

LESOTHO FOOD SECURITY ISSUES PAPER

for

Forum for Food Security



in Southern Africa

Preface

This is one of five Country Issues Papers commissioned by the Forum for Food Security in Southern Africa.

The papers describe the food security policy framework in each focus country (Malawi, Mozambique, Lesotho, Zambia and Zimbabwe) and document the current priority food security concerns there, together with the range of stakeholder opinions on them. The papers have been written by residents of each country with knowledge of and expertise in the food security and policy environment.

The purpose of the papers is to identify the specific food security issues that are currently of greatest concern to stakeholders across the region, in order to provide a country-driven focus for the analytical work of the Forum for Food Security in Southern Africa.

As such, the papers are not intended to provide comprehensive data or detailed analysis on the food security situation in each focus country, as this is available from other sources. Neither do the Forum for Food Security, its consortium members, and funders necessarily subscribe to the views expressed.

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List of Abbreviations and Acronyms

ADF	African Development Fund
AIDS	Acquired Immune Deficiency Syndrome
APCBP	Agricultural Policy Capacity Building Programme
ASDP	Agricultural Sector Development Programme
ASIP	Agricultural Sector Investment Programme
CBO	Community Based Organisation
DFID	Department for International Development
DMA	Disaster Management Authority
EU	European Union
FAO	Food and Agriculture Organisation
FISC	Farm Improvement with Soil Conservation
FMU	Food Management Unit
FNCO	Food and Nutrition Coordinating Office
GDP	Gross Domestic Product
GDP	Gross Domestic Product
GOL	Government of Lesotho
GTZ	German Agency for Technical Co-operation
HIV	Human Immuno-Deficiency Virus
LDF	Lesotho Defence Forces
LHWP	Lesotho Highlands Water Project
LVAC	Lesotho Vulnerability Assessment Committee
M	Maloti (M1 = £0.09 in March 2003)
MAPOSDA	Management and Policy Options for the Sustainable Development of Communal Rangelands in Southern Africa - Project
MDA	Mineworkers Development Agency
MDP	Mafeteng Development Project
MT	Metric Tons
NES	National Environment Secretariat
NEWU	National Early Warning Unit
NGO	Non Governmental Organisation
NUL	National University of Lesotho
PTC	Production Through Conservation
RLMP	Royal Lesotho Mounted Police
RSA	Republic of South Africa
SADC	Southern African Development Community
SADPMA	Sustainable Agricultural Development Programme for the Mountain Areas
Sida	Swedish International Development Agency
SNAP	Support to the National Programme
UN	United Nations
UNAIDS	United Nations AIDS Programme
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organisation

Summary

According to the Lesotho Vulnerability Assessment Committee (LVAC), Lesotho, like the rest of Southern Africa, faces its most serious food security crisis since the severe drought of 1992. The country itself is classified as least developed, low income and a food deficit country. With regard to food availability, it is ranked 132 out of 173 countries assessed (National Nutrition and Cluster Survey, 2002). The May 2002 emergency food security assessment projected that 160,000 people, or 9% of the rural population, were in need of food assistance from September to November 2002. (Population estimates for Lesotho vary from two million to 2.2 million (see for example SADC-FANR 2003, LVAC 2002). By July of the same year, this figure had increased to 600,000. Three months later the number of food insecure people had increased by 108,797 to 760,000 (42%) in November/December (LVAC, 2002). The problem of food insecurity is so serious and widespread that even districts, which are normally classified as having high agricultural productivity (in the lowlands of the country) are now amongst the vulnerable ones. Cereal unavailability and the declining purchasing power have in turn resulted in families surviving without food or having one meal per day while in some areas famine is beginning to claim lives and worsen malnutrition (LVAC, 2002).

However, interviews with various stakeholders Lesotho and the region in January and February show that there is consensus on neither the numbers of people in need of emergency food assistance, nor the causes of the crisis, nor the potential solutions to the crisis. This paper is a review of the different perspectives, positions and views of a range of different stakeholders in food security in Lesotho. It does so by reviewing the institutional framework within which policy on food security is made and suggests what the opportunities and constraints are within this framework. It then considers three key themes in food security – human vulnerability, options for market-based development and options for social protection. The report has been produced by a number of different research organisations and consultancies and the author for each section is shown in the text. The main narrative that runs through the text is given here, after a cautionary note about the stark differences between Lesotho and other countries in the Forum for Food Security in Southern Africa.

It is clear that Lesotho's experience is quite different from that of other countries that are part of the emergency operation. Whilst lessons can be learnt from the experiences of other countries, it will be essential to ensure that options for future food security are mindful of its particular experience. Examples of key differences include:-

- In Malawi, Zambia and Mozambique, drought is viewed as a trigger (but rarely an outright cause) of the food crisis, Lesotho experienced completely different weather conditions. Excessive rains and hailstorms were, according to the Prime Minister's Declaration of the State of Famine in April 2002, key causes of the food crisis.
- It is also important to note that Lesotho does not, (and increasingly some would argue cannot) produce a surplus in cereals. Lesotho is known as Africa's 'Mountain Kingdom' and the amount of suitable land for arable crops is in decline due to erosion and settlement encroachment. Cereals are increasingly produced on marginal land. As a result, Lesotho relies heavily on maize imports from neighbouring South Africa.
- There is free trade between the two countries (as both are members of the Southern Africa Customs Union (SACU) and have tied currencies. So many of the discussions about regional trade that are important in discussing the food crisis in other countries in the region are different for Lesotho.

- The issue of market liberalisation and privatisation of government initiatives in Lesotho is also disputed. Whilst in Zambia and Malawi there are questions about whether, under structural adjustment, the state has been rolled back too far and too fast, in Lesotho there are calls for a greater role for private interests in agricultural inputs and extension services from some, and claims that free markets are not replacing government functions in remote areas from others. The debate on liberalisation remains unresolved.

In terms of the **nature** of Lesotho's crisis, the FAO and many within the Government of Lesotho (GoL) argue that it is the declining capacity of agriculture to provide food that is at the heart of the crisis. Though dependence on agriculture is high, agriculture is not an adequate and reliable source of income. For instance, in the most recent agricultural census, 46% of households reported 'subsistence farming' as their main source of income. Agriculture and livestock activities are the main source of income for nearly 60% of households. However, more than 95% of those households cannot adequately produce their own food requirements. Even for those who have adequate land, home grown food often lasts for less than five months of the year, even in good years. Competing land uses and growing population have pushed farmers onto marginal lands, whilst prime agricultural land has been taken over by settlements. Cereal production has increased but the rate of increase has been outstripped by population growth. In spite of the increasing fragility of agriculture, there is still debate over whether Lesotho should aim to be self-sufficient in grain production. This was certainly the focus of government policy during the 1970s and 1980s when the government promoted food self-sufficiency at national level in order to minimise dependence on food imports from (apartheid) South Africa. Government efforts since the 1990s to today have concentrated at the promotion of small scale agriculture on high value crops for export. However, the privatisation of many agriculture support services has pushed prices of services high and many rural households cannot afford to use them. Moreover, access to government support is still based on politics.

Others, especially NGOs, argue that the main cause of the crisis in Lesotho is **HIV/AIDS**. UNAIDS (2002) estimates that around 31% of the adult population (15-49 years) of Lesotho is currently infected with HIV. This is the fourth highest figure worldwide. The main thesis is that HIV/AIDS reduces the labour potential of rural households – because those responsible for agricultural labour are either sick, looking after the sick or looking after orphans. Other impacts related to agriculture include the erosion of assets (for example sale of livestock to meet medical expenses and subsequent loss of draught oxen for ploughing). The impact of HIV/AIDS on agricultural production has programmatic implications within agricultural policy-making. – for example, the need for labour-saving devices, farming systems or cropping patterns, and for improved input supply. It is important to note, though, that it is not just agricultural labour that is affected by HIV/AIDS. Workers in other sectors are retrenched when they become ill, and many of these workers are returning to rural areas in Lesotho.

There is another view of the Lesotho crisis – that it is a **poverty** crisis. This is a more long-term view that requires a focus on issues of both availability and access to food. It also views Lesotho's crisis as a long-term downward trend rather than a shock. Whilst a focus on the relationship between food availability and food security raises questions about agricultural production and imports, a focus on food access raises questions about people purchasing power and their broader livelihoods beyond agriculture. In rural areas there is a growing number of landless households – from 12.7% of rural households in 1970 to 36.6% in 1994 (Food and Nutrition Coordinating Office 1998). For these households, the crisis has been precipitated by loss of remittances from migrant labour, not by declining

agricultural production. Increasing agricultural productivity cannot provide a solution to the crisis that they face. Retrenchments from the South Africa mines have impacted on more than landless households alone. In the 1990s, the purchasing power of many rural and urban households in Lesotho fell sharply as migrant labourers were retrenched from the South African mines and as the Maloti, linked to the South African Rand, devalued against the US Dollar. Rural households that had remittances as their main source of income became increasingly dependent on agriculture, but on marginal lands. Sometimes they have more labour (because of returnees from South Africa), other times they have less labour (because of HIV/AIDS). Rural-urban relationships in Lesotho are also changing with the growth of industry in Maseru and a small number of other settlements. Whilst these industries have created employment opportunities that have done little to support rural households containing retrenched miners since most jobs in Maseru's industries are women and pay so little that remittances are rarely sent back to rural areas. The opportunities in Maseru are not, therefore, securing entitlements to food – even a high volume of food imports (113,910MT for maize and 76,140MT for other cereals in 2002/03) does very little to reduce the food gap between national cereal production and requirements. The annual inflation rate between December 2001 and December 2002 was 11.2% (Bureau of Statistics 2002). Price increases for food were highest on maize meal, fruits and vegetables, oils and fats, personal care and lastly clothing and purchase of vehicles. In particular, increased prices of maize meal, which rose from an average of M20.00 for 12.5kg in December 2001 to M40.00 in December 2002 caused a lot of concern among consumers and restricted access to that basic foodstuff for many households. Thus, low purchasing power, high levels of unemployment (30%) and the high level of poverty (50%) aggravate the food access problem.

Institutional issues bound up in all the different views of the crisis in Lesotho. The GoL's capacity to design and implement appropriate social protection measures is limited and existing safety nets are allegedly inefficient at best and corrupt at worst. While inflation contributed to escalation of food prices, the removal of government subsidies to basic foodstuffs and services reduced entitlements. There is a need to maintain targeted government subsidies to basic foodstuffs and services like maize meal, paraffin, water and medicine for the poor and the vulnerable social groups like children, disabled and elderly. However, it is not clear whether there is human or financial capacity, or indeed political will, to maintain effective targeting. Another manifestation of them relates to the **information** that is available about the crisis (for example the VAC process) and the early warning and response systems that are in place. Another example of the importance of reliable information relates to the issue of HIV/AIDS – since the currently cited UNAIDS figures were based on a small selection of villages in a limited number of districts in the country. In the Ministry of Agriculture, there is a view that the current problems experienced in Lesotho are no different to previous years and that 2003 is likely to be much worse than 2002. The problem the government faces is access to reliable data and the difficulties faced by civil servants in ensuring that high level officials with decision-making powers understand the complex issues and causative effects of policies and programmes. Similarly, the poor performance of agricultural sector has been associated with various institutional problems (cf. FAO 2000). In particular a number of direct interventions in the sector by the government and external donors, weak institutional capacity and misguided policies have in most cases weakened the sector and exacerbated the problem of food insecurity.

1. The Institutional Framework for Food Security Policy Decision Making in Lesotho

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A range of stakeholders, institutions and key actors have, over years executed a number of roles in order to try and improve the food situation in Lesotho. In most cases their roles have changed, shifted, complemented or sometimes even conflicted in order to attain a single objective – improvement of the food situation. This section provides an insight into the alternate policies and institutions that have been created in order to address food security issues in Lesotho. Given its brevity, this section is far from being exhaustive since only a limited, though representative number of key actors have been examined. The aim is to introduce policies, institutions and their inherent power structures.

1.1 Stakeholders, interest groups and institutional environment

A stakeholder is any group or individual who can affect or is affected by the achievement of a certain course of action (Ramirez, 1999). In the context of food security an appropriate definition of stakeholders would be active players involved in food production, marketing, management, distribution and consumption. It is in this context that an analysis of stakeholders was deemed useful in order to understand the complexity and the compatibility problems between the roles and responsibilities of key actors involved in food security.

There are quite a number of institutions that are in one way or the other involved in issues of food security in Lesotho. They include: government departments and institutions that lay down policies and implement them; government-sponsored institutions that conduct research such as the Research Division and the University; and monitoring networks such as the vulnerability assessment institutions. The private sector also plays a significant role in terms of input supply and other consulting services. These efforts are complemented by the donor community, various international organisations, and non-governmental organisations (NGOs), in terms of assistance, policy influence as well as capacity building.

1.1.1 Key actors at the central level of government

Although Lesotho is striving to provide for a sustainable better quality of life for all Basotho, it however, faces some major challenges that have implications for food security. Among those it includes:

- Increasing levels of poverty
- Unemployment
- Environmental degradation and
- Economic instability

(Government of Lesotho 2001)

Similarly, the UNDP Human Development Report (2000) ranks Lesotho at 127th out of 174 countries on the Human Development Index. One consequence of this poverty is that

resources that could channelled into food security are used to achieve other poverty reduction goals. Thus, whilst poverty reduction strategies and programmes in Lesotho are inextricably linked to food security, there is no coherent, comprehensive programme on food security.

It is out of such an understanding that even the current five-year development plan and policy statements underscore the need to tackle poverty and unemployment as a way of enhancing household food security. Similarly, in an effort to enhance food security the central structures of the Government have embarked on a number of measures that include the reforming of the relevant institutions as well as delegating more responsibilities to the private sector (Government of Lesotho, 2001). However, the following central government structures still plays a pivot role in terms of policy formulations as well as measures to ensure food security.

1.1.1.1 The parliament

The parliament for example, has the responsibility of approving food security policies as well as programmes that the country intends to implement to promote food security. Similarly, it has powers to enact any law that is geared towards improving food security in the country. Thus, the parliament has the responsibility of scrutinizing the various programmes that are intended to be implemented and approve or disapprove them. It is however, difficult to tell whether the parliamentarians are technically competent to evaluate which programmes are viable and which ones are not. Experiences however, indicate that most of these policies and programmes end up being approved probably on the basis of solidarity and not necessarily on technical appropriateness. Most importantly the question of whether or not community members have had an input in those policies is never a big issue.

1.1.1.2 The Disaster Management Authority (DMA)

The DMA is a permanently established, statutory government institution, forming part of the Prime Minister's office and coordinating the disaster management roles of the Food Management Unit (FMU), the Food and Nutrition Coordinating Office (FNCO) and all District Secretaries. It has six permanently established working groups comprising of the senior officials of the DMA itself and director level representatives of central government ministries and units, as well as members drawn from the LDF, RLMP, NGOs and UN agencies directly involved with disaster management. According to DMA (1996), the working groups meet at more frequent intervals during an emergency than in times of non-emergency.

The DMA theoretically coins the national policies and plans for managing disasters including food shortages disasters. Thus, food crisis alleviation policies and plans to curb food insecurities become one of the major responsibilities of DMA. Other responsibilities include advising the Prime Minister to institute national disaster declarations for all types of disasters. This includes disasters on food insecurity when conditions deem it necessary. The DMA is also expected to solicit financial and commodity donations from national and international donors when food crisis is envisaged and during the actual crisis time. It also coordinates and facilitates all national crisis management projects, especially those that are related to food security. DMA is mainly involved in food crisis probably because, apart from heavy snowfalls that happen infrequently, drought that affects food production happens more frequently. Flooding is not a problem because of the terrain of the country and therefore, food insecurity remains the only frequent major disaster. Additionally, DMA coordinates and facilitates disaster management capacity building programmes empowers various sectors of the nation be able to handle and cope with disasters. Capacity building

programmes to manage food insecurities, thus, should be one of the major responsibilities of DMA.

Most disaster mitigation policies are generated by the central government ministries within the water and sanitation, health and nutrition, food and logistics and agricultural sectors as part of the on-going development programmes while action to implement the policies is decentralised according to prescribe guidelines and with effective monitoring exercised from the centre (DMA, 1996). The strategies and action plans required to achieve the objectives are for central government ministries to develop, introduce and sustain as part of the national development plans.

The DMA also has an agricultural sector geared towards determine the crops and varieties most suitable and profitable for growing in winter and summer, particularly those least vulnerable and most resistant to drought conditions. There are also intentions to expand the seed multiplication unit to meet the farmers' demands. If this finally happens it can be a contribution towards food security.

The sector is also aimed at introducing an effective crop diversification policy that also encourages multi-cropping, the production of high value cash crops, and the growing and storage of fodder on an extensive scale. Additionally, the sector is to provide incentives for farmers who produce high value crops, while at the same time revising maize marketing and pricing policies. Farmers are to be educated on appropriate tillage methods such as leaving crop residue on the fields to conserve soil moisture, encourage the reduction of livestock herd-sizes and promote grazing associations and to develop irrigation water infrastructure and transfer system.

The main objective of this sector, which is aimed at basing internal food production requirements on realistic and steadily improving goals of national and household food security also entails a major shift from the former self-sufficiency programme and therefore echoes the food security policy's sentiments. However, the second objective is more specific in terms of the fact that it seeks to review and change if necessary, the current policy of phasing out the school-feeding programme.

An examination of these objectives in relation to those of the Ministry of Agriculture portray complementarity as opposed to conflict although some DMA objectives are more of extension methods geared towards educating the farmers. The other major advantage of these food related sectors of DMA are that they are composed of representatives of the relevant ministries thereby ensuring continuation of programmes even though in such situations there is a likelihood that emergency situations might be ignored and treated as business as usual programmes. The other positive factor about DMA is that those working at the national and central levels are supposed to devote much of their time and effort supporting and responding to the requirements of village and town disaster management structures. A continuous monitoring of local community needs and a monitoring system on how these are being met is also effected. This is different from other policy making processes where technocrats initiate policy discussions, draft policies, sent them to parliament and then inform the communities about them. In most cases such top-down approaches result in non-implementation.

1.1.1.3 The Ministry of Finance and Development Planning

The Ministry of Finance and Development Planning responsibilities in food security efforts involves approving and consolidating food security plans into national food security programmes for implementation. It has the executive powers to advice the parliament on

the amount of resources available for the plans and programmes intended for food security. It also allocates funds for the implementation of the already approved programmes that are geared towards consolidating the national food security.

It is interesting however, to note that although most of the food security programmes are based in the Ministry of Agriculture it is the Ministry of Finance that has the ultimate powers to determine which programmes can be implemented since that depends on the funds available. In other words, some programmes have to be postponed or eliminated due to insufficient funds even if they are vital to food security.

1.1.1.4 The Ministry of Foreign Affairs

The Ministry of Foreign Affairs being at the centre of diplomatic relations, has the responsibility of soliciting both the financial and commodity assistance from donor agencies and countries. It is thus, the central coordinator and facilitator to soliciting donations and assistance that are meant to ensure food security in the country.

The importance of collaboration between the Ministry of Foreign Affairs and other key players such as the Ministry of Finance and Development Planning regarding food security issues cannot be over-emphasized. When well coordinated these stakeholders can review government resources, determine what has to be sourced from the donor community and thus avoid conflicts and duplication of efforts. However, presently it is not very clear whether forums for such discussions are used effectively.

1.1.1.5 The Ministry of Agriculture Co-operatives and Land Reclamation

One of the crucial players on issues of food security in the country is the Ministry of Agriculture Co-operatives and Land Reclamation (Ministry of Agriculture for short). The Ministry draws all agricultural production policies of the country and implements them. It has also a role to disseminate appropriate production technologies and proper land management. It also facilitates the availability of various inputs and equipment to all categories of agricultural producers namely, commercial farmers, semi-commercial farmers, small farmers and subsistence farmers. Similarly, it has responsibilities of coordinating marketing of agricultural products for local markets as well as for export. One of its mandates is to undertake such activities in any manner provided it does not contravene the provisions as provided in the acts of parliament, in the legislations or legal notices as pronounced out from time to time.

It is interesting to note that input distribution is still one the major responsibilities of the government through the Ministry of Agriculture despite the long standing argument that agricultural inputs delivery and distribution is a business and therefore it should be left to those who can do it best which among them is the private sector and co-operatives (Van Den Ban and Hawkins 1990; FAO, 1984). For example, inputs such as potatoes, maize, sorghum, beans and peas seeds, as well as fertilizers and agricultural machinery, are still, to some extent, supplied by the government. This is despite the fact that the private sector is world wide reported not only to be efficient in delivering the service but also creating employment. Unemployment is one of the major challenges that Lesotho faces and therefore handing over such a responsibility to the private sector and cooperatives could be a step forward in handling the problem of inefficiency and unemployment. The government role should just be to coordinate and control the type of inputs needed and whether they meet the minimum requirement for environment protection. However, the private sector is not so good in provision to geographical areas and sectors with low returns and, since this encompasses almost all of the country, responsibility for input distribution remains with the state.

Likewise, Oxford Policy Management (1996), argued in the same lines about Lesotho Government's involvement in production. They observed that the Ministry of Agriculture was directly involved in production, marketing and processing activities for which it had neither comparative advantage nor a pool of expertise. The government-run agro-industries and state farm enterprises such as Lesotho Flour Mills, National Abattoir, Irrigation schemes, Poultry Farms and Sheep Stud Farms pursued non-commercial trading policies, they lacked managerial skills and they had poor financial and performance records. It is the realisation of these limitations that led to the decision by the government to privatise such enterprises. If the move succeeds, it would be a commendable step towards involving the private sector in food security decision making process.

1.1.1.6 The Ministry of Local Government and Land Use Planning

The Ministry of Local Government and land Use Planning has the responsibility of drawing land management plans and policies. It has powers to identify and protect land meant for agricultural production that will ensure sustainability in food security. It has the mandate to even lay charges against any institution or individuals who violates such protection. It also facilitates the selection and reservation of land for both residential purposes and for agricultural production. Interestingly, this role used to be under the Ministry of Agriculture where both the land-use planners and agricultural experts were housed and could easily work as team and compliment their expertise. This breakaway or separation of responsibilities between two different ministries might cause coordination problems unless the proposed full decentralisation process is quickly implemented and decisions are made at a local level. Similarly, decentralisation has some implications as far as experts are concerned. It necessitates experts for various functions at those local levels, which probably for a poor country like Lesotho might not be feasible. Limitations such as these might have far reaching implications for food security.

1.1.1.7 The Food Management Unit (FMU)

Another structure at the central stage is the Food Management Unit (FMU) that acts as a recipient arm and storage facility of the government. It receives and stores the national food, especially the government owned food commodities and other related donations including food insecurity alleviation commodities. It is thus, mandated and has commanding powers on the national food reserve and transportation. It facilitates transportation of such commodities from one point to another destination throughout the country where it is needed by the beneficiaries. The transportation of the commodities is normally done in line with the mandate that is given by the institution owning the commodity. It is interesting to learn that although the commodities will have already been donated to the government, still the donating institutions have a say of where such commodities could be delivered. Therefore in that respect the unit is reduced to a mere transporting unit and not necessarily a managing unit.. It would probably be appropriate if the status of the Unit could be elevated to that of a key facilitator in regulating raising awareness on the likelihood of gaps and surpluses in food production. For example it could regulate the food reserves, food distribution, and determine the amount of food required in emergency situations. This is a crucial role which, unless somehow coordinated, cannot be efficiently executed by individual farmers and private corporations. It would thus require close collaboration with the private sector, Central and District level institutions, monitoring networks, production-related institutions, marketing stakeholders as well as NGOs and Donors.

1.1.2 Monitoring networks

Although monitoring networks do not have a long history in Lesotho, they have an important role in assessing the food situation and liaising with relevant institutions to ensure that food supplies are sufficient and distributed to the people in need.

1.1.2.1 National Early Warning Unit

National Early Warning Unit (NEWU) is but one component in a more comprehensive food security system. This Unit was established on the recommendation of the 1973 FAO Conference and World Food Conference held in 1974 (Tola, 1987). Its main objectives are to give advance warning of impending changes in food conditions and to enhance the capacity of government and international organisations to take prompt and appropriate action to deal with emerging food shortages. In reality however, this unit does more than just providing early warning, it monitors various processes. For instance it carries out crop assessments and forecasts on a quarterly basis while at the same time coordinating all monthly food security data from the Bureau of Statistics, Marketing, Milling companies, Food Management Unit, World Food Programme, Meteorology, Disaster Management Authority and Agriculture. NEWU further analyses data in order to produce annual food security reports that are supposed to be used as a basis for food security policy making.

NEWU's powers lie in its ability to advice local and regional food security policy makers on the prevailing food situation. Its placement within the Prime Ministers' office gives NEWU an added advantage of being able to influence other Ministries and Departments. However, its effectiveness seems to be hampered by its lack of involvement in the process of identifying strengths and weaknesses of the responses to food shortages and importantly development of effective coping strategies. Interestingly, Government interventions have in most cases been food assistance and not long term development programmes that would ensure more sustainable measures.

It should also be noted that information about food shortage though important is not the only input in policy making, but identification of focus areas where existing resources might be applied is equally important particularly because most agencies move into a region only when a disaster occurs and thus might not be able to take action where indicators suggest a minor problem. Thus with regard to policy- making, early warning information is not necessarily the only important framework for resolving food security. Instead, it needs to be complemented with sustainable programmes of food production and management.

While NEWU does alert governments about threatening shortages early to enable it to take anticipatory steps and improve the preparedness and eventually take mitigation actions, it would seem that timely action is limited to importation and food aid as opposed to more long term development strategies that do not necessarily conceptualise food insecurity in terms of decline in production only but as an interplay of many factors. A more comprehensive analysis of the food insecurity situation and coming up with more concrete long-term solutions such as production of more adaptable and high value crops would be important.

1.1.2.2 Lesotho Vulnerability Assessment Committee

Independent, objective vulnerability assessment can be very important to the timely targeting of at-risk groups (<http://www.bradford.ac.uk/research/ijas/ijasno2/summary.html>). These assessments can also be used to identify populations at risk of severe food shortages and famine. They are important than monitoring a few selected indicators perceived to be useful in the case of early warning. In Lesotho a Vulnerability Assessment

Committee was officially formulated in 2002 following the declaration on food crisis in the country. It is composed of technical specialists representing most of the key players in food security. These include the Crops Division of the Ministry of Agriculture, Nutrition Department, Bureau of Statistics, Food Management Unit, Meteorological Section, Disaster Management Authority, NEWU, CARE, World Food Programme and CARITAS International.

The primary focus of this committee is on the household level food security and it also provides sufficient information for responding to famine. Its main responsibilities include conducting quarterly vulnerability and livelihood assessments in the country. It also produces quarterly reports that contain an in-depth analysis of the food security situation. It examines access that different groups have to food and cash income in relation to their food and needs, shocks and stresses experienced by households due to famine while at the same time identifying the coping strategies employed by different socio-economic groups. Additionally, the committee carries out food security monitoring in order to track national and sub-national level food security changes. As a result of these assessments, long-term recommendations are made in relation to food security.

The major advantage of the Lesotho Vulnerability Assessment Committee is its multi-sectoral nature which allows it not only to coordinate institutions dealing with food security issues, but also ensures full participation of various institutions in vulnerability assessments. It has also has the mandate to advise both the regional and local food security policy makers as well as donors on the status of food security and measures to improve it. However, the fact that its powers are limited to just being advisory, means that the chances of translating some of the committee's recommendations into policy are limited and in most cases are left at the discretion of other more powerful players. Ironically, even the Ministry of Development Planning cannot act on the recommendations of the Vulnerability Committee unless the Disaster Management Authority initiates such a move, which in most cases will not be about long-term plans but instead would be targeted towards getting food relief from the Donors.

Another interesting development, which is still in the pipeline is the institutionalisation of LVAC as a permanent unit under NEWU within DMA. The move in itself has advantages in that its temporary status of being a committee will be removed while at the same time it might have disadvantages of becoming a regular government institutions and succumb to the same bureaucratic procedures. Additionally its attachment to NEWU, which is already under-staffed might negatively affect its effectiveness.

1.1.2.3 Lesotho Meteorological Services

Physical indicators of climatic conditions are the primary constituents of early warning systems in Lesotho. The indicators can be divided between meteorological and biological systems. The primary data used for these information products include daily rainfall, daily maximum temperature, recent rainfall, expected rainfall. This information is important for making calculated crop estimates and are used as a basis for agricultural prospects.

Although theoretically the primary users of meteorological information are food security policy makers and NEWU, in reality it is only NEWU and the technical staff of the Ministry of Agriculture that uses the information. However, farmers also to a limited extent access meteorological information through the media. It is questionable though whether the kind of information they receive enables them to anticipate food crisis so that they can effectively respond. The information that finally sieves to the farmers has mainly to do with rainfall patterns and planting dates for various crops. However, timely recommendations

on prospective crops given the excepted weather is very important in giving farmers ample time to switch to alternative crops. Food insecurities can be minimised by income generated from more adaptable enduring resistant marketable products. The challenge therefore is to provide more user-friendly information that would reduce the burden of directly assisting the farmers with food aid. This, would on the other hand decrease over-dependence on donor assistance.

1.1.2.4 Food and Nutrition Coordinating Office

In order to design effective food security programmes to combat malnutrition one must first know who the malnourished are, what they eat and why they are hungry. There are a number of ways of addressing the problem – for example, through increasing home food production, reducing post harvest losses, improving the food marketing system or expanding non-farm employment (to increase people's entitlements).

Before the 1992 drought hit Lesotho, children nutrition appeared to have been improving in Lesotho although there were areas that still had a high proportion of malnourished children (UNICEF, 1994). There had been several good harvests and blanket school feeding programme was still in operation in schools. The three years of drought that followed led to a drastic increase in malnutrition amongst children. For instance the Nutritional Surveillance Indicators (2000) portrayed the stunting prevalence as 31% ranging from 25 to 51% with the highest rates in males (33%) than females (28%). This is considered high according to WHO standards of 30-40%. Wasting prevalence on the other hand was 3.2%, underweight 15% ranging from 11% to 13% with Mokhotlong having scored the highest in stunting and underweight prevalence (LVAC, 2002).

To alleviate the food crisis, the Lesotho Food and Nutrition Council, presently known as Lesotho Food and Nutrition Coordinating Office (FNCO) was given the task of ensuring food security, surveillance and Early Warning as well as Skill promotion at the village level (Tola, 1987). Currently FNCO is housed under the Prime Minister's office and its role is to coordinate food and nutrition programmes within the country, provides food and nutritional data for programme managers, planners and policy makers about cases of malnutrition and rehabilitation. However its role is not only limited to surveillance but also plans appropriate packages of food and nutrition interventions as well as monitoring their implementation and impact in reducing malnutrition. It should be noted however that it does not implement instead it advises and monitors implementation thus leaving decision making at the discretion of technocrats who in most cases have other priorities. For instance, instead of letting NGO's and donors provide homogeneous food baskets for the vulnerable groups, FNCO can indicate to the donors, the varying nutritional and health requirements for various groups.

1.1.3 Research institutions

Policy development processes are seldom linear nor do they necessarily follow a logical progression. They can be long, controversial and in some cases policy makers do not follow scientific information generated through research. Instead they are frequently driven by factors such as expediency, costs and vocal constituencies. In such cases most policy makers would rather proceed without scientific information. However it is better to have some scientific contribution rather than none at all.

In food security situations there are three important types of research (Norse et al, 2000).

- Impact research that is concerned with the effects of changes in food security

variables.

- Adaptation research aimed at developing technologies and systems to help cope with food insecurities.
- Mitigation research aimed at minimising the impacts of food insecurity on the vulnerable groups.

It is within this context that various institutions involved in food security research activities will be examined.

1.1.3.1 Research Division of The Ministry of Agriculture

For a long time research within the Ministry of Agriculture has failed to effectively collaborate with farmers and other sister Divisions within the sector. This has resulted in results that are rarely applied since they do not necessarily address policy needs and farmers' needs (FAO, 2001). However, with the ASIP programme, efforts were made to coordinate research efforts of different departments and to extend research to the mountain areas. Emphasis has also been on feedback to the farmers to enable them to improve their production mechanisms and meet their food security goals. Thus, various cultivars are being tested in different agro-ecological zones to check their potential as well as to adapt them to those conditions. Currently, the emphasis is on high value commodities such as potatoes, sorghum and poultry farming (The Potato Group Lesotho 2002).

1.1.3.2 The National University of Lesotho

The Faculty of Agriculture of the National University of Lesotho is another institutions strengthening research in food production and in agricultural development in general. It runs breeding programmes both in crops and livestock that are expected to improve productivity. Initially the focus was on sorghum and currently it has moved to potatoes and garlic since these are some of the commodities that the government and other NGOs have identified to be more profitable (Mohammed et al. 2002). Policy makers, technical staff and farmers have in most cases been invited to information dissemination workshops, seminars and open days so that they can utilise the information to improve on production and ultimately to food security. Similarly, the University has been contracted by SADC Regional Food Security Training Programme to mount various courses that address food security issues to employees of various Governmental departments such the DMA as well as NGOs such as the World Vision where relevant research results are integrated in the courses and disseminated to the participants. A course on Drought Management was recently undertaken to both government departments and NGOs.

Similarly, various departments within the University through a multi-disciplinary approach have been studying the effects of global change to the rangelands and their resources and how they affect the communities' livelihoods. Currently, studies on management and policy options for the sustainable development of communal rangelands and the communities are underway with the main objective being the identification of technologies that will improve efficiency, productivity and ultimately their livelihoods (MAPOSDA 2002).

1.1.3.3 Consulting Companies

Other consulting institutions have been generating valuable information that policy makers and institutions could use to make important decisions. Local consulting companies like Sechaba have been involved for many years in various assessments and evaluations exercises that had implications for food security as well as environment protection. They are normally commissioned by food security stakeholder institutions to conduct studies on

various food related issues and draw recommendations for consideration. Other companies include for example, Baffoe and Metsi consulting companies.

1.1.3.4 Non-Governmental Organisations

GROW a non-governmental organisation operating in Mokhotlong district apart from its' extension work it has been researching on various field crops and horticultural ones and how to adapt them to the mountain conditions. Similarly, Helvetas has been behind the *Machobane* system in terms of trying to bring in improvements to sustainably produce food while preserving the environment through organic farming.

It is clear from the foregoing analysis that there is a lot ongoing research and that valuable information pertaining to food security is being produced. However, the use of research is only justified in terms of its relevance to the issue being addressed, and unless research is organised and systematically done to address the three research functions (impacts, adaptation and mitigation) of food security it cannot adequately address the threat to food security and therefore cannot be easily integrated into the policy formulation.

1.1.4 District and local level institutions and authorities

Most of the governmental departments are represented at the district level. For example, most of the Ministry of Agriculture responsibilities are coordinated through the District Agricultural Office. Additionally there is an already formulated Local Government programme meant to decentralise and devolve most of the powers to local levels. For example, at the central level the DMA focuses on multi-sectoral management planning, coordination and monitoring of disaster relief, while at the district level, DMA office deals with needs of the local communities in aspects like health and nutrition, food and logistics as well as agriculture. At the ward level the Ward Development Council facilitates such activities and gives advice to the District Secretary. At the local level, on the other hand each community forms a disaster management team that oversees such activities. If well coordinated, bottom-up structures such as this would go a long way towards ensuring that the felt needs of the communities are taken on board when making decisions. However, in most cases people are asked to prioritise their needs and then they are just told what should be done.

1.1.5 Donor community and international organisations

In the early years after independence until the mid 1990's the capital budget for the agricultural sector in Lesotho was heavily dependent on external assistance. The share of agriculture in the total development assistance continued to be higher in 1980's and it only started declining in the 1990's. This might have been a result of priority shift among donors about Lesotho's agricultural performance and its' low contribution to GDP. This only goes to show the extent to which donors can actually influence policy in Lesotho. For instance most of the food security policies have actually been coined through donor influence. Resources to implement those also originate from outside. Though positive in some ways, the draw-back of such dependence is related to the shifts in donor priorities which have tended to dictate shifts in programmes that have to be implemented. In some cases they have resulted in lack of continuity of some programmes. Coupled with weak coordination capacities some of the good intentions of donors have actually worsened the situation. The purpose of this section, therefore is not to provide a comprehensive review of all the donor activities regarding food security but to examine the roles of a few and show how they have contributed towards alleviating food insecurity.

As a response to the situation in the mid 1990's the Government engaged itself in the Agricultural Sector Investment Programme (ASIP) with the objective of improving the productivity of the agricultural sector through a number of measures that included:

- Efficient and effective delivery of the core support services to the farmers
- Institutional and policy reforms
- Price and market liberalization
- Decentralisation and restructuring of the Ministry of Agriculture

One of the major strategies to be used was to broaden the productive base of the rural economy by emphasising the production of high-value crops, livestock production and off-farm activities. Though it sounded logical and interesting to donors, it was difficult to implement it due to lack of capacity. The Agricultural Policy Capacity Building Project was thus, suggested by the donors as a prerequisite to ASIP, financed by the World Bank, ADF, DFID, GTZ and GOL.

Similarly, under the same ASIP framework, the Sustainable Agricultural Development Programme for the Mountains Areas (SADPMA) was initiated in 1997 funded by IFAD with an intention of:

- Improving household food security, family nutritional status and increasing the farm incomes of rural households in the poorest mountain districts of Mokhotlong, Thaba-Tseka and Qacha's Nek;
- Increasing household farm incomes through crop diversification and production; and
- Supporting the development of a decentralised and unified agricultural extension service tailored to meet the needs of smallholder farmers in the three mountain districts. (UNDP,2000; FAO, 2000; FAO, 2001)

1.1.5.1 Food and Agriculture Organisation of the UN (FAO)

The FAO support activities in the past were largely designed to enhance more self-reliant agricultural and rural development sectors. The FAO activities have covered quite a number of issues in the greater field of agriculture. They range from forestry, research, workshops, technical assistance, to peoples' participation in rural development. Several projects have been implemented such as the strengthening of agricultural information activities at field level (FAO, 1987). The objective of which was to strengthen the capacity of the agricultural information services.

Similarly, FAO support to soil and water conservation project in Southern Lesotho that was signed in 1987 between the GOL and FAO was meant to improve production. The activities included diversion banks, pondage banks, contour banks and agronomic conservation measures. The aim of project was to provide a more sustainable way of production while at the same time conserving the environment. Despite the positive improvements, the FAO views the traditional land tenure system as a hindrance based on the view that uncertainty of tenure made farmers reluctant to invest (FAO, 1992). For example, once you leave your piece of land fallow for two years it could be taken away by the community authority. Communal grazing was also another prohibiting factor, since it was difficult to control trespassing in the allocated pieces of land. The extent to which this view is changing, given new sharecropping arrangements emerging in households affected or infected by HIV/AIDS, is not clear.

Around the same time FAO undertook a study meant to re-assess the existing knowledge about erosion and land degradation as well as about farmers' decision making in order to change the viewpoint of how improved production with conservation could be achieved. The results suggested that if self-recuperating capacities of soil and range vegetation could be enhanced, sustainable and conservation-effective agricultural development could be achieved in the future (FAO, 1990). Concurrently, a project on livestock marketing took off to the tune of US\$176,000. The objective of which was to enhance the government policy for the livestock sector by reducing overgrazing and increasing productivity. It generally emphasized the need to create employment and income-generating activities in rural areas to enhance food security (FAO, 1991).

It became clear that there was potential to increase overall animal production especially from sheep and goats and ultimately incomes that will help to ensure food security. However, from the conclusions it was not explicitly easy to determine whether the increased production projected was derived from increases in individual animal productivity or from increased animal numbers. Thus, some groups and individuals within the country have continued to argue along the line of increasing livestock despite indications that the rangelands are already overstocked (NES, 1999). Although there is no general agreement on the level of overstocking in official and professional circles due to methodological differences, an assessment of the stocking rates and carrying capacities of the rangelands carried out in 1972/73 indicated an overstocking of about 41 percent. A similar exercise done by the Range Management Division of the Ministry of Agriculture in 1988/89, observed a 50 percent overstocking. Under the same periods the trend showed a decline in the output of livestock and quality of livestock products and it was attributed to declining animal nutrition that had mainly resulted from degraded and overgrazed rangelands (ministry of Natural resources, 2000).

There is however, a consensus that Lesotho's rangelands are generally in poor and declining conditions with widespread erosion of the topsoil and an abundance of undesirable and less nutritious vegetation species. However, the extent to which this can be seen as the key problem for food security in Lesotho depends whether food insecurity is seen as a food production / availability problem (in which the solution is to find ways of increasing production) or a food access problem (in which the solution is to find ways of increasing people's purchasing power and entitlements).

The situation of wide spread poverty among communities and especially those in the mountain areas prompted a project in a form of a study as an input for the formulation of a poverty-oriented programme for sustainable development of mountain areas. The programme was meant to be an integral part of the governments' national strategy and investment programme for the agriculture and natural resource sector whose stated objectives were poverty alleviation, household food security and employment generation (FAO, 1996). Similarly, since the project was operating under the same premises of improving the agricultural sector, the initiative was meant to be a sub-programme within the Agricultural Sector Investment Programme (ASIP). Generally, looking at the events, until recently FAO's roles in Lesotho has been soliciting funds to finance local agricultural programmes.

After the completion of the privatisation study on rationalization of agricultural commercialisation in 1989, FAO came out with various recommendations on the privatisation process (FAO, 1989; Government of Lesotho, 1996). The recommendations became the force behind the current privatisation process that is taking place in the agricultural sector. Later in the late 1990s, another study on agricultural marketing policies

was undertaken with the aim of providing policy advice to the government on the most appropriate content and sequencing of measures to deregulate and privatise agricultural pricing and marketing (FAO, 1997).

Consequently, various recommendations emanating from this project have been used to restructure the marketing context in Lesotho, such as liberalisation of certain governmental functions and services. Currently, FAO is involved in the capacity building activities, information production processing and analysis of the agricultural census data whose objective is to enhance capacity to produce timely, reliable and relevant food and agricultural statistics. Although FAO's major role worldwide is to formulate global policies and assistance in agricultural development to member countries. In Lesotho however, there has been a trend or an indication of FAO support gradually moving from assisting production processes and policy influences, into capacity building.

1.1.5.2 World Food Programme (WFP)

Since the 1970s Lesotho's production of cereal grains has been declining. For example, in the mid to late 1970's Lesotho was able to provide 50-60 percent of its total food requirements. However, by 1984 production season, it met only 40 percent of its total food supply from domestic production and as a result, 46 percent had to come from commercial imports and 14 percent from food aid. For example, food aid increased from just 32 percent in 1974 to 180 percent of the 1974 figures in 1984 (Tola, 1988) and to 286 percent in 1994.

Two food insecure groups of people in Lesotho can be identified. Among the 80 percent of the population who mostly live in the rural areas, the majority of them rely on some food aid to meet their food requirements at certain times of the year. It is estimated that 54 percent of these rural people live below the poverty threshold (Ministry of Development Planning 2000). The remaining 20 percent of the population that is found in urban centres is also characterized by high unemployment and underemployment rates and as a result the majority of them struggle to meet their food requirements (Tola 1988; Ministry of Development Planning 2000). For example, in 1997 and 1998 food aid constituted 11.8 percent and 11.0 percent respectively, of the multilateral donor assistance to Lesotho (UNDP 2000). It is under such situations that the World Food programme has become a very valuable asset in terms of interventions.

For example, WFP collaborates with Lesotho's DMA in terms of drawing food security humanitarian assistance policies, soliciting funds to finance local food aid programmes especially during severe food insecurity situations. It also works closely with the national institutions responsible for food security to facilitate and monitor food aid distributions. Similarly, collaborations have been through government strategies such as Food for work, Primary School Feeding, Post Primary Education and Institutional feeding Programmes, Mountain Emergency Food Reserves, Food for Capacity Building and Health and Nutrition (Tola, 1988; Ministry of Development Planning, 2000)

1.1.5.3 Other international organisations

Various international organisations have been making contributions in terms of influencing policies as well as supporting the actual implementation of food security related activities. Agricultural Irrigation projects for example that were meant to improve food production and consequently enhance food security, were mainly assisted by the European union, Agricultural Development Fund (ADF), Taiwanese Government, Chinese Government UNDP, FAO, Bauer of Austria, GTZ of Germany through MDP, British, Canadian and Irish funds. (Tola, 1988; Ministry of Agriculture, 1996) Whereas, conservation related efforts,

such as Production through Conservation (PTC I and II), Farm Improvement with Soil Conservation (FISC) and Support to the National Programme (SNAP), were financed by Sida (Ministry of Development Planning, 2000). UNICEF for example, has been collaborating with the national nutrition institutions in facilitating nutritional studies, implementing malnutrition alleviation programmes as well as monitoring such programmes. It has also been instrumental in terms of funding such programmes.

Similarly, big organisations like The World Bank, apart from generally funding many development activities in various sectors, it has played a major role in funding The Agricultural Sector Investment Programme (ASIP) as well as the Agricultural Policy and Capacity Building projects that are expected to transform the agricultural sector. It also sponsors food security studies and supports other food insecurity alleviation programmes. Other organisations that have been instrumental in the same line include USAID, DIFD, and the European Union.

With the new developments in HIV/AIDS pandemic, UNAIDS has been actively involved in influencing policies to make sure that the food security of affected household is sustained. As a result it has been collaborating with national institutions dealing with HIV/AIDS in awareness campaigns as well as in the mitigation programmes. Similarly, UNAIDS has been actively involved in soliciting funds to sponsor such programmes.

1.1.6 The private sector

Food security problem in Lesotho is not only a financial problem, but to a large extent a problem of storing food cereals during good harvests and availing them to farmers when there is a food crisis. In Lesotho, private companies such as the Lesotho Flour Mills, Maseru Milling Company and Food Security Products Traders coax farmers to release extra food reserves at their disposal, grinds them into maize meal and sells them. When produce is unable to meet requirement, it is also the private sector which imports food and distribute it commercially to local traders for sale to the consumers. For instance the cereal gap and import progress as of 2002/03 in Lesotho as estimated by National Early Warning Unit in November 2000 was as follows:

Table 1 – Cereal imports, progress and plans

	Imports Since Beginning of Year			Planned Imports		
	Maize	Other Cereals	Total	Maize	Other Cereal	Total
Government	-	-	-	-	-	-
Commercial Sector	-	-	-	-	-	-
Private Sector	22,497	27,898	50,395	47,503	20,000	67,503
Informal	83,299	35,470	108,769	59,000	36,400	95,400
Total	105,796	63,368	159,164	106,503	54,400	162,903

Source; LVAC (2002)

It became clear during the survey that NEWU was important in facilitating the confirmation of the planned imports to ensure that the food gap is closed and to minimise the effects of famine. Nevertheless food availability does not always ensure access since the peoples' purchasing power is a crucial component of food security. One intervention that can support people's capacity to buy food is food subsidies – these are discussed in the section on social protection.

Farmers who sell cereals to milling companies complain that the prices set for their produce are too low and they also suffer large transportation costs to urban areas to sell their produce because there is a lack of depots in rural parts of the country. In order to understand how small producers might get better access to markets will involve revisiting the relative roles of private milling companies and the FMU.

1.1.7 Non-government organisations

NGO's are powerful lobby groups. They are often consulted by donors both internally and in their home country. They also have the ability to access resources that are not available to governments. Similarly they tend to be impartial to various groups and therefore are seen as appropriate vehicles to development.

In Lesotho there are numerous NGO's within the food security arena. For example according to LVAC (2002), a consortium of NGOs comprising of CARE, Catholic Relief Services and World Vision are in the process of presenting a joint food assistance proposal to USAID for emergency food assistance in Southern Africa. This proposal apparently advocates for a complementary food pipeline that will provide food assistance together with the World Food Programme (WFP). Presently it is WFP, which has the largest food pipeline of about 64,089 MT for Lesotho. Other NGOs such as Lesotho Red Cross, Save the Children Fund, World Vision, CARITAS, DORCAS Aid International South Africa also provide relief in times of emergency although most of them cover only a few districts or a few communities. There are some which provide people with professional skills needed for further development particularly in food production. Those include GROW, Rural Self Help Development Organisation and Skill Share Africa. Relief efforts are very important especially when there is already a food crisis. However, this is one of those short-term measures that cannot be sustained. It is thus important to focus on skills development programmes that will allow people to effectively and efficiently produce their food. Alternatively other income-generating initiatives have to be initiated to provide income that can be used to sustain food security.

Though the idea of forming a consortium is a commendable one, however, it seems to be the initiative of a few NGOs. The majority operate in isolation and do not regard themselves as part and parcel of the government efforts thus, limiting their chances of influencing policy. Lack of regular consultations amongst NGOs has also resulted in conflicts and duplication of efforts. For instance during the food distribution programme recently it became apparent that some areas had not received food aid at all while others were receiving food baskets from several NGOs. The criteria used to target the people in need also differed according to the priorities of different NGOs.

1.1.8 Community associations

Though important, most community associations are very short lived and fizzle out as soon as donors leave. For example associations such as Raohang Banna Le Basali, Phela-o-Phelise, Thola-re-Bue Multipurpose, Lerato-Ke-Kopano and Thabana-Morena Poultry flourished when first established but met their natural death once donor funding was stopped. Similar sentiments on weaknesses of community organisations were expressed by Marake et al (1999) on the study of the 'Impacts and Organisational Assessment of Popular Participation in PTC II Programme in Lesotho'. To some extent their roles differ even though significant common ground exists for many particularly in relation to food production, training, environmental protection, income generation and poverty alleviation.

For instance, the Boiteko Co-operation, Marabeng Community Farmers, Matsieng Development Trust, Itjareng Bashoeshoe Co-op Societies, Welcome Joint Basotho Development Enterprise and others are geared towards fighting poverty and hunger in the rural areas by improving economic and social conditions of the rural communities. Their activities include training of villagers on agricultural projects, creating jobs and promoting entrepreneurship. They also grow and sell vegetables, livestock enterprises, poultry, donga rehabilitation, afforestation and fruit tree planting

The role of local institutions such as chieftainship and Village Development Councils (VDCS) while considered important, is limited to range management. For example, their responsibility include, deciding in consultation with the community members on rangeland areas that have to be grazed and rested. Their role also entails dividing up the rangelands and putting in place the rotational grazing system. This is done in consultation with the Ministry of Agriculture. Once the system is in place they have to enforce the rotational grazing system and prosecute those who don't abide by the regulations.

Unlike NGOs which differ in terms of coverage, community organisations are localised since most cover few villages. A few that extend to more than one communities include Lesotho Hands of Compassion On Social Welfare, Maoamafubelu Development Organisation, Boiteko Association and Matsieng Development Trust.

Unlike NGOs which differ in terms of coverage, community organisations are localised since most cover few villages thus limiting their role in policy formulation. A few that extend to more than one communities include Lesotho Hands of Compassion On Social Welfare, Maoamafubelu Development Organisation, Boiteko Association, Matsieng Development Trust and Wool and Mohair Growers Association. The latter happens to be vibrant and given a chance, it can play a crucial role in food security and policy decision-making.

Though cooperating with some Ministries, NGOs and Donors it is often in the form of technical and financial assistance but in most cases they remain marginal to the decision-making process.

1.1.9 The media

Although the media, in the form of newspapers often provide late indicators of impending food security problems they are often catalysts to public awareness and ultimately to government action, in Lesotho, however, journalists are confronted with many obstacles in relation to food security since in most cases newspapers are confined to the urban areas only thus marginalizing the people who need this information most. Additionally regions which are most vulnerable to the food crisis are difficult to access by vehicle. Therefore they have to rely on institutions and NGO's working in such areas – most likely to be biased.

Lesotho television though very active in collecting and reporting current news, broadcasts local programmes for about two hours only. Additionally, very few people own televisions in the rural areas and those who do find it easier to catch the South African TV stations than TV Lesotho. Again this marginalizes the rural people in terms of access to information. Ironically it is the same people who are mostly affected by the food insecurity problem.

On a more positive side, the number of radio stations seems to be increasing and it is apparent that the censoring of news is now a thing of the past. In particular, Radio Lesotho's '*Seboping*' programme is not only multi-party in nature but has a robust talk-in programmes where people can freely air their view and directly question policy makers on pertinent issues. This has had a positive influence in speeding up the response to emergencies.

Farmers' programmes, especially '*Re Bitsa Lihoi*' are also popular with farmers since they impart information on agriculture such as horticultural crops production, marketing, fruit production. This information equips the farmers with knowledge that they can use to produce quality crops that could be sold at good prices. Some have even used their knowledge to earn income by pruning for others. According to Mokone (1999), the broadcast of agricultural related programmes were found to be corresponding to the preference of farmers in terms of duration, day and season. If this programme is allowed to continue and is extended to food security issues, the immediate needs and priorities of the communities could well be integrated within the decision making process and probably within policy formulation processes.

1.2 Policy framework analysis

Apart from the natural constraints, food insecurity problems in Lesotho have been associated with various institutional problems and mismanagement (FAO, 2001). In particular, a number of direct interventions in the sector by the government and external donors as well as weak institutional capacity and misguided policies have all worked against agricultural development and thus contributed to the food insecurity problem.

It is in this context therefore that number of reforms pertaining to various policy instruments have instituted over years in Lesotho to make food available for all and to redress the depressing hunger situation. The policy efforts towards food availability are seen in both the Agricultural Sector Policy objectives and the National Disaster Management Plan (see earlier).

1.2.1 Agricultural sector policy goals and strategies

The government's sector policy goals are poverty alleviation, household food security and employment creation. The overall strategy by which these policy goals are to be achieved involves the commercialisation of agriculture into an efficient and competitive sector (NES, 1999).

Six inter-related sub-strategies have been identified (1) further development of market reforms (2) privatisation and deregulation to curtail direct state involvement in production, pricing, processing and marketing of agricultural commodities (3) land reform and improvement of the natural resource base (4) diversification of the agricultural base entailing a shift into higher value horticulture crops, intensive livestock production and promotion of rural non-farm activities such as agricultural related small-scale input production and or product processing (5) re-orientation of agricultural support services towards sub-sectors where Lesotho has a comparative advantage as well as outsourcing extension and research activities to the private sector and (iv) capacity building programmes.

In an effort to operationalise these changes, the Department of Policy Analysis has been established and it is involved in the monitoring and evaluation of the Agricultural Policy and Capacity Building Project (APCBP) whose purpose is to change the environment within the sector and make it conducive for a longer term Agricultural Sector Development Programme (ASDP). The plan is to liberalise all the regulated products by 2004 and some of the state owned enterprises such as the National Abattoir have already been privatised.

According to FAO (2001) problems facing the implementation of agricultural plan include insufficient understanding of the APCBP and the new unified extension system in the districts. Low staffing, unattractive positions and salaries, poor incentive schemes, absence of staffing structures as well as funding and equipment shortages have also been cited as obstacles that are likely to affect the implementation capacity of the sector.

Another problem related to the agricultural policy is that restrictions on the importation of key commodities such as pulses, meat, dairy, eggs, fruits and vegetables still exist. Imports on those are only allowed when there is a shortage and permits are required for imports. This has resulted in the rise in prices during time when imports are restricted and thus limiting food access to consumers.

Additionally there are restrictions limiting participation of traders in domestic marketing. Traders in this case require licences to deal with agricultural commodities even dairy processors and trading in raw milk is prohibited. The disadvantage of this policy is that it de-motivates prospective dairy traders especially since milk prices tend to be higher in Lesotho when compared to RSA prices, thus negatively impacting on nutrition status and food security.

There also seems to be a conflict between the liberalisation policy and the policy statement that prices of all agricultural commodities may be controlled whenever necessary. On one side this might protect consumers from escalating market prices while at the same time it interferes with the spirit of free trade. The two need to be harmonised to avoid confusion.

The input availability and distribution is still the mandate of the Ministry of Agriculture. That undermines the spirit of privatisation and has resulted in late delivery of inputs that in turn resulted in low or zero harvest due to early frost.

Lastly sanitary and phyto-sanitary measures are not applied and can have serious consequences in breeding and crop protection programmes.

The DMA is permanently established, statutory government institution, forming part of the Prime Minister's office and coordinating the disaster management roles of the Food Management Unit (FMU), the Food and Nutrition Coordinating Office (FNCO) and all District Secretaries. It has six permanently established working groups comprising of the senior officials of the DMA itself and director level representatives of central government ministries and units, as well as members drawn from the LDF, RLMP, NGOs and UN agencies directly involved with disaster management. According to DMA (1996), the working groups meet at more frequent intervals during an emergency than in times of non-emergency.

Most disaster mitigation policies are generated by the central government ministries within the water and sanitation, health and nutrition, food and logistics and agricultural sectors as part of the on-going development programmes while action to implement the policies is

decentralised according to prescribe guidelines and with effective monitoring exercised from the centre (DMA, 1996). The strategies and action plans required to achieve the objectives are for central government ministries to develop, introduce and sustain as part of the national development plans. The following are the policy objectives of DMA that are directly related to food security:

1.3 An analysis of institutional co-ordination and decision making processes

The institutional framework of food security issues in Lesotho is complicated business. Some of the factors that contribute to the complexity are a multitude of problems resulting in food insecurity. These often range from environmental to policy issues. In spite of the fact that agriculture activity is not the main source of income or food in households, the bulk of interventions are geared towards agricultural developments. Whilst rural Lesotho has been dependent on RNFE activities (particularly migrant labour – though see the notes in Section 3 about when migrant labour is part of the RNFE) there is little investment in diversified livelihoods. Also the large number of actors from central, district and local levels of government, private sector, media and academia with different mandates, roles and responsibilities, combined with their lack of coordination tends to worsen the problem.

As noted in the previous sections, policies related to food security are often developed at the central level with little participation of the communities. However, when it comes to disasters, efforts are made to integrate the needs of the people into the decision-making process. Additionally, there doesn't seem to be any effective coordination or communication mechanism between different actors geared towards formulation and revision of food security policies despite numerous meetings and workshops where often different stakeholders are requested to air their views.

Members of parliament on the other hand are theoretically representatives of the communities, practically they are not since when they scrutinize the proposed food security policies they tend to look at technical issues and hardly question lack of communities' input in them. In the same token, the DMA, though well placed (at the Prime Ministers' office) to well coordinate the activities of different sectors, donors and NGO's, its role seems to be confined to justifying the need for food assistance as opposed to long term food security policies.

There is also a noticeable overlap between key actors at central level, donors, NGOs and monitoring networks. For instance, nutrition as a responsibility is currently split between the FNCO, Ministry of Health and Agriculture. On the other hand the Ministry of Agriculture has a food security component while DMA also has sectors – Food and Logistics and Agriculture, also dealing with food security. This kind of overlaps can be positive and complementary only if they are effectively coordinated. Unfortunately that was not obvious during the study.

While efforts of the Lesotho Vulnerability Assessment Committee on the other hand, are quite commendable, it was interesting to discover that it can only present its findings to the different stakeholders but has no role in decision-making and policy formulation. In fact it was made clear that nothing had been done about the findings of the July/August (2000) assessment since DMA and Crops Division were still in the process of addressing the needs that were highlighted by the May vulnerability assessment. This situation might indicate lack of capacity to implement decisions or it might mean that DMA, which is

supposed to make final decisions on the basis of NEWU and LVAC's findings is overburdened.

The fact that often policy formulation in Lesotho is determined from outside and used as a bible deters flexibility which is required in such situations. For instance, it is clear that commercialisation of agriculture, given the current socio-economic status of communities as well as the prevalence of HIV/AIDS might not be feasible. However, up to date, the bible has not been reviewed to take to accommodate such. Instead the reaction of decision makers to the current food crisis has been limited to food assistance while responsible sectors operate in the business as usual mode.. The question that remains therefore is whether it is more desirable to have long term policies that are cut on stone but cannot be implemented or effect changes regularly to ensure implementation.

Diversification away from production of maize has not taken place, instead according to Kollavalli (2002) maize production seems to have increased from 171,000 tons in 1989-1990 to 277,600 tons in 1999-2000 – a clear indication of another mismatch between what the policy aspires for and what the people want.

Another problem that surfaced in the previous sections was lack of coalition between some NGOs resulting with duplication of efforts. In some cases lack of coordination resulted in a sad situation where several NGOs focused in one area while some vulnerable people in other areas were left unattended. It was also indicated that efforts to coordinate NGO's efforts regarding food distribution were rejected by some of the NGOs who preferred to operate in isolation. This again confirms lack of coordination between major stakeholders. In fact some of them admitted that they were not aware of the government's food security policies.

It is evident that free press, usually associated with a democratically elected government is one of the best protections against famine. In Lesotho, the international media has triggered international responses and food assistance has been forthcoming as a result of that. However internally the media, though free, seems to be far removed from the decision making process particularly in relation to food security. Perhaps this is due to fragmented, often inadequate information from NEWU since some sectors of government do not feel obliged to impart information to them. Also, lack of a fully fledged participation of the media might be due to the pre-diagnosed decisions to apply for food assistance without considering more long term realistic policies, or to the level of capacity within the local media. In Lesotho where emergencies such as drought are frequent occurrences, the more that can be done in advance the better, in terms of intensifying clear institutional and policy making responsibilities for emergency responses. However, those need to be integrated into long term development plans.

Perhaps the single and most important factor that positively affect food security decision making and policy formulation is the political will to respond. This is something that most stakeholders can do little to influence. Nevertheless Lesotho's situation is not very different from others where no single research process can remove all of the uncertainties before policy decisions are made. It is quite normal that information will have to come from several sources and some will be subject to debate. It is also normal human tendency to continue with what feels comfortable or 'what is already known'. However, sustainable food security policies will need to break away from traditional moulds and build new collaborative, cross disciplinary partnerships that also accommodate new problems, opportunities and needs.

Despite the limitations, studies on production of wool and mohair, vegetables and fruits, poultry and meat as well as dairy indicated that these activities represented important opportunities for agricultural diversification. Combined with the concerted efforts by the Ministry of Agriculture to build up its capacity to cope with the demands of a vibrant private sector, there might be hope for the future.

2 The Relationship Between Vulnerability and Food Insecurity

Matseliso Mphale and Emmanuel Rwambali, National University of Lesotho

2.1 The impact of HIV/AIDS

Please read the separate document 'HIV/AIDS and Food Insecurity in Lesotho', by M.M. Mphale.

2.2 The early warning system and related issues in Lesotho¹

An early warning system (EWS) can be defined as a system of data collection to monitor people's access to food, in order to provide timely notice when a food crisis threatens and thus to draw an appropriate response (Davies et al. 1991). Early warning information is one of the most important factors in curbing food crisis, however, its effectiveness depends on how key decision makers use that information. In drought prone and food insecure countries an effective response tends to be highly dependent on donor governments or organisations and therefore, early warning information becomes vital in terms of starting the processes that will allow the donors to respond timely. For such a response to take place before the disaster strikes the information has to be reliable, timely and consistent. This means The EW system should be effective to be able to trigger a timely response, intervention before the point of destitution is reached and to protect livelihoods before lives are threatened. What is implied here is that such a system need to go beyond food deliveries, instead, it should be geared to protect future capacities to subsist as well as be able to ensure current required consumptions (Buchanan-Smith 2002).

In Lesotho, initially Food and Nutrition Council (LNFC) was given the task of undertaking one of the components of food security which is surveillance and early warning responsibilities. Surveillance and early warning were intended to:

- Provide food and nutritional data for programme managers, planners and policy makers about cases of malnutrition and rehabilitation,
- Warn of the impending drought and crop failure,
- Plan appropriate packages of food and nutrition interventions, and
- Monitor their implementation and impact in reducing malnutrition.

Later on Early Warning was moved to the Ministry of Agriculture, then to the Disaster Management Authority (DMA). Frequent movements such as these are likely to result in lack of coordination and ever-changing priorities of the section.

Presently the National Early Warning Unit's (NEWU) role is confined to carrying out crop assessments and forecasts on a quarterly basis. It also analyses data in order to produce annual food security reports. The narrow focus of NEWU's activities on crop assessments while the people's livelihoods are not necessarily dependant on crops alone is in itself a serious omission. It does not only marginalize other social groups who might be engaged in other agricultural activities such as poultry, dairy, fruits and vegetables and livestock

¹ The authors of this section are M.M. Mphale and E.G. Rwambali

production but also other people whose livelihoods depend on non-agricultural activities. This limited focus of activities also compromises the Ministry of Agriculture's policy on diversification from maize to higher value crops.

Additionally, the recommendations embedded within NEWU's reports do not include these other social groups who might be as equally vulnerable as crop farmers. Perhaps its major limitation stems from its failure to consider the livelihoods of the people holistically. For instance, the decision-makers have responded to the 2000 food crisis by assisting people with food baskets containing maize meal, beans as well seeds and fertilizers. The question that remains therefore is why other activities other than crops have not been supported? Interestingly, NEWU activities have excluded even other vulnerable people such as those infected and affected by HIV/AIDS.

The other thorny issue has to do with the housing of NEWU. While one; would have thought that its placements within DMA at the Prime Minister's Office would give it better leverage when it comes to the coordination of other sectors, the feeling amongst NEWU's officers it would be better housed in Agriculture. The argument behind this is that its activities are more related to agriculture and that the long term food security issues in Lesotho are dealt with by the Ministry of Agriculture. This is unlike DMA whose main responsibility is disasters. In fact according to NEWU staff, similar units within the region are housed within their respective Ministries of Agriculture – thus enhancing their coordination capabilities with other sister sectors within the Ministry.

Another problem related with the placement of NEWU within DMA is that since the two often have different priorities, DMA does not feel pressurised to adequately build the capacity of the Unit. Instead NEWU currently has three positions – Senior Economic Planner who is the head of the Unit, Economic Planner and an Assistant Economic Planner. Ironically all NEWU's staff members are Economists despite its multi-disciplinary, multi-sectoral nature.

Ideally this Unit should involve other key stakeholders in its activities. However, it surfaced that presently it only collaborates directly with the Bureau of Statistics while other key players such as Metereological Services, The Ministry of Agriculture, Food Management Unit, UN Organisations and NGO's are only dealt with when NEWU requires information from them – which in most cases they do not feel compelled to give out since it might mean extra work for them. In some cases these key players are involved when NEWU issues them with the reports – again some are not compelled to read them and they sometimes end up gathering dust on the bookshelves. These kind of situations do not, in any way, improve the food security situation in Lesotho.

Full involvement of relevant stakeholders, however, would entail examining individual policies and programmes together in order to iron out inconsistencies and conflicts; harmonizing plans and programmes, coordinating activities; delegating roles as well as scheduling regular meetings to monitor progress. In this way different sectors would not feel like outsiders but would own the programme and ensure that it succeeds. In the same token these integrated stakeholders would determine the direction that research activities have to take. For example, they can indicate whether more focus has to be on needs assessments, impacts or mitigation of food insecurity. Similarly, they could effectively use the media to impart information to various stakeholders especially the farmers.

Another area of concern relates to the nature of reports emanating from NEWU. Though timely in most cases, they tend to be too technical and not elaborate enough for farmers to

use. For instance they do not advice farmers on what they can or cannot plant given the predicted situation. As a result the farmers cannot implement measures that would render them less vulnerable such as switching to more drought-resistant crops when there is a likelihood of drought. In the same way decision-makers cannot make long term plans based on such limited information. These reports, though covering quite extensively estimated crop forecasts, are silent on the actual local production in terms of quantity. This inhibits food managers to make long term plans or even to change policy direction if necessary. More importantly it hinders accurate determination of food deficits and surplus. As a result, the private sector determines prices on sometimes inaccurate information that might impact negatively on the farmers who are already characterised by low purchasing powers.

However, despite all the problems surrounding NEWU, the institutionalisation, restructuring and subsequent placement of the Lesotho Vulnerability Assessment Committee (LVAC) under NEWU is likely to strengthen it in terms of more staff members. Additionally, the mandate of LVAC is supposed to be broadened to include not only food needs assessments but livelihoods as well. It is also envisaged to deal with longer-term sustainable livelihoods including issues such as marketing, crop production, livestock production, pricing, water and sanitation as well as HIV/AIDS related issues. These extra responsibilities are expected to complement the activities of NEWU and empower it to deal more effectively and comprehensively with food security issues.

2.3 The effects of slow economic growth and macroeconomic problems on livelihoods of the vulnerable

[To be completed.]

2.4 The effects of environmental change and natural resource management on human vulnerability in Lesotho²

The poor performance of the agricultural sector culminating in food insecurity can be attributed to a number of environmental problems including the decline in soil quality, scarcity of arable land, climate variability, soil erosion and others, which have consistently undermined agricultural development in the country.

2.4.1 Land availability

Hilly and mountainous, Lesotho's arable area suitable for crop farming is estimated to have declined from 13 percent (400,000ha) in 1980 to nine percent (280,000ha) in the mid 1990's as a result of degradation due to erosion (80%) and urban encroachment (NES, 1999). Other authors, (Kollavali, 2002), have shown further decline to 7% (210,000) of arable land. The average area cultivated is estimated at 1.3ha and only 11% of households cultivate more than 3ha (Mphale et al., 2002). These factors combine to limit the resource base for agriculture and livestock thus negatively impacting on food security.

²² The authors of this section are M.M. Mphale and E.G. Rwambali

2.4.2 Soils

The scarcity of agricultural land is compounded by volcanic soils, which are shallow, friable, poorly structured and highly susceptible to erosion (Morapeli, 1990). In particular, soils found in the lowlands along the valley bottoms are often characterised by extensive gully systems, while in the mountains and foothills zones, the topsoil tends to erode more easily than the sub soils.

There are five major soils categories in Lesotho:

- The rich, volcanic agricultural mollisols, which are mainly found in the mountain slopes, foothills and river valleys.
- Alfisol that are widely cultivated in lowlands and foothills. They are infertile and very vulnerable to erosion.
- Young and shallow soils of entisol and inceptisol type.
- Young and deep vertisol, clayey in nature found all over the country. Since they are mainly found on steep slopes they are vulnerable to erosion.

The most visible form of erosion is gully erosion and is common in alfisol of the lowlands. However sheet and rill erosions take place throughout the country and they account for the most loss of the soil (38,842,399 tons per year), while the gully erosion accounts only for 730,771 tons a year (Ministry of Natural resources, 2000; Conservation Division, 1988).

The excessive removal of indigenous shrubs for fuel wood has also exacerbated the problem of soil erosion. Additionally, medicinal and craft plants which used to supplement the income of the communities are being uprooted and are disappearing. This has rendered the communities vulnerable and more dependent on agriculture for their livelihoods. Ultimately, because of all these factors, gully erosion, which in many cases has reached the bedrock, is a spectacular feature of the lowland zone while sheet erosion is more characteristic of the mountain zone. Lesotho is therefore faced with a problem of not only a limited land base but also a fast deteriorating one due to soil erosion.

Soil fertility varies with the zones. Lowland soils are generally of low fertility since they are poorly structured and have a low organic matter and poor holding capacity. In the foothills soils tend to be more fertile while in the mountains soils are more fertile than elsewhere (Kingdom Of Lesotho, 1996). There is also quantitative evidence of net annual depletion of soil fertility at a rate of 43Kg/ha of nitrogen, 2Kg/ha of phosphates and 46Kg/ha of potassium. Ironically, in the lowlands where most crop farming is mostly practised is where soil fertility is at its lowest. Therefore the task of trying to produce optimum yields in line with the carrying capacity is a serious challenge.

2.4.3 Climatic variables

Climate change is of concern to agriculture because food production worldwide varies by several percentage from year to year, largely because of weather conditions. Agriculture in some regions is more sensitive to weather than in others. Agriculture sensitivity to weather is the first greatest challenge or limitation facing many developing countries, where technological buffers to drought, floods and temperatures (e.g. Irrigation, drainage and greenhouse production) are less advanced. Ultimately, due to lack of such technological defences they succumb to the dictation of weather conditions resulting into food insecurities. Secondly, in some of these developing countries, the main physical factors

affecting agricultural production (of which climate is one) such as soils and terrain are less suited to farming (Mokhothu M. 2002; Ministry of Natural Resources, 2000). Lesotho is not an exception to both cases since it is equally affected with the above aspects, as it will be demonstrated below.

While rainfall and temperature levels in Lesotho would be considered acceptable for crop growth, the climate is characterised by unusually high levels of variability – the irony here being that the mountains, which are otherwise unsuitable for crop farming, receive the highest rainfall (600 – 1400mm) while the lowlands receive insufficient rain during the growing season (600 – 800mm). Hailstorms and drought are also common and often result in poor crop production and food insecurity. For instance, drought was a major reason for crop failures in 1992 and 2000. As a result the country's state of dependency continues as more aid is sought, in terms of food money and technical assistance to ameliorate the food crisis.

An analysis of intricate relationship between climate, agro-ecological and socio-economic conditions were made in Lesotho in 1998 and it indicated that the future will be manifested by reduced surface and subsurface water as a result of lower rainfall. The reduced and delayed precipitation will make the rangelands lose its nutritious grass species that are crucial in livestock production, which contributes about 55 to 65 percent of agricultural output and ultimately to food security (Mokhothu M. 2002).

Climate also places critical constraints on crop production especially in the mountain areas since, while the lowlands have about 111 frost risk days, the mountain areas experience about 276 days of frost risk. This renders higher risks to the people in the mountains especially when they grow frost prone crops. Thus the choice of the crop, the cultivar, the ecological region and the planting date in the light of frost risks become crucial since they will determine the potential yield and ultimately food security.

Similarly while sunlight is not a limiting factor in Lesotho, water supply, the terrain and soil characteristics remain major factors in terms of determining the potential of an area and the type of crop to be grown. However, the low capacity of relevant institutions to capture such erratic climatical conditions and advise the communities accordingly has negatively affected crop production.

2.4.4 Pressures on land

Population growth has been outpacing food production. According to Mphale et al (2002), animal pressures on land are high. The density of population has increased from 53 persons per square kilometre in 1986 to 61 in 2000. Population density on arable land has increased from 560 persons per square kilometre in 1986 to 588 in 1996. The people without land have also increased from 13% in 1970 to 55% in 1990 (NES, 1999). Nearly 60% of the population lives on 17% of the total area. Population pressures according to Mphale et al.,(2002) have resulted in extension of agriculture into less productive marginal areas. For instance cultivated land has increased from 317,900ha to 406,500ha in the past decades. Also, the mountain areas which were earlier used for grazing have been permanently inhabited. In the urban areas on the other hand the population has more than doubled, however, according to Sechaba et. al (2002), the spread of settlements seemed to be mainly confined to the agricultural areas and hills. The encroachment of settlements onto agricultural areas is a serious problem, which has far reaching implications for agricultural development and food security in Lesotho.

2.4.5 Agro- ecological factors

In some instances various agro-ecological conditions have combined to retard agricultural production. For example, rainfall and temperature regimes combine to restrict agricultural activities during winter seasons. Likewise, the altitude that range between about 1500 to 2000 m.a.s.l. in the lowlands, about 2000-2500 m.a.s.l. for the foothills and above 2500 m.a.s.l. for the mountains, combined with the air flows from the Atlantic and Indian oceans, have a marked effect on inland weather patterns that have implications for agricultural production.

2.4.6 Biodiversity

The variation in topography, soils and micro-climates have developed different kinds of biodiversity for different regions. Human activity is the major threat to plant biodiversity in the country. However, protracted droughts have also promoted the emergency of invader species that are characteristic of dry-land vegetation into the Afro-alpine regions and which are not palatable for livestock production.

Records indicate that the western lowlands of Lesotho used to contain woodland vegetation of species such as *Olea capensis*, *Cussonia spicata* and others. This kind of vegetation has already disappeared and replaced by other Karoo invaders such as *Leucosidea*. Similarly, Lesotho used to support some mammal species diversity such as blesbok, wildebeest, zebra, elands, antelopes and others that have disappeared.

The loss of some of the Lesotho's biodiversity has been directly associated with the siltation and drying up of many rivers and their sources, accelerated soil erosion and loss of fertility, degraded and extinction of many wetlands and marshland. This has led to reduced potential for small-scale irrigation activities that can help to ensure food security (NES 1999; Ministry of Natural Resources 2000).

2.4.7 Human Activity

On the other hand most of the environmental changes have been a result of human activities such cultivating on marginal lands without undertaking any conservation measures. Similarly, implementing destructive grazing patterns and regimes and at the same time overstocking the rangelands, improper and unplanned collection and utilisation of natural resources as well as creation of settlements on fragile and arable lands.

The stakeholder analysis done in Mokhotlong district, participants observed that the status of most resources had declined. For example, they said livestock quality had deteriorated due to poor pastures. Some bogs and streams that used to be perennial had now dried and some have less water. Grassland has been reduced and palatable grasses are disappearing. Medicinal plants and crafts plants are very difficult to find nowadays and the same is with wild vegetables. Several animals that used to roam the mountains have now disappeared.

Participants attributed all this degradation to poor range management practices and utilisation. Bad utilisation was especially linked to the disappearance of craft plants, medicinal plants, fuel-wood and wild animals. Uncontrolled burning of the rangeland that was common among the herdboys was also identified as a major contributor. However, they also observed drought and erratic rainfall pattern as being important in the

manifestation of the current situation. They concluded that all these factors have finally contributed to low agricultural production and ultimately to food insecurities (Mphale et al 1999).

2.4.8 Institutional context

The institutional structures governing natural resources in Lesotho are complex. Overtime, they have resulted in multiple and disjointed authorities over the responsibilities for natural resources. There are tensions between the traditional, local and central government jurisdictions and roles, which has resulted into confusion to the detrimental of the natural resources (Hartley 1999). The continuing power contests between the chiefs and a modern system of governance has made things worse to the natural resources. Because of this continued struggle on natural resources management, widely recognised as the preserve of the chiefs in the rural areas, has created a power vacuum that is contributing to further decline of the resources (Mphale et al. 1999; Hartley 1999).

2.4.9 Integrated Natural resource Management

To address such issues it thus important to have an integrated natural resource management. According to Savenije et al. (1998) Integrated natural resource management means that in managing the resources all physical aspects and societal interests are considered, while taking the long-term perspective. Decision making in this process involves the integration of all relevant objectives and constraints, and a trade-off or priority setting between these objectives where necessary by carefully weighing these in an informed and transparent manner.

According to Hartley (1999), there are three components to be addressed if you are to achieve such an integrated natural resource management, which are the political commitment, the technical capacity to operate it and the institutional arrangement necessary for the realisation of it. All components need to function in harmony to achieve a balanced and equitable sharing of the resources. Weakness in an individual component undermines achieving integrated natural resource management. For example, while a good technical support can stimulate the process in the short term, it cannot make it sustainable in the longer term unless there is a political will and commitment. An inherent assumption is that each of the above components must be compatible with one another and even within each component there must consistent in terms of inter-sectoral policies, plans and practice.

Steps for integrated natural resource management plan involve: The use of participatory enquiry techniques to analyse the socio-economic situation, identification of opportunities, evaluation of land suitability, appraise the alternatives, prepare the land use plan and finally implement. To have an effective system of integrated natural resource management according to Hartley (1999), the participatory processes have to be a requirement from the situation analysis to implementation of the plans. She however, observed that the capacity to implement those participatory processes do not adequately exist in Lesotho. Similarly, a comprehensive constructive dialogue and coordination among institutions involved in natural resources is very weak. She noted, without that an effective system for integrated natural resource management cannot easily emerge.

3 The Role of Market-based Economic Development in Strengthening Household Food Security

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In the terms of reference agreed for the production of the Country Issues Papers, it was suggested that the role of market-based economic development in strengthening household food security could be explored with reference to four key issues. The authors of this paper were asked to focus on rural non-farm activity and on urban-based and industrial activity. This decision was made partly because another paper, the result of a SARP / CARE collaboration which is currently in production, was already dealing with issues of agricultural production and of agricultural trade, grain reserves and food aid. It was also felt that, given the historical contributions of remittances from migrant labour to household food security in Lesotho, and the influence of the growing garment industry in the country, it was important to focus on options for rural non-farm activity and on urban-based and industrial activity. Thus, in this paper, there is no section on agricultural production or on agricultural trade, grain reserves and food aid.

3.1 Rural Non-Farm Activity

3.1.1 Introducing the Rural Non-Farm Economy

The rural non-farm economy is defined here as all economic activities within the rural areas that do not involve agriculture. RNFE thus rural industries and any other non-agricultural activities that are used by rural communities to access livelihood. Although this definition seems straight forward, it poses problems, some of which are particularly pertinent to Lesotho. Firstly, what constitutes 'agricultural' and 'non-agricultural' is not always clear cut. Some rural industrial activities are linked with agriculture for their inputs or produce outputs that are used in agriculture. This is particularly true of agro-industries. Secondly, the distinction between urban and rural areas is not instantly clear cut. There is an urban-rural fringe composed of the transitional zone between urban and rural spaces and people cross this transitional area in pursuit of livelihoods. There are, therefore, definitional problems when industries are located in the transitional zone but the people who work in them are daily commuters from rural areas – in terms of geographical location the industries may not be rural but the wages earned in those industries feed directly into rural households.

Saith (1991) suggests that locational and linkage approaches can illuminate some of the definitional problems of RNFE, especially rural industries, and help move towards a clearer understanding of how the RNFE works. The former approach defines rural industry and any other economic activity purely on the basis of location in rural areas. This assumes that the boundaries between rural and urban areas can be clearly delineated. In reality, boundaries are often not so clear as a result of the urban-rural fringe. In the context of Lesotho, much of this 'fringe' is under the jurisdiction of rural government structures. However, in Maseru, the peri-urban fringe now falls within the newly imposed urban boundaries. This new delineation is meant to facilitate urban management of peri-urban sprawl which is taking over valuable arable land. However, many of these areas are far from urban in terms of structure and function, and in terms of the livelihoods of their inhabitants – it may be more appropriate to view them through a rural lens in order to understand livelihoods and food security.

The linkages approach, on the other hand, argues that the locational approach is restricted and narrow. It fails to take into account the existence of spatial linkages between rural and urban areas. The argument here, is that there are backward and forward linkages that exist in industries that cut across the rural-urban dichotomy. So that while some industries might be located in the rural areas they might need inputs from the urban areas and vice versa. In addition, it is not just industries that depend on strong linkages across the rural-urban dichotomy, but people too.

Moreover, within the rural areas themselves, sectoral linkages exist between agriculture and non-agriculture activities. For instance, some rural industries are dependent on inputs from agriculture, but are not agriculture themselves, such as agro-industries. The question then becomes one of whether and how to analytically separate agro-industries from agriculture itself.

Drawing on the locational and linkages approaches, Saith (1991) advances a three tier-typology of rural industries and other non-agriculture economic activities, which are i) rural-rural ii) rural-urban and iii) urban-rural. Rural-rural non-farm economic activities are those that are located in the rural areas and derive their backward and forward linkages within the rural areas. Rural-urban non-farm economic activities are those that are located in the rural areas, but have either backward and/or forward linkages in the urban areas. Urban-rural non-farm economic activities are located in the urban areas but access non-agricultural inputs from the rural areas and thus facilitate a link with the rural non-farm economy. Examples in this regard would be urban-based industries that provide employment to rural migrants who receive income and use it to access food security and livelihood back home in the rural areas. Including urban-rural non-farm opportunities is crucial to understanding the RNFE in Lesotho because of the (changing) importance of migrant labour to South Africa. Whilst the issue of whether migrant labourers continue to be part of rural households has been widely discussed (see especially Murray 1981), in most cases, migrant labourers return home to Lesotho at least once every two years and set up regular payments systems through their employers by which to remit money back to the household in Lesotho. Thus, whilst they may be physically absent, where migrant labourers continue to contribute to rural household income (or conversely, continue to draw down household assets as they seek work elsewhere), their activities constitute part of the rural non-farm economy.

An alternative classification of the RNFE, especially industries, is based on the size of the enterprises and focuses on capital and on labour intensity. Here a three-tier typology refers to either cottage, small-scale or large scale industries (Chandra, 1992). Cottage industries are often small, home-based, household-labour intensive and use mostly local knowledge. Small scale industries are those that are located outside the home, use either local and/or western knowledge and employ non-household labour of less than 100 employees. Large scale industries themselves are capital intensive, use western knowledge and employ more than 100 employees who produce for external markets mostly. Whilst this typology is not as important in the description of RNFE activities given below, it does become important in the discussion of policy options for supporting the RNFE. For example, in the case of large-scale industries, such as the mining industry in South Africa, it is evident that the Lesotho government and other donors are unlikely to have a strong impact on the opportunities and working conditions of Basotho miners. However, there is much more scope for government or donor involvement in RNFE at other levels.

3.1.2 The significance of RNFE issues in Lesotho

As we have seen, Lesotho is a predominantly rural country with more than 80% (Ministry of Economic Planning, 1997) of the population living in rural areas. In spite of this, the contribution of agriculture to both national and household economies has been declining since independence and stands at 13% to Gross Domestic Product and some less than 20% to household income (Ministry of Economic Planning, 1997). An overwhelmingly rural population but a declining contribution of agriculture to household income raises questions about the current and future role of non-agricultural livelihoods in rural areas. These questions are particularly pressing because, whilst for over a century the limited contribution of agriculture to household income has compelled many Basotho men to migrate to South Africa in search of employment, sources of employment in South Africa are declining at an alarming rate as the South Africa economy sheds jobs and the South African government tightens immigration policy (Slater 2001). In South Africa, employment opportunities, particularly at the mines but also in agriculture, industrial and service sectors, have supported rural households through remittances (Van de Wiel, 1977; Murray, 1981; Spiegel, 1979). As evidenced by the above researchers, labour migration from the rural areas to South Africa has been a crucial strategy for securing access to food through cash entitlements.

Since the 1980s, opportunities for Basotho migrant labour to South Africa have declined, because of retrenchments from the mines from the 1980s (see Table 1). Whilst the brunt of retrenchments before the elections in South Africa was felt by South Africans (including 'homeland citizens'), the retrenchments that took place following changes to immigration law in South Africa following the first fully democratic elections in 1994 affected non-South Africa labourers, particularly those from Lesotho.

Table i – Migrant workers from selected countries employed on member gold mines of the Chamber of Mines of South Africa: 1984 and 1994

Country of Origin	1984	1994	Decrease
South Africa	253,548	155,586	38.6%
Mozambique	44,195	42,686	3.4%
Lesotho	95,675	80,200	16.2%

Source: South African Institute of Race Relations (1997)

Whilst migrant labour has provided Basotho households with an entitlement to food through purchasing power, retrenchments from employment in South Africa may have led to a decline in food security in many households. For this reason, it is important to identify the alternative sources of livelihood in the RNFE that may be able to soak up and provide livelihoods for some of the returning migrant labourers and enable them to achieve household food security.

The discussion on RNFE is also relevant to food security because of the potential contribution of RNFE to entitlements. Food security itself is composed of domestic agricultural food self-sufficiency and/or ability to buy or access food in the domestic and international markets to feed the food deficit. Where rural households do not produce enough food themselves, household purchasing power amongst rural households is largely derived from RNFE participants. More than 40% of rural households in Lesotho are landless and cannot therefore produce their own food (Leduka, 1998). Instead they have to rely on either sharecropping arrangements with those who have land, or rely on purchase of food from the open markets. The latter option, however, depends on the

purchasing power of the landless households. RNFE can provide a viable source of access to income necessary to enable landless households to access food in the markets.

Therefore, in the face of overwhelmingly barriers to self-sufficiency in agriculture, rural households resort to multiple strategies in the RNFE to access livelihood and food security.

Firstly, many rural households encourage their members to seek migrant work outside the rural areas either in urban Lesotho or in South Africa. Remittances from these migrants are used to access food security by household members in the rural areas. For instance, in the 1970s, Van der Wield (1977) estimated that more than 70% of rural households depend on migration remittances for livelihood. Following large scale retrenchment of migrant workers from South Africa since the 1990s, retrenched workers and their families have experienced falling food security as their purchasing power has been reduced so that they cannot afford to buy as much food as they need nor purchase the inputs they require for agriculture. Retrenched migrants would benefit from support in micro, small and medium enterprises in the form of training and start-up capital. Sources of this support of shown in the examples of existing initiatives given in the appendices but include NGOs, private sector companies and the government.

The second strategy used by rural households to access food security under RNFE is to seek employment in the rural industries that exist within Lesotho itself. Since independence the Government of Lesotho has promoted the development of rural industries through the support of foreign aid as public enterprises. Some of these industries are rural located whereas others are rural linked.

In the context of rural located industries small and large scale industries exist in Kolonyama (pottery) and Maputsoe (garment industry). These industries are labour intensive and employ many women. However, the payment is low and ranges from M300 – M600 per month. Given that average rural household size is five, these wages fail to enable households to ensure food security, unless they are also producing food for themselves. Another problem with the garment industries is that safety and health standards are very low, therefore many women employed there soon die and leave orphaned children with no breadwinners. In addition to the garment industries near Maputsoe, there are larger factories in Maseru – the impacts of the garment industry will be discussed later in the section on urban based and industrial activity. Broadly speaking, the role of the Lesotho Government could be to intervene with legal and policy frameworks that can improve the safety and health standards, and payment of employees by these industries in order to enhance contribution to food security. There is an emerging advocacy role for NGOs in this regard.

In the case of rural public enterprises, the prospects for employment are poor because many have closed down or are in the process of privatisation, and there is retrenchment of many former employees due to down scaling of operations (Makoa, 1995; Mashinini and De Villiers, 2001). Examples are shown in the annex but include national abattoirs and feedlots. Many of the examples demonstrate the debate in Lesotho around state versus markets and raise questions about whether privatisation of public enterprises can and will lead to a more efficient and sustainable industries. The question for Government, NGOs and donor interventions is what role they can play in ensuring that there is privatisation and divestiture with a human face.

The third strategy used in RNFE by rural households to access food security is that of cottage industries. An example of such an effort in this regard is Government, through the support of CARE Lesotho, promotion of weaving industries and knitting. Historically, Lesotho had comparative advantage in the production of mohair and wool. This industry has declined but the Government is attempting to promote use of mohair and wool for hand spinning. Elsewhere, the use of grasses for hats and mats for sale were promoted. While grasses, wool and mohair are still available, the handicraft business is dependent on tourism as the consumer market. However, Lesotho has experienced a decline in tourism visitors in favour of South Africa since its democratisation. Households that depended on this source of income for food security are now very vulnerable. Moreover, most of the cottage industries are now closed and many have been vandalised. Interventions that promote tourism are essential, and a more positive attitude towards projects meant for better livelihood of the communities is necessary on the part of the communities themselves. To this end, consensus building training could be imparted to communities alongside aid or development assistance extended by government, donors and or NGOs.

The fourth strategy used under RNFE by rural households to achieve food security is that of the informal sector. The informal sector in rural Lesotho is quite small and most activity is based around the retail sector in which a variety of items and goods are sold. Moreover, small scale knitting, sewing, carpentry and a lot of home-brew/traditional beer selling are practised as individual informal sector activities for livelihood (Sechaba Consultants, 2000). The penetration of South African manufactured goods and services into rural Lesotho has been to the detriment of local informal sector initiatives. Overwhelming rural labour participation in migrant labour provided the money and consumer tastes for modern/formal sector produced goods and services. However, whilst the informal economy is currently small in rural areas, it has large potential because of its high elasticity of employment. The constraining factor in informal sector is lack of credit. Interventions are therefore needed from Government, NGOs and private sector to facilitate access to credit by the rural communities in this activity (Sechaba Consultants, 2000). The informal sector is discussed further in the section on urban based and industrial activity.

The fifth strategy used is that of informal credit societies such as burial societies and money making and lending associations like *stokvels* (Matobo, 1992). In particular, NGOs support would be useful in imparting bookkeeping and financial management skills to those involved in this activity as a source of livelihood.

Lastly, since independence, community development projects promoted by the government in the rural areas has been another strategy used to access food security, until today under the Lesotho Community Development Fund linked to the Lesotho Highlands Water Revenue Fund and royalties. This strategy is however, dependent on donor funds, and political manipulation in favour of ruling party supporters. Depoliticisation is necessary and could be advocated for by NGOs (Sechaba Consultants, 1995; Mashinini, 2002).

3.1.3 Key Players in RNFE

The Government of Lesotho has been the major promoter of RFNE since independence. Within the government, the Ministry of Development Planning is one of the key players and it is in charge of overall national development policies and plans. It also oversees district and local development planning and does the monitoring of the implementation of these national, district and local development policies and plans. The present policies promote RNFE as one of the major ways in which poverty alleviation might be achieved. The

current impetus to get the Poverty Reduction Strategy Paper (PRSP) in place is lead by the Ministry of Development Planning and the PRSP has food security as a central question. The Rural Finance Project is under this Ministry and so is the Lesotho Community Development Fund. However, within the Ministry of Development Planning, there remains some scepticism about the role of the RNFE – whilst it is acknowledged that the RNFE is vital to increasing people's entitlements, it is difficult to identify particular economic sectors in which Lesotho can find comparative advantage over its richer and well-endowed neighbour.

The Ministry of Local Government under its Department of Rural Development also plays a role in the promotion of RNFE. However, its focus is rather weak and biased towards agriculture. There is, therefore, a need to identify and emphasise both RNFE activities that depend on forward and backward linkages to agriculture, and RNFE activities that are independent from the agricultural economy.

The Ministry of Trade and Industry develops policies on industrialisation both for urban and rural areas. Bias is however in favour of urban industrialisation, and trading and commercial activities. The Lesotho National Development Corporation (LNDC) is a parastatal is responsible for industrialisation planning and implementation on behalf of the Government of Lesotho. The LNDC is responsible for attracting foreign investors and developing the domestic environment to be attractive to foreign industrial investors through, for instance, the development of industrial infrastructures. The LNDC focus on large-scale industries, since these provide economies of scale in terms of employment generation opportunities. It would be useful for the LNDC to explore markets for goods that could be produced in smaller scale industries.

The Basotho Enterprises Development Corporation (BEDCO) is a subsidiary of the LNDC and focuses on the provision of training, infrastructure development and credit to small and medium scale enterprises commonly found in RNFE. However, BEDCO's policies and strategies have a national focus, and there is currently a big effort to develop district centres of BEDCO as part of decentralisation to facilitate ease of access to credit by participants in the RNFE. Its resources are limited, however, and credit support interventions from or collaboration with NGOs, donors and private sector could boost up BEDCO's operations.

In the case of NGOs, some of them are involved in credit provision to RNFE. For instance, in the case of ex-mineworkers from South Africa, the Mineworkers Development Agency (MDA) is involved in the provision of training and credit to ex-miners and their households in basic skills like sewing, knitting, stone cutting and metal work. The goal is to empower retrenched mineworkers so that they are able to start and manage their own small businesses. In one case the MDA organised ex-miners who formed a cooperative and purchased mining rights to operate a diamond mine at Kolo in the Mafeteng district. MDA has also provided credit to groups of ex-miners to do sandstone cutting for sale at Berea, Maseru and Roma rural areas.

Other NGOs involved in RNFE are the World Vision, Red Cross, Lesotho Council of Churches and the Rural Self-help Development Association. In most cases, the role of these NGOs has been to identify areas and/or communities that are hardest hit by food insecurity and provide the necessary assistance. Except in the current situation of emergency relief, NGOs do not distribute food. Instead they emphasise capacity building and empowerment of the households and communities through training and credit and then monitor the performance of the beneficiaries.

3.1.4 Complimentarities, Barriers and Conflicts

The question of the RNFE and how it might best be dealt with in order to contribute significantly to food security is of wide, and one on which no consensus exists amongst stakeholders.

With regard to NGOs, there is remains a debate over whether support for the RNFE should be directed to individuals or groups. Some NGOs argue that extending assistance to individuals is a too fragmented approach. Instead, assistance is now directed to interest/user groups such as women, men, cooperatives or community. The advantage in this approach is that the beneficiary group can share resources as well, and enhance participation. Therefore, there are possibilities of promoting equity better than when individuals are assisted. Moreover, the group can become a better collateral basis for credit and repayment than an individual. However, the problem remains that individual accountability tends to decline in a group and sustainability becomes a problem due to poor individual commitment. Conflict exists, however, between NGOs using group approach and the communities in that some community members continue to prefer individual assistance because they know better the community politics and individual idiosyncrasies. Moreover, the women perceive more importance in RNFE than men because the latter have been engaged in migrant work with fast cash earnings, and they invariably loathe RNFE activities and regard them as women's work (Mashinini, 2000). Therefore, the assistance from NGOs and, indeed, government invariably benefits women in theory. However, because the men remain decision-makers on all household issues, they, in practice, end up the main beneficiaries.

Privatisation is, arguably, the most thorny issue in the RNFE in Lesotho. Privatisation of RNFE, especially in the case of the divestiture of rural public enterprises, is regarded as absolutely necessary by the Government its relevant ministries and donors, in order to induce efficiency and sustainability. However, the communities and rural people who loose jobs as a result of privatisation and divestiture disagree. To them the government should remain the main actor and provider of life-support to the communities and their livelihood strategies. The rural people in particular, know very little about privatisation and believe in government dorm. Questions of privatisation and the relative roles of states and markets apply both to the RNFE and to the agricultural sector. In the case of input markets for agricultural production, for example, there is criticism of the state's role. Whilst elsewhere in Southern Africa, there is a growing view that the rolling back of the state (usually under structural adjustment) may have gone too far or too quickly, there are many voices in Lesotho, both inside and outside Government, arguing that, in Lesotho, the Government is still controlling markets for seeds and other agricultural inputs inefficiently and that these markets should be opened up.

There is also a lack of consensus about which priority areas (in terms of sectors and locations) should be promoted in RNFE. Some hold that the wool and mohair linked industries would be the best to promote because of the presence of this backward linkage in the economy. However, the failure of many cottage industries promoted in the villages under assistance from CARE, has led others to doubt this priority. Moreover, wool and mohair products from Lesotho have not really stood up to competition in the international markets without protection. Instead, others contend that RNFE should give priority to the development of goals and services in which Lesotho has a competitive rather than comparative advantage, such as sand stone cutting for export.

At the heart of the discussion over the role of the RNFE in Lesotho, lies the unresolved debate over food availability versus food access. As described in the introduction, Lesotho has gone from being the granary of Southern Africa, supplying maize throughout the region, to failing to achieve self-sufficiency in cereals. This shift is explained both through the prioritization of migrant labour over agriculture as a source of income, and because of increasing pressure on limited agricultural land (though the extent to which Lesotho is subject to increasing soil erosion is the subject of a dispute between the Government and external agencies such as FAO). However, in the context of falling yields and a growing number of people to feed, there is division over whether Lesotho should be aiming to achieve food self-sufficiency or whether it should focus more on securing the entitlements of its people through securing incomes and purchasing power. Whilst some argue that Lesotho is not sufficiently endowed with the natural resources required for self-sufficiency, others highlight that across the border in South Africa there are areas with similar agro-ecological conditions that produce much higher cereal yields. For instance, in Lesotho average productivity levels for crops are around 1000 kg/ha for maize; 3000 kg/ha for sorghum; 600 kg/ha for wheat; 500 kg/ha for beans; and 500 kg/ha for peas. These figures compare unfavourable with those in the neighbouring Free State Province of South Africa where they are 3,500 kg/ha for maize; 3000 kg/ha for sorghum; 2000 kg/ha for wheat; 2000 kg/ha for beans and 2000 kg/ha for peas (BOS, 1994). Poor crop productivity, it is argued, is caused by poor farming methods, soil degradation, poor policies on inputs supply, pricing and marketing. Those who argue that Lesotho should seek to ensure entitlements to food, rather than self-sufficiency, focus on the RNFE and on industrialisation. However, as the next section will demonstrate, existing industries in Lesotho, particularly the garment industry, are heavily dependent on temporary trade agreements with, for example, the United States, that may soon be withdrawn. Furthermore, the emphasis on self-sufficiency places some responsibility for food security with the households that must produce food – it arguable whether existing processes have lead to the development of a dependency syndrome on the part of rural households in Lesotho and some inappropriate and unsustainable policies (such as payments for ploughing).

A number of factors constrain the opportunities in the rural non-farm economy in Lesotho. Some of these factors are within the control of the GOL and some are not. For example, Lesotho has little control over South African mining policies, retrenchments and South Africa immigration policy. Retrenchments in the last two decades have dealt the rural non-farm economy in Lesotho a more or less deadly blow, in terms of increased unemployment and destitution. Similarly, Lesotho's fortunes in both agriculture and industry have been affected by the decline in the value of the rand and loti which has raised prices of basic commodities far beyond the income levels of the rural poor, and have therefore increased their vulnerability. In this case Lesotho is rather like the flea on the back on an elephant – it is tied to its larger and economically more powerful neighbour, South Africa, through trading and currency agreements. When South Africa fares poorly, so does Lesotho. When South Africa fares well, the outcomes for Lesotho can be mixed. For example, since the transition to democracy in South Africa, some sectors of the Basotho economy have suffered. Credit scarcity in the context of donor fatigue and capital flight experienced by Lesotho since South Africa's 1994 elections, have all constrained the opportunities for more investment in the rural non-farm economy of Lesotho.

Where there is space for the GOL to intervene there are also problems. In some cases GOL policies are clear in some cases about the need to increase opportunities in the rural non-farm economy. However, there is no government will and commitment to their implementation. For instance, many formerly functioning rural industries were performing

poorly due to corruption mismanagement and politicization. Instead of attacking these problems headlong, the GOL and its donor mentors in the SAPs camp, opted for privatization, with negative consequences on employment, income and sustainability.

3.2 Urban-based and Industrial Activity

A discussion of Lesotho's urban areas is important for two reasons. First, we need to understand how people in urban areas, who cannot be self-sufficient in food production, gain entitlements that enable them to get enough food. Second, we need to consider how urban development, for example industrialisation that leads to job creation, can generate government income that enables, for example, price support for cereals or can enable people to get access to a secure income.

Availability of food in the urban has not historically been a problem in Lesotho. Local produce deficits are normally supplemented with imports of food commodities from neighbouring South Africa. However, access to the food does constitute a problem because it is dependent on employment and income, and on inflation rates that influences food consumer prices. In general, the unemployed and poor urban populations, as discussed in the preceding sections, have either limited or no access to food in the urban areas, so that they either go street begging or stealing. Crime has increased in the urban areas since the 1990s.

The Bureau of Statistics produces a monthly Consumer Price Index for urban areas in Lesotho. The annual inflation rate between December 2001 and December 2002 was 11.2%. Price increases for food were highest on maize meal, fruits and vegetables, oils and fats, personal care and lastly clothing and purchase of vehicles. In particular, increased prices of maize meal, which rose from an average of M20.00 for 12.5kg in December 2001 to M40.00 in December 2002 caused a lot of concern among consumers and restricted access to that basic foodstuff for many households.

While inflation contributed to escalation of food prices, the removal of government subsidies to basic foodstuffs and services was largely responsible. There is a need to maintain to-targeted government subsidies to basic foodstuffs and services like maize meal, paraffin, water and medicine for the poor and the vulnerable social groups like children, disabled and elderly.

3.2.1 *The Nature of urbanisation and industrialisation in Lesotho*

In Lesotho, urbanisation is very low and accounts for only 18% of the population. The national urban growth rate fluctuates between 3 – 4% per annum. The urbanisation is significant for food security in that it occurs too rapidly and within the context of lack of industrialisation. Historically, in 1966, when Lesotho got independence, urbanisation was only 7.4 %. In 1976 it was 11.4 % growing during that ten year period at 4.3 % per annum. In 1986 it was 14 % and in 1996 18 % (Setsabi, 1997; Leduka 1995).

Maseru, the capital city, acts as a primate city that accounts for some 70% of the urban population. The main process fuelling urbanisation in Lesotho is rural-urban migration (Setsabi, 1997). The results of fast urbanisation in Lesotho manifest themselves in high unemployment rates, uncontrolled settlement growth and lack of access to basic services and escalation of crime (Leduka, 1995; Setsabi, 1997). In particular increased land conversion from agriculture to urban settlement in the fringes is a big problem in the country.

Unlike most cities in the developed world, urbanisation in Lesotho is not a product of industrialisation, but that of British Colonial Administration which established police stations (“camps”) to enforce law and order among the “natives”. Urban settlements grew around these areas with no direct bearing on their economic, let alone industrial, status. Instead, most urban areas perform administrative functions for their hinterlands. Urbanisation in Lesotho is therefore a product of tertiarisation and is typified by lack of industries and involution of the tertiary sector especially in the informal sector. The absence of secondary industrialisation in Lesotho is one of the major causes of urban unemployment and poor access to food security.

A debatable question is whether or not Lesotho has high urbanisation as a result of the involvement of its people in industries in South Africa for decades. In Lesotho, people have not, over time, regarded their involvement in South Africa as part of industrialisation. However, politicians sometimes use this argument when they want to exert pressure on South Africa to compensate Lesotho for its part in the economic building of South Africa for years. There is, however, no doubt that Basotho’s involvement in South Africa enabled them to access food security through remittances.

3.2.2 Industrialisation as a priority in Lesotho?

Basotho have been involved in industrialisation since the 19th century when they began to migrate to the Witwatersrand and other towns to work in South Africa. Migrant work in industries is not well documented statistically because Basotho were predominantly made to work in the mines through formal recruiting agencies. However, those who worked in industries send home some remittances like their miner counterparts. Migrant earnings at the peak of migrant work in the 1970s –1980s was almost double the national GDP of Lesotho (Kingdom of Lesotho, 1975).

Since the 1970s the Government of Lesotho fostered industrialisation through government donor supported projects as public enterprises. The earliest of these efforts were located in Maseru and focused on the production of basic products like candles, Vaseline under the brand name of Kuenta products. Then followed the mills, and a number of agro-related enterprises supported by the government but with semi-autonomous status – parastatal industries as they were called. More recently, private industries run by investors from the far east have become dominant.

The contribution of urban industries to GDP was 7.1 % in 1998, In monetary terms this was M313.7 millions. In the same year the industrial growth rate was 14%. In the case of employment, industries employed 20 900 people in 2000.

The industrial sector of the country has approximately 200 registered medium- to large-scale industries and about 1,200 informal and small scale industries. The former includes manufacturing, mining (quarrying), and construction. Small-scale industries include carpentry, steelworks, brick making, sewing, and knitting. There are 110 large commercial entities, including wholesalers, retailers, hotels, restaurants, and shops.

The industrial sector can best be analysed through the following discussion of types of industry.

3.2.2.1 Urban agro-industries

Two major agro-industries exist in Maseru. These are the Maluti Mountain Brewery (MMB) and the Lesotho Milling Company (LMC). The MMB gets its raw materials from South

Africa, but uses Basotho labour and thus provides employment opportunities. The privatisation of the MMB resulted in retrenchment of many employees in the late 1990s. However, it is a monopoly company on beer production and sales in the country and therefore has monopoly of the market and good chances of expanding operations and employment. The MMB has no backward linkage within domestic economy. This problem has to be solved to improve its contribution to the national economy.

The Lesotho Milling Company itself, uses some grains purchased from domestic farmers, but largely imports grain from South Africa for its production. The labour used is that of Basotho. Loss of employment for many Basotho also took place when it was privatised in 1990s. Moreover, the backward linkages with the domestic economy are weak. Besides, the LMC competes with other milling companies, especially from South Africa for the marketing of their milling products. Some of the imported brands like Ace and Iwiza Maize Meal set stiff competition for products of LMC.

3.2.2.2 Engineering Industries

One major industry producing television sets and operated by a Far East company exists. It produces especially Black and White TV sets for sale internally and for export. The domestic market for this firm is constrained by stiff competition with South African produced TV sets available in the domestic market. This firm employs Basotho, however.

3.2.2.3 Garment Industries

These are composed of textiles and shoe manufacturing industries and operate in 1990s under a large-scale government initiative to attract private investors from the Far East through the Lesotho National Development Corporation (LNDC). The garment industries accounted for 75.8% equivalent to 19,200 jobs of all employment in the industrial sector in 2001. In the same year, it provided 63% of all wages to labour from the industrial sector.

The garment sector has prospects for expansion in future based on the African Government Overseas Agreement (AGOA), the SADC and the EU markets to which Lesotho has access. However, unless renegotiated, the AGOA would most likely end in 2008 after expansion and negatively impact on expansion of the garment factories. Moreover, the unveiling protectionist economic environment, despite the rhetoric of trade liberalisation, militates against expansion of export-led industrialisation by small states like Lesotho. What is most disturbing about the garment industries is that, the Lesotho Government has provided a free expatriation of capital and profits generated from Lesotho. Every day the "Chinese" cross the border with the money generated in Lesotho to Ladybrand and other border towns for banking instead of doing it in Lesotho. Moreover, the unhealthy working conditions in the firms pollute the environment and result in deaths of many Basotho employees (or former) without due compensation.

3.2.3 Industrialisation and Food Security

Whilst there are many who argue that the achievement of self-sufficiency in food is not the most appropriate means by which Lesotho can achieve food security, there is also considerable scepticism over whether industrialisation provides an alternative. This is for a number of reasons. Firstly, the present industrialisation strategy is export-oriented and has no built-in linkages with the economy. For example, in the garment industry, inputs are all imported. In Maseru, the only basotho input is the cheap labour of Basotho women. There are no sectoral linkages between the industries and agriculture so that productivity

in the latter can be boosted to contribute to food security. Frequently, the wages of the employees in the industries are too low for them to afford sufficient food, particularly when prices for maize rise as they did in 2001 and 2002. The government's focus on industrialisation appears to be at the expense of agriculture, though moves are afoot in the Ministry of Agriculture to develop a new, home-grown agricultural strategy, one that may, ultimately feed into the PRSP.

Thirdly, the main benefit of export-based industrialisation is earning foreign exchange in order to purchase other goods (or to pay back loans). However, Lesotho has no control over fluctuations of prices of food in the international markets and is vulnerable to shifts in the South African economy and the Rand / US Dollar exchange rate. When the cost of imported food rises, it become unaffordable to vulnerable households.

3.2.4 Alternative livelihoods in urban Lesotho

Outside industrialisation, people seek employment in other urban activities so that they can get income to use to access food security. Some of the sectors and strategies used for this purpose are discussed below.

The commercial sector primarily entails wholesale and retail trade and employs people in urban areas. About 13.1% of men and 15.6% of women over 10 years old in the urban areas were employed in this sector during the 1999 Labour Force Survey. During the political riots of 1998, this sector suffered a lot of losses from looting and arson, and its potential contribution to employment generation and food security is somewhat negatively affected.

Another source of urban livelihood is urban agriculture. Urban agriculture consists of vegetable production for home consumption and sale, livestock keeping especially dairy cows for milk consumption and sale, and poultry for egg and meat production for home consumption and sale. An increasing number of Basotho practice urban agriculture as a primary and/or supplementary source of livelihood. During the 1999 Labour Force Survey, 26.9% of men and 20.6 % of women above 10 years in urban areas were employed in subsistence farming. Half of municipal households practising agriculture were in Maseru. Although urban farming provides (self-)employment and income for urban households, it tends to be negatively perceived by urban authorities (Slater, 2001) and can cause environmental problems in the urban environment. Its contribution to household livelihoods is severely constrained by small plot sizes in urban areas, which allow for housing and only very small backyard gardens. In peri-urban areas the prospects for urban agriculture are greater.

Finding work in government service, and hence a stable and secure income, has been an important strategy on the part of urban households. The sector employs 8.1% of the labour force in the country. The Labour Force Survey in 1999 estimates that 19.1% of men and 15.6% of women in the urban areas were employed in the government sector. However, the introduction of structural adjustment has had a strong impact on public sector employment opportunities. Before structural adjustment was adopted, government sector employment was highly involuted and elastic. However, structural adjustment prompted a lot of retrenchment under Civil Service restructuring and 'reform in a bid to cut down on government expenditure and induce efficiency'. There are also claims that the public sector is rife with nepotism, corruption and that affect people's access not just to public sector employment on equitable terms, but also access to public services.

In the context of declining opportunities in the public sector and of low wages in industry, many of Maseru's residents have turned to the informal sector. The informal sector provides a large part of employment to the labour force in Lesotho, though this is concentrated in urban areas. In 1997, 26.3% of the labour force (around 300,000 out of 1,119,254 persons) was in the informal sector, while in 1999, this rose to 43.6% (553,413 persons out of the 1,269,297 person strong labour force) (BOS, 1999). According to the 1999 Labour Force Survey, and in contrast to the informal sector in many southern African cities, there were more men employed in the informal sector than women, 56.2% and 43.8% of informal sector employees respectively.

The need for growth of the informal sector is large, given that

- retrenchment continues in both the mines in South Africa and formal employment in Lesotho;
- the informal sector is an 'easy-entry' activity because it is characterised by activities that requires neither formal skills nor large capital outlays to start business enterprises.

However, employment opportunities are constrained by lack of legal protection from the urban authorities and continual physical and legal harassment by the authorities instead. Escalating costs of commodities in the face of lack of access to formal credit also limits larger access to stocks for sale by informal sector traders. The main constraint to the urban informal petty retail sector is purchasing power on the part of urban households. Opportunities to trade depend on markets with ample willing buyers – as purchasing power has been eroded by rising prices, increasing unemployment and the devalued currency, willing buyers are increasingly scarce.

Despite the employment and income opportunities discussed in the preceding sections, unemployment and poverty are on the increase in Lesotho. It is estimated that 50% of all the labour force is unemployed (Labour Force Survey 1999). Moreover, every year there is an addition of 26, 000 persons to the labour force. The likely scenario is that unemployment will increase in future due to retrenchment, privatisation and investor flight after AGOA in Lesotho.

The high unemployment rate has negative implications for income distribution and poverty in the country. The Gini co-efficient of the nation was 0.66 in 1996, and elasticity of poverty was 0.12. Within the urban areas the Gini co-efficient was 0.55 in Maseru and 0.59 in other urban areas in 1995. In terms of poverty, 59% of the population is poor, while 35% is very poor making Lesotho rank number 132 under the Human Development Index of the UN amongst 172 member coun. Urban poverty indicators are that 27% of the population in other urban areas were poor in 1995.

Food Security also depends on availability of food in the markets and the prices of that food. Availability of food in the urban markets is not a problem in Lesotho under normal circumstances. Local produce deficits are normally supplemented with imports of food commodities from South Africa. However, access to the food does constitute a problem because it is dependent on employment and income and the inflation rate that influences food consumer prices. In general, the employed and poor urban populations, as discussed in the preceding sections, have either limited or no access to food in the urban areas, so that they either go street begging or stealing. Crime has increased in the urban areas since the 1990s.

3.2.5 Key players in industrialisation

A broad range of institutions is involved in industrialisation in Lesotho. Within government there are a range of ministry and parastatals that influence industrialisation. The Ministry of Trade and Industry is the government institution entrusted with overall formulation of trade and industrial policy in the country. The GOL's policy is implemented through a number of strategies that aim to attract industrial investors to Lesotho (Matsoha and Visser, 2002). The GOL provides services to large-scale industries at subsidised rates. For example, the government subsidises water consumption by industrialists especially in the garment industries, most of which are wet industries. Industries are exempted from payment of General Sales Tax (GST) for imported raw materials used as industrial inputs including machinery and equipment. This exemption is especially important in the garment industry which, with the exception of labour, uses imported inputs. Industrial investors are given access to the Generalised System of Preferences (GSP) that Lesotho is entitled to in the external markets. Tax holidays have been used, though such incentives is under review at present. Loan guarantees are used, where the government is willing to stand as guarantor in favour of financial and other capital loans sought from banks by industrialists should the need arise. The charges on company taxes are very low for foreign investors and in some cases avoidable. Permissive profit repatriation rules for foreign investors provide the final facet of the strategies through which the GOL has attempted to create an attractive business environment for industries in Lesotho.

Many of these strategies are implemented by the Lesotho National Development Corporation (LNDC), a government parastatal that develops industrial services and properties and attracts industrial investors through the use of various incentives. These include, development and provision of full house factory shells, with basic services in place, at affordable prices. The Directorate of Surveys, Lands and Physical Planning (in the Ministry of Local Government) is responsible for urban land use planning, and works closely with LNDC in the design of urban industrial layouts. The Maseru City Council (MCC) is also involved in the actual provision or allocation of urban industrial space in Maseru. MCC also monitors the adequate provision of basic services such as water, electricity, public transport for employees and garbage disposal. Whilst LNDC tends to work with large scale industrialisation, the Basotho Enterprises Development Corporation (BEDCO) concentrates on the promotion of small and medium enterprises by Basotho through the provision of training, working space and credit.

In terms of labour issues related to The Ministry of Labour and Employment (MLOE) is responsible for the formulation of industrial labour policies and their implementation. It also has the labour court for the arbitration of disputes between employers and employees. MLOE monitors the compliance to the Labour Code by industrialists in terms of wages and working conditions, though as has been shown, the power of the MLOE to protect the wage needs and working conditions of those employed in the garment industry is limited. The factories have poor safety, health and environmental standards and the net effect is high death rate among the workers and orphans without breadwinners and food security (Salm et al., 2002). People continue to work very long hours – an average of 10 – in the factories and some even on Sundays without overtime pay. This is regarded by the workers as exploitation but, there is so much demand for work in the factories that it is difficult for existing workers to protest without risking losing their jobs.

Other Government structures that influence industrialisation in a less direct way include the newly established Ministry of Gender, Youth and Environment has the National Environment Secretariat (NES) which monitors compliance with the National Environment

Act 2001 by industries. NES enforces the conduct of environmental impact assessment (EIA) of industrial projects and monitors adherence to environmental health and safety standards by industrialists in their operations.

In case of external trade relations, Lesotho has links with other countries which impact on industrialisation. The first link is the Southern African Customs Union (SACU) Agreement, first signed in 1910, between Lesotho, Botswana, Swaziland and South Africa. SACU allows for the free flow of goods and services among member countries without restrictions and import taxation. There is debate over whether Lesotho ultimately benefits from SACU. On the one hand SACU gives Lesotho access to industrial capital products from South Africa that can be used to improve industrialisation prospects and boost agriculture. On the other hand it is difficult to afford any protection for Lesotho's less competitive industries. The many small industries such as Kuea Vaseline, glycerine, candles have suffer losses in competition with products from South Africa. SACU therefore depresses the production of locally consumed products in Lesotho (Selwyn, 1975).

Another key trade relationship is with the Southern African Development Community (SADC) especially the Common Market for Eastern and Southern Africa (COMESA). COMESA encourages and prioritises the free flow of goods and services amongst member states in the region above exportation outside the region. However, and particularly because of the low level of infrastructure in COMESA countries, it is often more profitable to export to and import from the markets outside.

The third major link is with the European Union (EU). Initially Lesotho had preferential access to the EU markets as a member of the LOME countries. This boosted industrial development, especially that of public enterprises like the now defunct Masianokeng Cannery (see Annex – Section 2). Lesotho still has some links with some EU members after the closure of the LOME Convention, especially Britain since Lesotho is a former colony of the British Empire.

The fourth link is the African Growth And Opportunity Act (AGOA). The AGOA is the major driving force behind the growth of the garment industry in Lesotho at present but there are questions about its sustainability. AGOA facilitates access by Lesotho producers to the USA markets without quota restriction and therefore provides a lot of opportunity for industrial growth for export in Lesotho. The main problem is that AGOA is due to end in 2004, with a possible extension of four more years up to 2008. Thereafter, this link and its industrial growth opportunities are likely to stop, with negative consequences for Lesotho's industrialisation process (Salm *et al* 2002).

3.2.6 Complementarity and Conflicts

For industrialisation policy to work effectively in Lesotho, the multiple institutions and stakeholders in industrialisation should be well co-ordinated, share common goals and seek, ultimately, to support the livelihoods and well-being of people in Lesotho. However, there are a number of structural difficulties that are barriers to the achievement of industrialisation goals. The first of these is related to the focus of LNDC on large-scale industrialisation investment and BEDCO on small and medium scale local entrepreneurs. In reality a number of foreign small and medium scale enterprises run by investors from the Far East ("Machaena") are found competing with the small Basotho entrepreneurs and putting them out of business. This issue has caused a hot debate between the government and ordinary businessmen about the appropriateness of foreign-led industrialisation for Lesotho. Local entrepreneurs argue that local small enterprises should

be protected and that the investors from the Far East should be limited to large-scale enterprises. The result is a growing tension between foreign and local industrialists, one that is compounded by the fact that local entrepreneurs do not benefit from forward or backward linkages to the garment industry because no local inputs are used in the production process.

The use of imported inputs in the garment industry is another issue over which debate has arisen. Foreign investors are currently exempt from taxation on imported raw materials with two main impacts on the Lesotho economy. First, the garment industry creates no parallel industries – there is a failure to promote backward linkages in the domestic economy by seeking substitutes for these imports in the economy. Second, the import tax exemptions constitute a loss of revenue for the government. Thus, there are potential impacts on food security through loss of potential employment and reduced government spending power.

Another aspect of this dual industrial economy is reflected in the fact that GOL loan guarantees are viewed negatively by some Basotho because such incentives are not extended to the potential Basotho investors. Similarly, loose restrictions on expatriation of profits generated by foreign industrial investors in Lesotho are contested by Basotho entrepreneurs. Capital is exported and banked in South Africa, in the border towns like Ficksburg and Ladybrand. Industrialists also tend to live in South Africa and commute daily into Lesotho, especially since the commercial riots of 1990 and the political riots of 1998. Repatriated capital is then transferred from South Africa to the home or desired capital destinations by the investors. This constitutes capital flight which might have been used to generate positive multiplier effects for food security in Lesotho. A common view amongst local industrialists is that the laws and policies on profit repatriation should not damage local industrial development.

Other debates concern the provision of serviced industrial plots and subsidised services like water to foreign investors. This is in stark contrast to low-income residential areas in Maseru, where poor households do not have access to sanitation, water or electricity and where there are no subsidies for these services. Whilst tax-payers are squeezed to subsidise foreign investors, local people do not get access to affordable local services. The low salaries paid by the industries means that workers in the garment industry do not earn enough to send remittances home to enable their families in rural areas to buy food. This issue constitutes an on-going conflict between the industrialists and the workers, marked by frequent strikes, some of which has been violent. Whilst the garment industry, it is claimed, has absorbed much of the retrenchment from South African mines (albeit employing women rather than retrenched miners) and helped to keep the unemployment rate down, the actual numbers of unemployed mask a sharp distinction between the impacts of mining labour and women workers in the garment industry. Whilst miners earned enough to remit regularly (if they chose) and support their household, women in the garment industry do not earn enough to support households in rural areas. The women, mostly young and the sexually active ages, are attracted to the industries for work. Living away from their families some of them enter into in sexual relationships. HIV/AIDS is thought to be rising in sharply in Maseru. As a result, women have been subjected to harsh criticism from men who lay responsibility for HIV/AIDS at the door of women workers in the garment industry (in spite of evidence that demonstrates strong links between migrant labour to South African mines and the spread of HIV/AIDS in Lesotho) and argue that, by migrating work, they are breaking down the social fabric of Lesotho society.

4 Social Protection

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4.1 Conceptual Background

The concept of social protection might be defined as all formal-government and informal-community measures meant to cushion some citizens from deprivation, exclusion and lack of access to basic entitlements (Sechaba Consultants, 2000; Turner et al., 2001).

Since the advent of state-induced development in the post World War II era, development theorists and practitioners have debated without consensus the necessity of social protection. On the one hand advocates of market led development argue that consumers must be left to shoulder the full market costs of goods and services and the market left alone to regulate production and distribution of these goods and services. This thinking has become even more so today under the resurgence of the neo-liberal development paradigm advocated by the Bretton Woods institutions – the World Bank and the International Monetary Fund, who argue for the minimalist state and privatization as pre-conditions for development.

On the other hand advocates of state-led development argue that state intervention and assist in markets to regulate of production and distribution is necessary because, left alone, the market fails to regulate. Of particular concern in this regard is the failure of the market to ensure equitable access to the goods and services distributed. This because people do not all participate in markets on equal or just terms. This promotes the marginalisation and exclusion of the poor members of society from access to the goods and services, a factor which promotes food insecurity. Therefore state induced social protection becomes necessary to guarantee inclusion.

On their part, the communities also devise “informal” mechanisms of social protection to ensure the inclusion of all members in access to livelihoods – but these systems are also not always equitable or just. State induced social protection also becomes necessary to ensure inclusion and reduce all forms of exclusion that might be a result of social processes and factors like gender, age, race, politics and so forth. However, this depends on the absence of social biases, nepotism and corruption within the apparatus of the state itself.

An important consideration in the promotion of social protection by the state is the type of strategy to be used in implementation. These strategies range from self-targeting, targeting on gender, age targeting, unemployment and a composite of these factors as may be deemed necessary. However, each strategy has its pros and cons (Toy and Jackson, 1996; IDS Bulletin, 1998), yet another debate is on whether targeting is necessary or not. Maxwell (1990) argues that targeting is the most efficient way of achieving efficiency in the distribution of interventions meant to promote food security. Targeted interventions are meant to enable the vulnerable and marginal social groups to access food security directly or indirectly through policies on food production, marketing and related services.

In the case of strategies to be used the following are options with advantages and disadvantages. With self-targeting there are no limitations imposed on the social protection mechanism. However, individuals decide on their own whether they wish to

benefit from the mechanism or not given other livelihood options at their disposal. The advantage is that the measure can benefit as many people as possible; the disadvantage is that even those who do not really need the social protection measure could access it just because it is available, and thus reduce the magnitude of gain for those in real need. Forms of self-targeting that are successful are those that provide a good or service that is viewed as low-rate, low-benefit or low-class – so that richer people do not want the good or service at all. An example is subsidizing or giving handouts of yellow maize flour. Only very poor families will take yellow maize, the preference is overwhelmingly for white maize. However, giving out only substandard or inferior good and services within social protection schemes raise compound rather than confront social exclusion.

Gender targeting tends to be directed towards women, since men are privileged in many communities. Women-targeted social protection and encouraged by governments and donors. However, excluded men can make it difficult for their women to access this transfer, if they feel strongly about their exclusion. Worse still, men can take away the benefit from their wives for their own use. It is also possible to targeting older or younger people. Again, the problem here is that the benefit might be abused by the parents or guardians and never benefit the target beneficiaries.

Individual targeting focuses on the assessment of the individual in the household in relation to income levels or health status and offers social protection to them on merit. The problem with this strategy is that it can create divisions within household and promote intra-household animosity (for example when one child gets free education and another does not). Moreover, there is no guarantee that the target person will actually be the beneficiary (for example food aid that is delivered to homes may be consumed by others or even sold outside the household).

Targeting can also be based on multiple criteria, including age, gender, employment status, geographical location, income, health status, etc. The problem is how many variables are necessary to make the targeting tight enough to ensure the inclusion of the vulnerable and the exclusion of potential pirates. Multiple criteria targeting can identify both the vulnerable place(s) and people to be targeted (Devereaux, 1999).

4.2 State-induced Social Protection in Lesotho

The Government of Lesotho has instituted a number of official social protection measures since independence with varying degrees of success under various sectors that hosted them. Some of these measures are production oriented while others are access oriented.

4.2.1 Agriculture

The first social protection strategy used by the government in this sector is that of *input subsidies*. Since 1980 when the Government of Lesotho (GOL) adopted the policy of food self sufficiency until today, GOL has sought to protect farmers against the high costs of agricultural inputs through the provision of subsidized inputs such as seeds and fertilizers. The objective has often been to enable farmers to access improved inputs in order to achieve high yields and attain household and national food security (Kingdom of Lesotho, 1997).

Subsidised inputs are targeted at all farmers nation-wide – rich and poor alike. Therefore, in theory, they should benefit the majority of the farmers in the country. However, this lack of target focus, creates problems. Rich farmers, who are often well connected to officers handling the inputs distribution often gain first priority by virtue of social connections and nepotism. Thus the subsidies benefit farmers who need no protection in the first place

because they can afford the going market prices for seeds and fertilizers. This problem becomes compounded by the emerging practice to accord traders first preference in accessing the subsidized inputs to sell to farmers in their communities. While this tallies with the GOL policy on the promotion of private sector participation in agriculture as required by the IMF's Structural Adjustment Policy prescriptions, it does not promote social protection. The traders often put a mark-up price to the inputs, which cannot be afforded by poor farmers, and they therefore effectively get excluded from this social protection measure. The subsidies issue provides a good example of the tension between the roles of the state and the private sector – one that is unresolved in Lesotho.

In future, this social protection measure needs to be targeted directly at poor farmers. This would achieve the twin objectives of food security and poverty reduction whereas the non-targeted subsidies only really contribute to food security as measured at the national level. However, targeting is expensive and it is questionable whether the GoL has the financial capacity for extensive targeting.

The second problem experienced with subsidised inputs is that they rarely reach farmers on time. This occurred during the cropping year 2002/2003 and compounds current agricultural production problems. Late arrival promotes late seeding and or complete non-seeding because it would be too late to do so in the cropping calendar. The result is poor harvest, or no harvest at all; both of which promote food insecurity. External interventions should be targeted at facilitating, not only subsidized inputs but, their timely delivery to the poor farmers as well – this requires investment in infrastructure. Whether logistics, transport and marketing for subsidized inputs would be better placed in the private sector is a moot point – though there are important lessons to be learned from the experiences of TIP in Malawi.

Another form of subsidies in agriculture is **traction power**. The GOL has sought to subsidise farmers in their cultivation through the supply of tractors run by the Ministry of Agriculture (MOA) under the LEMA/TOU scheme and/or those belonging to private persons in the communities who are paid for ploughing services rendered to other farmers. The aim is to enable farmers to plough effectively and timeously for better yields and to use the saved money to access other basic necessities for food security.

In principle, the subsidized traction power measure is targeted at all farmers – rich and poor alike – nation-wide. In reality, however, it benefits mainly farmers in the lowlands more than those in the mountains due to accessibility. Moreover, the tractors are few and far apart, therefore some farmers plough very late because the waiting list for the service is long. Finally, there is politicization of access to the tractors within constituencies. Members of Parliament and their party constituency committees tend to dominate the area extension agents and first priority to tractors is based on party affiliation. During the Basotho National Party (BNP) rule, BNP supporters had first priority, (Johnston, 1996); today the Lesotho Congress for Democracy (LCD) party supporters have de facto first priority to the tractors. Conflicts therefore abound with respect to access to the tractors in the communities (Moeletsi oa Basotho, 2003).

External support could well be used in convincing the government that the use of this social protection measure to garner populism from the masses defeats its objective of poverty reduction and food security. Moreover, the measure should be target focused on the poor and vulnerable farmers within the communities.

The third strategy used within agriculture is that of **marketing**. The GOL provides social protection to farmers in the area of marketing through the provision of basic marketing infrastructure such as, for instance, egg circles for poultry farmers, roving auctions for livestock producers, the national feedlot and abattoir, and co-operatives for crop farmers. The GOL also provides market protection through taxation of imports and or their prohibition in preference for local farm produce. The target groups for these protective measures are often the user/interest groups of farmers per sub sector such as poultry farmers, vegetable farmers, livestock farmers and so on. Within these interest groups, however, the measures are meant to be blanket in benefit. Often, the poor are marginalized. For instance some membership fees have to be paid for membership of cooperatives and egg circles that poor farmers cannot afford. They are systematically excluded from certain types of marketing infrastructure. Moreover, lack of consensus among members on some rules of operation of these infrastructures have led to their collapse, or, at worst, vandalism (Huisman, 1994). More recently, policy to de-regulate and privatize all MOA infrastructure services such as cooperatives, dip tanks, feedlots, abattoirs and so forth, has effectively frozen this social protection measure.

In the case of **market protection**, trade liberalization under SAPs and the membership of Lesotho to regional organizations such as the Southern African Customs Union (SACU) and the Southern African Development Community (SADC) greatly limits the effectiveness of market protection as social protection measure for farmers. Moreover, the effect of the prohibition of some food imports improved pricing of local farmers at the expense of consumers who would benefit on lower prices of commodities due to competition, and, increase their consumption levels. Thus, protection of rural farmers can be at the expense of urban consumers – this is a tension that is growing in Lesotho, in parallel with the urbanization rate. For instance, there is currently a ban on import of potatoes from South Africa into Lesotho. Basotho farmers get ± M40.00 for a bag of potatoes compared to ± M20.00 when South African potatoes circulate in Lesotho markets. But the consumption of potatoes, especially by the poor, has declined due to prices that have more than doubled.

External interventions could be valuable in assessing the impact of trade liberalization on small economies like Lesotho and in the formulation of mitigation strategies to offset negative impacts. Moreover, external donors could assist GOL in streamlining a mixed policy of market protectionism and market liberalization to promote optimal results for the social protection of all the social groups.

In terms of **land tenure**, despite many recommendations by Land Review Commissions from 1963 to 2000 which indirectly or directly argued for introduction of private land tenure system in Lesotho, the GOL has been reluctant to do so, and instead, continued to allow communal land tenure to operate in the country. The GoL argues that communal land tenure protects the society against the full blown marketization and proletarianisation of many rural households who would fail to pay ground rent for their land. This would accentuate the already high rate of landlessness estimated at over 40% and promote food insecurity (Mashinini, 1998 and Franklin, 1995). However, landless households, estimated at more than 40% (Leduka, 1998) are precluded from this benefit.

Despite its positive social protection effect, communal land tenure in Lesotho, presents problems of efficiency and sustainable management because of lack of consensus amongst and within the multiple users and uses involved. External assistance would be well used, in the promotion of the legal framework for the establishment of the real rights of

each of the multiple user groups, and assisting them to make and implement their own rules of operation within the existing customary tenure framework.

Subsidies to basic foodstuffs. The GOL has in the past provided social protection to consumers by providing subsidies to basic food stuffs such as maize meal so that they could be affordable to the poor. Although this measure was aimed at the poor, it benefited all consumers of the prescribed basic food stuffs. However, around early 2002, GOL removed these subsidies in line with SAPs decree that consumers should bear the full cost of services and commodities. Consequently, prices shot up drastically. For instance, a 12.5kg of Chai cost about M20.00 in December, 2001. However, it now costs about M40.00 The poor households can barely afford to buy maize meal at present. Their vulnerability to food insecurity has increased as a result.

External assistance might be well used in convincing the IMF and World Bank that the use of removal of subsidies to basic food stuffs as a precondition for lending to the GOL, starves the poor. Therefore, the subsidies need to be maintained but focused on the poor as a target group.

The sixth strategy is on **subsidies on veterinary services.** Social protection of livestock farmers was also sought through the use of subsidized veterinary services by the GOL. This guaranteed equal access by all farmers to the veterinary services. However, the GOL policy that MOA should de-regulate and privatize veterinary services in line with the SAP requirements has resulted in poor access to these services by the poor due to increased costs of the services (Makoa, 1996). Fortunately, some selected services are still provided/subsidised for diseases such as rabies which are regarded deadly and contagious.

The seventh strategy is **support to community gardens.** Subsidised support to the communities for the development of community gardens in terms of materials and training was provided to promote food security and poverty reduction at grassroot level. This support has ended from GOL and communities have to seek support from Non Government Organisations (NGOs) lately. The net result has been the collapse of many community gardens and increased lack of access to vegetable and proper nutrition by the poor in the rural areas who cannot raise resources to work on their own in these gardens (Mashinini, 2001).

External assistance would benefit the poor if they were to be targeted for the communal gardens, and then user groups empowered to make rules of operation with legal recognition to guide sustainable management of the community gardens.

The eighth strategy is **subsidized inputs to agro-industries.** The GOL encouraged the development of public enterprises based on agro-industries that were labour intensive in order to guarantee social protection against unemployment in the agriculture sector. Among others, the Masianokeng Cannery guaranteed employment to many Basotho women in the canning of asparagus, beans and some fruits. The employment provided the employees with access to income which could be used to access food security. However, problems of mismanagement and privatization have led to the closure of the cannery and serious scaling down of labour employment in other agro-industries to the detriment of household and national food security and poverty reduction. Moreover, farmers who provided the backward linkages into these industries by way of inputs such as

asparagus, have been negatively impacted upon by the closures and down-sizings of these public enterprises (Makoa, 1996).

The ninth strategy used is in the field of **farmers training**. The farmers are provided with free access to training and technical advice by the MOA. Through its extension agents based in the communities nation-wide. Payment is only for highly specialised organized courses. The free access to advice by extension agents protects farmers against market costs of acquiring farming knowledge and skills, and is meant to ensure improved skills, high productivity and food security (Kingdom of Lesotho, 1997).

However, the extension system needs capacity building in terms of training and recruitment of more extension agents, improved working conditions to be able to improve their morale and retain them, and more multi-purpose orientation to become more useful. External assistance would be useful in the improvement of capacity building in this regard.

The tenth strategy used is access to **food aid**. Food aid has been used as a social protection measure against malnutrition and starvation by the GOL. Two types of food aid have been dominantly used. These are firstly, disaster relief, which is managed by the Disaster Management Authority (DMA) and used in cases of emergencies such as floods, drought, snow and so on. Disaster food aid is community-targeted. However, problems of corruption, nepotism and politicization of disaster food aid are rife at community and natural levels. Another problem experienced that of poor capacity to distribute the food aid in time due to lack of transport (Sechaba Consultants, 1995; Huisman, 1994). External assistance would help in capacity building of the DMA, and urging the GOL to avoid politicization of disaster food aid at all costs.

Secondly, food aid comes in the form of development food aid or food for work under administration by the Food Management Unit (FMU). Again, development of food aid is community targeted and meant to benefit all community members. In reality, corruption, nepotism and politicization of access to development food aid are widespread and promote the marginalisation and exclusion of some people, especially opposition party members. This results in a lot of conflicts over the food within the communities. Moreover, lack of finance and transport to distribute the food aid to the needy communities is problematic (Huisman, 1994; Johnston, 1996; Sechaba Consultants, 1995).

External assistance would be well used in capacity building efforts of the FMU and storage networks at community levels; together with devising mechanisms to depoliticize development food aid and make it more target-focused on the poor and vulnerable households within the communities so as to promote their household food security.

4.2.2 Energy

The Department of Energy (DOE) under the Ministry of Natural Resources is responsible for administration of the Petroleum Fund which is used by GOL to provide social protection against escalating prices of petroleum products. In particular, subsidies have been extended to cover the price of paraffin because of its wide usage as a source of fuel by the poor in the rural and urban areas (Kingdom of Lesotho, 1997). Although the subsidy was targeted at the poor, its blanket application benefited the rich as well. Under SAPs, this subsidy has been removed lately by GOL and paraffin has become as expensive as petrol, and become less accessible to the poor who need it the most for cooking. This has

implications for household expenditure and for households that are dependent on petty food processing and retail.

External assistance towards social protection in this sector would be useful in promoting efforts to get paraffin subsidies continuing, and targeted at the poor and those in remote areas. This could take place at policy level, and the necessary financial resources could be accessed by GOL through the use of the Highlands Water sales receipts. After all, the majority hit badly by high costs of paraffin are mountain communities where the Highlands Water is tapped from. This would provide a fair social “pay back” by GOL.

4.2.3 Trade and Industry

The Ministry of Trade and Industry (MOTI) runs social protection measures in this sector on behalf of GOL. In the context of the poor, the Basotho Enterprise Development Corporation (BEDCO) provides subsidized infrastructure, free training and access to credit by small and medium enterprises (SMES) in Maseru and the Southern and Northern regional offices (Kingdom of Lesotho, 1997; Ministry of Trade and Industry, 2002). Major problems encountered in this measure are corruption, nepotism and politicization. Some rich entrepreneurs access credit and space facilities by virtue of corruption, nepotism and politics; or by putting their “stoogies as fronts” for their entrepreneurial interests.

4.2.4 Water Supply

The GOL provides social protection in water supply by providing free community-based water supply systems in the rural areas; and free water stand pipes in the urban areas for which it pays WASA monthly costs through the Ministry of Local Government and its district secretaries’ offices. Free water supply provided in this way is meant to benefit everyone who cannot afford private water connection and/or paying for water from water vendors and/or water kiosks. These free water supply systems experience lack of maintenance and vandalism from community members. Sometimes conflicts arise amongst the multiple users with regard to withdrawal rights, and eventually the system is broken and/or vandalized. The free water standpipe along the Main South One road near Mafeteng Secondary School in the Mafeteng town is a typical example of a free water stand pipe that was demolished due to fatal conflicts by users on grounds of withdrawal rights (Sechaba Consultants, 2002).

4.2.5 Justice and Human Rights

Under this sector, GOL provides social protection through two avenues, namely legal aid and prisoners training under correctional service.

In the case of legal aid, the department of Legal Aid provides free legal services to the poor nation wide. It is target-focused but lacks capacity to fulfil its mandate will due to shortage of lawyers and the means of transport (Kingdom of Lesotho, 1997; Ministry of Home Affairs and Ministry of Defence, 2002). Foreign assistance might be useful in the improvement of retentive capacity of expertise, and the facilitation of a decentralized legal aid system.

With regard to the provision of training to prisoners, unlike in the past when prison used to be a place of punishment only, current GOL policy is to provide social protection through training the prisoners in skills such as masonry, bricklaying, building, tailoring and so on. as part of rehabilitation and empowerment to minimize crime as a source of livelihood, and ensure social security (Kingdom of Lesotho, 1997; Ministry of Home Affairs and Ministry of

Defence, 2002). The problem is that punitive imprisonment continues to be practiced by prisons management who believe that prisons should not be schools and hotels of relaxation to wrong-doers. External assistance is needed to exert pressure on the government to ensure that correctional service is fully implemented as recommended by Amnesty International.

4.1.6 Roads

The roads sector provides social protection through the Labour Construction Unit (LCU) and food for work projects. The LCU is entrusted with the task to guarantee employment of labour through the use of labour intensive roads construction methods in the communities. The cash that is used for payment is meant to enable households to be able to access food security and alleviate poverty. Limitations of this social protection measure are many as well.

The activities of the LCU are spatially selective. Some areas and communities have waited in vain for a long time to have their turn. The selection criteria of the areas that qualify for inclusion is not quite open. Secondly, the selection of community members who work on LCU projects within the communities is riddled with nepotism, corruption and political bias. Thirdly, the deregulation and privatization of some or parts of the LCU projects activities has made them shift slightly towards being semi-capital-intensive at the expense of labour. External interventions might be useful in the funding of more LCU projects to cover more communities nation-wide, and in influencing some policy changes to lessen SAPS adoption and use. Within the communities and linking some communities, members are deployed to construct roads in return for food payment using food-for-work aid. This measure contributes directly to food security through shielding households from starvation (Huisman, 1994; Sechaba Consultants, 1995).

Major problems of this social protection measure are wide-ranging. It is not target specific only in the geographical sense, though it is difficult to see how, beyond geographical location, road building could be targeted to particular social groups. The scheme is plagued by nepotism, corruption and political bias. External intervention is necessary to ensure increased food for work and to pressure the government to depoliticize access to work for the food aid.

4.2.7 Lesotho Highlands Water Project (LHWP)

The LHWP revenue fund (LHWRF) operates a social protection programme based on its revenue on behalf of the GOL in the country. Projects undertaken within the communities by community members are ponds, feeder roads, horticulture, gully reclamation and other land rehabilitation measures. The LHWRF used cash payment to the tune of ±M300.00 per month to community members on rotational engagement in order to facilitate equitable household poverty reduction and food security.

The LHWRF ended with the construction phase of Phase 1A and B and has been transformed into the Lesotho Fund for Community Development (LFCD) which is funded partly from the LHWP proceeds, the World Bank and the GOL. The LFCD continues to screen projects submitted by communities for funding in the areas of land reclamation, rehabilitation and income generation. The community is funded as the target group instead of individuals.

Both the LHWRP and its successor, the LFCD, encounter problems of being hijacked by the rich in the communities and fail to directly benefit the poor. They need target-focusing on the poor. Moreover, the financial management procedures are very poor and have allowed for high level nepotism, corruption and theft of monies, even by Member of Parliament responsible for payment of workers within their constituencies. Lastly, there is high politicization of access to and use of these funds in favour of constituencies and members who belong to the ruling party (Moeti, 1999; Mashinini, 2002).

External intervention would be well used to help stream line financial and administrative procedures in LFCD. Moreover, de politicization is necessary in order to benefit most poor Basotho irrespective of party membership.

4.2.8 Health

In the Health sector a range of social protection measure are offered by the government. The Ministry of Health and Social Welfare (MOHSW) runs social protection measures in conjunction with the Christian Health Association of Lesotho (CHAL) in relation to Primary Health Care (PHC) through the provision of subsidized medical care to communities. The MOHSW also works in partnership with NGOs in this regard. Some special treatment is provided to patients fee of charge in the case of mental illness, tuberculosis and leprosy. Free information and knowledge of preventive and some curative medical care is imparted to the communities by Village Health Workers under MOHSW, CHAL and/or NGOs on family planning, HIV/AIDS, TB and communicable diseases. In some cases equipment such as condoms are given free of charge or highly subsidized.

People in remote areas, especially in the mountains of Lesotho, are protected from incurring full costs of long travel to and from medical centers, through the use of the Lesotho Flying Doctor Service by the MOHSW, as a way of bringing health services closer to them. Full costs of the service are borne by GOL and health partners in private and NGOs sectors.

Under the Department of Social Welfare, financial support is given to the destitute persons to access the basic necessities for food security.

Training is provided under the rehabilitation programme to the disabled persons on matters of income generation skills to give them empowerment for poverty reduction and food security. Also in the Department of Social Welfare is on the provision of child protection from abuse, neglect and so on. To this effect children's homes have been built by CHAL and NGOs for child care.

Programmes for the elderly are organized around pensions, care and homes. Old age pensions are newly introduced and have yet to spread and cover a wider spectrum of the elderly country-wide. Old age medical care is not yet functional beyond the idea stage that the elderly should be entitled to free medical treatment. Old age homes were attempted in the past but failed to take root in practice because of customary methods of home care for the elderly in Lesotho.

4.2.9 Education

The GOL offers basic education to Basotho children targeted at many groups under various measures.

The first social protection measure in basic education is that of free primary education. Since the year 2000 children and adults who wish to get primary education regarded as necessary for basic literacy, attend classes free of charge. The fees are paid by the GOL. The problem with this measure is that there is lack of teaching space and classrooms for the children admitted. In some cases tents and open spaces are used as classrooms. In other cases there is shortage of qualified teachers. External intervention would be useful in the provision of assistance to the Ministry of Education to create capacity building for free primary education.

The second measure relates to the use of school uniform. In order to protect children from failure to attend primary school due to lack of uniform which their parents might not afford, children and adults enrolled under free primary are exempted from wearing school uniform. Students in primary education are also provided with free books and all stationery for use very year and are exempted from payment of school property levy and any other fees or charges that schools might consider useful for financial and school management. Finally, there is a free school catering system for children enrolled under free primary education. The catering is done on a rotational basis by community members who are unemployed and poor so that poverty alleviation and food security might be achieved.

Despite its social protection effect, basic education does pose some challenges. Some of the initiatives above are dependent on donor funding. For example, if donor aid that enable non-payment of fees is stopped, the capacity of the government to continue the programme will be called into question. Some aspects of the policy were imposed on church school proprietors against their will. This has created tension and dualism within the schools where the dichotomy of what are called "Bana ba rona" (our children referring to those enrolled under the school's rules) v.s "Bana ba Mosisili" (Mosisili's children referring to those enrolled under GOL free primary education) are identified and given different treatment.

In the case of school catering, there is nepotism, corruption and political bias in the selection of people who qualify for catering. Some teachers, education officials and businessmen commonly use the poor to front their interests and share dividends at pay time. In some cases lists of children fed.

In collaboration with donors, especially the World Bank, the GOL runs the School Self-reliant Feeding Unit (SSRFU) which aims to promote education with production through support to income generation projects such as poultry, horticulture, pig production and so on. The produce from these projects is used for feeding students, and surplus sold to generate income. Students also receive hands on training in these self-reliance strategies.

The GOL runs schools feeding programmes in collaboration with the WFP for other children than those of free primary education in primary schools. The WFP feeding programmes are meant for poverty reduction and food security.

In collaboration with donors like the World Bank and Irish Aid, the GOL runs a bursary scheme targeted at the poor and disadvantaged children like single parent children, orphans, HIV/AIDS orphans and so on. The bursaries pay for their fees, books, stationery, boarding and other fees charged by schools.

Through the support of World Vision – Lesotho, some needy children are identified in schools and given financial school support and support to their living environment within their schools and their home villages. This support includes, inter alia, shelter provision, safe drinking water and sanitation, and income generation projects.

The GOL has delegated the function of management and distribution of government scholarships for primary, secondary and tertiary education to the National Manpower Development Secretariat (NMDS). The specific housing of the NMDS continually shifts between Ministry of Education and the Ministry of Development Planning. The NMDS targets the award of government scholarship to all Basotho students based on merit in terms of excellent educational performance.

Despite its positive social protection effect in terms of education, the NMDS is, perhaps, the most controversial government department on social protection because of its inefficiency arising from extreme nepotism, corruption and political bias in the grant of scholarship (Thai, 1996).

4.2.10 Labour and employment

The Ministry of Labour and Employment runs a number of social protection measures under it, some of which have been discussed already under other ministries, such as labour intensive measures. Given the prevailing unemployment rate, GOL seeks to protect its labour against unemployment and poverty through relaxing controls on the informal sector and extending marketing infrastructure to vendors by building them vending sheds. Despite this policy, harassment of street vendors and informal sector participants by offices of town clerks in the districts, and that of the Maseru City Council in Maseru continues unabated; sometimes with the assistance of the very policy who one would have expected to protect the vendors.

The GOL also provides some free and subsidized training to high school graduates who are going to become new entrants into the labour force, to equip them with self-employment skills such as carpentry, welding, brick laying, and so on at the Ntlatfatso Skills Training Centre (NSTC) at Maseru. Primary school graduates are given training in the same skill areas at the Lesotho Opportunities Industrial Centre (LOIC) in Maseru. Despite their effectiveness of training, admission into these centers is open to nepotism, corruption and political bias which need to be stamped out in order to ensure equal access by all on merit.

The migrant workers are open to all kinds of abuse by corrupt officials of mining agencies and associated banks with regard to monies in lieu of migrants, most of whom are illiterate, as benefits. In order to ensure the social protection of these migrants, the GOL runs the Workmens Compensation Trust Fund which acts as a pool into which funds for compensation, pensions and so on, due to migrants are deposited, until they can be passed on to their rightful beneficiaries.

Employees within the country are guaranteed the right of terminal benefits, maternity pay, compensation for accidents at work, insurance on death and so forth. In practice, there are very few cases where these measures are adhered to by employers, because there is no binding legal machinery in place yet. Therefore, employers pick and use some of them as they wish, thereby pre-empting industrial disputes.

The GOL guarantees Basotho first priority to employment by providing protection against too much competition with foreigners. To this end, the National Employment, keeps an up to date register of all job seekers – local and foreign – who have reported their status. It accords first priority to selection of Basotho when jobs for which they qualify arise in the country. Not all Basotho job-seekers register their names with the service, and they therefore fail to benefit from the service, and instead continue to blame GOL for employing foreigners in posts for which there are qualified Basotho.

In general a study by Petlane (2001) on government and corruption concluded that “there appeared to be a general opinion that the government was not giving enough priority to honest and clean conduct by public officials. This might confirm the popular feeling that public officials were corrupt and had no spirit of public service” (pp. 32-33)

4.3 Community-induced social protection measures in Lesotho

The communities have their own “informal” social networks to guarantee or protect the vulnerable members from destitution and/or abuse. Most of these mechanisms are social safety nets based on good will of neighbours, community based organizations (CBOs) and/or blood relationship and have been extensively dealt with by Sechaba Consultants (1994 and 2000).

The range of informal measures includes production-oriented and access-oriented measures as well. In the case of production-oriented measures, first there is sharecropping of the fields of the destitute by the non-destitute, and sharing the produce on a 50:50 basis to ensure equity of access to food security. Whilst much of the literature on sharecropping in the region has focused on unequal power relations between rich landlords and poor landless peasants, there is evidence in Lesotho that, especially in the households affected by HIV/AIDS, sharecropping is reemerging as an important coping strategy (CARE LRAP Workshop 13/2/03, Maseru). Households with land but limited labour can sharecrop land to those who are landless. It remains to be seen whether there are clear winners and losers in these new arrangements. Secondly, there is the practice of “Mafisa” or cattle loans, in which household with more livestock give part of their stock to a destitute household in order for them to get milk in return and use of by-products like cow dung for fuel, and also for ploughing their fields. The third measure is that of “matsema” or working parties where the destitute team-up with the non-destitute households so that their fields might be cultivated as well and they can then access food security. The fourth strategy is that of community farming whereby the chiefs’ fields are worked jointly by the community in order to enable the chief to feed the destitute members of the community. Despite their social safety net effect, some analysts have attacked these measures as facilitating exploitation of the poor by the rich and promoting accumulation of capital by the rich.

In the case of access oriented strategies the tendency has been to extend cash gifts to destitute and vulnerable households by the non-destitute ones to purchase food. In some cases, food hand outs are given out directly. Moreover, it is common for relatives to bring up some children of the destitute as an informal social protection measure. Relatives, the chief and good Samaritans play the lead role in informal social protection in Lesotho. However, changing family and households structures, and rising cost of living due to inflation and recession exert serious strain on these informal social safety nets (Sechaba Consultants, 2000).

4.4 Stakeholders' complementarities and conflicts

It follows from the presentation in 3.3 that the major stakeholders in social protection are:

- The Ministry of Agriculture and Land Reclamation
- Disaster Management Authority
- Food Management Unit
- Ministry of Education
- Ministry of Trade and Industry
- Ministry of Labour and Employment
- Ministry of Health and Social Welfare
- Department of Energy
- Department of Water Supply
- Ministry of Justice
- Ministry of Home Affairs
- Department of Roads
- The Lesotho Highlands Development Authority
- Non-Governmental Organisations
- Community-based Organizations
- Communities.

These stakeholders institutions have complementarities and conflicts in their operations. In the case of complementarities, firstly, the Ministry of Agriculture and Land reclamation focuses on food production and marketing which are complimentary to the area of Disaster Management Authority which handles food aid for supplementation to food production deficit.

Secondly, the Ministry of Education's school feeding programmes are complimented by World Food Programme Feeding programmes, World Vision food supply to needy pupils and the World Bank funded education with production programmes.

Thirdly, the activities of the Ministry of Health on nutrition for the vulnerable social groups are complimented by subsidies to marketing and access to food under the Ministry of Agriculture.

Fourthly, Ministry of Labour and Employment, Ministry of Trade and Industry, Department of Roads, Lesotho Highlands Development Authority, Donors and NGOs compliment one another in their efforts to extend training and easier access to employment as a means to earn income necessary to access adequate food supplies.

Fifthly, the Department of Energy and the Department of Water supply are complimentary in that they both ensure access to energy and water which are indispensable in the preparation food by the vulnerable social groups and community in general.

Sixthly, Donors, NGOs, CBOS and Communities have complementarities on cross-cutting issues in relation to both formal and informal social protection measures.

Despite, these many complementarities, stakeholders conflicts also abound. Firstly, there is a tendency for some members of the communities to frown upon the activities of the Ministry of Agriculture to help them increase production and self-reliance, because they know that food aid from Disaster Management Authority and Food Management Unit would be forthcoming in the event of crop failure. Therefore, in a way the latter institutions

promote a dependency syndrome which runs counter to self-reliance advocated by the former.

Secondly, in the case of labour conflicts abound between employers and employees which reflect underlying conflict of promotion of human rights and access to work. Ministries of Justice and Labour protect workers from exploitation by employers, whereas the Ministry of Trade and Industry advocates for a cost-effective wage and labour policy in favour of the employees.

Thirdly, donors and the Government conflict with NGOs and communities in terms of the conditions of assistance. With the advent of structural adjustment policies, most donors follow the IMF and World Bank that social protection has to be abolished or drastically cut down in favour of full monetization and commercialization of all goods and services. However, NGOs, CBOs and communities do not agree with this line of thinking.

Fourthly, conflicts abound between formal-government institutions and non-government stakeholders with regard to politicization of social protection extended by the government.

Fifthly, a lot of conflicts exist in relation to poor targeting of social protection measures between all the benefactors and the communities who are the beneficiaries. Targeting criteria need to be streamlined adequately in order to ensure sustainable social protection in Lesotho.

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Annex Log

MAJOR GOVERNMENT POLICIES, PROGRAMMES AND INITIATIVES ON FOOD SECURITY

POLICY	History and Rationale	Comments
1. Food Self-sufficiency and Area-based Agricultural Projects	<ul style="list-style-type: none"> ▪ This initiative started in the 1970s and reached its height in the 1980s. However, it is still practiced today although on a smaller scale. The objective was to promote food self-sufficiency at the national level and reduce the country's dependence on food imports from the then apartheid Republic of South Africa. Therefore Food Self-sufficiency Project (FSSP) was used. ▪ The modus operandi was the selection of a few large areas based projects and extension support to them in terms of capital, technology, and technical know-how. In some cases large machinery was used involving tractors, harvester and aeroplanes for spraying fields ▪ The farmers went into some form of share cropping with the government, with the latter supplying all the inputs whilst farmers contributed their land. The output was shared unequally, with the government taking about 70% or more in order to recover the costs of production. This, however, caused discontent among farmers who felt cheated and later loathed the policy 	<ul style="list-style-type: none"> ▪ Food security at household level was neglected and emphasis on national political objectives ▪ Moreover, it was too expensive and excluded farmer in participation.
2. Agricultural Diversification	<ul style="list-style-type: none"> ▪ This initiative started to be promoted in the late 1980s during the Military Government and is still being promoted today. ▪ The justification for the promotion of crop diversification is that food security strategy pursuit under FSSP concentrated mainly on cereals which are of low value and in which Lesotho does not have export potential. Therefore the strategy is firstly to promote high value crops (HVCs) instead. ▪ The HVCs are thought to be necessary to facilitate crop diversification in Lesotho and enhance Lesotho's export-base ▪ They are taken to be crops in which the country has a comparative advantage and can earn foreign exchange ▪ These crops are, for example, asparagus, and horticultural products ▪ In the case of livestock, emphasis is on poultry, piggery and rabbit production 	<ul style="list-style-type: none"> ▪ The strategies used for crop diversification encountered many problems. ▪ The HVCs are export-oriented but Lesotho has no competitive advantage in the international market on them. ▪ Some of the HVCs like asparagus are not part of the food culture of Basotho and their relevance for food security in the face of failure to compete in international markets to earn foreign currency is doubtful.

POLICY	History and Rationale	Comments
	<ul style="list-style-type: none"> ▪ Another strategy used in crop diversification is irrigated farming. During the Military Government large scale irrigation projects under Bauer Operations were started nation-wide ▪ The irrigation schemes were financed by donors and were highly capital intensive. Moreover, they were imposed on people in terms of surrender of their fields into the projects and vegetables which were irrigated instead of cereal crops ▪ Most of the irrigation projects are now defunct. 	<ul style="list-style-type: none"> ▪ In the case of irrigated farming, it was capital intensive, top-down and failed to involve farmers in the planning of major decisions and activities. ▪ Moreover, the vegetables suffered from competition with those imported from South Africa.
3. Privatisation and Deregulation (P & D)	<ul style="list-style-type: none"> ▪ Since independence to 1988 when Lesotho adopted Structural Adjustment Policies, the government was the main driver of agriculture for food security. This often included heavy subsidies to the sector and expenditure by the government was high. Moreover, agriculture support services were given by the government. ▪ The P & D is rationalised on the premise that there is need to reduce government expenditure and encourage private sector participation in agriculture for food security. ▪ The major strategies used are divestiture of all agro-public enterprises such as the Masianokeng Cannery, Maluti Dairy, The National Abbatoir and others. ▪ Another strategy is to ensure full privatisation and removal of subsidies on basic agriculture services. To this end, veterinary services, cooperatives for input and credit supply, mechanised services like Technical Operation Unit (TOU) and so on are all being commercialised so that farmers can bear the full cost. ▪ The role of government is to remain a facilitator, ensuring the existence of a conducive environment in agriculture for all stakeholders 	<ul style="list-style-type: none"> ▪ Divestiture and privatisation of agro-public enterprises has resulted in loss of jobs through the retrenchment of the former employees in them. This implies lack of income necessary to access adequate food at all times by those affected. ▪ The commercialisation of agro-support services has resulted in lack of access to the services by poor farmers who cannot afford the raised market prices with the result that they cannot anymore farm effectively and yield declines are experienced.
4. Improvement of Land Resources	<ul style="list-style-type: none"> ▪ Land and natural resources are held under communal tenure in Lesotho. The King holds the land in trust for the entire nation, and chiefs are in charge of day to day land allocation, use and management in their areas of jurisdiction. ▪ Since colonial times, government has been of the opinion that communal land tenure encourages tragedy of commons typified by land degradation 	<ul style="list-style-type: none"> ▪ Many land reform initiatives have been attempted and failed before e.g. The Land Act 1979 because the ordinary people are against private/freehold tenure system.

POLICY	History and Rationale	Comments
	<p>to misuse of land, and poor productivity which promotes lack of food security.</p> <ul style="list-style-type: none"> ▪ Several efforts have been made therefore to make land reform oriented towards private land tenure system. ▪ At present the Ramodibedi Commission Report is being debated in parliament and it completely abolishes communal tenure and replaces it with private and leasehold tenure systems. ▪ Moreover, another strategy is to implement the user pays principle through the levy of user fees such as grazing fees as an instrument for improvement of livestock and range land productivity. 	<ul style="list-style-type: none"> ▪ The Ramodibedi Report recommendations have been in parliament since 2000 and it is taking too long for MPs to pronounce themselves on it; or is it failing to be approved. ▪ For one thing, freehold tenure will result in marginalisation and proletarianisation of many rural households which will have no direct access to land for food security.
5. Capacity Building	<ul style="list-style-type: none"> ▪ In the past the capacity of the Ministry of Agriculture and related institutions has been found inadequate for ensuring food security. In particular the quality of extension which was Training and Visit and mono disciplinary or specialist oriented was felt limiting in the context of rural areas where the extension agents are few and far apart. ▪ The present initiative is based on a Unified Extension System which is meant to produce multi-purpose extension agents who can assist farmers across a broad spectrum of their needs. ▪ Moreover, the Unified Extension System also aims at empowerment of farmers through the provision of multiple skills to some community members to fill the gaps on call in extension within the communities. 	<ul style="list-style-type: none"> ▪ The Unified Extension System might be food in theory, but the question is how multi-purpose does it have to be, short of producing jacks of all trades but masters of none?
6 ³ . Some Major Current Projects		
(i) Increase Food Production KRII	<ul style="list-style-type: none"> ▪ This project has been going on since 1996 and, as its name implies, aims at the promotion of increased production nation-wide. ▪ It promotes efforts by farmers to achieve food security through the supply of chemical fertilizer, improved seeds and agricultural machinery. 	<ul style="list-style-type: none"> ▪ The input supplies delay to reach farmers due to poor distribution infrastructure. ▪ The tractors are few and far

³ This section is based on the submission by the Ministry of Agriculture to the Poverty Reduction Strategy of Lesotho. MOA (2002): Poverty Reduction Strategy Programme Agriculture and Rural Development. MOA . Maseru

POLICY	History and Rationale	Comments
	<ul style="list-style-type: none"> ▪ The programme is funded by the Governments of Japan and Lesotho ▪ KRII is reviewed every two years and is scheduled to come to an end at the end of 2003. Renewal is possible 	<p>apart in some cases the design is too small and not well suited to Lesotho's agro-topography</p>
(ii) Rural Finance Project (RF & ESP)	<ul style="list-style-type: none"> ▪ It started in 1994 and ends in 2003 ▪ It is based on the rationale that Basotho farmers lack agriculture and credit and fail to embark on farming that is conducive to food security. ▪ Therefore the Project aims to mobilise rural finances and credit in the rural areas through: <ul style="list-style-type: none"> ○ The promotion of credit groups ○ The promotion of small scale enterprises credit ○ The provision of institutional support to all credit initiatives ▪ It is jointly funded by the International Fund for Agriculture and Development and Lesotho. 	<p>-----</p>
7. Off-Farm Income and Employment Generation/Poverty alleviation	<ul style="list-style-type: none"> ▪ Since the 1970s there has been a programme on off-farm income generation meant to enable those without access to land and marginal farmers to access employment and income for food security and poverty reduction. ▪ In the past, this programme was based on labour intensive community projects on self-help ▪ The self-help projects were targeted at the landless and rural poor in principle, in practice they remained open to those willing. ▪ Food aid for development and/or small cash were used as payment. ▪ Since the advent of the Lesotho Highlands Water Project in 1986, the Lesotho Highlands Water Revenue Fund (LHWRF) got established in 1990 and mobilised rural communities without targeting to work on community projects in return for payment monthly of ≈ M300.00. Households worked on rotational basis. ▪ Experiences gained from the LHWRF were used to start the Lesotho Fund for Community Development (LFCD) which is more focussed in terms of financial control. LFCD still pay participants M300.00 monthly on rotational basis, but also encourages group formation for direct funding of group income generation projects. 	<ul style="list-style-type: none"> ▪ Since the 1970s to to-day all these community development labour intensive works are weak on targeting. They are non-targeted and end up failing to reach the marginal and vulnerable social groups due to hijack by politicians and the powerful in the communities.
8. Millennium	<ul style="list-style-type: none"> ▪ This initiative is pursued by the United Nations Development Programme 	<ul style="list-style-type: none"> ▪ Efforts are underway but the

POLICY	History and Rationale	Comments
Development Goals (MDGs)	<p>(UNDP) on behalf of the United Nations Organisation which declared this policy at the dawn of the 21st century for all member states. Food security runs through the list of targets identified as key to the MDG namely,</p> <ul style="list-style-type: none"> ○ combat HIV/AIDS ○ eradicate extreme poverty and hunger ○ achieve universal primary education ○ promote gender equality and empower women ○ reduce child mortality ○ improve maternal health ○ ensure environmental sustainability ○ development a global partnership for development <ul style="list-style-type: none"> ▪ The government is energetically engaged in the pursuit of achievement of these MDG objectives through holding workshops to monitor programmes 	gate post is still very far.
9. Food assistance	<ul style="list-style-type: none"> ▪ In the past up to to-day, Lesotho relies on food assistance to meet its food deficits. This assistance comes both in the form of food imports and that of food aid. ▪ In the case of food imports, the strategy is to boost domestic agriculture production so that food imports might be reduced. ▪ In the case of food aid the same strategy is to be used. To this end, in particular Non-governmental Organisations (NGOs) are strict on limiting food aid which increases dependency and the supporting initiatives meant to capacitate communities to boost their agriculture production and in off-farm employment and income generation activities. ▪ NGOs do, however, note that it would be difficult to eliminate food aid completely. Therefore, emergency and disaster food aid still remains a practical strategy by NGOs that render support to the marginal and vulnerable groups affected. 	<ul style="list-style-type: none"> ▪ Efficient targeting remain the problem in food aid programme in Lesotho.

KEY RURAL NON-FARM ECONOMY INITIATIVES

Masianokeng Cannery	This canning industry was established in 1980 and used to can asparagus, beans, peas and peaches for local consumption and especially export to the European Union. About 500 women were employed by the firm and earned income for their households, whilst about 20 farmers produced asparagus under contract farming. Poor management and privatisation of the firm led to its collapse. In 2001, the property became part of the Lesotho Electricity Corporation (LEC) and now sells electricity to the few rich members of the communities, whilst the 500 women farmer employees and 20 asparagus farmer have lost access to employment and income without substitute opportunity provided.
National Feedlot Complex	This was established in 1978 to provide a market for livestock farmers and was used for the fattening of livestock (small and large) before being past over to the abattoir for slaughter. At the peak of operation about 20 people were employed. This enterprise closed down due to mismanagement and corruption and was earmarked for privatisation. The employees lost employment and the livestock owners market the enterprise has since closed down.
National Abattoir	This enterprise slaughters livestock from Basotho farmers for distribution internally to dealers and consumers. Due to poor supply, the abattoir also slaughters livestock from nearby towns in South Africa for distribution. Employment declined drastically after it was burnt and looted in the 1998 riots. It is due for privatisation.
Lesotho Pharmaceutical Corporation	This enterprise started in 1977 and produces drugs for distribution internally by the National Drug Stockpile Organisation. Some of the drugs were exported to SADC countries. In all these enterprises provide employment and income to many Basotho. However, it is up for privatisation as well and employment is likely to go down.
Maluti Dairy	It started in 1973 and processed milk from Basotho farmers all over the country in the lowlands and foothills by delivery trucks. It provides market and income for the milk farmers, and employment to Basotho. It is also up for privatisation and employment might decline.
Loti Brick	This started in 1980 and makes bricks and paving blocks for sale locally and in the Free State province of South Africa. It employs about 300 people. It has been privatized and employment has gone down to around 100 people.
Kolonyama pottery	This started in the early 1970s and makes pottery out of clay to produce clay pots, utensils and so forth for sale to tourists and export. Employment is down at about 20 people. The market is also low since tourists went to South Africa when it democratized in 1994.
Garment industries	Many industries are run by the "Chinese" to produce garments like T-shirts and jeans for export to the United States under the African Growth and Opportunity Act (AGOA) of which Lesotho is part. The Garment factories operate in Maputsoe, Ha Nyenye, Mafeteng, Ha Thetsane and Maseru. The former two are based in rural areas. However, rural people also work in the other three in urban areas as well. The data is not spatially disaggregated on employment, however, in general there are over 32,000 employees in the garment sector. This sector grew by 50% in 2001 alone, and prospects to grow even bigger are many, with the envisaged industries at Butha-Buthe, Mohale's Hoek and Ha Tikoe in Maseru. Although, payment is low at + M300.00 per month, access to employment in these firms provides income to households of those employed. The big problem is that safety, health and environment standards are very poor in these firms, as a result employs contract chest sickness of many kinds. HIV/AIDS is also rife due to single-person employment provided.
Weaving and cottage industries	In the past a number of cottage industries were started in the rural areas on sewing, weaving and knitting under the auspices of CARE funding. Centres were established which were satellite to the Thabana-li-mmele handicraft center and empowered women on handicraft skills as a source of employment and income. Many of these handicraft centers died when CARE aid stopped and they are now white elephants being vandalized in the communities. Attitudes of the women and other members are to blame for the failure of these employment enterprises because there is still wool and mohair for inputs, the machinery was left in place for them, and they had skills imparted to them. Yet, the enterprises collapsed.
Migrant work in South Africa	Perhaps the most significant non-farm economic activity for Basotho for more than a century has been migrant work opportunity to South Africa. At its peak of operation in the golden 1970s and 80s, mining in South Africa employed about 250,000 Basotho men, and migrant remittances constituted more than 70% of rural households. Economic embargos against apartheid in the 1980s and 90s led to a drastic fall in

	<p>the gold price and closure of many mines; and the downsizing of employment in others precipitated large scale retrenchment down to a low of 112,000 in 1994 and that of 59,000 Basotho employees in the year 2000.</p> <p>The net effect of retrenchment has been massive male unemployment and loss of income for their households. Given poor absorptive capacity of the rural non-farm sector estimated at ??? rural-urban migration, intra-household conflict and rural crime rates have increased. The problems of migrant mining work in South Africa have been compounded by the fact that it is full of bias on terms of gender, age, health and experience. Even more problematic, has been the recently acquired possible status of being a South African Resident after completion of 5 years of continuous mine engagement by Basotho. Those who get the status of residence, prefer to stay in South African and squander their work packages while their dependants starve in the rural areas of Lesotho.</p> <p>While there are migrants who go to the industries, tertiary and agriculture sectors, their numbers and remittance values are not well known because they do not have formal recruiting agencies in the country. It is, however, noteworthy, as signified by women who work on asparagus farms in the Free State province. In the latter case the employment opportunities are constrained by seasonality, whereas in the case of industries and tertiary sectors xenophobia is on the increase in South Africa and initiates against increased access to employment by all non-South Africans.</p>
Domestic mining:	Mining prospects are generally bleak in Lesotho. However, small scale efforts are done to exploit some of the available mineral resources:
Diamond Mining	<p>Corporate mining was done up to 1982 when the De Beers Mining Company closed down its operations at the Letseng la Terai in Mokhotlong. This mine has recently been resuscitated under a Basotho joint venture whose results and impact on employment, income and economy have yet to be assessed.</p> <p>Co-operative diamond mining exists at Sekameng at Kolo by ex-miners supported by the Mine Development Agency (MDA). This is temporarily closed because of contractual problems following the death of a private entrepreneur with whom they were in joint venture and his succession case. Some cooperative mining exists at Liqhobong, Lemphane and Kao.</p> <p>Individual digging also takes place at Liqhobong, Kao, Lemphane. Alluvial diamond mining opportunities exist along the Senqu and Malibatso rivers. These have not yet been seriously explored yet.</p> <p>The opportunities of diamond mining are great for employment and income, however, they are constrained by lack of capital and fluctuations in the diamond market.</p>
Stone cutting	<p>A lot of untapped opportunities exist for development of quarry and crushed stone. At present only one crushed stone site exists at Morija. Other quarry pits are temporary operations by roads for its projects. While operational they can generate employment for many people provided less machinery is used that is the case at present.</p> <p>Sandstone cutting opportunities are equally great for employment and income. However, these too have barely been exploited despite GOL policy to use mainly sandstone in the construction of its new buildings. At present a cooperative group of ex-miners operates under support by the MDA at Lekokoaneng in Berea, and St. Michael's and Mafikeng at Roma. A private company operates at white city in Maseru. The rest are individual efforts meant to meet paid up household needs.</p> <p>A great internal and regional market opportunities exist for export of sandstone by rural communities, what is needed is capital and marketing network support.</p>
Clay mining	Corporate mining of clay is done by Loti Brick (Pty) Ltd for making building and paving bricks. The company employs about 100 workers and has local and Free State Province marketing opportunities. Clay for making ceramics tiles exists at Tsita's nek in Mafeteng. The now defunct Highland Ceramics Company used this soil to create employment opportunities for about 130 workers during its operational days. The

	<p>marketing opportunities are good for any prospecting in this regard.</p> <p>The Kolonyama Pottery also uses clay to produce pots and utensils for exports and sale to tourists in the country.</p>
Coal mining	Prospects for coal mining exist but so far only sporadic individual attempts to put to use coal from some peats in Mohale's hoek have been reported. Commercial mining is deemed non-viable with the present technology and costs.
Tourism	<p>Rural tourism in the country is based on the environment and topography of the country. Therefore a lot of opportunities exist for employment and income for the rural communities in the areas of:</p> <ul style="list-style-type: none"> • pony rearing and hire • tour guides • sales of sesotho food to tourists • sales of sesotho artifacts as souvenirs • traditional accommodation provision
Voluntary associations	Basotho in the rural areas, are also proactive in creating their own employment and income opportunities. In the context of income opportunities, there has been a tremendous increase in voluntary associations such as stokvels, money lending ("machontsa"). All these voluntary associations and individual efforts facilitate availability of and access to rural credit; in the absence of formal credit facilities that often require a collateral as a precondition for credit-worthiness. The credit received from these sources is used for multiple household demands.
Banking	<p>No rural oriented formal banks exist in the country to drive the rural non-farm economy. However, some lame opportunities are offered by the now ailing Lesotho Cooperative Credit Union (LCCU) to selected beneficiaries. The problem with the LCCU is nepotism, corruption and politicization.</p> <p>The Ministry of Finance runs the Rural Finance Enterprise meant to provide financial support to small micro and medium scale enterprises (SMMES) in the rural areas. However, this enterprise is also fraud with nepotism, corruption and politicization which hinder its effective outreach to the majority of the rural communities.</p>
Lesotho Fund for Community Development (LFCD)	The Lesotho Highlands Water Revenue Fund (LHWRF) was the wing of the Lesotho Highlands Water Project (LHWP) that collected and saw to the financial disbursement of royalties from the LHWP for community development nationwide. After many false starts involving nepotism, corruption, theft and politicization of the LHWRF, it got terminated and replaced by the LFCD in line with a recommendation by the World Bank and channels them for community development nationwide. In theory, the LFCD is supposed to be more stringent and efficient in financial management than its predecessor, the LHWRF. In practice, however, the LFCD is dogged by the same problems of nepotism, corruption and politicization. Therefore, its opportunities are highly constrained and limited to few beneficiaries in terms of employment and income gained. Moreover, its sustainability is doubtful when the LHWP and World Bank funding come to an end.
Informal Sector	<p>The most elastic employment and income generating opportunity for rural non-farm economy exists in the rural informal sector. The extent, size and dynamics of the rural informal sector have yet to be formally established. However, tremendous opportunities have been exercised by rural communities in:</p> <ul style="list-style-type: none"> • Brewing – takes place within the household compound and beer is sold to consumers by the woman of the house ("phephesela"). In some cases, specific houses are hired for this purpose within the village. • Selling vegetables – from own produce and/or those purchased from elsewhere. It is either within the homestead or out along the village roads.

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| | <ul style="list-style-type: none">• Selling fruits – from own produce or that of fruits bought elsewhere such as oranges and bananas.• Selling soft goods - has become fashionable lately especially among the young women who engage in cross-border trading and fetch soft goods, especially clothes, from supply areas such as Durban, Cape Town, Zimbabwe and even Zambia. These goods are sold at home, from door to door and in the streets by the women vendors (“Bo-mmathoto”).• Prostitution - In the case of prostitution, since the beginning of mining in South Africa in the late 19th century, throughout the 20th century and into today’s 21st century, some Basotho women have sought employment and income opportunities alongside migrant men and offered themselves for paid sex work around the mine recruiting agencies in Lesotho and in the vicinities of the mining compounds (“mekhukung”) in South Africa. The fact that shi sex work has hitherto been regarded illegal has made it very lucrative under black market conditions and lured many Basotho women to cross the Caledon river to this so-called “<u>Bekestaal</u>” employment. Future opportunities are, however, constrained by the illegality and the unhealthy sex-working conditions with many returnees dying of HIV/AIDS related sicknesses. Within Lesotho itself, women camp followers are a common experience in the rural and urban areas of the country in search of non-farm income for livelihood. |
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KEY RELEVANT DOCUMENTS TO THE POLICIES PRESETED

DOCUMENT	REVIEW
1. Ministry of Finance and Economic Planning (1996): <u>Pathway Out of Poverty: An Action Plan for Lesotho</u> . Ministry of Finance and Economic Planning. Maseru	<ul style="list-style-type: none"> Provides the first initiative to come to grips with food security and poverty by the government, donors and NGOs in the 1990s
2. <u>Ministry of Economic Planning (1997): Sixth National Development Plan: 1996/97-1998/99</u> . Ministry of Economic Planning. Maseru	<ul style="list-style-type: none"> The first three year rolling development plan. Focuses in detail on various reforms aimed at food security.
3. Ministry of Finance and Economic Planning (1987): <u>The Fourth Five Year Development Plan</u> . Ministry of Finance and Economic Planning. Maseru	<ul style="list-style-type: none"> The first national plan to address food security issues at household level instead of national food self-sufficiency.
4. Ministry of Finance and Economic Planning (1992): <u>The Fifth Five Year Development Plan</u> . Ministry of Finance and Economic Planning. Maseru.	<ul style="list-style-type: none"> Presents a clear outline of strategies to achieve food security under Structural Adjustment Policies (SAPs) by the country.
5. Ministry of Economic Planning (1997): <u>Economic Options for Lesotho</u> . Ministry of Economic Planning. Maseru.	<ul style="list-style-type: none"> Provides a review of the entire economic structure and performance in Lesotho. Suggests feasible options for the 21st century.
6. Ministry of Development Planning (2000): <u>Vision 2020</u> . Ministry of Development Planning. Maseru.	<ul style="list-style-type: none"> Presents a perspective plan of Lesotho and its long term development goals for the 21st century.
7. Ministry of Development Planning (2001): <u>Towards a Poverty Monitoring System in Lesotho</u> . Ministry of Development Planning. Maseru	<ul style="list-style-type: none"> Provides an institutional data and policy requirements for poverty reduction monitoring.
8. Ministry of Development Planning (undated): <u>Progress Report on Millennium Development Goals – Lesotho</u> . Ministry of Development Planning. Maseru.	<ul style="list-style-type: none"> Presents progress on the implementation of the MDGs in Lesotho.
9. Ministry of Development Planning (2003): <u>Interim Poverty Reduction Strategy Report</u> . Ministry of Development Planning. Maseru.	<ul style="list-style-type: none"> Presents a collection of sectoral submissions and plans of action for poverty reduction over the coming 3 years up to 2005. Presents a provisional national poverty reduction strategy.