible for a migrant contract worker to acquire residence rights. Likewise he cannot take his family with him. In this context, therefore, land means something to come home to, and assures a man of a



place to live." [18]

Interaction with the South African system, however, provides only part of the answer as not every Mosotho is a migrant worker. Land interests in Lesotho are in fact more intricate than are portrayed above. The non-migrants and the landless are active and interested participants in the system of land tenure and its politics. More importantly, women are no longer passive participants in the system. Widows inherit their deceased husband's property, which includes stock, and agricultural land. Thus Basotho, regardless of their sex characteristics, have a special interest in land issues, and have sought to gain access to land in various ways. For example, share-cropping, land hire and sale of trading and residential sites are widespread despite the fact that there is no clear legal provision for this. [19] Under these circumstances, any radical restructuring of the existing land policies will need to bear this in mind.

The land reforms that have been instituted so far have sought to curb the chiefs' powers regarding the allocation of this resource. Popular participation in decisions pertaining to land allocation is seen as an effective tool for ensuring justice. Thus at independence elective land advisory boards were established under Section 90 of the constitution to facilitate people's participation in the land allocation process. The politicians believed that this measure would eliminate quarrels. Ntsu Mokhehle, BCP leader, speaking in support of the measure during the National Assembly debate on 21 April 1966, said

"I pass on to section 90 [of the constitution] which has caused quite a lot of unrest in the country, this

deals with the village Boards on land. This particular item is extremely important because it deals with the fundamental issue of land... On the question of allocation and removal of land from the people, long discussions took place in London and also in Maseru. This was considered as one of the basic issues in the pre-independence Constitution and also in the subsequent constitutions... Chiefs had expressed dissatisfaction that it is their responsibility and should continue to be so. They were not keen to support boards which are elected are [sic] vested with some powers. The result of leaving this in their hands, Sir, was that a lot of injustices were perpetrated all around the villages. The result is that there have been some fights all over the country on this question of boards. In the villages, there is an unhealthy spirit prevailing over the question of the allocation of land..."[20]

The BCP believed that these land boards would be a countervailing force to the country's traditionally powerful chieftainship, even though the law stipulated that their role was advisory. But the BCP's and other Lesotho political parties' overriding concern was a fair distribution rather than proper use of land. Highly politicized, the boards unsurprisingly acted as arenas of political battles rather than as professional bodies providing expert advice on the sustainable way of using the land. Owing their positions to their respective fellow party members, the land board members were bound to see their primary task as promoting their party interests. This dilemma has another dimension, namely the weakening of an institutional arrangement which sustained the country's ecosystem, hence ensuring sustainable agricultural development. Having lost some of the powers and privileges, such as the right to appropriate for personal use fines imposed in respect of trespassing animals on reserved grazing areas, and proceeds from the sale of thatching grasses and stray stock, the chiefs lost the enthusiasm and vigour required for land use management.

Section 3[1] of the Land [Procedure] Act No. 24 of 1967 mandated the holding of meetings by chiefs and headmen in their respective areas for the purpose of electing land advisory boards. Non-compliance with this requirement was a punishable offence. Also punishable was the chiefs' or headmen's failure to involve their boards in the land allocation process. Each one of the two offenses carried a maximum fine of R30.00 or imprisonment for a period of three months, or both such fine and imprisonment.[21] As should immediately be apparent, the policy clearly reinforced the prevailing view that land is a common good. Indeed, it justifies the prevailing view that the government's role is one of an arbitrator or a mediator in the process. But this creates a dilemma for the government which has to provide leadership in environmental and development planning.

The structure of land politics has weakened the ties between the central government and the farmers, thus inhibiting the development of the necessary partnership between these two forces. It has tended to encourage resistance to the policies regarded as a threat to the existing land interests. For example, the 1984 land use plan produced for the Government of Lesotho by the United Nation's Food and Agricultural Organization [FAO] failed because of this structural problem. As one analyst has observed, people did not like being "told what not to do on their land." [22] Likewise, the 1990 grazing regulations intended to reduce the number of animals are being strenuously resisted country-wide. Heading this campaign are the Basotho National Party [BNP] and Marema-Tlou Freedom Party [MFP]. The MFP has

vowed that on being elected to power it would abolish the lease system envisaged under the 1979 Land Act as this was intended to impoverish the rural inhabitants. [23]

By emphasizing the primacy of land rights of the citizens, Lesotho's land politics clearly limits government's role in rural land development. The government lacks influence over rural economic activity. As Hyden has argued in his general analysis of African agriculture, one of the problems facing African states is "the relative autonomy of the peasant producer." [24] Hyden observes that

"To an independent peasant producer, the state is structurally superfluous and most public actions aimed at improving agriculture are viewed as having little or no value beyond any possible immediate gains to the producer himself. Because the peasant so extensively controls his production, he is able to escape government policy demands to an extent that is certainly denied a tenant under feudal rule or a worker under capitalism. There is growing evidence that peasants in Africa use this exit option, particularly when policies are viewed as a threat or as devoid of any apparent benefits." [25]

Indeed, Lesotho farmers are independent of the government. The government acts only as an adviser rather than a leader. Exit options for a peasant farmer in contemporary Lesotho have included subdivisions and conversion of arable land into residential sites, a process now actively encouraged by the chiefs because it is financially rewarding. As Leduca has noted in his study of Lesotho's peri-urban areas, the "individual field owners were [and still are] being encouraged by the chiefs to subdivide and sell their land or face expropriation by central government without compensation." [26] The 1987 Land Policy Review Commission has also highlighted this problem, pointing out that

the widespread sale of land and other illicit land deals were attributable to inadequate compensation or "lack of compensation for arable land acquired by Government for development purposes." [27] The Commission argued that, under these circumstances, "most people opt for home ownership at the expense of farming land and consequent reduction of food production." [28] Surprisingly the Commission makes no mention of the fact that the government is one of the main culprits in this scramble for land. The government-owned Moshoeshoe I International Airport and Lesotho Housing Corporation have alone claimed 51,870,664 square meters of arable land since the mid 1970's. [29] According to the Department of Lands and Survey, the land shares of these projects in hectares are:

[a] Moshoeshoe I International Airport =	304.42
[b] Lesotho Housing Corporation Mohale's Hoek =	88.17
[c] Lesotho Housing Corporation Leribe =	91.43
[d] Lesotho Housing Corporation Mafeteng =	119.98
[e] Maputsoe Development Area =	4,233.00
[f] Lesotho Housing Corporation Thetsane =	711.00
[g] Lesotho Housing Corporation Matala =	147.6
[h] Lesotho Housing Corporation Khubetsoana =	367.672
[i] Highlands Water Project [arable land] =	4,000.00
[j] Highlands Water Project [grazing land] =	17,000.00
Total lost through the projects	= 27,063.272 ha.

In all the cases involving confiscation of land by the government, false promises such as jobs and financial

compensation for the current land holders and their children were used to secure people's co-operation. None of these promises has been fulfilled, adding to widespread anger and social frustration amongst those affected. [30] Indeed people are not insensitive and passive followers of their rulers. They copy or reject certain of their rulers' behaviour, habits and practices as it becomes necessary or profitable to do so. Botswana's experience confirms this and the fact that illegal land transactions are a function of land holders' feeling of insecurity and mistrust of the national land policies. For example, as Botswana's 1991 Presidential Commission of Inquiry into Land Problems noted, the involvement of the Botswana government ministers and officials in the scramble for land in Mogoditshane and other peri-urban villages has led to corrupt or illegal land deals. It reported that

"residents are suspicious of the activities of their representatives and Ministers, viz: the Honourable P.S. Mmusi and the Honourable D.K. Kwelagobe. Since they also acquired land in Mogoditshane, people believe they used underhand methods to acquire such land. The residents are therefore engaging in illegal land activities on the justification that these people are involved. [31]

The expanding urban centres have created an informal but lucrative land market, a devastating phenomenon for agriculture as arable land adjoining the towns is being sold to the urban elite. Yet this situation - a consequence of the changing land policy - has in another sense ensured a dominant role for the chiefs in land politics as every land deal in rural and peri-urban areas requires the chief's consent. For the country's political parties the limited democratization of land allocation processes merely provided scope for extending their political

battles to the village. As Perry has noted, elections to the land boards "became contests in which the national political parties could square up against each other at the grass roots." [32] These have served as barometers for gauging the individual political parties' popularity in different villages. In the run-up to the abortive 1970 elections they were seen as indicators of how the people might vote. [33] However, enmeshed in party politics, Basotho chiefs have suffered loss of credibility as umpires in their respective areas. Hence a participatory system of land administration is necessary. But with the growing land hunger and the changing attitudes towards the land, land boards/allocation committees degenerated into bastions of corruption and conservatism. It can, in fact, be argued that they have enabled chieftainship to survive any political modernization efforts attempted since independence. Chieftainship remains a pivotal force in all the land deals in rural and peri-urban areas. It seems that participatory forms of rural land administration may have complicated the political relationships between the central government and the majority of the citizens. Jonathan's direct control of the land allocation committees from 1970 and their replacement by apolitical village development councils scarcely solved this problem. They continued to be submerged under an increasingly corrupt chiefly system, perpetuating rather than eliminating injustices.

Further commenting on these new patterns in Lesotho's land exchanges, Leduka observes that

"Very often chiefs expect a reward from the sale of plots, usually a plot of land from every field so sub-

divided in return for issuing certificates evidencing allocation to purchasers..., Should a subject fail to do this, his chief simply withholds a "Form C". This essentially means that all those buying plots of land from the said subject will be without allocation certificates." [34]

Basotho chiefs are, in fact, not simply ex-officio chairmen of the elected land boards. Neither are they passive implementors of the government's land policy. They are still in control of the system. They use the Form C referred to by Leduka above to control even government ministers, as these follow the same process described above to acquire land. Thus, in this sense, land politics in Lesotho does not simply feature intense competition between the chiefs and the land board members, on the one hand, and the government authorities on the other. It is increasingly a complex issue involving a myriad of interests. However, it is not easy to argue that Lesotho's land administration policy is inherently corrupt. In fact, the argument falls outside the scope of this analysis; it is a difficult argument to sustain for its objective, as analyzed above, is clear - the facilitation of a transition to a leasehold system. Thus corruption could be only one of its many unintended consequences. However, I underscore the fact that the policy is unwieldy, scary to the landholders and difficult to enforce. Hence it has triggered a wave of illegal land deals. I also argue that the challenge to the policy underlines the need to involve the people in the public policy-making process.

#### **5:4 Land, Crop Production and the Farming System.**

Up to 1922 all chiefs and headmen in Lesotho were by law



required to "provide people under them with lands to cultivate." [35] However, given the growing land shortage due to erosion and population pressure, this measure was only aimed at enabling the people to produce food for themselves and their families. Indeed, employment creation did not form part of the agricultural development lexicon of the time. Land had always been associated with food production for immediate consumption, even though agricultural surpluses were possible for those owning big pieces of arable land and the instruments to farm it effectively. Up to the end of the last century, these comprised mainly the chiefs and headmen. But as pressure continued on the land, the Lesotho rulers amended the law, emphasizing only the power of chiefs and headmen "to allocate land in their areas for cultivation." [36] The satisfaction of other needs, as indicated in Chapter 4, depended on migration to South Africa for employment and, to a minimal extent, proceeds from the sale of wool and mohair.

The foregoing paragraph raises an important question, namely do the Lesotho rural development planners fully appreciate the nature and dimensions of Lesotho's farming system? Two issues seem crucial in any attempt to answer this question. These are the distribution of arable land among the rural population and the ability of the majority of the land holders to farm their land. Recent studies have revealed that many people in rural Lesotho may own land but have no machinery or animals to plough it. [37] On the other hand, those who are able to afford machinery and draft animals often lack a field. This phenomenon has spawned

a complex web of relationships in rural Lesotho, thus calling into question the government's rural development model which defines agriculture as an exclusive activity of subsistence producers.

Over the years Lesotho society has been able to develop other ways of distributing arable land among the different groups and individuals. This has, in turn, generated disparate producer groups in the rural sector. Currently agricultural activity in Lesotho features land holders with no farming inputs, those having some land and animals but no ploughs, planters, harrows, cultivators and yokes; those who have a full span of draft animals, ploughs, cultivators, planters, harrows, yokes, scotch carts and sledges, those who have a full complement of powered agricultural machinery and other relevant inputs, and people who have none of the above but only financial resources required for intensive and extensive farming. The diffuseness of the situation clearly calls for a fresh conceptualization of agricultural activity in Lesotho. Alone, the concepts of the rural poor, small farmers and subsistence farming no longer fully capture the reality of Lesotho's agriculture. Barring the climatic conditions, soil type and the declining soil fertility, access to resources would seem to deserve close attention as a possible solution to the seething problems facing Lesotho's agriculture. The challenge facing Lesotho's agricultural development planners is, in fact, evolving a financially less costly and more politically acceptable farming system in Lesotho. This involves devising cheap and efficient ways of obtaining and distributing

the requisite resources and guaranteeing high productivity and adequate protection for the land holders and other groups engaged in agricultural production. More precisely, the country needs to adopt what some analysts have termed "the farming systems approach" to agricultural development, namely strategies ensuring both access to resources and reduced dependence on "high-cost inputs, or upon operations beyond the range of existing and teachable skills." [38] As shown in Chapter 4, these crucial variables were ignored by the area-based development projects. These projects merely increased dependence on costly and largely unaffordable technology for the majority of the land holders, whilst also weakening the farmers' control over their farming system. Lesotho's rulers certainly need to exploit what has clearly established itself as a "Basotho farming system". Basotho's pragmatic approach includes, hiring out of fields and share-cropping. This ensures a relatively easy access to capital, land resources and labour. It also helps the spread of benefits and farming expertise and skills among the rural population. Apart from this distributive function, it guarantees the farmers' control over their farming activity. Because it is participatory, it is a cheaper and more effective means of mobilizing resources than the donor-directed area-based agricultural development projects. It is a local initiative - an outcome of Basotho's struggle to achieve food security in the face of growing population pressure, declining land resources and rising farming costs. Thus it represents a genuine innovation that has enabled Basotho to exploit their land resources. More importantly, it has greatly minimized the effects of landlessness in Lesotho. Given

the diffuseness mentioned above, it can be argued that Lesotho's agriculture is characterized by mutual class accommodation rather than crude class antagonisms. Class accommodation suggests co-operation, hence less potential for disruption. The distribution of the final product remains a contentious issue, however, as most of the field owners in share-cropping schemes have seemed troubled by the principle of cost sharing. While investing only their fields, some land owners often expect to have greater share of the produce. This has important policy implications, namely that the farming community must be assisted to develop clearly defined uniform, but flexible, formal and legally unambiguous share-cropping and/or cost-sharing arrangements.

The fact that agricultural production in Lesotho brings together diverse producer groups with differing objectives, technical skills and financial muscle has either been ignored or glossed over by the Lesotho rural development planners and the international aid agencies. Thus justification for funding any new agricultural project has invariably been their assumed relationship with the subsistence farmer. At the other extreme the local financial institutions would extend credit only to those who have the ability to service their debts. This is clearly disastrous as the poor cannot raise the loans. Indeed, without share-cropping, hiring out of fields and exchange of other services such as provision of child labour, many land holders would have long lost their tenurial rights. In terms of the land administration law, failure to put land to productive use for more than three years entitles the chief to re-allocate

such an unused land. Thus it is possible to argue that Lesotho's land holders have, over the years, been able to evolve effective and reliable self-preservation mechanisms.

In Lesotho's situation, possession of land, animal power, agricultural machinery and cash cannot be treated in isolation when formulating agricultural development policies for all these combined enable the spread of efforts and participation by different groups in agricultural production. Land holders hire out some out their land for animal draught power, tractors and cash for ploughing the rest of the fields. Those who own animal draft power, tractors and cash, are able to invest in farming because they can hire land, share-crop or undertake ploughing services in return for a field. Likewise, poor land holders hire out their land for cash or open it up for share-cropping.

The sizes of the land holdings [1.2 acres] make entry into agriculture relatively easy, but certainly not cheap. In 1986 hiring a tractor to plough just a 12 foot wide strip of land cost not less than R15.00, while a 50 kilogram bag of fertilizer cost not less than R40.00 at 1992 prices. To plant one acre of land one would require at least four bags of good chemical fertilizer. Hence share-cropping and informal leasing of the land are increasingly being resorted to as a means of alleviating the costs.[39] As the following quotation indicates, however, the intricacies of Lesotho's farming system have scarcely been appreciated. The 1987 government-appointed Land Policy Review Commission argued that

"They hold land in excess of their basic food requirements, and these are mostly farmers without draft animals and equipment. They are dominated by old women, and other people who have no outside source of income." [40]

The fallacy underlying this statement should be obvious, if one takes into account the varying uses of agricultural land in Lesotho. Food requirements of the individual land holders do not provide adequate explanation of agricultural problems and the attendant farmers' attitudes. Arable land in Lesotho has long established itself as a political weapon for a land holder. Thus viewing it solely as a means of subsistence is likely to hinder the formulation of effective land use policies. In fact, as indicated above, subsistence requirements cannot explain land use patterns in Lesotho. Land is left fallow usually because the owner has no means of ploughing it or because he/she has not been able to find someone with whom to share-crop it or to whom it can be hired and/or leased.

The diversity of groups engaged in farming activity, and the character that farming in Lesotho has taken, demonstrates that investment in agricultural production - regardless of its focus - is no longer an exclusive preserve of a land holder. It shows that landless people can also become large-scale farm producers. More importantly, investment in agriculture is determined, among other things, by different considerations. For groups with secure sources of off-farm income, investment in agriculture is induced by a felt need for additional income for the investor, or the need to ensure food security or cash for the investor's parents and relatives in the rural areas. For those without any other

source of income, investment in agriculture serves a dual purpose, namely producing food and generating cash, however disappointing the results might be. For the majority of the poor land holders achieving these two goals is difficult. For poor land holders obtaining cash may mean selling all their harvest. However, asparagus farming discussed in Chapter 6 suggests that these goals can be achieved easily in certain areas of Lesotho. Not all agricultural surpluses find their way into the formal market due to the pricing system, distribution costs and local demand. In fact, the author's experience is that the local informal market selling to neighbours in different villages, as opposed to the official government-dominated market, offers nearly twice the official price. A 70 kilogram bag of maize will fetch up to R60.00 if sold directly to the villagers in rural areas as opposed to an average price of R30.00 offered by the government-controlled Co-op Lesotho which has been granted monopoly over the sale, buying and distribution of grain, and farm inputs. A 10 kilogram bag of maize seed costs not less than R50.00, far above the average price offered farmers for a 70 kilogram bag of maize. There is thus a clear case for raising the price of this farm produce in order to bring the producers into the mainstream of the production system.

Recent studies of the patterns of investment in crop production in Lesotho indicate that food grain production occupies 80% of the country's arable area.[41] This figure does not, however, contradict the view advanced above that agriculture in Lesotho is no longer an arena for the hungry. It is a

reflection of the dynamics of the market system, mainly the demand for food grain, rather than an indicator of the predominance of the subsistence producers. As indicated above, poverty among the land holders may have led to increased sharecropping and land leasing, or even land sale, for cash. As argued above, these patterns have rendered agricultural activity in Lesotho highly diffuse, with implications for agricultural development planning. The fluidity of Lesotho's agriculture as an activity, and the ease with which the different groups and individuals can enter and quit it, pose a serious challenge to the country's economic planners. The issue boils down to the question of devising an incentive package for all the groups engaged in the process of production and maintaining stability within the sector, while avoiding the risk of a tension between the different interests. Those who are not dependent on farming for their subsistence tend to be guided solely by the opportunity costs in their investment decisions, thus contributing to the instability in land use and patterns of production. Indeed if, as has been asserted, 43% of the people owning land are market oriented and 20% of all the landed farmers are commercially inclined, [42] extreme fluctuations in crop production should be expected. Hence food self-sufficiency, even assuming land abundance, may remain an elusive dream.

### **5:5 Conclusions.**

The principle or philosophy underpinning land interests in Lesotho does not necessarily deter the government from acting in



order to stop or promote a particular activity or project, even though the government is certainly marginalized in relation to the normal day-to-day traditional use of the land. This philosophy can, indeed, become an effective mobilizing tool or ideology at the disposal of the government, provided that the system is democratic or is seen to be representative. Self-help projects, though they can scarcely be termed a success story, have relied on the principle of "do it yourself." Reserved grazing areas rest on both this principle and the slogan of the common ownership of the land. Possession or non-possession of livestock has not affected Basotho's belief that land belongs to them for every citizen is free to own animals.

There does not, therefore, seem to be any reason to doubt the efficacy of this philosophy in rallying people for other broad rural development programmes, particularly those concerned with environment protection. Successful mobilization of people for any tasks depends on the ability of the national leaders or government to manipulate the existing symbols, slogans and ideologies and to convince those affected that their effort is not only crucial but justifiable because nobody but themselves are beneficiaries. The colonial administrators and chiefs became aware of the flexibility and power of this ideology as long ago as the last century. They used it to exhort people to participate in various state-sponsored activities - protection of grazing lands and thatching grasses, tree planting and destruction of obnoxious weeds. Arguably, Basotho need little or no prodding to perform these functions for they enjoy free hunting, grazing

rights, thatching grass, medicinal herbs, fire wood, building sand and stones, and water.

However the common land ownership ideology is a double-edged weapon. Basotho have also invoked it in their struggle against government encroachment. As indicated in Chapter 4, the government-led campaign to fence off what were termed experimental pastures in the Thaba-Tseka area was vigorously opposed by the local inhabitants on the grounds that the government was interfering with the people's land rights. The inhabitants' view was to be later vindicated for, when the dispute was brought before the court for arbitration, the magistrate ruled that the government had no power to fence and/or deny other sections of the population the use of the improved grazing lands. Indeed, this underlines the fact that Lesotho's land tenure system is not simply the embodiment of the nation's land use rights. Neither is it just a means of sharing or distributing land. It is the epitome of the nation's power - control over both their land resources and farming system. To this extent it is a means of people's political empowerment. As explained above, it gives them leverage over both the government and the expatriate-managed development projects.

It needs to be emphasized, however, that Lesotho's ideology of land ownership is not completely incompatible with the precepts of modernity. Often drives towards modernity require appeals to ideologies which romanticize the existing relations and belief systems. For example, Jonathan's self-help projects

involving road construction, village water supply and tree planting gained the support of the villagers among other reasons because they were associated with matsema - traditional working parties whereby people performed harvesting, hoeing, hut and kraal building - and ploughing for no pay or reward except for food and drink. On its part the Medieval Church prodded its Christians to supply free labour by defining work as a "divine act of faith." The Protestant movement further emphasized this by asserting that labour increased the glory of God. Hence wealth as a fruit of labour was a sign of God's blessing. Likewise, Adam Smith's "apotheosis of the division of labour" provided an effective ideological and moral framework for the development of capitalism. De-emphasizing its essence - alienation and social differentiation - Smith presented it as a precondition for skills development, high productivity and increasing economic welfare for all. Smith thus advanced this utilitarian view not only to justify the exploitative aspects of capitalism, but also to mobilize support for the development effort in 18th century Britain.[43] To this extent, the tension between the Lesotho government's agricultural policy and the philosophy, however detrimental to effective planning, may not be unmanageable. The development planners need to exploit those aspects of the land tenure system on which there is broad agreement between the government and the people as to the rights and obligations of each party to secure popular compliance, whilst also protecting the land holders' interests. Indeed, for a country devoid of resources like Lesotho, a policy that facilitates access to land for every citizen is rational.

Land politics has had, and will probably continue to have, both adverse and beneficial consequences for the Lesotho farming community. The negative aspects are more glaring, however. It has reinforced conservatism among the land holders. The land holders tend to be suspicious about every innovative move as long as the benefits entailed are not immediately apparent. Moreover, Lesotho land politics suggest, and often mean, a limited role for the government in agricultural and environmental planning. Severed from the land holders, the government cannot be able to provide direct and effective leadership in agricultural development. We need to reiterate that popular participation in land allocation, together with the increasing government intervention, may have led to an increase in illicit land deals, thus undermining the official policy that land cannot be sold or exchanged for money. The autonomy of the Lesotho farmers and declining importance of agriculture as a source of cash income for the majority of the population exacerbates "disarticulation or incoherence" in Lesotho's economy. According to Ake, a disarticulated or incoherent economy "is one whose parts or sectors are not complementary".[44] Apart from a few exceptions discussed in Chapter 6, there is no complementarity or reciprocity between Lesotho's nascent manufacturing industry and agriculture. Continued disarticulation between these two sectors is likely to delay the achievement of significant and sustainable industrial development.

Positive aspects of land politics should also be obvious. The notion of common ownership of land alone can engender self-

reliant attitudes that are necessary for economic development while maintaining the system. On the other hand, popular participation enables people to decide and plan their own future. But the present attitude towards land should change if Basotho are to salvage the little that might still be remaining of their badly eroded country. However, the fact that land politics has not inhibited differentiation required by modernization means that agriculture can be modernized [without necessarily achieving bumper harvests] with minor modifications. Measures threatening the existing networks may have to be delayed pending a thorough investigation into how peasant agriculture has adjusted to changing circumstances. Indeed, the issue is fostering a system that delivers the goods.

One of the major problems confronting rural development, and agriculture in particular, is the government's erroneous view of Lesotho's agriculture. The government of Lesotho simply defines the farming system in Lesotho as subsistence. This forecloses further analysis and/or scrutiny of the dynamics of agricultural production in Lesotho and its social concomitants. Subsistence farming is only one of the different facets of Lesotho's agriculture. Hence a distinction should be made between a farmer and a holder of arable land. While these may not necessarily be mutually exclusive, they are not the same thing. Any analysis of Lesotho's agriculture should take into account the intricacies of the sector and how these have arisen and have been nurtured, perpetuated and mediated. Any planning ignoring this will face problems. It can only succeed in getting the poor into debt,

hence engendering popular hostility towards government-led rural development campaigns.

## Footnotes

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## CHAPTER 6: COMMERCIAL FARMING AND THE LAND TENURE ISSUE:

### A CASE STUDY OF ASPARAGUS FARMING

#### 6:1. Introduction

As indicated in the foregoing chapter, transforming agriculture into a full-time commercial activity has been the major pre-occupation of the Lesotho government. Success in bringing this about is seen as a function of radical land reforms that would subordinate the country's land holders to market forces. The underlying assumption is that low agricultural production in Lesotho is due to both the subsistence producers' inadequate exposure to the market and lack of state control or influence over the economic behaviour of the land holders. The low level of economic development has been ascribed to what has been termed the absence of the necessary inter-sectoral linkages within the economy. As one economist has put it,

"In order for agriculture to play its role in economic development it has to be well integrated with the rest of the economy." [1]

In an attempt to facilitate inter-sectoral linkages within the economy, the Lesotho government introduced asparagus farming with a cannery component. Yet this had to be a small landholder-based scheme because of the structure of land ownership in Lesotho.

Asparagus farming seems to be a commercially profitable undertaking and an effective means of creating employment because of the difficulties of mechanizing its operations. It is expensive to produce in industrial countries to which most of the

traded asparagus is destined. The advantages for Lesotho have been discussed thus:

"The difficulties of mechanizing either the production of asparagus itself, or the processing of its delicate produce, result in high labour costs in the traditional producer and consumer countries, and therefore in high production costs. Consequently a ready export market exists for the canned product, particularly in West Germany with whom preferential European Economic Community [EEC] tariff arrangements are enjoyed by the GoL." [2]

Asparagus farming adds a new dimension to the politics of development in Lesotho, especially the current debate about the possible direction of the country's agriculture. More importantly, it contradicts the assumption that farm unit sizes and the land tenure system impede the development of a market-oriented agriculture in Lesotho. It poses a further challenge to Lesotho's state-directed bureaucratic non-participatory development planning process.

To enable further exploration of these issues a case study of asparagus farming, together with its cannery - Basotho Fruit and Vegetable Cannery [Pty] Ltd [BFVC] - is included in this thesis. The case study further illuminates the seemingly controversial policy issues raised by the analyses in the preceding chapters 3, 4 and 5, whilst also providing a broad picture as to the advances made by Lesotho in its search for appropriate economic development strategies. The case study tries therefore, first, to account for the development of asparagus farming and its nature, structure and economic and political significance; and second, to determine whether asparagus farming heralds the advent of capitalist agriculture, which the Lesotho

rulers and their advisors have so painstakingly advocated, and the end of the complex networks of ties permeating Lesotho's agricultural sector. More specifically, it seeks to find out how the asparagus growers view the scheme. For example, do they see it as a solution to their economic problems and if so, what are those attributes which make asparagus so important?

The chapter is divided into six sections, including an introduction and conclusion. Section 6:2 traces the origin and focus of the asparagus outgrowers' scheme and its specific objectives and the constraints. Section 6:3 examines the structure and organization of asparagus production and its wider implications, and the extent to which this has facilitated or inhibited the realization of the broad objectives of the scheme. Does the present structure and organization of asparagus production tell us anything about the future direction and shape of the political economy of asparagus farming in Lesotho? Section 6:4 assesses the relative power of the outgrowers and the BFVC, trying to determine the extent to which the power disparity between these two forces has affected the asparagus farmers' capacity to increase their earnings. It also attempts to tackle the hypothesis common to all radical critiques of contract farming systems, namely the producers' loss of independence. Section 6:5 reassesses the commercialization/modernization versus land policy reform argument in the light of the experience of asparagus farming in Lesotho, questioning the assumption that Lesotho's traditional land tenure system is a factor behind low agricultural investment. Section 6:6 attempts to provide general

conclusions from the analysis.

The case study is based on the results of lengthy and comprehensive studies of the asparagus contract farming scheme undertaken by the Institute of Southern African Studies [ISAS] of the National University of Lesotho between 1986 and 1987, and five months' primary research based on limited surveys [due to logistical problems - mainly the transport problem of getting to different and widely scattered villages and the difficulty of trying to meet individual farmers who spent over 8 hours on their fields harvesting and cleaning asparagus] such as observation of harvesting and sorting activities, a questionnaire and personal interviews with the management staff of the BFVC and officials of the farmers' co-operative, and the examination and study of project documents, minutes of meetings with the donors, the various memoranda relating to particular aspects of the project, evaluation reports of varying types, and production and performance records. While the time devoted for the field work may seem rather short [only five months between August and December 1992] this does not pose a serious problem for the study as I was able to obtain the relevant classified data not normally available to researchers after persuading one of the board members to give me copies all the project documents that I was looking for.

## **6:2 Asparagus Farming in Lesotho: Historical Background.**

The growing of asparagus is a recent phenomenon in Lesotho,



having started only in 1974 under the auspices and supervision of the US\$9 million Thaba Bosiu Rural Development Project which occupied an area lying 30 kilometres to the south-east of Maseru. Even today production of asparagus remains confined to this area. Asparagus is one of a myriad of cash crops whose potential the Thaba Bosiu Rural Development Project assessed, in collaboration with the Ministry of Agriculture, soon after its launch in 1971. The Thaba Bosiu Rural Development Project was essentially a scheme for boosting food grain production and family size dairy farming rather than being a research or experimentation centre, hence the initially low level of investment in asparagus production. The area under the asparagus crop stagnated at 45 hectares between 1974, the year when the crop was first introduced, and 1977.[3] In 1981 no budget was allocated to the project to enable investment in nurseries, resulting in serious problems for the scheme. In 1982 the area under asparagus increased by only 4 hectares, or 8.8%, to 49 hectares. No planting of asparagus took place between 1979 and 1981 because of the lack of funds, leading to a failure of nursery transfers, a high grower drop-out rate and sour relations between the cannery and the growers. Unsurprisingly the number of growers remained very small until 1982, with dire consequences for the cannery. With only 311 outgrowers in the scheme in 1981, only 165 tons of asparagus worth not more than R359,884 were delivered to the cannery.[4]

Asparagus farming, initially the sole responsibility of the Ministry of Agriculture, has been tied to a canning factory, the

BFVC, a subsidiary of the Lesotho National Development Corporation [LNDC] since 1981. The cannery is, however, neither a tool nor a partner of the asparagus growers. It is a commercial enterprise, operating on strict commercial principles. Above all, it is the organizer, patron and manager of the project. This has been the case since 1981 when the LNDC's take-over of the project brought to an end what seems to have been a contract between two equal partners. The agreement between the Ministry of Agriculture and the outgrowers bound the producers not only to produce and deliver asparagus of the agreed quality and standard to the cannery for an agreed price, but to obtain the requisite inputs from the cannery. The cannery, in turn, guaranteed a market for the produce. As one would expect, the uncertainties presented by this arrangement forced the LNDC to revise the relationship. Thus, while the growers are still guaranteed the market and technical assistance, asparagus production, since 1982, has assumed a bifurcated character featuring two types of producers - the individual small holder producers producing on land units with sizes ranging between 0.1 and 0.2 hectares, and two big farming estates, together amounting to 250 hectares or 58.8% of the area under asparagus in 1992. These were acquired by the cannery under the 1979 Land Act which empowers the government to declare certain areas as special agricultural development areas [SADA's]. [5] The estate farm is a brain-child of the United Nation's Food and Agriculture Organization [FAO]. It was recommended to the Lesotho government by the chairman of the executive committee of the FAO's Industry Co-operative Program [ICP] following his "pre-feasibility study for the potential

development of the agro-industries sub-sectors of the economy" of Lesotho.[6]

The asparagus growers were initially recruited from among the civil servants who had land rights in the area or who could hire land. The reason for recruiting from among the civil servants was that the civil servants either had the required capital or could easily mobilize it. The government was clearly not just sceptical about the subsistence farmers' ability to undertake the task, it simply did not have faith in the small rural land holder as a vehicle of development. Rather, the small land holder was seen as the object of development, not vice versa. Such an approach is inherently contradictory. While purporting to help the poor land holders to raise their farm incomes, thereby reducing rural poverty, it denied them the opportunity to invest in the production of this high-value, high-yield crop. Jonathan's unrepresentative regime recruited the country's apolitical civil servants, who were dependent on the government for jobs, in order to avoid possible embarrassment resulting from a possible snub by the land holders. Indeed, as argued in Chapters 3 and 4 above, the problem for the regime was not only how to forge an effective partnership with politically estranged land holders, but also how to convince the donors that Lesotho could absorb foreign aid. The regime's immediate task was getting the project started and using the foreign aid. Hence involving apolitical civil servants in the scheme was the easiest way of ensuring this.

It has since been discovered that the civil servants, even though they could easily obtain land either from their parents or by hiring from the local people, were probably the least prepared group for this undertaking. The crop is not only labour-intensive but requires the investor's labour or his physical presence to supervise the work in the field. This demand was found to be too onerous by the civil servants. Thus, unsurprisingly, there was a massive number of drop-outs from the scheme between 1974 and 1977.[7] Yet the civil servants' inability to shore up the project alone highlighted the problem presented by the notion of "target groups" as a basis of rural development policy. The target group theory of rural development faces a serious dilemma in Lesotho. Lesotho's farming system is interspersed with complex diverse familial, social, economic and political networks. The civil servants are part of these networks because of the structure of land ownership and politics discussed in the preceding chapter.

Following this bitter experience the asparagus production assumed a new shape, becoming a shared activity between the small land holders with or without off-farm income in the Thaba Bosiu catchment area and the BFVC. To attract the field owners into the scheme the government established a revolving fund, with the financial assistance of the European Economic Community [EEC], from which a new entrant could obtain an interest-free loan of up to M5,000, payable over a period of eight years starting with the first harvest year. The loans are intended to cover ploughing and input costs. The fund is now administered by the BFVC.

Between 1987 and 1991 the fund's budget amounted to M563,304 while the EEC's financial support for the asparagus project during the same period amounted to M6,059,050.[8] However, the EEC has progressively been reducing its funding of the project's running costs and recurrent expenditure by 20% per year from 1988. Thus between 1990 and 1991, 60% of the project's running costs were borne by the BFVC and its estate farms, the Basotho Farm Produce [BFP].[9]

The reorientation of the scheme towards the land-owning community has clearly paid dividends. The number of individual asparagus growers increased more than six-fold from 311 in 1981 to over 2,000 in 1986. According to some estimates based on recent studies, between 1986 and 1988 the individual outgrowers were each employing at least two to three other members of their family during the harvest and cleaning period, from September to December, thus providing about 4,000 additional jobs.[10] The area under asparagus massively expanded from 49 hectares in 1982 to 675 hectares in 1991. The number of outgrowers has continued to grow, increasing by 50% from 2,000 in 1986 to 3,000 in 1992. The asparagus hectares climbed to nearly 1,000 in 1992. Daily asparagus harvest from the individual holdings has also increased tremendously, rising nearly twenty-fold from 1.65 tons in 1982 to 20 tons in 1992.[11] Since taking over in 1981, the BFVC has created 350 permanent jobs plus another 700 to 800 guaranteed seasonal jobs during harvest and peak canning periods. As a rule, canning proceeds for roughly 11 months up to July, beginning with the asparagus in September-December, then green beans and

peaches, January-March, and dry beans between April and July. Indeed, the range of products now processed by the BFVC is testimony to the fact that, rather than being a prelude to monocropping, asparagus farming is a potential catalyst for crop diversification.

While the sustainability of asparagus farming in Lesotho is yet to be determined, the above data show that it has the capacity to create employment. Indeed developments on South African farms lend support to this interpretation. Since 1990, given problems of mechanizing, South Africa's large-scale white asparagus farmers have set up a labour recruiting agency in Lesotho to forward labourers to their asparagus farms and canneries. Between 1990 and 1992 the agency recruited 1,430 Basotho labourers of both sexes to the South African asparagus farms and canning factories in Bethlehem and Ficksburg in the Orange Free State. According to the agency's manager, the demand for Lesotho's labour by the South African asparagus producers has a potential annual growth rate of 25%. [12] If this is true, it certainly opens a new outlet for Lesotho's surplus labour.

### **6:3 Nature, Structure and Organization of Asparagus Farming in Lesotho**

The present asparagus production scheme has no parallel inside Lesotho in terms of tying the buyer and the producers together. As indicated in the preceding section, it is closely bound up with the BFVC, the project's sole executing agency since

1981. Thus studying one without the other is almost impossible. Yet organizing the scheme this way accords with the needs of an industry-starved, underdeveloped Lesotho. Like other less developed countries [LDCs], Lesotho badly needs schemes of this nature to create both an export base and employment for its people. Contract farming schemes, such as asparagus farming in Lesotho, seen as important tools for job-creation and income distribution in the LDCs. One analyst has argued that "they are attractive to governments and donors because of equity and development goals as well as profitability." [13]

The introduction into Lesotho of asparagus farming with a complex structure, establishing intricate ties between the government and the cannery, on the one hand, and the cannery and the land-owning community, on the other, has been dictated by what were perceived as the most serious economic challenges. These included providing gainful employment for the country's rural dwellers and raising rural incomes. Notwithstanding its clearly inappropriate initial implementation strategy, namely anointing top civil servants as the bearers of progress, the Lesotho government created and supported the project on the grounds that it would address the problem of unemployment. Indeed, this measure was unavoidable given the lack of interest shown by the multi-national corporations [MNCs] in the LDCs agro-industries. Even the rich white South African capitalist farmers have faced an up-hill struggle in their attempt to forge a formal partnership with the MNCs. Thus, unable to elicit the support of their government or to secure the MNCs participation in their

fruit and vegetable export company [Ficksburg Export Co. Ltd.], the South African white farmers sought a partnership with the LNDC, appealing for a donation of R250,000 towards building a BFVC-type canning factory.[14] It is, however, clear that the move also aimed at securing a share of the lucrative EEC market which the LNDC is guaranteed under the Lome Convention.

Organizing small-holder agriculture into contract farming is part of a search by the LDCs for cheap forms of participation in the world economy. As some analysts have rightly argued,

"The organization of smallholder agriculture in some form of contract farming is believed to be one of the more effective means of overcoming stagnation in smallholder productivity. Normally small holders are not able to invest in such technological inputs as hybrid seeds, fertiliser, hence limiting the expansion of peasant commodity production." [15]

Technological constraints are however not the sole determinants of investment strategies. Profitability of the schemes in question and their political functions have invariably been the key variable in any choice of investment and organizational strategies. This explains why contract farming cannot be extended to every crop. It was in recognition of this fact that the Lesotho government had to wait until a high market value crop had emerged before venturing into a contract farming scheme.

Asparagus production in Lesotho features two types of producers. The first comprises the individual outgrowers, producing on small plots averaging 0.2 hectares each and supposedly reliant on their own labour or that of their families and relatives. The individual producers sell their crop to the



BFVC subject to the set quality standards. The individuals wanting to join the scheme are each given an interest-free loan of up to M5,000, payable in yearly instalments for eight years beginning with the first harvest year. This factor, together with the market price of the crop, explains the growers' enthusiasm for the scheme. The second producer is the BFVC through its two farms operating under the name Basotho Farm Produce [BFP]. The BFP relies on formally employed farm labour paid in accordance with either the going market rates or the national minimum wages orders. As will be argued in the next section, the BFP is not only a potential rival of the small producers but is also a shield against their pressure. As long as the BFVC is able to get supplies of asparagus from the BFP, a strike or holding back deliveries of asparagus by the outgrowers cannot lead to closure of the cannery, even though its output might be adversely affected.

The project ties the small outgrowers in a dependent relationship to the BFVC even though this does not entail total domination of the former by the latter. Apart from their asparagus plots, normally part of their existing holdings, the outgrowers own fields allocated to them under the traditional land tenure system, or purchased, leased or inherited from their parents. This alone is a source of political strength for the growers. Yet the asparagus growers are by no means a homogeneous group. Some of the outgrowers employ wage labour. This has affected or shaped the organization and relations of production within the individual producer community. Family and wage labour

operate alongside one another. In terms of our argument in Chapter 5, this is further evidence of the complexity of Lesotho's agriculture. On the other hand, a multiplicity of avenues to arable land, particularly increasing commercialization of the land deals, facilitates easy entry into and exit from the scheme. This is, in fact, in sharp contrast to the view held by some analysts that future entry into the scheme will be impossible as the majority, or 94% of the present outgrowers, have acquired their land holdings through the traditional allocation practice which can no longer cope with the demand for land. [16] The argument has been put bluntly as follows:

"The landless people will never have the opportunity to enter into the scheme simply because plots (are) subdivided even among the same members of the same family" [sic]. [17]

Admittedly, allocations under the traditional land tenure system are no longer easy. There are, however, many channels through which agricultural land can be obtained. These have been discussed in Chapter 5 and need not detain us here. I need only add that pressure for expansion of the asparagus production will lead either to increased share-cropping, sale and/or leasing of the land currently used to produce other crops. Development in this direction will, of course, be determined by the soil suitability. But we cannot justifiably assume that the system of asparagus production and the social organization of the relevant producer community should be frozen at the present level. We should, in fact, expect it to be even more dynamic in future as the importance of the crop increases.

The social heterogeneity of the asparagus-growing community

implies not only income disparities but competition between the individual outgrowers, even though its adverse consequences for the poorer elements are cushioned by the interest-free loans, rent-free land resource, non-taxability of incomes from the crop and a guaranteed protected market. The richer growers have been able to expand their aggregate asparagus farm units to at least one hectare, thus increasing their share of the market and therefore augmenting their incomes and promoting their ability to invest in other business ventures. As shown in Chapter 5, a Mosotho farmer could be a teacher, migrant worker, civil servant, government minister, chief, businessman, journalist, or an estate agent. There is evidence that asparagus farming has been penetrated by these elites. Presently family labour accounts for 75% of all the labour requirements of the asparagus-producing community, suggesting that the rest consists of hired labour.

Asparagus has many advantages over other cash crops grown in Lesotho. Apart from being a highly priced commodity - M2.65 per kilogram in 1992 - it is cheap to produce. Moreover the selling price of a 460 gram tin of asparagus in Lesotho was three times an equal weight of canned beans in 1992. The two sold at M3.10 and M0.99 respectively in Lesotho. Table 16 below shows the cost per hectare of producing asparagus and the various other cash crops and their differences in terms of overall profitability. Even though the nominal prices per ton of dry peas and beans are higher by at least 30% and 48% respectively than the price of a similar amount of asparagus, they are offset by the higher production costs - each being more than three times the cost of

producing asparagus. Return on investment in asparagus is 66% per ton while for peas and beans it amounts to just 11% and 18.32% respectively.

**Table 16: Production costs per hectare in Maloti [Rands] of asparagus and selected cash crops at 1982 prices, yields in tons per hectare, market price of crop per ton, overall returns and total profit on investment.**

Crop	Production cost per hectare	Yield tons ha.	Price per ton	Overall Returns [Maloti]	Total profit [Maloti]
Tomatoes	3,728	25	150	3,750	22
Green Pepper	1,586	15	165	2,475	889
Baby Carrots	960	12	200	2,400	1,440
Cauliflower	2,146	12	200	2,400	254
Green Beans	1,308	8	250	2,000	692
Broccoli	1,770	7	390	2,730	960
Bruss. Sprouts	2,018	7.5	390	2,925	907
Baby Corn	938	4	448	1,792	854
Asparagus	211	4	600	2,400	2,189
Dry Peas	653	1.2	800	960	160
Dry Beans	782	1	850	850	68

Source: Compiled from Basotho Fruit and Vegetable Cannery [Pty] Ltd. Profitability and Raw Materials Cost tables, p. 24. N/B: The price column is the market price or cost of obtaining the crops from the open market.

Note: Bruss. and ha. are abbreviations for Brussels and hectare respectively.

Profit in respect of the rest of the crops in the table is even more marginal. Clearly, with a cost of only M211.00 per hectare, yield of 4 tons per hectare and market price of M600.00, asparagus is cheaper and more profitable to produce. Indeed, as the following Table 17 illustrates, asparagus is a significant income-earner.

**Table 17: Value of asparagus and other crops processed by the B.F.V.C. between March 1987 and March 1992 in '000s Maloti [Rands].**

Crop	Year [1987] Maloti	Year [1988] Maloti	Year [1989] Maloti	Year [1990] Maloti	Year [1991] Maloti	Year [1992] Maloti
Baked Beans	34.9	64.7	91.7	82.3	77.8	249.2
Peaches	4.2	9.4	10.4	19.4	30.1	32.6

Peach						
Nectar	-	14.1	28.6	11.5	9.4	8.8
Aspa.	1,348.7	2,207.4	2,634.4	4,218.8	3,491.6	5,647.4
Aspa.						
Soup	7.7	9.8	58.5	59.6	1.5	-
Fresh						
Aspa.	-	85.6	126.7	67.0	97.0	0.9
Green						
Beans	77.7	97.5	94.8	343.3	155,6	252.1

Source: Compiled from Basotho Fruit and Vegetable Cannery [Pty] Ltd., Record of Annual Sales.

Note: Aspa. is an abbreviation for asparagus. Nectar is used by the firm instead of jam.

Despite dropping by about 20% in 1991, possibly as a result of drought, canned asparagus sales have shown a relatively steady upward trend, increasing by huge amounts - 61% and 74.3% respectively - in 1990 and 1992. With the exception of peaches, which are largely imported from South Africa, all the items experienced a fall in sales in 1991. The explanation could have been a combination of natural forces, namely drought, hail and frost. These are some of the most menacing problems for Lesotho's agriculture. But, as the table shows, some products are either being phased out or are simply disappearing from the list of products processed by the cannery. This seems to be particularly true of asparagus soup and fresh asparagus. The reason for this is not clear, but the BFVC's increased canning capacity - 20 tons of asparagus per day since 1991 - and sale of rejected produce could be a factor. Sales of asparagus soup fell by over 90% in 1991, while in 1992 there were no sales at all for the product. This has dealt a serious blow to the individual asparagus growers who see soup manufacturing as a possible solution to the dilemma created by rejected asparagus.

Fairly high market price and low production costs are only one among many advantages enjoyed by asparagus. The crop is drought- and hail-resistant, an attribute not possessed by any of the cash crops listed in the two tables above. These other crops require either massive irrigation or plenty of rain, which Lesotho does not enjoy. Asparagus is planted only once in fifteen years, and once this has been done a farmer can expect maximum yields without further capital investment for at least twelve years. It is the only crop in respect of which soft loans are available. This facilitates easy entry by the poor land holders, thus minimizing the risk of domination by the rich. It is a relatively disease-free crop, hence it is an appropriate crop for Lesotho, in which other crops are victims of innumerable plant diseases.[18] Being labour-intensive, on the other hand, it is one of the means by which Lesotho can attack unemployment. It suits Lesotho's conditions, where land holdings are small, averaging only between 1.1 and 3 acres per family. But as the typical asparagus plot is only 0.2 hectares, families are able to grow food crops on the rest of their land.

According to the outgrowers, asparagus can be grown alongside beans on the same plot; that is, the beans can be grown between the asparagus rows.[19] Beans are not only an important raw material for the BFVC and a source of protein for Basotho, but one of Lesotho's main exports. So, apart from generating income for the poor, asparagus enables the farmers to diversify their farming activities. More importantly, it supports a range of other investment activities. One farmer put it as follows in

1992:

"It enables us to pay for our children's education - to pay school fees, to hire a tractor for ploughing the rest of our fields, for we need food; so we are able to plant maize, beans and peas. We now can build decent houses." [20]

Indeed, there is evidence of growing affluence among the asparagus growers. Through their co-operative they employ a full-time accountant/accounts clerk, plus two office assistants. They also own a factory/warehouse-type modern building next to the cannery which they rent out to the various entrepreneurs. [21]

The benefits from asparagus farming are more widespread than has been explained above, suggesting that its impact on overall development in the producing areas is significant. The project provides free sheds for protecting the harvested crop from the heat of the sun, village office/stores centres, and clean bore hole water, while also assisting in the building and up-grading of tracks to facilitate easy transportation of crops. An EEC official explained the multi-faceted character of the project as follows:

"Whilst the whole venture is an agro-industry and obviously commercially oriented, the major emphasis by the Government is alleviation in [sic] basic needs by generation of income from small asparagus plots and provision of clean village water supplies." [22]

By 1991, 31 of the 200 boreholes envisaged under the scheme had been drilled and fitted with pumps, 74 of the 125 sheds had been erected, and all the five office/store centres in selected areas as provided for under the project had been built. [23] However the scheme entails potential problems for the participants and the

national rural development programme as a whole, as explained in the following section. This stems from the asymmetric relations, termed the power disparity problem by the writer, between the growers and the cannery and denial of political rights to farmers which would enable them to determine the direction of the scheme.

#### **6:4 Power Disparity Problem and Dilemma for the Producers**

With their structural position in the process, the individual asparagus growers have little or no influence over the price of the crop, even though ideally price-fixing is supposed to be a joint responsibility of the farmers' co-operative and the BFVC. Neither can the farmers influence the direction and investment policy of the cannery. The BFVC's decisions are dictated by commercial rather than social factors. The rigour with which the BFVC applies quality standards and its unilateral phasing out of some of the products are among a few examples that can be cited. The increasing dependence on asparagus for cash without the corresponding increase in growers' leverage, on the other hand, means that a fall in demand for the crop might lead to catastrophic consequences for the growers' families. Moreover, the growers are faced with a potentially high risk of super-exploitation by the BFVC because of its absolute monopoly over the purchase, processing and export of asparagus. The BFVC's inordinate power has not been affected by the inclusion of two farmers in the LNDC-appointed board of directors. Lack of options on the part of the growers reinforces the BFVC's dominance. The BFVC's power derives not only from its monopoly over resources -



technology, expertise and capital. It also represents the state. With two estate farms acquired under the provisions of the Land Act of 1979, the BFVC is able to produce over half the amount of asparagus produced by the individual growers. This shields the cannery from any farmers' action that might be aimed at securing policy changes. Its power is further enhanced by the fact that it imports additional supplies of asparagus from South Africa, as the need arises. The political significance of all this is clear. The farmers' dependence on asparagus, BFVC's absolute monopoly on the purchase and sale asparagus and right to import asparagus from South Africa, have created a social setting in which threats of land expropriation play no part in inducing production, while increasing the potential for a conflict between the state and the outgrowers.

Seen from another angle, however, the power dilemma described above is probably transient; firstly, because of the structural change likely to ensue from the intensification of the production of the crop, and secondly, because state policies are by no means ossified and immutable. Asparagus farming is likely to trigger the growth of a politically conscious "kulak" class, strong enough to exert pressure on the state. Indeed, introduced by a highly paternalistic Basotho National Party [BNP] regime and buttressed by state patronage since its inception, asparagus farming is undoubtedly one of the most politicized activities in Lesotho. The asparagus farmer may not yet be ready to act as a bulwark against the looming radical land reform programme, discussed in Chapter 4, which entails land dispossession, but

he/she will feel threatened by it as will be demonstrated in the succeeding section. The BFP or the estate farm serves as a warning of the potentially devastating aspects of the land reform programme. Hence it is likely to be a reference point in the land holders' struggle against increasing government interference in rural land administration. Occupying over 250 hectares, the BFP has certainly displaced hundreds of families, denying them direct participation in the scheme.

The criterion used by the cannery to determine the quality of the asparagus is not only a source of bewilderment for the growers, but is an increasingly contentious issue. The farmers complain about BFVC's frequent deviations from the agreed norm; that is deliveries of 11-25 centimetre-thick asparagus stalks. Rejections, according to the farmers' cooperative [Setlabocha], result in crippling costs for the farmers, because once a farmer hands his crop to the cannery and co-operative's representative, the co-operative guarantees payment for the amount of the crop collected. The principle governing this is rather complicated. The cannery periodically pays the co-operative lump sums of money to enable it to pay its members for deliveries. The process does not end with delivery of the crop, however, for the BFVC has to determine the type of asparagus that is acceptable. Herein lies the problem for the co-operative. The crop considered unsuitable for canning is rejected and disposed of by the cannery in the way it may see fit instead of using it to manufacture soup. Soup manufacturing would definitely contribute to an increase in the number of jobs at the factory whilst also ensuring stable income

for the outgrowers. [24] Table 9 above indicates that the cannery manufactured asparagus soup at least up to 1991. Whether or not it used the asparagus rejected by the canning department is not clear; but the BFVC's Managing Director emphasized that asparagus of inferior quality is rejected. It is clear that soup manufacturing could provide further impetus to the growth of the scheme. More importantly, it would create an internal market for the asparagus, hitherto produced exclusively for export. The tinned product hardly has any market in Lesotho. The inevitable bone of contention between the two parties in the future is the unilateral sale and appropriation of proceeds of rejected asparagus by the cannery. It is is bought dairy farmers who use it as animal feed. During my tour of the cannery in October 1992, I was shown two piles of rejected asparagus said to be awaiting collection by the dairy farmers who had apparently paid for it in advance. [25]

The impact of the phenomena portrayed above on the farmers' enthusiasm for the scheme seems to be minimal, however, perhaps indicating the value that they attach to the benefits yielded by the scheme. The farmers' co-operative, in fact, unambiguously stated that the farmers contemplated no action that might wreck the existing relations with the BFVC. This seems reasonable for their stakes in the scheme are high. The mean cash income from asparagus farming was M2,500 per annum in 1987. [26] This far exceeded the average national minimum wage of about M1380 per annum in formal employment and the annual average cash earning of just M812 in the informal sector. [27] More interestingly,

Lesotho's small asparagus farmer earns more than a migrant labourer working on the South African asparagus farm who earns R5 per day or just about R1200 per annum.[28] Of course, mean figures are notorious for concealing intra-group inequalities. Thus the mean cash income of M2,500 from asparagus farming does not reflect the actual amount of cash income earned by each farmer.

Radical critics of contract farming systems have focused beyond the organizational and institutional framework within which the process of production is embedded, arguing in particular that these schemes not only transfer the major investment burden and risk to the direct producers, but that they are exploitative as the producers have to cover the cost of their reproduction. They argue that with incorporation into the capitalist system the peasant producers lose their economic independence.[29] Indeed capitalist incorporation determines and limits the peasant's economic freedom.

There is no doubt that Lesotho's asparagus growers are increasingly dependent on the vicissitudes of the capitalist market system. But the radical criticism of peasant incorporation glosses over a more important issue, namely the degree to which the peasant values economic independence, and whether a peasant wants to be excluded or isolated from the present system of production. It is indeed doubtful whether small farmers see this apparent trade-off as a serious problem. In the twentieth century it is not reasonable to assume that small farmers want to operate

outside the capitalist framework. What matters is a system that is able to deliver the goods, and not economic independence versus economic incorporation for neither of the two alone guarantees a decent living standard. Indeed, in their search for survival people worry about what is possible rather than what used to be in the past.

Admittedly, there are other pertinent issues requiring close attention when analyzing asparagus farming in Lesotho. These include the BFVC's perception of its role. In other words, does it fully appreciate the social dimension of its responsibility? While this is difficult to determine, the meagre information at hand provides some insights into this question. At the time of the handing over of the cannery to the LNDC by the Ministry of Agriculture the LNDC displayed an attitude of a reluctant recipient. The LNDC contributed just M100,000 towards the cannery's capital account. The rest of the operating capital came from the international donors, particularly the EEC and the United Nations Capital Development Fund [UNCDF]. On the other hand, by concentrating its funding only on asparagus rather than assisting directly in the production of other cash crops providing raw materials for the BFVC, the LNDC demonstrated that it was not fully concerned about the wider government goal of salvaging agriculture. This narrow focus has meant little or no direct ties between the BFVC and the asparagus farmers with respect to other cash crops consumed by the cannery. However, the LNDC's approach should be seen against the anti-democratic nature of Lesotho's economic development planning. The asparagus farmers

sell their other cash crops, especially peaches, dry beans and peas, in the open market. Thus, even though they are able to escape the rigours of the cannery's quality criteria, they lose what could be a guaranteed protected market.

The LNDC's lack of initial enthusiasm for the asparagus farming scheme is due to a number of factors, all of which are directly linked to both its historical evolution and the government's conception of its role. The corporation was never intended to be a direct investor in or manager of industrial investment projects. Rather, its role, which it has largely maintained, has been one of a facilitator - attracting potential international investors and providing them with the necessary infra-structure, access to resources and credit. As the government's Central Planning and Development Office [CPDO] aptly put it, its key function is to encourage investment rather than to invest in industrial development projects or manage business enterprises. According to the CPDO,

"L.N.D.C. encourages investment in several ways: by providing serviced industrial sites and buildings; by participating in business ventures on a loan or equity basis,... and by promoting interest on the part of the potential investors." [30]

With this limited assignment, the LNDC degenerated into a bureaucracy rather than developed into a bastion of industrial and business management skills. Not surprisingly, its few attempts at directly managing business enterprises have been a dismal failure. Between 1970 and 1990, for example, the LNDC could only watch helplessly as nearly every business enterprise under its direct management collapsed. Examples include the

eight- storey Maseru Victoria Hotel, Lesotho Bloc Hotels, Golden Egg Maseru Border Post Restaurant, Lesotho Sheepskin Products, Pioneer Motors and a host of handicrafts. The facilitator role could hardly have prepared the LNDC to manage the mammoth multi-faceted asparagus-producing scheme. On taking over the project the LNDC neither had the requisite management skill nor capital to run it. Up to 1982 the responsibility for securing funding and the technical assistance required for running the project lay with the CPDO. The problems confronting the LNDC were highlighted in a CPDO/donor meeting on 29 April 1982. It was noted, first, that the corporation lacked managerial skill and basic equipment to run the project, and, secondly, that the corporation required at least US\$2 million to enable the cannery to continue with the basic canning operations. [31] Fortunately, a R2 million grant was obtained from the United Nations Capital Development Fund [UNCDF]. The LNDC, which held 100% of the shares, provided only M100,000. Moreover, it charged a management fee of R25,000 annually until 1984, despite being the sole owner of the cannery. [32] The low priority initially accorded the project by the LNDC is exemplified by the amount and value of the assets built by the cannery to date. These amounted to just M1.8 million in 1992. [33]

The LNDC has, astonishingly, not fully taken advantage of Lesotho's preferential treatment by the EEC, and Germany in particular, to which all Lesotho's asparagus exports go, suggesting not only the growers' lack of influence over the scheme but total ignorance as to the real prospects of their

undertaking. Under the Lome Convention, 20% of all exports from the African-Caribbean-Pacific [ACP] countries, of which Lesotho is a member, are subject to a 22% price premium over other non-ACP countries, and are guaranteed duty-free entry to the EEC countries. However, Lesotho's asparagus exports to Germany, the main consumer of the product, still account for less than 1% of Germany's total asparagus imports. Germany imports about 60% of the world's traded asparagus, of which 70% comes from Taiwan, a non-ACP member. [34] Germany, or indeed the EEC, has not imposed any import quota on Lesotho's products. The Southern African Customs Union [SACU] area also provides an important market for processed asparagus which the BFVC has not exploited. Why has Lesotho not taken advantage of its privileged position to expand asparagus production in such a way that will increase its share of the EEC market? The answer clearly lies with the nature of the LNDC and its BFVC and, as indicated above, the political system which denies the nation direct involvement in decisions affecting its welfare. In combination with the power disparity problem, lack of democracy in Lesotho clearly reinforces the producers' ignorance about the scheme's economic potential. The project is terribly undercapitalized.

The total area under asparagus production is still very small, raising serious doubts as to the scheme's ability to contribute significantly towards the achievement of the stated national policy goals - employment creation and eradication of rural poverty. In 1992, more than ten years after the crop was introduced, the asparagus farms accounted for only about 1,000



hectares or 12.5% of 8,000 hectares of asparagus soil in the Thaba Bosiu area.[35] It is understood that the EEC approved Lesotho's application for a grant of an undisclosed amount in August 1992, to enable the BFVC to expand its operations.[36] Whether this expansion will lead to full exploitation of the crop's potential is not clear. What is clear is that one of the main problems confronting this development scheme is that it has been placed entirely in the hands of the external donors. Yet foreign donations have usually either not been immediately forthcoming when they are needed or have been the subject of lengthy negotiations. For reasons best known only to the cannery and the LNDC, the Lesotho Agricultural Development Bank [ADB] is not involved at all in the scheme, despite the fact that it would provide a quick source of funding whilst donations are still being negotiated. The LNDC clearly wants free donations. Yet Corporation uses millions of rands, most of which are loans from the local banks and foreign financial institutions, to support foreign investors. These observations do not of course ignore the gigantic strides made by the scheme as discussed in the preceding sections. They seek, rather, to highlight the contradictions in LNDC's approach and how these could have been addressed in ways that would ensure full and rapid utilization of the 8,000 hectares of soil identified as an asparagus belt in the Thaba Bosiu area. Indeed, if it takes more than ten years to use only 1,000 hectares, the chances of expanding to other areas of the country are bleak. We are, however, cognizant of what might be the major limiting factor, namely that good asparagus soil is invariably the best soil for other crops crucial for the people's

survival. Hence it could well be that, rather than concentrating exclusively on the 8,000 hectares of soil in the Thaba Bosiu area, the scheme needs to expand to other areas of the country in order to increase total asparagus production.

#### **6:5 Commercial Farming without Land Administrative Reforms: Lessons from the Asparagus Contract Farming.**

Asparagus farming in Lesotho presents a serious challenge to the assumption that the traditional land tenure system is a drag on commercialization and modernization of agriculture. Indeed the land tenure versus agricultural development debate is as increasingly superfluous as the 1979 Land Act which it finally spawned. This will be demonstrated by re-examining below, by way of a summary, the government's perspective and its major theoretical premise, together with the issues and problems which they raise. A further critical analysis of this perspective is made as an attempt to shed more light on the so-called agricultural commercialization or development.

As demonstrated in chapters 4 and 5, land policy reforms in Lesotho unhappily assume that there is an inherent conflict between subsistence production and commercial farming. This is not surprising because modernization theory is the framework of Lesotho's development policy. But the potency of modernization theory, if any, derives from a simple juxtaposition of these conditions, namely subsistence and commercial, or more precisely, traditional and modern. By boxing these two categories in

separate parcels, the exponents of modernization theory have been able to develop simple typologies to classify or describe different levels of accumulation. In the case of Lesotho agricultural development is supposed to involve not a choice between the subsistence forms of production and market agriculture but a leap from the former into the latter. This is necessary because subsistence farming supposedly represents both an archaic stage of agricultural development and economic inefficiency.

From the assumptions of modernization theory these two phenomena - subsistence and commercial - cannot have an autonomous existence. Both are supposedly a function of a particular set of circumstances - the institutional, legal and social settings. A country's institutions, laws, customs and traditions are assumed to reinforce or weaken the existing patterns of behaviour, be it economic, political and social. A leap from subsistence production is contingent upon changing the existing land tenure system. Arguing from this premise, Lesotho's former Commissioner for Lands and Surveys noted that

"Despite the awareness that change was necessary the traditional land tenure system has operated largely on subsistence economy with little scope for planned commercial farming... The traditional land tenure system provided ready access to land and security for subsistence opportunities but lacks incentives for commercial undertakings and investment in the agricultural sector... The main concern of the government became the intensification of production, better utilization of the limited land resource and the reduction in indiscriminate allocation by the traditional leaders. It is scarcely [sic] surprising that the primary objective of the new land policy is the enhancement of security of tenure for land holders. In this regard land for agricultural purpose can be held under three different titles. These are

the allocation, the lease and licence." [37]

Lease and licence systems are believed to be an effective means of guaranteeing security of tenure and ensuring access to credit needed for investment in agricultural production. A comprehensive critique of this perspective has been provided in chapter 5. Hence only two brief comments are proffered, both to fill the gaps left by the critique and to create a more solid framework for the analysis envisaged in this section.

First, it is yet to be proved that Basotho farmers see their land tenure system as a constraint to agricultural investment. Recent studies have revealed that the key culprits are the natural forces - drought, hail, frost and torrential rains. [38] Compounding the problem is the increasingly infertile soil due to soil erosion. Second, if the problem under the traditional land tenure system has been indiscriminate allocation, under the leasehold system the problem might be indiscriminate leasing, possibly with more dire consequences for agriculture. Desperately in need of cash, a person with three fields may lease each one of them to three people of differing farming capabilities and interests or priorities. This definitely alters both the control and productive capacity of the land in question. More importantly, as the measure redistributes the existing pieces of land, it amounts to land fragmentation which the new land policy seeks to halt. So, as long as it is a mechanism for redistributing land, the leasehold system may reinforce rather than eliminate the pernicious tendencies of the traditional land tenure system. But this seemingly inevitable possibility has

barely been appreciated by the advocates of land policy reforms. The reasons for this are perhaps not difficult to fathom. First, the influence of the classical economic theory, with its familiar notion of economies of scale, has been difficult to resist. Implicit in this notion is that large farm units are more efficient than small farms. However, world-wide studies on agricultural development show that "small farmers are innovative and respond rapidly to technical change." [39] Secondly, concepts, classificatory schemes and/or typologies that have been used to analyze Lesotho's development quandary lack sufficient rigour, thus making it difficult or unnecessary to pre-test the models of development and policy changes recommended for Lesotho. For example, lack of conceptual clarity is evident in the way the terms allocation and leasing are used by the Lesotho land use planners. Be that as it may, I would argue that, like the traditional land tenure system, the leasehold system will not necessarily produce a linear unidirectional process of agricultural development or land use pattern.

The above analysis suggests, therefore, that the problem facing Lesotho's agricultural development or commercialization is neither the traditional land tenure system nor leasehold/licence system, for these are merely a means of distributing land resources. Over three thousand Basotho and their families are today engaged in full-time commercial asparagus farming on their traditionally allocated land. As noted earlier, the asparagus plots are far smaller than the typical field which averages between 1.1 and 3.1 acres. The immediate

question raised by this is, how tenable is the argument that the traditional land tenure system impedes development of a rational farming system, and does commercialization or modernization of agriculture depend on large farming land units? The available evidence, provided below, suggests that the first question cannot be answered by yes or no.

94% of all the farmers engaged in the asparagus contract farming scheme hold their land under the traditional land tenure principles. Only 6% is hired, purchased, or share-cropped land.[40] Neither the BFVC nor the commercial banks are interested in farming land as a collateral for security. The BFVC has its own revolving fund from which it provides interest-free loans while the commercial banks provide short-term loans on security - invariably assets with undoubted equivalent cash value. The Lesotho Agricultural Development Bank [ADB], for example, requires security in the form of fixed property, insurance, fixed deposit, and shares worth not less than 100% of the amount of money loaned.[41] The prospective asparagus farmer in Lesotho requires none of these. He/she should only have land and family labour.[42] The asparagus farmers need not convert their present land titles into leases. In fact, it is doubtful whether the lease's much vaunted beneficial effect will ever popularize the leasehold system. Any land held under this system is subject to heavy ground tax, rent or rates and failure to pay leads to automatic forfeiture of use rights and confiscation of the land in question. For leased residential and business sites measuring 100 x 100 ft the ground rent would about M200 per

annum. Other costs entailed by the system include a registration fee, cadastral surveying charges, stamp duty, and consent fee for land transfers or development. The cost of surveying a small plot of just 26-30 square meters was not less than M300 in 1992.[43] The Maseru City Council, launched in 1989, failed to gain popular support among other reasons because it was seen as an implementor of the leasehold system, regarded by many land holders as an impoverishing tax machine. The issue is that the poor land holders can afford none of these costs; even the "kulak" class emerging from the nascent asparagus farming will find the costs entailed by the lease system unbearable. Also doubtful is the government's capacity to provide cadastral surveying services throughout the mountainous country. An application for a grant of lease in respect of a surveyed site can take up to six months before being processed.

Despite the above problems, one of the students of Lesotho's land administration policy has argued that the leasehold system "has a number of implications favourable to the farmer." [43]

- [i] It ensures that the farmer can confidently invest in the land, knowing that it will not be taken away in the next 90 years.
- [ii] The land under a lease can be mortgaged and thus give the farmer the financial ability to develop his land.
- [iii] The farmer can dispose of his interest in the land, that is by selling the lease [subject to obtaining permission from the Minister]. Thus there would be no loss of investment.

[iv] The farmer can sublet part of his land with advantage to himself and the sublessee could then engage in contract farming.

According to this view, "commoditization of agricultural outgrowers' schemes could be enhanced by the implementation of the provisions of the Land Act, 1979", which provides for leasing of land for up to 90 years. [44] As indicated above, the leasehold system entails more problems for Basotho farmers than the traditional allocation which is relatively more flexible and cost-free. [45] Lesotho's rural land has virtually no monetary value that would attract the banks and other financial institutions.

Asparagus farming certainly provides good lessons. It is modern and commercial in character, even though practised by a supposedly backward conservative group of traditional producers on very small land units. Arguably, therefore, given the appropriate political climate, the traditional croppers and their institutions can contribute significantly to agricultural development. This is made easier by the fact that the traditional land tenure system to which they owe their existing land holdings does not reduce possession of land into a costly burden. It does not increase the land holders' farming costs by imposing land taxes and other charges. Lesotho's small land holders cannot afford taxes and other financial levies contemplated under the 1979 Act.



## 6:6 Conclusions

Notwithstanding what has been said above, asparagus farming in Lesotho is a small activity accounting for not more than 1,000 hectares in 1992 or just about 12.5% of the 8,000 hectares of soil identified as suitable for the crop, and directly affecting only 4,000 to 6,000 people. The slow expansion is clearly a result of four factors. First, the flawed assumption implicit in Lesotho's agricultural development policy is that the existing farming system in Lesotho can be transformed through foreign aid and international technical assistance alone. Second, the government's contradictory strategy which emphasizes popular involvement in agricultural development schemes while denying the farmers the right to participate in the decision-making processes relating to the project and its impact on the lives of the farmers. Thirdly, there is inadequate investment and the fact that the crop is exotic - having been introduced only in 1974. Hence it was initially difficult to recruit land holders into the scheme. Indeed, the disastrous designation of the civil servants as the scheme's target group was a desperate attempt to overcome this hurdle. But a civil servant can only engage in farming through a rural proxy, a relative, hired servant, or share-cropping partner. So the complex character of Lesotho's farming system was ignored. Obsessed with modernization or commercialization of agriculture and not politically accountable to the nation, the government saw little or no role for the land holders in the formulation and shaping of the project. Hence failures could easily be interpreted as the government's

deliberate attack against the people's rights. Indeed, as Verma argues in his analysis of development,

"A person, group, or a community will not feel deprived or exploited if each has the opportunity to participate in the shaping of the plan. The mistakes committed by oneself are easier to live with than the failures inflicted on one by other people's decisions... The interests must be cumulated [sic] by working out compromises democratically rather than by national leadership alone or by the economic technician." [46]

With its special attributes - low production costs, high market price, concessional and protected market, drought resistance, and difficulty in mechanizing its production - asparagus should have a special contribution to rural development in Lesotho, subject to the democraticization of rural development and radical change in the existing politics of development. Income from the crop should enable the small farmers to intensify the production of other crops. However this is contingent upon continued subsidization of the crop by the government for it is doubtful whether without this asparagus farming can survive. Being a labour-intensive activity, although it is open to entry by various socio-economic groups, asparagus farming favours a small land holder with no off-farm employment. It therefore creates an opportunity for those dependent on land for their livelihoods to increase their incomes. As indicated above, however, asparagus farming may worsen the intra-group disparities since the richer elements, taking advantage of the interest-free loans offered by the BFVC, can invest more in asparagus production, thereby augmenting their share of the total income from the crop. Thus, while they are undoubtedly of immense benefit to the poor land holders, the interest-free loans

provided under the scheme will accelerate the process of social and economic differentiation among the asparagus growers. On the other hand, since it is a localized activity, restricted to one small area, it has added to the present regional economic disparity resulting from skewed industrial investment which has favoured Maseru and Leribe districts.

The study shows that the farmers' interest in the project does not extend beyond the cash benefits that it yields, suggesting that the farmers hardly believe that they have any other role in the scheme. They are not bothered by what the BFVC does with the crop sold to it unless this directly affects their expected incomes. This is understandable given the lack of options. The situation will not remain static, however. As the new opportunities and problems continue to unfold, the growers will seek ways of shaping the scheme in accordance with the new challenges. The presence of an independent council of non-governmental organizations [NGO's] in Lesotho, to which the farmers co-operative could freely affiliate, together with the growth of a "kulak" class mentioned above, provides an opportunity for political mobilization and agitation. Indeed the question of how the rejected sub-standard crop should be disposed of will inevitably be a major focus of political agitation. The farmers now know that the asparagus which is not suitable for canning is not necessarily unsaleable. They know that it can be used to manufacture soup.

Finally, asparagus farming explodes the myth that there is

an intrinsic contradiction between subsistence farming and commoditization of agricultural produce, while further exposing the weakness of the Lesotho government's rural development policy. Surpluses and good returns to investment crucially determine the direction of agricultural production. Lesotho's land tenure system impedes neither surplus generation nor returns on investment provided that the people and the government cooperate in managing and protecting their meagre land resource. It makes farming easy for the poor land holders because land holdings entail no tax, rent, or a licence fee. Under the leasehold system none of the poor rural land holders would be able to engage in asparagus and other forms of farming. Asparagus farming therefore shows that under appropriate conditions a small land holder can be a repository of innovation, investment and modernity. While large land units would admittedly ensure economies of scale, it may be difficult for them to emerge in Lesotho for the leasehold system has no in-built mechanisms for ensuring land centralization or consolidation - that is, creating single big land blocs as opposed to the scattered plots of land farmed under the present land tenure practice.

While it entails no costs for the farmers, in its present form Lesotho's land tenure system threatens the long term sustainability of the natural resource as there is the incentive neither to protect the environment nor to use the land properly. So pandering unnecessarily to the traditionalist sentiment has its own costs. Yet post-independence Lesotho has failed to evolve mechanisms facilitating self-development and ensuring proper

management of the country's only guaranteed resource.

## Footnotes

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9. E.E.C. Funded Projected No. 6100.33.33.004, 4th Year Report, September 1990 to August 1991, p. 19
10. M.P. Senaoana, Contract Farming and Outgrowers Scheme in Lesotho, op. cit., p. 48
11. Interview with the Chairman, Treasurer and Secretary of the Farmers Co-operative [Setlabocha Farmers Co-operative Society], Maseru, 23.10.92. See also J. Bunnell, Back to Office Report, op. cit., p. 2
12. Interview with the Manager, Kuenta Personnel, Labour Recruiting Agency for the South African Asparagus Farmers, Maseru, 19 October, 1992
13. D.J. Glover, Increasing the Benefits to Smallholders from Contract Farming: Problems for Farmers' Organizations and Policy Makers, in World Development, Vol. 15, No. 4, 1982 p. 442
14. The Ficksburg Export Company Consultant wrote a letter on behalf of his clients on 8 December 1975, asking the Lesotho Prime Minister Jonathan to provide financial aid amounting to over R200,000 from the LNDC budget. This was followed by a series of overtures Afrikaner farmers wanting to join the LNDC

15. M. Buch-Hansen et al, Contract Farming and the Peasantry: Cases from Western Kenya, in Review of African Political Economy, No. 23, January-April, 1982, p. 10
16. M.P. Senoana, Contract Farming and Outgrowers Scheme in Lesotho, op. cit., p. 38
17. Response by Basotho Fruit and Vegetable Cannery [Pty] Ltd., to a Questionnaire, October, 1992.
18. Interview with the Chairman, Treasurer and Secretary of the Asparagus Growers Co-operative [Setlabocha], 23 October, 1992
19. Interview with Chairman Treasurer and Secretary of the Asparagus Growers Co-operative [Setlabocha] 23 October, 1992.
20. Currently the building houses a range of materials for sale.
21. EEC Funded Project No. 6100.33.33.004, 4th Year Report, op. cit., p.3
22. Ibid, pp.7-8
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24. This explanation was provided following the writer's question as to why some of the asparagus appeared dumped aside indicating that it was not being attended to.

25. M.P. Senaoana, Contract Farming and Outgrowers Scheme in Lesotho, op. cit., p. 49

26. A Survey by Professor E. Katona of the Department of Economics, National University of Lesotho, carried out for the Department of Labour, Maseru, Lesotho in 1991 presented under the title Household Budget Survey in Rural Areas to an Informal Sector Workshop, Maseru, 16-17 September, 1992, provides a clear picture of this on page 21.

27. Interview with the Manager, Kuena Personnel, Labour Recruiting Agency for the South African Asparagus Farmers, 19 October, 1992.

28. M. Buch-Hansen et al., Contract Farming and the Peasantry: Cases from Western Kenya in Review of African Political Economy, op. cit., p. 18

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31. Stokes Kennedy Crowley & Co. [Lesotho] Chartered Accountants and Management Consultants, Business Review of Basotho Fruit and Vegetable Canners [Pty] Limited, February 1985, pp. 22-27
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39. M.P. Senoana, Contract Farming and Outgrowers Scheme in Lesotho, op. cit., 38

40. Response by the Lesotho Agricultural Development Bank to a Questionnaire seeking clarification on the bank's role in agricultural development, September, 1992.

41. Response by BFVC to a Questionnaire, October, 1992

42. Personal Experience. In July 1992 I put up an application for registration of my surveyed site but up to time of writing[i.e. April, 1993] the lease has not been issued. Neither have I received any query. It took me nearly two years in 1979-80 to obtain a lease for my first site.

43. S. Rugege, Some Aspects of Contract Farming and Outgrowers Scheme in Lesotho, Seminar Report, Institute of Southern African Studies, National University of Lesotho, Roma, APRIL, 1988, P. 21

44. Ibid, pp. 23-24

45. The Asparagus Farmers eschew any question or remark designed to solicit information about the exact amount of income to the individual growers. Neither do they allow perusal of their record books. They fear that this information might be used to determine how much tax they ought to pay.

46. B.N. Verma, The Sociology and Politics of Development: A Theoretical Study, Routledge & Kegan Paul, London, Boston, Henley, 1980, p. 132

## CHAPTER 7: CONCLUDING REMARKS

### 7:1 Conclusion

Most of Lesotho's development strategies and their underlying assumptions are fraught with misconceptions. These are highlighted below in an attempt to provide a lucid and balanced conclusion of this thesis. The strategies tend to assume that economic delinking from the Republic of South Africa is a sine qua non for economic development in Lesotho. Thus development efforts have largely been directed at and dissipated on the activities believed to be ensuring economic independence from South Africa, even though these may delay or hinder economic growth and achievement of the broad goals of development - job creation, alleviation of poverty and food security. The Lesotho rulers, international donors and other organizations, and academics have correctly diagnosed some of the root causes of Lesotho's economic problems, namely labour migration and SACU. The costs entailed by the SACU for Lesotho were explained as follows by the Ford Foundation in 1976:

"Lesotho's membership of S.A.C.U. appears inevitable and beneficial; inevitable because of the close integration of the Lesotho economy with that of South Africa and because of the Lesotho government's dependence on customs union revenues, beneficial because of the apparent fiscal transfers in the revenue sharing arrangements. A more careful analysis points to very different conclusions: the protection of South African industry imposes a massive net burden on Lesotho's consuming economy; the revenue sharing formula, apart from creating the most acute form of dependence on Pretoria, has... contributed to the distortion of government spending patterns and a skewing of the distribution of income; and above all the open product market has suppressed the development of a local manufacturing capacity even for basic needs

products, and has generated a psychology of consumerism and dependence on South African goods." [1]

Indeed, the Foundation captures the problem. It portrays the intricacies of Lesotho's dependence accurately, pointing to the type of development that Lesotho has experienced since becoming a member of the SACU. Lesotho has tried to solve this problem by supporting manufacturing industries producing mainly for overseas markets. This has meant little or no production for the growing domestic market triggered by the increasing amount of foreign aid and mine wages. Thus it is possible that "Lesotho's consuming economy" and its attendant "psychology of consumerism" are being fueled more by the Lesotho government's development strategies than SACU membership. Clearly, investment strategies designed to minimize SACU's adverse effects must include investment in industries producing the majority of consumer goods currently imported from South Africa. Lesotho's huge trade deficit with South Africa was triggered by an increase in migrant earnings and foreign aid. Thus, in a sense, the rising volume of imports from the Republic indicates that Lesotho has not fully exploited its economic links with South Africa. Indeed, 61 per cent of migrant earnings are spent largely on imports from South Africa, especially food, clothing and furniture. [2] Lesotho's clothing factories produce only for overseas markets, especially the EEC and United States. Arguably, part of the cash derived from labour migrancy and SACU would be spent in Lesotho, provided that the basic consumer goods imported from South Africa Lesotho produced them for its domestic market.

The SACU is not simply an integrative mechanism.

Notwithstanding the fact that it is dominated by South Africa, it is the main source of revenue for the government of Lesotho. In fact, I would argue that pursuit of an open-door economic policy by South Africa might pose a more serious threat to Lesotho's economic development prospects since it would lead to dumping of cheap manufactures into the SACU area by the developed capitalist economies. The dumping of cheap manufactures would probably hamper economic growth in South Africa and the SACU area on which the Lesotho people are dependent for their survival. The SACU is not only a legitimate source of Lesotho's income, but also a bait for attracting foreign private capital into the enclave kingdom, as demonstrated in Chapter 3. Lesotho cannot survive without the SACU. In fact, it is more rational for the Basotho business community to do business with South Africa than with geographically distant areas which make personal contact with a business counterpart difficult. About 90% of Lesotho's imports come from South Africa. Thus solutions to Lesotho's economic problems should be sought within both Lesotho and the Southern African Customs Union area. The Foundation's main objection to the SACU agreement is that it reinforces South Africa's domination of Lesotho. However the issue for Lesotho is certainly not domination but the SACU's contribution to Lesotho's budget. More generally, economic integration with South Africa offers other benefits not enjoyed by any country in Africa except Lesotho and Swaziland. As shown in Chapter 3, for example, the membership of the RMA has shielded Lesotho from what would certainly be an intractable economic problem - the need to accumulate its own foreign exchange reserves. Exporting less than

M200 million worth of goods annually, Lesotho on its own generates a very negligible amount of foreign exchange. This implies that close economic ties with South Africa must be maintained.

In the 1980's South Africa's participation in Lesotho's development programmes has been more direct, assisting Lesotho to launch its mammoth Highlands Water Project through loan guarantees, thus helping Basotho to exploit their country's abundant water resources.[3] Admittedly, South Africa's participation in the project was motivated by its economic interests rather than good will towards Lesotho. Indeed, economic co-operation has not eliminated competition for investment capital between South Africa and Lesotho. As shown in Chapter 3, financial incentives offered by South Africa's homelands to potential investors have lured some firms away from Lesotho into these areas.

The above caveat notwithstanding, economic integration with South Africa has not prevented the flow of development capital in its various forms into Lesotho. Between 1966 and 1970 the total amount of official development assistance [ODA] was US\$62.8 million. Between 1975 and 1980 this nearly doubled to US\$119.6. In 1982 loans, grants, food aid and technical assistance to Lesotho amounted to US\$220 million or "60% of Lesotho's total developmental financing." [4] As recently as 1991, Lesotho "received US\$118 million in official aid, 26% of its GDP. Seventy-two organizations were active in development work of one

kind or other in Lesotho between 1974-1984." [5] Thus Lesotho's poor economic development record cannot be explained only in terms of economic integration with South Africa. Most of the African states without economic ties with South Africa have not performed better economically than Lesotho. In fact, the apartheid system in South Africa has been a major factor behind massive flows of funds into Lesotho since 1966. When South Africa closed the Transkei border with Lesotho after the kingdom refused to recognize Transkei's independence in 1976, "Western donors rushed in to pledge their aid in unprecedented amounts." [6] In 1979 alone, Western aid to Lesotho "amounted to US\$64 million or about \$49 for every man, woman and child in the country - on a per capita basis, more than Somalia, Ethiopia, Sudan and Mali put together." [7] Two years later, in 1981, the per capita official development assistance to Lesotho rose by nearly 50% to US\$73.4. [8] With the disappearance of apartheid will vanish the argument for autonomous growth and indeed the need for the international donors to prop up the Basotho nation state.

As Warren has rightly pointed out, it is incorrect to assume that centre-periphery relations are static and that imperialism is a monolithic structure minimizing options for the LDC's. [9] Indeed foreign capital does not flow from a single source. Lesotho has been able to attract multinational corporations of varying nationalities, thus ensuring in the process a flow of funds and other resources from different capitalist countries. Likewise the industrialized countries give aid to Lesotho on a bilateral or multilateral basis as they see fit. Thus



imperialism, despite its tendency to concentrate in selected areas of the economy, is one of the cheapest sources of private investment capital. In fact, a break with [or delinking from] the centre, whether voluntary or involuntary, can be damaging as disinvestment in South Africa in the 1980's shows. Direct foreign investment [DFI] worth over US\$2 billion and involving 112 United States companies was lost by South Africa between 1984 and 1987, forcing the Afrikaner state to impose financial restrictions to prevent further capital flight. [10]

Misconceptions about Lesotho's economic needs and/or priorities have also led to a simplistic view of a migrant worker. Because many migrants are part of the rural population which is supposedly 80% dependent on agriculture, a migrant worker is defined by the GOL and many students of Lesotho's political economy as a farmer. Thus the Lesotho rulers have defined the problems facing their country's agriculture solely in terms of competition between mine wages and income from farming. However, as shown in Chapters 3 and 4, this exaggerates the role of agriculture in Lesotho's economy for only 5% of the kingdom's farming community is able to be self-sustaining from agriculture alone. Thus for the majority of Lesotho's migrant workers the choice is not between mine wages and farming income, but between migration and starvation. In Lesotho, where agriculture is not a significant source of cash income for the majority of the population, or where investment in farming depends largely on access to migrant earnings, competition between mine wages and agricultural income is increasingly less

visible. Indeed, labour migrancy is denied its obvious role in Lesotho's economic development and perceived as nothing other than a manifestation of a crisis in subsistence agriculture. It has variously been condemned by Lesotho's rulers, international aid agencies and academics as an obstacle to agricultural development even though for the majority of Basotho farmers it is the only source of investment capital. Admittedly, competition between mine wages and agricultural income was clear and pronounced before African farming systems in Southern Africa were undermined through seizure of arable land, abolition of tenant farming and a ban on sale of their agricultural produce in South Africa by the South African government.[11] .

However, as indicated above, most of the criticisms that have been leveled against labour migration are justified. Agriculture's contribution of just about 7% to GNP compared with migrant earnings' contribution of over 47%, could be an indication that agriculture is increasingly receiving less attention by the majority of the people. For example, a study by D. Holland et al. in 1983 on the impact of labour migration on Lesotho's agriculture concluded that

"the absence of a large portion of the male labour force has... critically affected the timeliness of field operations. Fields are not planted at the optimal time nor is weeding likely to be done at the correct time.[12]

However Lesotho's weather, characterized by frequent hail storms and poor rainfall, limits the range of crops that can be produced. Development strategies, low prices for agricultural products, cost of inputs and deteriorating soil fertility have

also greatly contributed to agriculture's poor performance, as shown in Chapters 4 and 5.

Labour migrancy has been condemned, among other reasons, because it is both an instrument of exploitation, source of poverty and a major buttress of apartheid. The economic predicament of a migrant worker and his dual role is aptly sketched by the labour reserve theory which posits what has commonly been referred to as the "dissolution/conservation contradiction" thesis. [13] According to this thesis, a migrant worker is permanently trapped by two contradictory, but complementary, situations - spending part of his life-time in wage employment on the South African mines to "provide part of the means of subsistence," [14] and the rest as a subsistence farmer in Lesotho to make up for the shortfall. However, the thesis has one major weakness. It fails to acknowledge that mine wages might rise to levels that would meet migrants' subsistence needs and beyond. Mine wages have risen considerably since the mid-1970's.

Murray's "developmental cycle" thesis, used by Ferguson in analyzing what he terms "economic classes and economic categories" in Lesotho, [15] provides a clearer picture of a Lesotho migrant worker, highlighting the importance of migrant earnings as a source of investment capital. It demonstrates the critical link that exists between migrant earnings and Lesotho's agriculture. According to Murray,

"The successful migrant career for a man is to establish his own household and build up a capital

base, through acquisition of land, livestock and equipment, to enable him to retire from migrant labour and maintain an independent livelihood at home. Few men achieve independence in this way. Most commit themselves in their declining years to dependence on the remittances of sons or other junior kin who in their turn engage in the oscillating pattern." [16]

For many Basotho migrant households farming would indeed be impossible without a mining job. A Lesotho migrant worker would possibly save part of his earnings for investment in other activities as well, which Murray's theory does not include or directly address. For example, a Lesotho migrant worker would use his savings possibly to educate his children, thus equipping them with professional and technical skills so that they can engage in gainful activity or find a job in Lesotho. Lesotho migrants working on the mines are compelled to defer part of their wages until the expiry of their employment contracts. As shown in Table 18 below, the amount of wages deferred by Basotho miners and remittances payments rose steadily between 1982 and 1989.

**Table 18: Amount of Basotho miners' Deferred Pay held by the Lesotho Bank and Remittances Payments in Thousands of ['000s] Maloti between 1982 and 1989.**

Year	Deferred Pay	Remittances Payments
	Maloti	Maloti
1982	76,720	51,004
1983	103,568	74,207
1984	123,550	82,923
1985	141,546	92,675
1986	178,594	104,776
1987	188,568	124,354
1988	210,932	166,127
1989	242,139	190,445

Source: The Central Bank of Lesotho, Quarterly Review, Vol. XI, No. 2, Maseru, June, 1992, p. 84

The Lesotho rulers have not invested these deferred wages in projects such as farming schemes that would benefit the migrants and their families directly. The reason for this probably lies with the nature of Lesotho's agricultural development programme.

As I have argued in Chapter 4, Lesotho's agricultural development programme is a class project aimed at eliminating the small land holder. Thus it is unlikely that the government would regard a mine migrant as an instrument for achieving the objectives of the programme.

Because of the relatively high wages in the mines, it is possible that a Lesotho migrant is able to save more money than a labourer working in Lesotho. Thus he has a better chance of educating his children, enabling them to break out of the oscillating migratory labour system. The annual migrant mean income amounted to M2529 in 1983. [17] The minimum wage in Lesotho was M720 per annum or M60 per month in 1983. In 1989 the minimum wage in Lesotho was fixed at M180 per month or M2160 per annum. [18] Table 19 below shows the average annual cash earnings in rands for unskilled workers in Lesotho and South African Gold mines between 1971 and 1975. Average cash earnings in Lesotho stagnated while mine wages rose during this period.

**Table 19: Average annual cash earnings at current prices in rands for unskilled workers in Lesotho and the South South African gold mines between 1971 and 1975.**

Year	Lesotho	South African Gold Mines
	Rands	Rands
1971	228	216
1972	228	229
1973	228	264
1974	228	350
1975	228	948

Source: Derived from G.W. Strom, Migration and Development: Dependence on South Africa: A Study of Lesotho, Scandinavian Institute of African Studies, ppsala, 1986, p. 22 and M. Lipton, Capitalism and Apartheid: South Africa, 1910-1986, Wildwood House, Aldershot, 1986, p. 410

There is certainly some competition between agricultural income mine wages. However, for the majority of Lesotho's land holders farming would be impossible without access to migrant earnings. The donor-funded agricultural development projects have not been popular among the Lesotho migrant workers because, as shown in Chapter 4, they sought to undermine Lesotho's small-holder farming which is largely supported by migrant earnings. The Lesotho rulers mistakenly assumed that migrants would give up their mining jobs in favour of an uncertain and largely unrewarding farming future. The assumption was certainly misplaced. Migrants are probably better informed about farming problems than the Government of Lesotho [GOL] and its economic development planning officers. A genuine migrant workers' fund or financial scheme, providing loans at low interest for migrants wanting to invest in agriculture, ought to be created. The compulsory miners deferred pay scheme introduced in 1974 aimed not to create a migrant workers' fund to meet their investment requirements, but to generate funds for the Lesotho Bank and its client business class. [19] Since its inception, the deferred pay scheme has been used to channel miners' wages into the Lesotho Bank, thus augmenting the bank's liquidity and ability to build assets through loans to businesses and investment in the Johannesburg stock exchange. As shown in Chapter 4, migrant workers' chances of being granted a loan by any bank or financial institution are very slim. Thus the existing deferred pay scheme has not enhanced the migrants' influence on the country's administration. For its part, the deferred pay scheme hardly ever enjoyed unqualified support among the migrants. Indeed, seen as

a BNP project, the scheme never gained full approval of the migrants. Unsurprisingly, after the overthrow of Jonathan in 1986 the migrants pressurized the Military government to reduce the amount of wages deferred from 60% to 30%, hence reducing the total volume of funds flowing from this source by a half. This has adversely affected the liquidity of the Lesotho Bank which administers the miners' deferred pay fund. By 1992 the amount of money held by the bank under the fund had fallen to M38,430,000 from M178,594,000 in 1986. [20]

The deferred pay scheme was launched in 1974 as part of a campaign by the Jonathan government to mobilize funds for development. Responsibility for administering the scheme was given to the newly-formed Lesotho National Development Bank, known today as the Lesotho Bank. In terms of an agreement between the GOL and the South African mining industry, every mine sent 60% of each Lesotho migrant worker's monthly wages to the Lesotho Bank, beginning with the second month of the contract of service. These wages, plus interest at the rates applicable to savings accounts, were paid to the migrants on arrival back in Lesotho after the expiry of their contracts of employment. Under exceptional circumstances, such as death or serious illness of a member of his family, a migrant was allowed to claim part of his deferred wages before completing his contract of service.

The migrants were not [and are still not] issued with savings books that would enable them to save regularly, indicating that the government's aim was mainly to increase cash

flows into Lesotho. The mines were targeted for the scheme because they were already operating a similar scheme - the Mines Voluntary Deferred Pay Consolidated Fund. All interest generated through investment by the fund went to the mines. The Jonathan regime made it clear that it wanted the fund and the interest that it yielded. The Lesotho Bank undoubtedly made huge profits out of the fund through loans to businesses and individual customers and investment in the South African money market. Thus the main beneficiaries were the government via its Lesotho Bank, and the business class. The Lesotho Bank is now the largest bank in the country in terms of the size of staff and number of branches and agencies in the country, a development clearly due to this cheap source of investment capital. However, the fact that there is today hardly any industrial development in Lesotho underlines the Lesotho Bank's minimal impact on development. In another sense, it shows that Lesotho's rulers are not clear about how exactly their country's meagre resources ought to be utilized. The bank was created in 1970. According to the government, the Lesotho Bank would undertake direct developmental tasks such as industrial investment. Thus direct involvement in development through investment in industry seems to be not simply an option for the Lesotho Bank, but a duty.

The Lesotho rulers' other untenable assumption is that there is an inherent contradiction between commercial farming and the existing small land-holder production. Hence all agricultural development projects in post-colonial Lesotho have sought to destroy or undermine small land-holder farming and its



ideological/institutional and social basis. However, as this involved open campaigns against what has been termed backwardness, agricultural development projects were viewed with suspicion by the rural land holders. To the land holders eliminating backwardness became synonymous with flushing out small-holder farming. This alone was enough to destroy the landholders' confidence in the projects, a factor crucial to popular involvement in agricultural development. Rather than acknowledging their contribution to the process, the campaign implicitly blamed the land owners for stagnating agricultural production. However, as pointed out below, what the donor agencies and Lesotho rulers see as a backward farming system has saved Lesotho's agriculture.

Surely, any agricultural development strategies condemning everything about the present system of farming would hardly gain support among the majority of the land holders. Worth emphasizing at this juncture is the fact that the dividing line, if it exists, between subsistence and commercial farming is thin. I have demonstrated this in Chapters 5 and 6. I have shown that commercialization of agriculture can be achieved through the present small land holders. But agriculture is certainly not the backbone of the economy, and it is unlikely ever to become so. We have demonstrated that, with a few exceptions, it is one of the most expensive and unreliable investment activities in Lesotho. Thus any additional state investment in agriculture should be directed at reducing the cost of farming, as has been the case with asparagus. The Lesotho asparagus farmers are not

only given interest-free loans but are also guaranteed extension service, market and transport for their crop, machinery to till their soil and other technological inputs such as fertilizers. On the contrary, the area-based rural or agricultural development projects have not done any of these things. They used expensive technology which most of the land holders could not afford. The projects' failure can also be attributed to the fact that they have been invariably administered and controlled by expatriates with whom the farmers could only communicate through an interpreter. Such a restricted communication could not evoke adequate enthusiasm for the schemes. In fact, there are indications that the GOL lacked the capacity to manage these agricultural development schemes and to maintain the property that the schemes bequeathed to the country. After the expiry of an agreed project period, project machinery and other equipment have either laid idle or been put on sale because the government has found it difficult to hire them out to the farmers or to maintain them in good running order because of the financial costs involved. These include tractors, trucks, vans, ploughs, scotch carts, water pumps, harvesters and sheds. Thus failure to build the capacity to sustain the development efforts is one of the ways in which the Lesotho rulers have undermined Lesotho's development. Clearly, therefore, Lesotho has spent millions of dollars worth of foreign aid in the last 27 years on projects which it could not sustain after foreign aid had ended. Some of these projects raise serious questions as to the honesty of the GOL and donor agencies. The environmental protection project, launched 1980, which includes pasture enclosures and systematic

reduction in animal herds, is a good example of such projects. When launching this project, the GOL and donor agencies ignored the most critical issue - that the relevant laws must apply to every stock farmer. The King, who has more animals than any other livestock farmer in Lesotho, is not only immune from the relevant legal provisions, [21] but also retains the right to increase his herds. Thus Basotho were expected to support a patently unjust and problem-intensifying scheme. In fact, they were being asked to dissipate their energies in a project which could never succeed in its present form.

## **7: 2 Findings: Facts and Critical Issues**

After twenty-seven years of political independence Lesotho's sovereignty remains fragile, having only survived because of foreign aid flows and the financial benefits accruing from its economic relations with South Africa. Lesotho's dependence on migrant earnings, customs union revenues and foreign aid has increased, suggesting that the country's political economy has undergone little fundamental structural transformation between 1966 and 1993. Food self-sufficiency, as noted in Chapter 4, is barely 50%, indicating the failure of agricultural production to match the population growth - with an annual growth rate of 2.3% in 1986, [22]. Land degradation and loss of arable land have continued unabated. The size of the country's arable land has shrunk from 13% to just 9% of the total land area. The number of people dependent on food aid for survival has increased amid growing land shortage, worsening soil erosion, spiralling farming

costs, mounting debt and joblessness. The economy can absorb no more than 6,000 jobseekers annually out of a labour force of over 600,000 with 20-25,000 new entrants every year. In the 1990's it provides jobs to under 70,000 or about 11.7% of the labour force. About 126,264 Basotho, or just over 21% of Lesotho's labour force, were employed on the South African mines in 1989. [23] The confidence of the professionals in the system is waning. Lesotho is losing its qualified manpower to South Africa. In 1989 the total number of skilled migrants from Botswana, Lesotho and Swaziland working in South African bantustans alone was about 3,000. [24] As the main Protestant Church Leselinyana la Lesotho Newspaper argued in July 1983, qualified Lesotho nationals were driven out by Jonathan's failure to create jobs for Basotho and his unrestrained abuse of political power after the 1970 coup. It wrote:

"Leabua has failed to provide Basotho with jobs. It is clear that Basotho and their children will continue to look for work outside Lesotho in a big way. Matanzima. ...How can one contribute to the development when he is demanded to produce a party identity?...during BNP's rule, many more Basotho workforce will leave for South Africa. To label people who run away from the harassment of party identity "sell-outs" [sic] is to fool those who are ignorant." [25]

The collapse of the 1966-1970 constitutional government, though it was never officially recognized by the main opposition party, the BCP, led to widespread abuses by Jonathan and his colleagues, hence to political insecurity which drove some of the best qualified people out of the country. It obliterated the modicum of democracy guaranteed under the 1966 constitution, thus creating an unfavourable political environment for development. As membership of the BNP became a qualification for getting a job

or a loan from the government-controlled financial institutions, quality and talent were sacrificed, and the result was waste. Also, since political dissent became synonymous with rebellion the majority of the population refrained from criticizing official policies openly, thus denying the government the necessary feedback. The government increasingly relied on its own sycophants for vital information. But clearly these would tell the government only what they thought would be acceptable. An already deeply divided Basotho nation was denied the right to intervene in development planning processes that affected its future or present alternative development programmes. Jonathan's autocratic system, as indicated in Chapter 2, silenced not only the opposition parties but his BNP as well. Thus, accountable neither to the nation nor to his party, Jonathan found no need to open up economic, political and social issues for public debate or discussion. Not surprisingly, development planning was considered as being not only top secret, but the exclusive preserve of the Cabinet and state bureaucracy. Yet by adopting this attitude the system closed itself to public scrutiny. More importantly, as argued in Chapter 3, it excluded the local business classes from the process, and effectively denied local capital a role in the development process. This is undoubtedly one of the most critical factors affecting Lesotho's development record. Success in any development endeavour is contingent upon the ability of the national leaders to mobilize the requisite resources. Thus concomitant with the disappearance of constitutionalism in Lesotho was the diminished power of the state to mobilize its citizens for development.

A greater part of the 27-year period of independence considered in this study is characterized not only by political wrangling, lack of governmental legitimacy, widespread abuse of power and corruption, but also by politically motivated murders and paralysis of the government's judicial organs. Indeed, at no stage after independence was the political and social climate in Lesotho ever conducive to industrial investment. Because of the mutual hostility between the ruling party and the opposition parties the country's economic problems were not debated. Instead of assisting in defining the national programme, the opposition parties declared war on the government and its development programme, physically destroying every development project that might enhance Jonathan's popularity. After Jonathan's unconstitutional seizure of power the opposition, led by the current Prime Minister of Lesotho, Ntsu Mokhehle, resorted to sabotage and bombings of economic targets until Jonathan was overthrown by the military in 1986. These acts cost the country millions of dollars, of which most comprised foreign aid. The military reluctantly relinquished power to a civilian government in March 1993.

However the seven-year period of praetorianism [the military's dominance of the country's politics], between January 1986 and March 1993 brought no end to the rampant corruption, nepotism and "waste". The period was characterized by an extravagance unparalleled in Lesotho's history. Apart from their inordinately high salaries and personal allowances, the Military Councillors and Government Ministers were exempted from income

and sales taxes, rent, electricity and telephone charges and water rates. Moreover the military administration maintained "a fleet of luxury cars run at the public expense for virtually every senior army and police officer, including state functionaries of similar status". [26] The Mokhehle regime has so far not demonstrated a desire to correct this situation. Mokhehle pays himself, his Cabinet Ministers and parliamentarians what seem to be inordinately high salaries - M15,770 per month for the Prime Minister, M12,000 for a minister and M4,330 for a parliamentarian. The basic minimum wage in the civil service is M331 per month. As shown in Section 7:1 above, the minimum wage in commerce, industry and transport was M180 per month in 1989. The rate of inflation was about 12% in 1992, [27] suggesting that the lower-paid categories of workers were in more desperate need of improved salaries than the rulers. Leabua Jonathan paid himself just over M3,000 while Major General Lekhanya, the man who toppled him, received M10,000 per month. There is also a wide range of benefits available to the Prime Minister and government ministers, such as rent-free accommodation, exemption from income and sales tax, water, electricity and telephone charges, and free transport, including undisclosed entertainment allowances. Apart from these, every parliamentarian is paid the so-called "attendance allowance" of M100 per day when parliament is in session. The concern here is not simply who should be blamed for the problems, but the identification of the crucial factors and forces which have conspired to slow down industrial growth in Lesotho. Rather than inspiring citizens' confidence in the government, the above salaries and privileges enjoyed by the

rulers can only engender cynicism among the ruled, hence popular hostility to any government-led development drive.

Admittedly Lesotho lacks the resources - capital, minerals other raw materials - necessary to attract investment in development projects. For this neither the government nor the politicians are directly responsible. Devoid of these resources Lesotho has had virtually no base from which to "take off". This predicament has been analyzed in Chapter 3. Everything has depended on foreign aid, customs union revenues and labour export remittances. Thus the development projects have been administered and controlled directly by expatriates from the donor countries with little knowledge about Basotho's needs and aspirations except in so far as these are reflected in the official project documents. Hence most of the projects, particularly those pertaining to agriculture or rural development, made little sense or had limited appeal to the communities which they were intended to serve. Indeed, dependence on external sources of funding has meant that little or no attention was paid to the supposed beneficiaries as priority shifted towards strengthening the measures which increased foreign aid flows.

It is clear from this study, however, that Lesotho's present farming system has some cost-minimizing mechanisms which could usefully be incorporated in the country's agricultural development plan. These include share-cropping, pooling equipment and animal power, or simply contributing labour during ploughing seasons in return for ploughing one's fields. This shows that the



land tenure system and traditional farming, often blamed for the arable problems in Lesotho, have saved agriculture. As shown above, the government's agricultural development schemes have not made farming cheaper. Not surprisingly, they have failed to attract the land holders. Prices of equipment and agricultural inputs such as seeds, fertilizer and pesticides have soared. The cost of ploughing a twelve-yard strip of land was not less than M16 in 1992. A ten-kilogram packet of maize seed cost M50, while a fifty-kilogram bag of chemical fertilizer could not be obtained for less than M40, as explained in Chapter 5. No measures, such as the concessions made to the foreign capitalists in the form of tax holidays, subsidies relating to transport and purchase of machinery and marketing, have been taken to ease this problem. Rather than searching for cheaper and more efficient ways of farming under Lesotho's conditions, the donor-led area-based rural development projects have focused on eliminating "backwardness". However it seems that, provided the fertility of the soil and the carrying capacity of the land are maintained, farming based on animal draught power is a realistic option for Lesotho because it enables people to share the costs, and to avoid the cost of hiring a tractor which is often not readily available when needed. This is certainly not unduly pandering to the traditional sentiment or romanticizing peasant farming. It is easy to argue that Lesotho's agriculture is not performing badly because it is traditional, but because it has not been given adequate or appropriate assistance. The Lesotho rulers, development planning officials and donors wrongly assume that their interests coincide with those of the land holders. Not

surprisingly they have tended to be influenced in their decisions by what is desirable rather than what is feasible. For example, the state's food self-sufficiency policy has consistently tried to foster mechanization of farming operations even though the farming population is as yet unable to afford the costs that mechanization entails. Notwithstanding its inherent contradictions and weaknesses discussed in Chapter 6, small-scale asparagus farming illustrates the value of employing the right strategy. Rather than seeking to eliminate the small farmer, it facilitates investment by land holders of varying social and economic backgrounds.

Agricultural projects launched through foreign aid have been good only for demonstration or experimentation - that is, showing that advanced agricultural technology leads to increased yields. The farmers may have watched some of the projects with admiration but, as pointed out above, the costs they entailed for Lesotho's poor small land holders were too high. Even for the government they appear to have constituted a burden that it has found difficult to shoulder, as indicated in the foregoing section. The departure of the foreign aid component of project capital has seen piles of machinery and equipment lying idle or being sold. The GOL has been faced with this starkly embarrassing situation for the last 27 years, a situation out of which it has not attempted to wriggle. Wriggling out of the situation means loss of foreign aid and a risk of political and social instability. As shown in Chapters 2, 3, and 4, foreign aid has been a major prop for both Lesotho's political sovereignty and the successive

regimes in Lesotho. As is the case with other forms of assistance, the donor-funded development projects mainly sustained what could appropriately be termed "an anachronistic Lesotho nation-state."

Lesotho's industrialization policy encourages foreign private capital investment in Lesotho. Lesotho needs this. However, beyond employment creation and increased national income resulting from foreign capital investment, the policy says little or nothing. It sees the flow of foreign capital into Lesotho as an end rather than a means to an end. It does not address the issue that is fundamental to development, namely the transfer of basic managerial skills and technology needed to set up and manage a modest industrial establishment. There are no set rules or guidelines which foreign investors must follow - for example, the requirement that foreign firms share their industrial expertise, knowledge and skills with the local entrepreneurs. Neither are foreign investors encouraged to form partnerships with Basotho. As indicated in Chapter 3, this has alienated the local business class, relegating it to the distributive and service sectors of the economy and denying it effective involvement in the country's industrialization process. Even the LNDC - the state's industrial development agency - is still devoid of the capacity to take over control and/or management of manufacturing firms using simple technology. Thus the departure of foreign investors has invariably led to permanent closure or loss of the industrial establishments that they were running in Lesotho. Among the casualties of this situation are the Taiwanese

Tobeno Distillery, Lesotho Carpet Manufacturers [Pty] Ltd., Teyateyaneng Weavers, Chibuku Leting Brewers and Gallant Clothing which closed in June 1993, resulting in a loss of many jobs and leaving behind a debt of M400,000.[28] The consequences of this are huge financial losses to the GOL in terms of idle economic infrastructure, factory buildings, plant and machinery, and loss of jobs and established markets. There is no doubt that this approach has contributed significantly to a lack of industrial development in Lesotho. The approach is not just wasteful: it is costly. It has undoubtedly narrowed rather than broadened the basis of industrial development. More importantly, it constitutes a leakage through which the meagre financial capital - often loans to the LNDC - leaves the country. To appreciate this we need to recall the functions of the LNDC as explained in Chapter 3. It provides initial investment capital through direct loans or loan guarantees to some of the foreign companies investing in Lesotho. Hence closure or disinvestment by firms in this category often entails loss by the LNDC of all or part of the loan. The strategy does not, therefore, ensure a sustainable industrialization process. Giving Basotho a real stake in the process - that is, allowing them to hold sizeable amounts of shares in the various manufacturing and processing firms - would be one way of minimizing waste and lessening the impact of disinvestment by foreign capitalists. This would also bring stability essential to investor confidence. In fact, the exodus of firms alone may have scared potential investors away from Lesotho. But an important caveat is that Basotho themselves will have to take the initiative, and this means that they have to

bury their political differences, use democracy to build a national consensus as to what constitutes national interests and priorities, and mobilize the national effort for development.

### **7: 3 Reflecting on Lesotho's Economic and Political Future**

Without reflecting on the economic and political future of Lesotho, our concluding remarks would remain unclear. Such reflections are necessary not only because South Africa underwrites Lesotho's political sovereignty but also because of the impending demise of apartheid, a major spur behind the struggle for independence in Basutoland. Yet, as South Africa edges towards majority rule, revelations about the level of poverty and economic insecurity among millions of South Africans have been made by nearly all studies mounted in the 1980's. South Africa underwrites Lesotho's political independence and economic survival. However, it is unable to provide the basic means of livelihood for about 50% of its population. [29] In 1980 about 50% of South Africans lived below the minimum living level [MLL], that is the income required to provide basic food, clothing, fuel and lighting, washing and cleaning, rent, transport, medical expenses, education and household equipment replacement. The proportion of the South Africans living below the MLL as a whole was estimated to be nearly 66%, while in the homelands it was 81%. Moreover, the present South African system is wracked by acute economic and social inequalities. [30] The new South Africa is thus obliged to give priority to these issues,

as it is clear that it will do so. Should this happen, Lesotho will lose a big chunk of its present national income which on average enables Basotho with per capita income of \$630 to enjoy a better living standard than their Mozambican, Tanzanian, Malawian and Zambian counterparts with incomes per head of \$80, \$110, \$200, and \$420 respectively. [31]

Apartheid-induced social evils currently afflicting the majority of the black population - grinding poverty, homelessness, destitution, skewed distribution of income and resources, and unemployment - are not only a focus of the liberation struggle in South Africa but are also the ultimate test of the post-apartheid system. This makes imperative a reassessment of Lesotho/South Africa relations by those poised to seize control of the post-apartheid state. As indicated earlier, Lesotho/South Africa relations which offer limited, but indispensable, access to the South African wealth were primarily intended to serve the interests of the apartheid system. Will these relations be maintained? It is certainly unrealistic to expect a democratic non-racial regime in South Africa to retain apartheid structures and institutions. Unfortunately the migrant labour system [MLS], an indispensable source of Lesotho's income - hence a prop for the Basotho nation state - is one of the structures which will be abolished. According to the South African National Union of Mineworkers [NUM], a close ally of the ANC,

"It feeds off the underdevelopment of the marginalized areas in and around South Africa [SA] and by creating poverty and destitution, it is able to ensure a cheap labour system, and a system of control over workers

that is unsurpassed anywhere in the world. The known iniquities of the M.L.S. include the degradation of adult men through the hostel system; the separation of families... These are some of the known features of the M.L.S. And for these reasons, it is one of the most hated aspects of capitalism under apartheid. It stands accused of degrading the value of human life and of excessive exploitation, that has created far more poverty in Southern Africa than it has created wealth. This is why a central policy of the N.U.M. is to end the migrant labour system." [32]

The NUM aims not only to abolish the MLS. It also wants to end what it terms "the status of aliens ascribed to Basotho in South Africa, which is deceitfully manipulated by the system of apartheid to restrict their rights and to subject them to severe exploitation." [33] Thus it argues that political incorporation into future non-racial, non-sexist democratic South Africa provides the only realistic answer which is in the best interest of the people of both countries. [34]

Whether or not the message has been well read by Basotho is not important. Drastic changes to the existing relations between Lesotho and South Africa are surely underway. Lesotho will have to renegotiate its future within a new South Africa. Yet any negotiations in this respect should not be anything other than seeking a merger between the two states for in the absence of apartheid any argument for a Basotho nation-state is untenable. International support which shored up independence was justified on the grounds that without it Lesotho would be forced to join South Africa as a bantustan. Indeed Lesotho's Military junta candidly admitted in 1992 - just one year before relinquishing power to an elected civilian government - that

"The changing politics of South Africa may appeal to more investors, and does[sic] eclipsing Lesotho..."

With a changing political scene in South Africa, and major demands on aid resources elsewhere, there are few aid officials who maintain that current or increased levels of support will continue in future." [35]

But what is the significance of the NUM's argument? It certainly has profound theoretical implications. Indeed, it undoubtedly represents a radical departure from the assumptions of the dependency/underdevelopment theory which attributes the LDCs's economic problems to the asymmetric economic relations between the metropolis and the LDCs. On the contrary, the NUM sees Lesotho's disappointing economic performance not as a result of asymmetric relations between two states or economic systems. Rather it sees this as a consequence of a denial of legitimate rights to one of South Africa's population groups by the ultra-exploitative white South African apartheid state. Thus, for the NUM, economic ties between Lesotho and South Africa are not relations between two separate economies. We have advanced a similar argument in Chapter 3. Lesotho is a product of the same historical conjunctures which spawned African reserves [known today as black homelands or bantustans], namely white settler conquests, land appropriation and capitalist expansion of which the spearhead is mining capital. Thus, in spite of formal separation from the Republic of South Africa, Lesotho has performed the same role as the African reserves or homelands. It remains a supplier of labour for the South African mines and white farms, and a market for South African goods. Indeed, as indicated in Chapter 3, until 1963 Basotho could freely enter South Africa without a passport. The Lesotho migrants engaged in non-mining occupations were entitled to the benefits, such as



pensions and the unemployment insurance benefits, like the rest of the black South African workers. These disappeared soon after Lesotho had opted for political independence. The bantustan independence had the same consequences for the people identified as homeland citizens. The inhabitants of the homelands lost their South African citizenship and the limited political and economic rights that it entailed. As was the case with Lesotho, the role of the homelands did not change after being given so-called independence. Most of the jobs and vital sources of supplies for the inhabitants of the "independent homelands" are in South Africa. They are defined as aliens by the apartheid regime, but they are destined for re-incorporation into the future majority-ruled South Africa.

Indeed, as the non-racial democratic South Africa is not willing or prepared to maintain labour reserves in its midst, Lesotho needs to reassess the utility of its political sovereignty. However this means posing a completely different question from the ones which have guided studies about Lesotho. The question must be, how best can the Basotho people guarantee their future economic security and survival within an apartheid-free South Africa? Indeed, if Lesotho cannot survive without access to South Africa, it is certainly not sensible to ask about the future of the small enclave. Political sovereignty is in essence a renunciation of the right to demand access to the South African wealth.

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