

Poverty in Lesotho 1993 to 2002.

**An overview of Household Economic
Status and Government Policy**

Deborah Wason & David Hall

CPRC Working Paper No 40
ISBN Number 1-904049-39-7

Abstract

This paper provides an overview of poverty in Lesotho from a longitudinal perspective. The first few sections give a brief background to Lesotho, in particular the physical, economic, political and demographic context are discussed. They show how Lesotho is in many ways a typical sub-Saharan country except that it possibly has less natural resources than most. Against this is the healthy climate and the fact that its proximity to South Africa has meant that the economy has been supported by the migrant labour of Basotho men working in the South African mines.

Despite the fact that this migrant labour is now decreasing Lesotho has seen a growth in her economy based on the development of her textiles industries and major engineering works. However there is little evidence that this growth is reflected in the incomes and living standards of her people, particularly those in the rural areas and it appears that there is growing inequality in Basotho society. Particular groups are more vulnerable to poverty than others, in particular the long term sick (including HIV/AIDS sufferers), the disabled, orphans and the elderly dependent. The HIV rate in Lesotho is currently in excess of 40% amongst certain groups which has significance for the economy.

There have been several previous poverty studies in Lesotho but all have been cross-sectional in form. These were undertaken in 1989, 1993 and 1999. In 2002, 328 of the households which were interviewed in 1993 were revisited. It was found that, in terms of income, most households had not kept up with inflation with the exception of the highest two quintiles. Most of the poorer households had also lost assets. Those households who were in the bottom two income quintiles in 1993 and were still below a poverty line set at that level and inflated accordingly in 2002, were therefore poorer today in relative and absolute terms than in 1993.

There had however been considerable mobility with some families becoming rapidly poorer due to lost paid employment and some moving up due to gains in waged employment or increased productivity of the land. It was found that whilst the presence of a paid worker prevents a household from falling into poverty the loss of this worker can have catastrophic results. Hence Basotho households like to diversify their sources of livelihood and utilise local resources as risk averting strategies.

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1. Introduction

This paper looks at the characteristics of long-term chronic poverty in a small sub-saharan country – Lesotho. Chronic poverty has been variously defined (see Jalan & Ravallion, 2000; Hulme et al, 2001) but in this paper it is described as persistent, deep poverty which has kept households below a poverty line set at the 6th decile in 1993 and raised in line with inflation in 2002. The paper is based on the revisiting and interviewing of 328 households from an earlier study in 1993. The findings are all quantitative in nature and need to be complemented by more in-depth qualitative research. Murray discusses the importance of linking both quantitative and qualitative data together when engaged in the complex issue of livelihoods research and the results given in this paper will be more complete and comprehensible once qualitative interviews are undertaken with some of the families described here (Murray, 2002)

The first section gives a brief overview of the country, the economic and demographic background and what is already known about poverty in Lesotho. The second section of the paper looks at Government policies to date for combating poverty in Lesotho. The final section then looks at the background to the survey and some of the results.

2. Country Background

Lesotho is a small country of only 30,355 square kilometres with a population of just over two million. Two-thirds of the country is sparsely inhabited, comprised of rugged mountains and deep valleys with small, scattered villages. The remaining third, consisting of a lowland strip, is inhabited by 70% of the population. The country is entirely surrounded by South Africa, with no coastline. The majority of the population (80%) lives in rural areas, but have strong links to urban centres in both Lesotho and neighbouring South Africa.

2.1 Economic Context

Lesotho has few natural resources – sandstone and water being the most prevalent. As yet the potential to export sandstone has not been fulfilled but Lesotho now regularly exports water to South Africa, in particular the Gauteng area. This is done through the development of a series of dams which were constructed in the 1990s and which have also had a major impact on the mountain communities in the areas where the dams have been built.

Rangeland in Lesotho has rapidly declined due to overgrazing to the extent that, whereas mohair and wool was once a sought after product, it barely shows up in the country's export figures. Similarly arable land has declined from 13% to 8% in the 1990s alone and so Lesotho cannot be self-sufficient in food. In fact crop production which used to be the mainstay of Lesotho's economy has dropped dramatically and is now about 27kg per capita per year. The degradation of the land, mono-cropping, the use of chemical fertilisers and increasingly lack of inputs in terms of labour, tillage etc. have all contributed to the decline of arable farming. Livestock have tended to decline in quality and many families have been victims of serious stock theft, which has become endemic in much of Lesotho and neighbouring South Africa.

Human resources have therefore been one of Lesotho's main exports. This has been in various forms. Up until 1994 Basotho tended to receive a better education than black South Africans. This has meant that since 1994 many have been able to sell their skills in a South Africa which is trying to encourage a more multi-racial workforce. They have been helped by the fact that Sesotho is an official language of South Africa and many Basotho have been eligible for South African citizenship but it means that Lesotho has often lost many of her most skilled citizens.

However, the mainstay of Lesotho's cash economy up until recently was the migrant labour system, in particular work in the gold mines of South Africa. In 1990 127,000 Basotho men worked in the mines 'the best choice for a livelihood a Mosotho could make but the worst for a human being' (Sechaba Consultants, 2000 p.30). By 1999 this number had dropped to 56,000 with a major effect not only on the employment of Basotho men but also on the remittances the miners used to send back to their families. The causes of this drop in the number of Basotho employed are several. Worldwide the price of gold has dropped, new labour saving mining technology has been introduced, South Africa has dropped her policy of only employing migrants in the mines and internal problems in Lesotho, such as the telecommunications strike in 1997, all had an impact on the numbers employed.

However, despite the decline in nearly all Lesotho's traditional export activities, the 1990s saw a rapid rise in GDP and GNI. Between 1987 and 1997 the average year-on-year

growth was 6.2%, much higher than most other sub-Saharan countries. This was due to the building activity for the Lesotho Highlands Water Project and in the later stages the sale of water to South Africa and to a growth in the manufacturing industry. In 1998, due to the unstable political situation, there was widespread rioting and burning and South Africa sent in troops to quell the trouble. This led to a dramatic drop in GNP, estimated to be up to 7.7% (Maope, 2000), from which it is unlikely to recover to its former levels of growth. The rapid growth in GDP was partly attributable to a growth in manufacturing. Lesotho has encouraged textile firms in particular to base themselves in Lesotho in return for tax breaks and subsidies. These firms were highly successful in terms of productivity but the wages were low, conditions bad and the owners (all foreign – mostly from the Far East) had little stake in the country itself. The troubles of 1998 saw many leave, and it has only been in the last year that investment has started to pick up again. Growth in GDP has therefore picked up again to about 3.3% but GNI was projected to contract in 2001 (Moeketsi and Sejanamane, 2001).

Inflation in the decade up to 2001 averaged at about 8%, good compared to many sub-Saharan economies but even so the poor did not manage to keep up, as will be demonstrated later.

Because of Lesotho's economic growth up until 1998, Gross National Disposable Income also showed real growth. However it became apparent from the 1999 poverty survey that this growth was only benefiting a few probably the wealthiest citizens of Lesotho as the rural people in particular had seen their incomes drop during that period. Re-distribution of wealth is therefore a key challenge for Lesotho and the best way safety nets can be provided for the long term poor and vulnerable.

2.2 Demographic context

The population of Lesotho is approximately 2 million people of whom 95% live in households and about 80% live in rural areas. Because fertility is relatively low only 36% of the population is aged under 15 and 6% over 65. Migrancy for work is a fact of life in Lesotho can be seen by the fact that nearly one in five male heads of households were not present in the household but working/living away. This was not true for female heads where the vast majority were present in the household. Households are made up of both

related and unrelated persons – the latter being more common in the urban areas than in rural areas, except for the presence of herdboys who are often unrelated to the family.

Around 10% of the population has migrated to South Africa for work. These migrants are predominantly men and mostly in the 20-49 years age group. They also tend to be the better educated. There are differences in the proportions of the population migrating with the more successful urban areas in Lesotho and the very remote mountain areas providing less migrants than rural areas in the lowlands or close to the South African border. Very few Basotho migrate to other countries other than South Africa

With regard to labour migration (where the migrant returns), about 12% of the population have worked in South Africa in the past and about 7% are currently working there. Again this is predominantly men. Internal migration, both life-time and period, is also common but here it is women who predominate. In particular women move to the three main lowland towns where there are clothing factories causing a drop in the populations of the more mountainous rural areas. For instance the female population of Maseru, the capital is growing by about 9.5% a year whilst that in Mokhotlong (a remote district) is falling by 11.3%. There is a similar pattern for men but on a smaller scale - +5.9% for Maseru and – 6.4% for Mokhotlong. Again education implies more movement.

3. Overview of Poverty in Lesotho

Lesotho ranks 127th out of 174 countries on the UNDP's Human Development Index. The poverty line in Lesotho is M124.00 (about £8 per month) which means that about 68% of Basotho are poor (May et al, 2001). Basotho society is also very unequal with a Gini coefficient of 0.6. This would explain why the economic growth seen in Lesotho in the 1990s did not significantly reduce poverty. Some of Lesotho's social indicators are better than those of some other sub-Saharan countries. It has high literacy and school enrolment rates but by secondary school its enrolment rates are worse than other countries indicating a high drop out rate. In terms of population per doctor the average is 20,000 which is double that for the SADC region and the health sector's share of Government resources steadily declined during the last five years of the last century.

In 2001 only 18.1% of people over 10 years had regular waged work (Government of Lesotho (a), 2001) and a further 10% were either employers, worked for themselves or were casual workers. 25.7% were students but the remainder of the population were not involved in income generating activity. The general economic activity rate is therefore 36.2%. Women were less likely to be earning an income than men.

Official Development Assistance to Lesotho was twice the average for the sub-Saharan region in the last decade at \$70 but has now dropped to \$15 per capita, well below average. One of the reasons behind this may be that donors are re-focussing their resources on South Africa.

A series of poverty studies conducted in the 1990s (1991, 1993, 1999, all Sechaba Consultants) demonstrated that Lesotho's urban areas were significantly better off than the rural areas by almost all measures. These studies however were cross-sectional in form and so up until now there were no longitudinal data to work from. The divide between urban and rural areas in Lesotho has heightened over time, with the rural agricultural sector stagnating and the urban secondary and tertiary industrial sector thriving. Indeed, the contribution of the industrial sector to gross domestic product has more than tripled since the mid-1980s, while agriculture has gone into secular decline. As a reflection of this diverging economic base, over 30% of households in the mountains fall into the lowest household income bracket, compared to only 5% for the urban areas

The proportion of households defined as poor has increased significantly since 1990 and now includes 68% of the population. Two thirds of the poor live in destitution with barely enough cash income to satisfy basic food needs. By contrast, there is evidence to suggest that the relatively small proportions of the population who still have access to waged employment have benefited from the economic growth. The combination of declining waged employment - due primarily to the retrenchment of mine workers - and the increase in real terms in civil service and private sector salaries, has contributed to Lesotho having one of the highest levels of income inequality on the continent.

The number of households able to assist poorer relatives and neighbours is in sharp decline; traditional support mechanisms will not be able to maintain the increasing number of destitute households. The failure of the market-driven economy to distribute wealth to

the poor has not been compensated for by official safety net projects or social welfare efforts. These remain insignificant in view of the increased need, particularly as the HIV/AIDS pandemic leaves an increasing number of aged households heads caring for orphaned children. Government partnerships with NGOs experienced in working with the destitute exist but these are woefully inadequate.

Despite the high levels of unemployment and the inequality in cash income Basotho tend to have well-established homes with gardens and trees; relatively equitable access to water, land and other natural resources; reasonable plot and field sizes and relatively high levels of livestock ownership. Access to primary schooling has resulted in high levels of literacy, while a well-established system of primary health care has virtually eradicated polio and other impoverishing diseases that plague many African countries. These assets have made it possible for many households to survive the recent down-turn in the economy as well as sudden shocks such as retrenchment. Political conflicts have not reached the point of displacing people and causing separation from their asset base.

4. Vulnerable Groups

Although much of Lesotho's population could be deemed poor, particular groups are especially vulnerable to long-term and deep poverty. These include:

4.1 The long term sick and disabled

National statistics set the disability rate at 4.2%. This CPRC survey found a much higher rate of about 10% which is hard to explain given that the Lesotho Demographic Survey found lower rates of disability in the rural areas than the urban areas. Both surveys relied on subjective self-reported assessments. Men are more likely to be disabled than women particularly in the rural areas which may be explained by the fact that cause of disability most often given was mining accident (31%). For women the leading cause was illness. As would be expected disability increases with age. Amputations, blindness, severe deafness and mental problems are the most common causes of disability.

HIV/AIDS has become a major scourge. In 2000 the HIV prevalence rate amongst antenatal attendees in the capital was 42.2% and amongst patients with sexually transmitted diseases, 41% (Government of Lesotho (b), 2000). Life expectancy in Lesotho has already dropped from 60 years in 1991 to 52 in 2001 and is projected to fall to 31.4 years

in 2015 (World Bank, 2000). Income loss is projected to be one per cent per capita per year and there are already many additional burdens on the health sector and individual households due to this cause. These catastrophic figures may well plunge families into poverty as they lose breadwinners and cause households who are on the margins to become poorer as they use their assets to pay for treatment. In addition the poor are more likely to contract the disease as they often cannot afford treatment for STDs and cannot afford condoms for protection.

A high proportion of Basotho children were found to be stunted (low height for age) (estimates vary between 42% and 50%) in 1993 and about 20% were found to be wasted (weight for age) in the same year. Both stunting and wasting drastically increases in the second year of life and probably shows the effect of weaning and the lack of adequate nutrition at this age. In 1999, the mountain areas show a much higher rate of stunting (55.6% vis-à-vis 40.6% in the urban areas) and wasting (21.8% vis-à-vis 8.3% in the urban areas) (Sechaba Consultants, 2000). Malnutrition was also connected to income with 53.5% of the children in the lowest income quintile being stunted compared to 39% in the uppermost quintile.

Rural women are also twice as likely as their urban counterparts to be energy deficient (BMI less than 18.5) (Government of Lesotho (c), 1995) which has a direct impact on infant and maternal mortality.

4.2 Orphans and dependent elderly

Historically there have been few homeless orphans in Lesotho as the extended family has normally protected children whose parents have died. However the high HIV infection rate will mean not only that more children will find themselves orphaned but also the family will be less able to care for them. There is some limited provision for orphans in Lesotho and experiments are being done with fostering.

The high HIV rate also means that there are less younger people to look after the frail elderly. Poverty studies have shown how it is often the elderly who live alone, or without another younger adult, who are most vulnerable to poverty (Turner, 2000). At present there is no provision either in terms of care or cash income for these people. The 1938 (?) Pauper Law which gives the very poor a minimal income should in theory cover the frail

lone, elderly but it is rarely put into practice. At present such elderly are often fed by neighbours and other villagers but as the rural areas in Lesotho become poorer this system may well be put under strain. The 1999 Poverty Study found that the ratio of those in a position to help others to those who would otherwise be destitute was about 1.8 to one. This meant that social cohesion could be maintained and the very poor assisted by informal means. However a shift in this ratio by even 10% would seriously affect the Basotho's ability to prevent destitution with the associated social breakdown. As will be shown later rural Basotho are getting poorer in real terms and this, along with households loss of labour due to such factors as AIDS, may well start to undermine the precarious balance between helper and receiver. Turnbull shows how the loss of material support can decimate coherent social entities with traumatic results and it is to be hoped that Lesotho can avoid going down that road (Turnbull, 1993)

5. Key Government Policies and Programmes

5.1 Post Independence Measures

Government programmes and policies that have favoured the poor can be traced back to the first decade following independence. In the 1970s the Government launched large public works schemes, many of which were supported by the World Food Programme. One visible outcome of these schemes are the village woodlots that can be found in many parts of the country and which continue to provide fuel-wood and poles for thousands of households. The results of some of the other public works efforts involving soil conservation and rural roads are also noticeable today, although many of these did not survive the torrential rains that characterise Lesotho's summers. During the same period food-aid was provided to primary schools and as well as to clinics throughout the country. These programmes extended through the 1980s into the mid 1990s.

While the various food-aid programmes may have provided important short-term relief to destitute households most were eventually discontinued as they were seen as creating dependency and acting as the wrong type of incentive. So, for example, it was argued that people should be taking the children to the clinic to be immunised for the sake of the child, not because food-aid was being offered, or that they should be willing to plant trees for the value of the trees, not because they were induced to so with food-aid. It was also felt the food-aid was not well-targeted, resulting in many non-poor households benefiting. School-

feeding programmes in the better-off Lowlands were, as a result, discontinued in favour of 'self-sufficiency' projects involving vegetable production and poultry (with very limited success). Woodlot plantings also came to an end in favour of community-driven 'social forestry' initiatives (again, with limited success). The universal supply of food to mothers attending post-natal clinics ended, although a provision was later made for feeding those who were seriously malnourished.

In the late 1970s Government made a significant step towards ensuring that basic health services were as accessible as possible to all, including the poor, by adopting a Primary Health Care (PHC) strategy as framework for the delivery of health care. An important component of this was the establishment of a network of Village Health Workers, supervised by clinics, operating within clearly defined Health Service Areas. In the 1990s Government provided increasing support, notably in the form of salaries, to hospitals and health centres owned and operated by different churches, many of which serve impoverished, remote parts of the country. At all Government hospitals and health centres user fees were maintained at affordable levels through large subsidies (the current outpatient fee for a consultation, including medication, is M10, equivalent to US\$1.15). Unfortunately the church-run hospitals and health centres have not been able to maintain fees at this level, resulting in overcrowding at Government facilities and under-use at church ones.

The PHC strategy has resulted in impressive gains, with immunisation coverage increasing from 49% to 71% in a decade (Lesotho will soon be declared polio free). The widespread availability of oral rehydration salts has significantly decreased case-fatalities from diarrhoea, partly contributing to the decline in infant mortality rates from 85/1000 in 1986 to 74/1000 in 1996. Child malnutrition rates have remained relatively stable in the 1990s being 16% in both 1992 and 1999. Contraceptive prevalence has risen steadily from 7% in 1977 to 23% in 1999. These gains must, of course, be set against the serious challenges posed to all socio-economic groups by the HIV/AIDS epidemic and the consequent impacts on related diseases, notably tuberculosis.

Government's post-independence role in making primary schooling as accessible as possible should not be overlooked. The majority of schools are church owned and operated, but without Government paying teachers salaries they would not be viable or

affordable to the majority of the population. It is this partnership, involving churches and Government, that has resulted in Lesotho enjoying one of the highest literacy rates in Africa.

5.2 Explicit Poverty Reduction Plans

5.2.1 Five-Year Plans

The history of *explicit* governmental efforts to combat poverty can be traced back to the fifth Five Year Development Plan (1991/92 – 1995/96), which was the first to specifically mention “poverty alleviation” as one of its primary objectives. That does not imply that previous plans or programmes ignored the poor, but rather that these were only *implicitly* ‘pro-poor’, with components such as “increasing social welfare” being appended to the main components that focused on measures such as “increasing agricultural production” or “promoting resource based industry”. In the sixth Plan (1996/97 – 1998/1999) poverty alleviation was given increased prominence with Government identifying specific sectors that were considered to be most crucial to the poverty reduction process (including water, education, health, the environment and rural infrastructure).

5.2.2 Pathway out of Poverty

In 1996, with support from the World Bank, the first detailed poverty action plan was published by Government after extensive consultations with the NGOs and donors. *Pathway out of Poverty – An Action Plan for Lesotho* argued that poverty eradication is the “greatest challenge” Lesotho had to face and highlighted five ways in which poverty could be reduced.

First, the Plan argued that Lesotho’s urban economy would be unlikely to generate the massive amounts of employment needed to compensate for declining migrant labour. The only alternative was, therefore, to ensure that “family farming (was made) more profitable by shifting away from extensive grain production, in which Lesotho holds no comparative advantage, to those labour-intensive crop and livestock activities in which it can compete in the region and internationally”. The priority policy changes that were identified as being necessary included the deregulating of agricultural markets and improving land tenure, especially for women.

Second, it was noted that an opportunity did exist to increase domestic wage employment driven by “an export boomlet” in textiles, garments and other light manufacturing. It called on Government and the trade unions “to vigorously enforce health and safety standards” while, at the same time, keeping “wages competitive”, improving industrial wages, increasing efficiency in utility supply and increasing the supply of skilled workers through training and education.

Third, the *Pathway out of Poverty* called for “broad-based investment in human capital” as the “single most important input in the creation of employment-intensive, poverty reducing growth”. Emphasis was placed on increasing geographic equity and lowering the costs of education and health services to the poor, with particular note being made of the need to reduce primary school costs to parents, especially boys who are more poorly educated than girls in Lesotho.

Fourth, the report argued for stronger social safety nets, based on lowering the costs of essential goods such as food, fuel, water, health care and education and a “substantially expanded employment-intensive public works programme ... in which below-market level wages (are) used to self-target the employment supply to the poor”. For vulnerable groups, such as the elderly, the disabled and children under five, *Pathway* called for food-supplement programmes.

Finally, it recommended that Government set aside revenue from the sale of water to South Africa for a rural development programme that would respond to local plans and development initiatives.

Pathway formed the basis for a costed policy document entitled *Poverty Reduction within the Context of Good Governance* that was presented to a Roundtable Conference in Geneva in 1997 with the hope of mobilising the required resources.

5.2.3 National Vision 2020

Three years after the Geneva Roundtable – which produced few tangible results - the Government initiated a new long-term plan based on country-wide consultations. The ‘2020 Vision’ is intended to guide the development process over the next two decades. A representative committee of 35 was mandated by Government to compile material and

record stakeholder views. Although not in its final format the outcome of *Vision 2020* is interesting, especially as it appears to confirm the key poverty-reducing strategies described in *Pathway*. For example, *Vision 2020* also stresses the need to diversify agricultural production and to invest in human capital, notably by ensuring “appropriate education and training and excellent health services are accessible to all” (Government of Lesotho (e), 2002). Employment creation is also highlighted, although more emphasis is placed on entrepreneurship and programmes targeted at small and medium enterprises than on public works. More emphasis is also given to governance issues, notably strengthening democracy, reform, decentralisation and law enforcement.

5.2.4 Poverty Reduction Strategy Paper

The formulation of the plans described above coincided with a period of rapid economic growth in Lesotho, fuelled by both the Highlands Water Project and the growth of garment industries. This was not the case in many other African countries that had undergone structural adjustment, but not experienced economic growth. A sustained global campaign against the policies of the IMF and the World Bank resulted in the 1999 commission that conducted a ‘Fundamental Review of the Heavily Indebted Poor Countries (HIPC)’. The Review, under pressure from the International Jubilee Movement, resulted in the announcement that national Poverty Reduction Strategy Papers (PRSPs) would become the basis for future concessional finance and debt relief. Along with most other African countries Lesotho embarked on the PRSP process, despite the fact that it had already initiated its own planning process under *Vision 2020*.

The PRSP is intended to change not only Government planning but also the way donors relate to recipients: under the new framework “...donor approaches should aim at all times to enhance the capacity of governments to plan and implement participatory development programmes, to fit PRSP cycles around national budgetary and planning timeframes” (NUL-CONSULS, 2001). Indeed there are those who feel that the PRSP is resulting in a “recasting of all donor-recipient relations, not just debt relief”, with recipient countries now expected to devise their own economic reform and poverty reduction programmes (NUL-CONSULS, 2001).

To drive this in-country process the Government of Lesotho established a Technical Working Group (TWG) in February 2000 under the Minister of Development Planning.

The TWG includes representatives from Government, civil society organisations and donors. The group produced an Interim-PRSP in 2001 which can be summarised as:

“...an integrated strategy marked by policies that support macro-economic stability, labour absorbing growth, the promotion of diversified livelihoods and sustainable asset accumulation, the delivery of essential services and the provision of a limited basket of safety net policies.” (Government of Lesotho (f), 2001)

Again, it is possible to trace particular strategies back in time to those detailed in *Pathway*, with a fashionable dose of ‘livelihoods’ thinking being added (that do not necessarily change the proposed interventions in any radical way, despite the terminology).

The I-PRSP was commended by the Bank/IMF assessment as being a “commendable step towards developing a comprehensive poverty reduction strategy”. Since then a series of steps have been taken towards completing the final PRSP, including an assessment of poverty reduction programmes, public consultations, assessments of district structures and poverty monitoring options as well as a study of growth and employment. The full PRSP now exists in ‘Zero Draft’ format, with the Final Draft expected to be released sometime in 2004.

5.3 Beyond Plans

Paper plans to reduce poverty may consume many bureaucratic hours, but these count for little if they do not result in any real changes for the poor. Looking back to the recommended strategies described in *Pathways out of Poverty* it is interesting to consider what progress has been – whether by default or design – since 1996.

Taking the first recommendation of *Pathways* mentioned above, progress was achieved in the deregulation of agricultural markets, and this did have the desired impact of lowering the price of maize, but not for long. Lower maize prices meant less of an incentive for farmers to grow their own maize, which meant less domestic production in per capita terms. In 2001 and 2002 poor harvests in the region resulted in the price of cereals rising by 30%, with the poor being hardest hit. Progress was made in improving land tenure for women by removing discriminatory passages from legislation. At the same time a Land Review Commission review proposed far reaching changes to the system of land tenure,

although most of these have yet to be implemented. The proposed shift away from extensive grain production towards “labour-intensive crops and livestock activities” has not materialised: indeed the closure of Lesotho’s only cannery that once processed asparagus for export as well as the failure of all large irrigation projects started in the 1990s can only be interpreted as steps in the opposite direction to those proposed in *Pathways*.

By contrast the second measure, making the best of the export “boomlet”, has possibly exceeded expectations. Investment in the garment sector has risen steadily over the last six years, with nearly 1,000 new jobs being created per month in 2001 (DFID, 2001).

Despite a brief drop following the political turmoil of 1998 investor confidence has been maintained and a new textile mill producing denim for other factories will result in further job creation over the next two years (36,000 new jobs were created in 2002). Government and trade unions have maintained “competitive wages” while enforcing health and safety standards (at least to the extent of meeting international codes of conduct). The issue of increasing efficiency in utility supply has seen progress as far as electricity is concerned: Lesotho is now self-sufficient in electricity since the commissioning of the ‘Muela power plant (associated with the Highlands Water Project). The Lesotho Electricity Corporation is under a management contract that rewards productivity. Of concern, however, is the lack of progress in the urban water supply sector, with there being many indications that the Water and Sewerage Authority may not be able to meet future demand fuelled by the new wet industries. This has implications for the poor in peri-urban areas – who currently pay the highest amounts for water bought from private vendors - as the Authority may not be able to extend the reticulated network for domestic purposes because priority is being given to the new factories.

Perhaps the greatest progress made relates to the third measure recommended in *Pathways*, being “broad-based investment in human capital”, particularly in the education sector. In 1996 *Pathways* noted that:

“It is difficult to overstate the importance of primary education to a pro-poor economic growth pattern.Massive investments in primary education are a common denominator in economic success stories all over the world. Top priority should be given to investing in primary education for which the social returns are

extraordinarily high....A good argument can be made for providing primary education virtually free of charge.”

The argument has prevailed with Government committing itself to the provision of free primary education for all. Starting in January 2000 progressive school years were made entirely free and by 2007 all seven years of primary school will be free. The introduction of free primary education had an immediate impact on enrolment rates which, until 2000, had been in decline. It also had an impact on public opinion, being cited (already in 2001) as the sector that had seen the greatest improvements over the last five years, and almost certainly was a significant factor in the re-election of the ruling party.

The fourth measure from *Pathways* called for a “substantially expanded employment-intensive public works programme ... in which below-market level wages (are) used to self-target the employment supply to the poor”. Here significant progress has been made on two fronts: rural water supply and rural roads. The Department of Rural Water Supply, which is aiming to achieve full coverage by the year 2010 (from 61% in 2002) has undergone major change since *Pathways* was published. In essence this has involved changing from being an *implementer* of water supply projects – where the Department undertakes all aspects from design through to construction – to being *facilitator*, where the Department supervises the work of contractors. In terms of poverty alleviation the key change that has accompanied this shift is that community labour is now paid, whereas in the past this was provided on a voluntary basis. This provides temporary employment for approximately 1,000 people in 100 new projects annually. The contribution of the Department of Rural Roads is numerically more significant, with 3,600 people being employed at anyone time on labour intensive projects (a rotational system spreads the benefit of this short-term employment, with the labour force being changed every three months).

The final recommendation key recommendation in *Pathways* was that revenue from the sale of water should be set aside to fund local development initiatives. Since then the Lesotho Fund for Community Development has been established with trained staff now operating in all 10 districts. On paper the LFCD is an impressive organisation , with all the right intentions regarding ‘empowerment of communities’ and ‘local initiatives’ that are ‘managed and sustained by participating communities’. In theory the Fund should have

worked as a catalyst stimulating a myriad of local projects across the country that LFCD staff would screen and then support in different ways. In practice 'the choice of projects is biased towards political inclination' (Technical Working Group, 2001) meaning the projects have been nominated by Members of Parliament and approved by the LFCD board (dominated by the ruling party), leaving very little room for truly independent local initiatives. The MPs have strongly favoured public works projects that provide their constituents with short-term employment: of the 240 projects nominated by MPs 184 were roads, totalling 1,800kms. At M500,000/km the result is that virtually all funds have been allocated for the next few years.

5.4 Assessment

Since 1993 Government has shown real commitment to anti-poverty measures both through its plans and actions. While maintaining prudent fiscal management and a cautious monetary policy it has increased expenditure in key sectors – notably health, education and rural infrastructure – that do benefit the poor. Of these the provision of free primary education has impacted on the largest number of households and opened up new opportunities for children who would otherwise not be at school. In promoting an 'enabling environment' for direct foreign investment Government is contributing to job creation in urban areas (notably Maseru). Through public works programmes it is attempting to direct some of the resources towards neglected rural areas.

While all these efforts are laudable the harsh reality is that the magnitude of poverty is such that (with the exception of free primary education) the impact of the interventions has been hardly measurable. All available data point in the same direction: the poor are poorer than they were eight years ago while the rich (the top income quintile) are richer. To change this trend anti-poverty programmes are going to have to reach unprecedented scales. *Pathways* recommended "substantially expanded" public works programmes, and there has been expansion in the areas of paid labour for roads and water supply, but the numbers will need to expand well beyond the current levels of around 5,000 people employed at any one time if the impact is to be felt.

6 Background to the Longitudinal Survey

This next section presents selected findings from a longitudinal study of rural households in Lesotho. It compares their socio-economic status in 1993 and 2002 and examines the extent to which movement has – or has not – taken place.

6.1 Objectives

The key objective of the study was to determine the extent to which poverty in Lesotho is persistent and inter-generationally transmitted (IGT) as opposed to being transient. The study sought to determine the reasons for the resilience of IGT and chronic poverty, with a view to understanding factors that may have helped some households climb out of poverty while others continue to suffer from one generation to the next. An additional objective was to discern whether national policies and strategies, donor activities and interventions at 'ground level' have had an impact on the status of the chronically poor. A final objective (not addressed in this working paper) was “to discover how children view IGT poverty, what aspects are particularly pertinent to them and how attitudes and coping strategies are absorbed by children from their families and surrounding communities”.

6.2 Theoretical Framework

The study is broadly based on theories of chronic poverty developed by Hulme et al. They distinguish between five categories of poverty – the always poor; the usually poor; the churning poor (this group moves in and out of poverty on a regular basis); the occasionally poor and the never poor (Hulme et al, 2001). The churning poor and the occasionally poor make up a group of people who are transiently poor and those who are always or usually poor may be termed the chronically poor.

Chronic poverty can be seen as comprising people or households either who remain at a certain level over a set period of time; or households who spend the majority of their time in poverty but may have brief spells of relative wealth; or households whose average income is below a certain poverty line or within a particular quintile (Baulch and Hoddinott, 2000). In order to use any of these definitions, measurements would ideally be taken at least three times and preferably within a standard time series. Unfortunately the Lesotho data does not allow this as in this study we have only two points in time so it is not possible

to calculate the churning or occasionally poor with any accuracy. However we are assuming that those who were in poverty (ie those in the lowest two quintiles) in 1993 and who still are in poverty in 2002, even if there have been brief periods of increased wealth in-between, belong to the category of the chronically poor.

Because there was no official poverty line in Lesotho in 1993 it was decided to take the 6th decile line or the 40% income line as the poverty line. Those households living beneath this were then deemed to be poor. However it is important that measures of poverty are not solely based on incomes and include assets and other measures as well, as it is well documented that income alone does not necessarily correlate with other measures of poverty (Gunning et al, 2000; Bradshaw, 2002).

6.3 Method

As a longitudinal study the main method deployed involved the re-interviewing of households first interviewed in 1993. The 1993 questionnaire was used as a basis for the interviews, but was modified in places to facilitate understanding of changes that had taken place since the first interview.

6.3.1 Sample

The 2002 survey aimed to revisit 500 of the 1,719 households involved in the 1993 study. This number was chosen as the maximum that could be surveyed within the resources available. Given limited resources the survey focused only on *rural* households located in the three major ecological zones in Lesotho, i.e. the mountains, the foothills and the lowlands. For logistical reasons urban households and those located in extremely remote areas were not included. As part of the study involves exploring children's views, those households selected had to have had at least one child aged under ten years in 1993. That child would therefore still be less than 18 years of age in 2002, or in other words would not have attained their majority under Lesotho law. The study, therefore, represents the bulk of the national population that live in relatively accessible rural villages (about 70%), excluding those who did not have young children eight years earlier. In the end 358 households were actually traced and 328 were actually interviewed. The remaining thirty households had moved away or disintegrated. Households from 57 villages were interviewed representing 25 constituencies in eight of the ten districts.

6.3.2 Attrition Rates

In order to check whether attrition was non-random a logistic regression was run using a variety of variables which were known to correlate with socio-economic status in 1993. A dichotomous variable was created to indicate whether the household had been a respondent or not in 2002. This was then used as the dependent variable and a selection of others from the 1993 data acted as the independent variables. These included the total number of rooms owned; ownership of cattle, smaller livestock, chickens and fields; ownership of certain assets such as a stove and radio; the fraction of household members bringing income into the house and the number of household members. It was found that only with regard to two variables were the households traced by this study significantly different from that of the larger sample (having controlled for location and age of children). As might be expected this study found and interviewed slightly larger households ($p=0.014$) than in the 1993 sample and households who owned more pigs. Interviewing larger households is almost certainly more likely because there is a greater chance of finding a member present in the house (and lack of resources meant repeat visits were difficult). There does not seem to be an obvious cause for the increased likelihood of interviewing families with pigs unless it represents a shift in type of agriculture undertaken which may mean family members stay closer to the homestead. However there was clearly not a serious problem of non-response bias.

6.3.3 Constraints

The 2002 study was hampered by the fact that the study in 1993 had not been designed as a longitudinal study. In fact it had been commissioned to rapidly assess the effect of the drought which was then affecting much of southern Africa. Certain questions were therefore not asked in 1993 which might have been useful to compare in future surveys. On the other hand, whereas anthropometric measurements were taken in 1993 of all children under 5 years, funding constraints meant that a similar exercise could not be undertaken in 2002 and so there are no panel data for this indicator.

For most of the data the household was used as the basic unit of analysis although data on individuals within each household were collected and results will be given on them where available. Although much work still remains to be done on intra-household transfers, both inter-generationally and in terms of gender this was beyond the scope of this study. Unfortunately one question, which would have allowed us to know the source

of gifts and remittances to households, was misunderstood by the data collectors who specified whom the recipient was rather than the donor. Some information can be gleaned from individual level data but not a lot. In addition income is usually stated as per person per year. Equivalence scales are not used. There is much debate about the appropriate equivalence scales to be used in developing countries (Masset, 2001) and there is insufficient evidence as yet as to what would be appropriate equivalence scales for a country such as Lesotho. For instance, there is some evidence to suggest that children actually consume more than adults of the family budget and that economies of scale do not have the same impact on the family budget as they do in the North. Therefore, in line with the analysis of poverty from the studies in the 1990s each household member carries equal weighting.

7 Results

7.1 Changes in Income since 1993

The 1993 data had divided households in income quintiles and so gave measures of relative poverty. For the purposes of this study the 1993 poverty line was set at the 6th decile ie households in the bottom two quintiles (or four deciles) were considered to have been below the poverty line and those in the upper three quintiles above the poverty line. There was no official poverty line in Lesotho at that point but the data from 1993 shows that those households in the lowest two quintiles were not only the poorest relatively but were also poor in absolute terms. The 6th decile line could then be updated using official estimates of inflation to give a comparable poverty line in 2002.

It was recognised that there was likely to be considerable underreporting of income particularly as figures were asked for the whole of the previous year. Although this is a long time for people to remember, the intermittent nature of most Basotho's income means that a twelve month period is necessary. Assuming people were just as likely to under report income in 2002 as in 1993 this should not have had a major impact on comparative data.

17 households had no income at all in 1993 and this had risen to 20 in 2002. The following figures show how the cut off for quintiles have changed between 1993 and 2002. Figures given are in in maloti (the local currency) per person per year.

Table 1

Cut off values of Quintiles in 1993 and 2002		
	1993	2002
Quintile 5	Under M49	Under M57
Quintile 4	M49 – M153	M57 – M171
Quintile 3	M153 – M343	M171 – M390
Quintile 2	M343 – M600	M390 – M1167
Quintile 1	M600 – M3200	M1167 – M12000

The above figures are interesting in two ways. Firstly they show how little the lot of the very poor (those in quintile five) has changed over the 9 years between the two rounds of the surveys. Despite the fact that the cut off for quintile 5 in 2002 is higher than in 1993 this has not risen by the rate of inflation and so this quintile has got poorer in real terms. Secondly the figures for quintile 1 show the growing inequality in Basotho society as the rich have at least managed to keep up with inflation during this same period. This is echoed in the Gini coefficient for Lesotho which was estimated as being 0.6 in 2000.

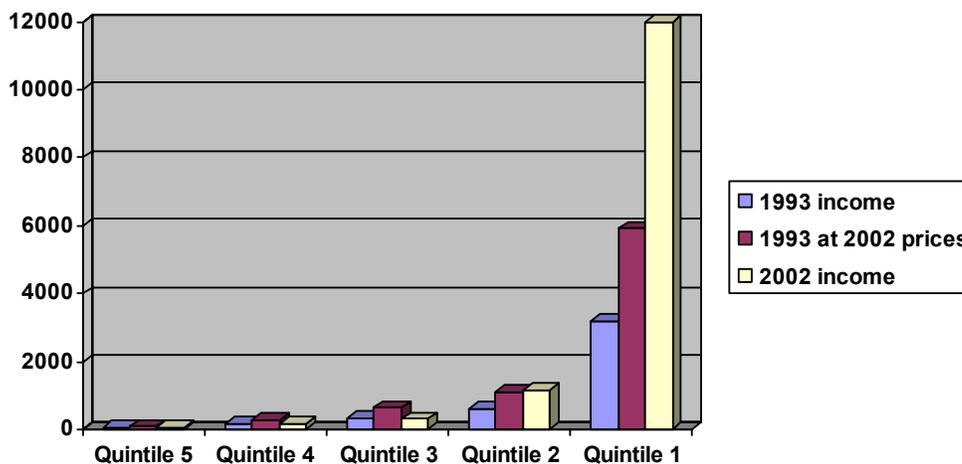


Figure 1: Adjusted Cash Incomes of Different Quintiles

The graph above shows how the new cut offs for quintiles in 2002 have not kept pace with official estimates of inflation except in quintiles 2 and 1 (the highest quintiles). The position is exacerbated by the fact that the lowest quintile probably spends more on food than other

quintiles and food has suffered an even greater rate of inflation since 1993 than other goods (e.g. between July 2001 and June 2002 inflation on food was 30% compared to 7% overall).

Although an official poverty line has now been set for Lesotho, according to the figures gained in this survey about 85% of the population is below the M124 per person per month poverty line, which is higher than that from previous surveys (May, 2002). However it must be remembered that this is not a random sample and the fact that it is based on geographically static and rural households may make the figure for those who fall below the official poverty line higher than the national average. For this reason and in order to enable comparisons between 1993 and 2002 the 6th decile has been used as the poverty line which was M285 per person per year or about M24 per person per month in this study.

However, one of the main problems in using a fixed poverty line rather than comparing quintiles is that of inflation. The Central Bank of Lesotho issues monthly figures for inflation but these are from a Consumer Price Index based in eight lowland towns and only weight food and non-alcoholic beverages at 36.3% of household expenditure. As Ambrose (2002) goes on to say 'There is no 'poor families' CPI which should probably give a 60% weighting to food with a correspondingly much higher inflation rate. The inflation rate for bread and cereals between October 2001 and October 2002 was 42.2% and if maize meal were to be isolated within this component it would have been higher still' (Ambrose, 2002).' Taking the 6th income decile in 1993 and updating it using official figures for inflation therefore probably gives a very conservative view of the numbers of people in poverty and those with income between the 4th and 6th decile are probably only marginally better off than those below.

That people had less income can be seen by the fact that the numbers of people having anything in their bank accounts has also dropped. In 1993, 68% of the whole sample either had no bank account or nothing in it. This had risen to 82% in 2002 and even those who did have some savings only had a few hundred maloti.

Taking the 6th income decile at 1993 prices as a poverty line we can track the movement of families as they stay above or below it or cross it. Those who were above the line in 1993, and still are, we are assuming are families who are managing to cope well and have

termed them the 'never poor' (after Sen, 2003). Those who started above the poverty line in 1993 but in 2002 had dropped below it we call the 'descending poor', those who in 1993 were below the poverty line but are now above are the 'ascending poor' and those who were below the poverty line in 1993 and still are in 2002 are the 'chronically poor'. In this sample the movements in and out of poverty are as follows:

Chronic poor: 26%
 Ascending poor: 14%
 Descending poor: 28%
 Never poor: 32%

This shows that whilst the group of never poor is the largest single group in fact the sample as a whole has grown poorer. In 1993 60% of these households were above the 6th income decile line. By 2002 only 46% (ie the never poor and the ascending poor) were above this line.

It is interesting to also look at movement by quintile as this can give a sense of how households fared in relation to each other. 61.5% of households stayed within the same quintile or within one quintile of the 1993 base between 1993 and 2002. 18.3% of households dropped by two or more quintiles but 20.2% rose by two or more quintiles. About 2% of households rose from the very bottom quintile to the very top and 3% dropped from the top to the bottom. The two ways of measuring change in poverty status (either using a poverty line or using quintiles) therefore give very similar results with about 60% of households not changing and 40% either going up or down.

Table 2

	Mobility between the Quintiles 1993 - 2002		
Quintile in 1993	Dropped by 2 or more quintiles in 2002	Stayed in the same or within one quintile	Risen by 2 or more quintiles in 2002
Quintile 1	39%	62%	
Quintile 2	31%	69%	
Quintile 3	22%	58%	19%
Quintile 4		65%	35%
Quintile 5		54%	46%
Total	18%	62%	20%

7.2 Headship

The mobility of household was significantly related to a change in head. About 80 of the 328 households had changed head in the last 9 years, mostly caused by the death of the head rather than the head leaving. 27% of the chronically poor households had experienced a change of head as compared to 21% of the never poor but the biggest difference was between the ascending poor, only 16% of whom had experienced a change of head and the descending poor 32% of whom had changed head. One might expect that households who had lost an elderly head might fare better when younger heads took over but many of these heads who died left widows who, if the sons and/or daughters had also left in the intervening years, found themselves considerably more impoverished. In terms of sex of head of the house Lesotho has three categories of headship. Male de jure head, female de jure head and female de facto (ie where the man is a migrant worker). Being chronically poor is positively correlated with households who have de jure female heads. 31% of the chronically poor households in 1993 had de jure female heads compared to 12% of the never poor. The never poor had a high proportion of de facto female heads however – 54% which shows the critical importance of migrant working especially mining as an anti-poverty strategy for the Basotho as many of these households had male de jure heads in the mines.

7.3 The Geographical Spread of Poverty

Poverty in Lesotho is not purely a matter for individuals and households. In common with other countries the remoter the area, on the whole the poorer the people. In Lesotho's case her mountainous regions are poorer than those in the lowlands and foothills and the people there more likely to remain poor as the following table shows:

Table 3

Geographical Distribution of Poverty 2002		
	Lowlands/Foothills	Mountains
Always poor	58%	42%
Ascending poor	76%	24%
Descending poor	74%	26%
Never poor	77%	23%

This longitudinal sample did not include urban households.

7.4 Assets

As with many countries income or money metrics alone do not give a full picture of a household's either relative or absolute wealth ranking. In Lesotho livestock play a major part in the household's ability to feed itself, to convert assets into cash and to play its part socially. In addition the 1993 survey had gathered data on type of house and the number of rooms, type of fuel used and source of water supply, number and productivity of fields and certain physical assets such as the presence of a radio, stove, agricultural equipment etc. Attempts were then made to draw up scales for each type of asset. This circumvented the need to know the specific inflation rate for each type of asset although it does assume things have retained their value relative to others in the same category.

7.4.1 Changes in livestock

For livestock each chicken (the cheapest form of livestock in Lesotho) was given a value of 1 and other livestock were then assigned values depending on their relative value to chickens. Hence each pig was valued at 16, sheep and goats at 20 and bovines and equines 40. Comparisons could then be made between 1993 and 2002 by comparing how many livestock points each household owned. 11% of households in 1993 and 15% in 2002 owned no livestock at all. The following table shows the mean scores for livestock assets in 1993 and 2002:

Table 4

Mean Livestock scores for Households		
	1993	2002
Chronic Poor	214	163
Ascending Poor	578	433
Descending Poor	266	170
Never Poor	283	288

Several points should be noted from the above table. Firstly in 1993 the chronically poor did not have significantly lower livestock scores than the other groups (except the ascending poor) although by 2002 they were lagging considerably further behind the never

poor and those who had come out of poverty. Secondly the ascending poor had the largest numbers of livestock and this may be relevant when considering how they overcame poverty. Thirdly the richest group – the never poor have not altered their livestock holdings significantly over the last 9 years.

In terms of which animals have increased or decreased, the chronically poor have kept their bovines, hens and pigs but have divested themselves of their small stock ie sheep and goats. This would be expected given the cultural and social importance of bovines and the difficulty of feeding and herding large numbers of sheep and goats. The ascending and descending poor have likewise kept cattle but shed small stock but the ascending poor have been investing in pigs (until recently an unusual stock to keep) – again suggesting that this group may comprise innovative farmers.

There is also evidence that people are not putting the same premium on the ownership of animals as before. Previous studies have shown how the ownership of livestock is not necessarily correlated with income. This study supports that view and also demonstrates how even increases in income do not necessarily translate into increases in livestock. For instance 60% of households who dropped two or more livestock quintiles remained in the same quintile in terms of income. Similarly 83% of households who rose two or more income quintiles remained in the same quintile in terms of livestock. There are many reasons why households no longer invest to the same extent in livestock as in the past. Increasing urbanisation is of course a factor but this study was based mainly in the rural areas and so would not greatly be affected by the loss of suitable grazing to housing. More likely is the steady loss of grazing and the increasing monetisation of Lesotho's economy. The precarious nature of livestock investment must also be a factor as there is some evidence, as we shall see later that people are more likely to invest in physical assets than living assets. If the numbers of livestock had changed since 1993 households were asked why that was the case. The most common reason given was that the animal had died. However, animals being stolen was also a significant category. It is interesting to note that equines and small stock such as sheep and goats were more likely to be stolen than bovines and so the average number of cattle kept by households has remained roughly the same.

Whilst some of these figures may not be terribly interesting in themselves they do demonstrate the adaptability of Basotho to changing circumstances. Pigs are easier to keep in that they can be kept nearer the house so are less likely to be stolen and do not need a herdboyer to care for them. They also are easy to feed on scraps and waste. With the development of the road network in Lesotho equines are also not so essential as transport and they are relatively difficult to feed and cannot be used by the family as food. Sheep and goats also require grazing and herders to mind them. The same is true for cattle but in the case of cattle they are the traditional currency of the Basotho and it may take longer before families are willing to part with this form of wealth. In particular households had gained cattle through brideprice or payment for services rendered by their children (such as herding) but had also used cattle for funerals and in payment to others. Cattle therefore still play a fairly major role in the social networks and relationships in the village.

7.4.2 Changes in Physical Assets

A similar scale to the livestock scale was devised for physical assets. In this category a radio was given the value of 1 and then other assets ranked accordingly up to a maximum of 100 which represented a vehicle. This scale however was more problematic. Very few households either in 1993 or 2002 owned vehicles. Five households in 1993 and in 2002 owned tractors and 8 households in 1993 and 9 in 2002 owned other vehicles (mostly pick-up trucks). Again very few households owned televisions in either year.

So many households had so few possessions it was not possible to rank them into quintiles. Instead households were ranked as to whether they were above or below the median. 21% of households in 1993 and 25% in 2002 had none of the assets surveyed. Half of the households had an asset score of below 4 which meant that it was unlikely that they either had a ventilated improved pit latrine or a stove or agricultural equipment (planter or plough). In fact many households appeared to be worse off in terms of physical assets in 2002. In 1993, 66% of households did not have a plough and this had risen to 74% in 2002. Similarly in 1993, 84% of households had no planter but this had risen to 90% in 2002. The reasons given were that they had been sold, given away stolen or were broken. The numbers of carts had scarcely changed and in terms of stoves 78% had no stove in 1993 but this had fallen to 70% in 2002 but it seems probable these were stoves which burnt traditional materials.

Perhaps the most striking finding was that the number of radios had dropped quite dramatically. In 1993, 33% of households did not have a radio. This had risen to 52% in 2002. The main reason given was that they had broken and presumably not been repaired. Given the importance of the radio in Lesotho as the main means in which messages from Government can be communicated and as a means by which people can gain information this is a disturbing finding.

One area which had seen substantial improvements in ownership at a household level was with regard to the ownership of latrines. In 1993, 68% of households did not own a latrine but this had dropped to 50% in 2002 (although the increase in ventilated improved latrines as opposed to ordinary latrines was minimal, again showing that people, even if they could afford a latrine could not run to a much more effective and healthy but more expensive version). Both stoves and latrines are highly resistant to decay and difficult to break and this may also be the reason why they are the only two physical assets to have increased in number since 1993. The following table shows the relative distribution of latrines and radios.

Table 5

Ownership of latrines and radios in 1993 and 2002				
	1993		2002	
	% households with latrines	% households with radios	% households with latrines	% households with radios
Always Poor	17	47	23	27
Ascending Poor	26	61	48	59
Descending Poor	32	70	50	39
Never Poor	47	84	73	68

As can be seen ownership of latrines has increased among all groups although at a greater rate amongst the ascending poor and the never poor. On the other hand ownership of radios has dropped in all groups. However, the data suggests that the ascending poor and the never poor have replaced radios with televisions wherever possible. It is the descending poor and the chronically poor who have increasingly lost any

means of hearing news or messages from the outside world and hence are becoming increasingly marginalised.

As this table shows in terms of combined scoring on assets most groups including the chronically poor had maintained a very similar level of asset ownership over the nine years. The exception were the ascending poor who had increased their ownership of non-livestock assets with their increasing wealth.

Table 6

Mean scores of asset ownership (not including livestock)		
	1993	2002
Always poor	2.8	2.6
Ascending poor	7	10
Descending poor	6	7
Never poor	17	18

7.5 Fuel and Water

The use of 'modern' fuels (electricity, gas, coal and paraffin) had in fact significantly dropped between 1993 and 2002 from 61% of households using modern fuels in 1993 to only 43% in 2002. Again it is the chronically poor and those households descending into poverty who bore the brunt of the change as the only group who actually increased their use of modern fuels was the ascending poor as the following table shows:

Table 7

Percent households using modern fuel		
	1993	2002
Always poor	36	14
Ascending poor	52	57
Descending poor	69	36
Never poor	78	65

The reason for this drop must be the relative rise in the price of oil-based fuels. Lesotho is not extensively electrified and most of the villages in the sample were not on the national grid or had access to generators. Solar power is also expensive to install. Paraffin was the most commonly used fuel in 1993 but the price of this has risen above the rate of inflation for other goods and has therefore become too expensive for many households. It appears therefore, that despite the difficulties of finding more traditional fuels such as dung, shrubs and wood many rural Basotho have decided to economise in this way. This is reflected in the time taken to collect fuel. The average time spent everyday in getting fuel was 100 minutes in 1993 and is now 132 minutes and whereas half the households in 1993 spent less than an hour collecting fuel now half the households spend over two hours.

Households have increased their access to clean water in the period between 1993 and 2002. In 1993, 60.6% of households in this sample had access to either piped water, a borehole or a covered spring. This figure had risen to 81.4% in 2002. The provision of water in most Basotho villages is a communal undertaking and so should be defined as access to services rather than a household asset. Nevertheless the increase in latrines and the increased access to water reflect the priorities set by Government in the 1990s and show that some of its policies were working. However, even though the chronically poor have increased their access to clean water between 1993 and 2002 they have less access than the other groups. Only 65% of the chronically poor have access to clean water compared to 87% of the ascending poor, 83% of the descending poor and 90% of the never poor. One of the reasons for this is that a larger proportion of the chronically poor are found in the mountain areas as opposed to the lowlands/foothills. Despite Government efforts services in general are worse in the mountains and this is reflected in access to clean water.

The picture then, in terms of assets is one where people have by and large hung on to what they had but have been unable to increase their assets substantially. In addition when an object has broken or an animal has died they are unable to repair or replace them and have to make do without. This is living life at the margins and partially accounts for the high degree of mobility we see in the possession of assets.

7.6 Fields and Foodstocks

Fields and stocks of food that people have in their houses can also be considered in some senses assets. As can the number of rooms people have in their houses (or the number of one roomed houses owned). Overall the average total number of rooms per household has stayed the same since 1993. However, the ascending poor were the only group to have increased the average size of their houses by approximately one room. All other groups remained static although the never poor had larger houses in both years than the chronically poor.

The stocks of cereals in the house has changed slightly since 1993 from an average of one bag of maize per household and 14kgs of maize meal to an average of half a bag of maize and 12kgs of maize meal in 2002. This may be due to seasonal differences in the timings of the surveys but is unlikely as 1993 was a year of severe drought and the harvest almost completely failed. Field ownership stayed the same with an average of 1.6 per household but the return on land does not seem to have held up. In both 1992 and 2001 (the last full harvest before the survey) just over a third of fields were not productive probably because they were left fallow. However, in 1992 those who did plant received an average of 59kg per member per household whilst in 2001 they only received an average of 30kg.

Table 8

Mean harvest in kg of cereal per person (of those who owned fields)		
	1993	2002
Always poor	40	23
Ascending poor	75	44
Descending poor	69	31
Never poor	56	29
Overall	59	30

The following table shows the percentage of households with fields who did not produce any harvest at all, in other words the fields were probably left fallow. As can be seen a third of the never poor households did not plant in either 1992 or 2001. For the chronically poor and the descending poor there has been an increase in the number of households

with unproductive fields but the ascending poor have seen a dramatic rise in the proportion of households with productive fields. This may of course be due to the fact that less of them have fields.

Table 9

Percent of households with fields but no harvest		
	1993	2002
Chronic Poor	24	29
Ascending Poor	40	15
Descending Poor	24	33
Never Poor	33	34

There is not a great difference in the mean numbers of fields that households hold between 1993 and 2002. However it does appear that the never poor are slowly acquiring more fields. In 1993 32% of the never poor households did not own a field. By 2002 this had dropped to 20%. These richer households started with fewer fields than their poorer counterparts, a fact which has been well documented (Sechaba Consultants, 1994& 2000) but they are slowly acquiring more. Neither the descending poor nor the chronically poor have changed their land holding significantly but the ascending poor are divesting themselves of land and in 2002 15% of these households did not own any fields as compared to 6% in 1993.

People acquired these fields mostly as a gift although a few said that they had bought fields. Conversely those who had lost fields had often done this by giving them away rather than selling them. Given the degraded nature of much of Lesotho's arable land it is interesting to note that about 7 households said that they had lost fields due to erosion.

7.7 People and Occupations

Perhaps surprisingly, the average number of members per household in both 1993 and 2002 did not vary significantly depending on wealth factors. This may well be because the sample was exclusively rural. In 1993 the average household size for both the highest quintile and the lowest was about 7 persons with just over three children aged below 16

years. In 2002 the average household size was around 6 with just over 2 children. The households in the sample had therefore been affected by net out migration and deaths.

Unlike in many industrialised countries there was little evidence in this study that the age profile of households changed radically over the eight year period. The most notable exception to this was in the proportion of under 5s present which were 19% in 1993 and only 8% in 2002. However the proportion of 6 to 15 year olds was identical in both surveys at 31% and the proportion of people of working age was broadly similar in both with 45% in 1993 being of working age and 53% in 2002. This means that whilst certain factors could be ascribed to changes in the age related lifecycle of a household by no means everything can and this is particularly true when comparing occupations between the two years.

7.7.1 Sources of income

It appears that there was a slight drop in people bringing income into the family between 1993 and 2002. For those people who were present in the household in both years 19% brought in income in 1993 and only 18% in 2002. However there had been considerable movement in and out of different occupations with 58% having changed occupation in this period. Some of this can be accounted for by people either retiring or young people finishing school and starting some form of work. A more worrying trend emerges when we look at those involved in gainful employment. 68% had not changed their employment status (ie gainful or not) between 1993 and 2002 but 22% had dropped out of the labour market in these years and only 10% had joined it. Given the fact that the age profile of the households has not changed radically this means that less people have jobs providing income. The very volatile nature of gainful employment can be seen by the fact that of the 526 people in waged work or income generating activity in 1993, only 248 or 47% were still present in 2002 and of these only 111 or 21% were still in work. Of the 278 people who had left the households 24% were dead (as most of these were waged workers much of this was not due to old age and is probably one of the impacts of AIDS), about 30% had got married and moved away and about 14% were away looking for work so presumably they also had lost their employment.

The following table shows the distribution of waged work across the four groups in 1993 and 2002:

Table 10

Households with at least one wage earner (in percent)		
	1993	2002
Always poor	14	14
Ascending poor	23	30
Descending poor	70	13
Never poor	82	51

As would be expected the always poor have seen little change in the numbers of wage earners per household (although this figure does show that at least 14% of Basotho have wages that will not take their families above the poverty line). The ascending poor have gained wage workers and the descending poor have seen a dramatic drop in the number of wage earners per household. Interestingly the never poor have also lost wage workers but have still managed to keep above the poverty line and 48% of them are in the top most quintile which as we have seen has outstripped inflation. This begs the question why do some households, when they lose their wage workers descend into poverty (the descending poor) and why do others manage to maintain their standard of living? From the data it would appear that gifts and family connections pay a large part in preventing a household without wage workers from becoming poor.

Farming does not necessarily imply gainful employment. Although farming does at times supply an income, in the majority of households where farming was cited as an occupation no money was derived from this activity. In 1993, 5% of households earned income from farm produce and a further 9% from the sale of livestock. In 2002 this had changed to 12% deriving income from farm produce and 8% from livestock or livestock produce. This is not to say that most households are not involved in some form of farming but most of what is produced will be for home consumption. However it is an important source of income for the very poor as the following table shows:

Table 11

Sources of household income (in percent)								
	Always poor		Ascending poor		Descending poor		Never poor	
	1993	2002	1993	2002	1993	2002	1993	2002
Farming	12	27	17	16	15	20	13	19
Gifts, Pensions & Other	38	52	46	37	24	52	13	52
Wages	21	6	22	36	81	7	91	58
Casual/Informal	43	56	33	53	28	43	27	45

NB The above figures are not percentages of households within the four groups but percentages of sources of income within the group as a whole. Most households had more than one source of income.

The table above shows that although gifts and casual work are vital to the always poor, farming is also an important source of income even though farming in Lesotho is not usually considered that productive. It also shows how farming has become a more important source of income for the newly (descending) poor – and also shows the catastrophic effect of loss of wages on this group. The never poor have substituted the loss of wage income with pensions (usually from the mines), informal work and even farming. The most interesting group is the ascending poor. They appeared to have relied heavily on gifts in 1993 but have been able to use these to climb out of poverty. Along with acquiring waged work they have also expanded their informal businesses so that, contrary to the prevailing trend are less reliant on gifts than previously.

Many of the gifts and pensions come from family members who are working in the mines or in the new textile factories in Lesotho. Mining and income from the South African mines has long been the mainstay of many Basotho households. The period from 1993 to 2002 saw many thousands of miners being retrenched as the gold price fell and South Africa began to change its policies on migrant labour. In 1993 there were 129 miners in the sample. By 2002 only 34 of them were still mining although 11 new people had managed to get jobs in the mines. The rest were either inactive (13.4%), farmers (19.5%) or job seekers (8.5%). Only one who had come home had found regular paid employment. 54 did not come home (or at least were not in the household in 2002) either because they had died (37%) had married and moved away (35%) or were away looking for work (28%).

7.7.2 Occupations

The following table shows the activities of children aged 5 to 16 over the two waves. As can be seen there has been a dramatic rise in the numbers of children in school in all categories but the chronically poor still lag behind and have less children in school than the other groups. Very few children do any form of regular paid work (although nearly all those designated inactive would help around the house and in the fields) with the exception of shepherding. Shepherds in Lesotho are either boys or men who spend their time herding either the family's cattle or flocks or someone else's herds and who may be paid in money, in kind (eg a sheep) or not paid at all. They are one of the reasons why boys and men in Lesotho are, very unusually, less well educated than the girls.

Table 12

Activities of Children aged 5 to 16 years (in percent)								
	Always Poor		Ascending Poor		Descending Poor		Never Poor	
	1993	2002	1993	2002	1993	2002	1993	2002
Inactive	30	17	26	5	19	8	11	3
Housework	5	7	4	4	3	5	3	1
Scholar	45	66	59	84	66	78	64	91
Shepherd	19	10	11	6	12	8	13	4

The occupation of adults had also changed over the years as this table shows:

Table 13

Occupations of adults 16-64 years (in percent)								
	Always Poor		Ascending Poor		Descending Poor		Never Poor	
	1993	2002	1993	2002	1993	2002	1993	2002
Inactive	16	35	19	15	6	31	9	17
Farmer	13	7	11	11	6	6	3	7
Housework	40	33	33	28	37	35	34	27
Waged work	9	8	12	11	31	7	33	21
Scholar	3	4	5	16	11	7	9	14
Casual	12	6	11	8	3	2	7	5
Shepherd	7	8	9	10	6	12	5	9

The above table shows that whilst the chronically poor do not stay on at school and the descending poor have become less likely to stay in school there has been a dramatic rise in the percent of ascending poor and never poor staying on at school or going into secondary and tertiary education. Clearly people with money or acquiring it are using it to educate their children further. The differences between people claiming they were inactive between the two years may be partly accounted for by women re-defining themselves as inactive rather than doing housework as 'inactivity' has seen a rise and 'housework' a drop. Despite more of the chronically poor being reliant on farming as a source of income less claim they are doing it now and less say they are doing casual work. For the descending poor the table shows clearly the drop in waged work for adults and the corresponding rise in inactivity and shepherding.

As would be expected women predominate in certain categories and men in others. Household workers are almost exclusively women and farmers, miners and job seekers men. The drop in paid employment has hit men particularly hard. In 1993 59% of adult men in the sample were involved in an income generating activity (excluding farming which as we have seen does not generate an income in the majority of cases although is often essential for survival) and this had dropped to 40% in 2002. Women's employment has remained more constant although even so only 13% of women were gainfully employed in 2002 as opposed to 19% in 1993.

The same divide between the sexes is true for children not in school whereby the girls do housework and the boys are shepherds. As there are less poor children in school there is a corresponding rise in children involved in other activities although, apart from herding which is often done for the family anyway, few children living at home were involved in paid work. However about a third of the children who were under 10 in 1993 were no longer at the family home and it is unclear what has happened to them.

7.7.3 Education

In terms of the educational standard achieved by adults in the household there has been little change over the nine years as one might expect. However the chronically poor are always less well educated than the never poor as this table shows:

Table 14

Average standard achieved at school by adults over 16		
	1993	2002
Always Poor	4	3
Ascending Poor	4	5
Descending Poor	5	4
Never Poor	6	6

However there has been far more change in the number and percent of children at school almost certainly as a result of the Government's policy on free education. The following table shows the percent of families with none of their children aged 5 to 16 years in school and those with all their children of this age in school. Even the descending poor have managed to increase the numbers of their children going to school. It should be remembered that whilst the official age of the start of school is 5 years many children do not attend until 7 or 8 years old due to the physical difficulties of accessing school in the rural areas. Hence not even the never poor have all their children in school at any one time as the younger ones may well not have started.

Table 15

Percentage of households with no children and all their children aged 5 – 16 years in school				
	None in school 1993	None in school 2002	All in school 1993	All in school 2002
Always Poor	32	17	25	52
Ascending Poor	20	13	48	72
Descending Poor	15	10	52	65
Never Poor	7	5	69	80

7.8 Demographics

In terms of the demographics of the long-term poor households there are some interesting findings. The following table shows the mean proportion of different age groups per

household. As can be seen there has been a general shift upwards in terms of age as would be expected in a longitudinal study. However the never poor group still has the highest proportion of people of wage working age in both years and the lowest proportion of elderly people. The chronically poor have the highest proportion of elderly and very young in both years. The ascending poor, on the other hand, have a relatively high proportion of working age and a low proportion of elderly. The descending poor started with a high proportion of working age people but these have been lost to the households (or have grown too old).

Table 16

Average proportion of different age groups per household (in percent)								
	1993				2002			
	0-4	5-15	16-64	Over 65	0-4	5-15	16-64	Over 65
Always poor	19	31	43	6	9	28	51	13
Ascending poor	18	30	45	6	6	34	60	10
Descending poor	17	31	47	4	6	33	54	12
Never poor	18	31	47	3	7	31	65	8

As stated earlier the poorest households were most likely to have been headed by a woman in 1993 but there is little difference at an individual level between men and women in terms of poverty status. In other words about 26% of men in 1993 and 26% of women will remain poor. At first sight therefore it seems as if the chances of remaining poor are roughly equal between the sexes and this is true at an individual level. However at household level the chances of a household remaining poor increase dramatically with an increase in the proportion of women to men in the household, an increase in the proportion of people under 5 years old, over 65 years old and disabled people. Hence for the addition of every woman to the household (and with the number of adult males held constant) the odds of the household remaining in poverty increase by 4.5 times, for the addition of an under 5 or an over 65 they increase by 1.5 times and for a disabled adult member they increase by 2.3 times.

Table 17

Deaths in households between 1993 and 2002			
	Percent of under 65s who died in group	Percent of deaths of all under 65s	Percent of households with one or more deaths (any age)
Always poor	7	28	43
Ascending Poor	4	10	33
Descending Poor	9	41	53
Never Poor	4	20	31

The above table shows the percent of people who died in the 9 year period. The first two columns deal only with those people who were under 65 in 1993 as these people may have been expected to have had a higher chance of survival than the very elderly. As can be seen the chronically poor rank high in the numbers of deaths they have experienced. However even higher are the descending poor. Whilst household deaths do not significantly change the fortunes of the ascending poor and the chronically poor they make it 1.7 times more likely that a previously non-poor family will become poor.

If we exclude death as a reason for leaving the household, there is little difference between the four categories as to the numbers leaving between 1993 and 2002. In all households an average of about two people had left. However marginally more people had left the upwardly mobile households (average equals 2.7) and this may have a bearing on why they did better than some of their counterparts. The reasons people left were different according to the different groupings. The chronically poor left because they were getting married or building their own house. The ascending poor also left because of marriage but the largest group left to find work. Marriage was again the largest reason for the descending poor to leave but relatively few of them left to find work and the never poor also had a large group who had left to find work. Whilst between 80 and 85% of the chronically poor, the ascending poor and the descending poor who left stayed in Lesotho, 30% of the never poor went to South Africa.

7.9 Families who had no income

In 1993, 17 households representing 136 people had no income whatsoever. 50% of these people were under 13 and 62% under 18. In 2002, 20 households reported no income of which 40% were under 18years. However these two groups were not the same. Only one household in this survey had had no income in 1993 and in 2002 and this was an 88 year old woman living alone on the edge of starvation and only kept alive by gifts from neighbouring villagers. The remaining 16 households from 1993 had all risen through the quintiles with only a third still being in the lowest 5 (but now having at least some income) and one having risen to the topmost quintile.

The 2002 households with no income tended to be smaller than the average with about 4.4 members. They also tended to have less children (a third had no children under 16 in the house) and less elderly (63% had noone over 65). Although they also tended to be in the lower quintiles in terms of animals and other assets this was not uniformly so with two households having considerable holdings of livestock. 77% of the children of school age were also attending school financed either by relatives, the Government or scholarships (such as those provided by World Vision). With such small numbers however it is important not to draw generalised conclusions.

It is clear therefore that this survey did not find the really poor/destitute from 1993 and there is a high probability that these households have either moved, died off, disintegrated or been absorbed by other households.

7.10 People's perceptions

Householders were asked whether they had ever experienced the lack of certain basic amenities. These covered whether they had ever felt unsafe in their own homes, whether they had ever gone without medical treatment, clean water, enough to eat or cooking fuel. They were also asked how they thought they compared to other households and whether the economy of the household had got better or worse in the last nine years. Being able to obtain medical treatment when needed, access to clean water and having enough to eat were all correlated with the income group of the household with those being downwardly mobile all experiencing these conditions more often. A third of the whole sample said that they often did not have enough to eat (and this question was asked in summer when

garden crops should have been available) and nearly a third said that they often went without medical treatment because they could not afford it. However, the chronically poor and the descending poor were far less likely to have enough to eat (about half of them saying they often went hungry) than the ascending poor and the never poor. Similarly with medical treatment the chronically poor and the descending poor often went without.

Feeling unsafe in one's home and having enough fuel were not correlated. This is probably because the safety of one's home is more a characteristic of the village than of the individual household and the data showed that positive answers to this question were grouped by location. Given that the majority of people used traditional fuels it is also unsurprising that this was not related to income either. In terms of water it is less easy to see why the poor found it more difficult to obtain clean water when, again, this tends to be a village level characteristic.

That people could fairly accurately assess themselves with regard to other people was also borne out in the data. How people compared themselves to their neighbours was correlated with their income group. 85% of the chronically poor and 74% of the descending poor saw themselves as worse off than their neighbours. However only ten households who had either risen out of poverty or who were never poor were prepared to say they were better off than others (most said they were average). In terms of comparisons over time 70% said that the economy of their household had got worse since 1993, 22% that it had stayed the same and only 8% that it had improved (and that by only a little). Both the chronic poor and the descending poor said that life in the household had got much worse and even 33% of the never poor agreed with them.

8 Summary and Conclusion

The picture from this survey is not greatly encouraging. Despite high economic growth during the 1990s very little of this appears to have filtered through to the rural areas and particularly the rural poor. People have seen a real fall in income at the same time as growing inequality. The chronically very poor have borne the brunt of this with their incomes only rising by about 20% between 1993 and 2002 whilst those at the other end of the scale have had incomes that have doubled in that period. Moreover, they also would

have seen their income fall in real terms. Along with this has been a steady fall in the numbers of livestock held and in the return from fields with stocks of maize, the staple food, falling. Most people have not been acquiring assets either except for toilets and stoves although it is clear that the richer groups have been spending money on building. In particular ownership of agricultural implements has fallen and that of radios. Agricultural implements are essential to produce food along with money to buy inputs. Radios are a source of education, of entertainment and news. In Lesotho's delicate democracy, and as a member of the SADC region, they are an important mechanism for people to hear the political arguments of the day and to enable them to make decisions on an informed basis.

The chronically poor are less well educated than the richer and have less access to paid work. Nevertheless 14% of households have at least one wage earner but this is not sufficient to raise the household above the poverty line. The chronically poor live in the remoter mountain areas and hence have less access to communal facilities such as clean water supplies. They are slowly divesting themselves of their livestock, particularly small stock such as sheep and goats in order to survive and as about a third of their fields are fallow they are unable to make use of the assets they have. This is almost certainly because there is a higher proportion of the elderly and young children in this group but they also do not have the resources to buy in the labour and inputs needed to grow food. This group also does not access casual work as much as the others probably for the same reason. The chronically poor are also becoming more marginalized as they have less access to radios and newspapers and it would seem less access to social networks outside their own immediate vicinity.

The never poor in some ways are the same but in reverse. They also have not changed substantially over the years. They have lost waged members but maintain their standard of living through gifts and pensions as many of the wage workers were in the mines of South Africa before they were retrenched. It is probably this that has meant that they have good links with South Africa and so members of their households are able to go and search for work there as well as in Lesotho. In addition they have had the resources to obtain things such as passports or permits for South Africa and so can make full use of extended social networks. Despite loss of waged workers this group has protected itself against the potential catastrophic effect this could have. Although more of this group were designating themselves as farmers they are not much more productive than the chronically

poor and it would appear that they are acquiring land and maintaining herds and flocks as an insurance against loss of income.

The descending poor have most lost their income through loss of waged workers and have been unable to protect themselves from the effects of this with gifts and pensions. They do not engage in as much casual work as the ascending poor and what they do, such as shepherding is more poorly paid. They have hung onto their fields but have found it difficult to use them and they have had to sell of their livestock. What is significant about this group are the number of deaths households have experienced. This group has seen the dying off of the highest proportion of under 65s – about double that of the ascending or never poor. There can be no doubt therefore that HIV/AIDS is affecting this group worse than the others and is responsible for their steady decline into poverty.

The ascending poor are probably the most interesting group as far as policy makers are concerned. What has enabled this group of people to pull themselves out of poverty when others have stayed behind. This group have seen an increase in the number of households who have waged workers although there has not been a net increase in wage workers per se. They do not necessarily have the highest proportion of people of wage working age but they do have slightly less of the very young and the very old. Like all the other groups they have seen an increasing reliance on casual work as a source of income but are now less reliant on gifts than before. Starting from a fairly high base in terms of livestock they either divest themselves of land and livestock or become active farmers. In other words they are efficient in terms of their use of resources and the group who is most likely to be experimental, for example by developing pig rearing as a source of income. When they acquire wealth they invest in durables such as latrines or radios or build extra rooms on the house. Importantly they have suffered least from changes of head and deaths of members and interestingly they are not necessarily any better educated than people who remain in poverty.

This study shows the paramount importance of paid work as a means of pulling people out of poverty and how it is sought after by the majority of Basotho households. Paid work however is a double-edged sword. Whilst it definitely raises families out of relative poverty yet it is one of the least stable occupations for this group of Basotho and its loss can result in a rapid decline in the family's wealth. The study has thrown up various questions

however. It is clear that the retrenchment of miners from South Africa has had a major impact on rural Basotho households but against this can be set the growth in employment in the textile industries in Lesotho. These jobs are nearly all filled by women and the pay is much lower than that of miners (Dyer, 2001). In addition there is no formal remittance system from these workers to families back in the rural areas such as there was for miners. It appears that the growth of employment in Lesotho is not benefiting rural households to the extent that work outside Lesotho has done in the past and much more analysis needs to be done in terms of where rural households are receiving gifts or remittances from and by what mechanisms.

Those who exist by farming or informal trading, although poorer, are more stable. That the wealthier groups realise this can be seen in the way the rural rich are acquiring land and are spending their money on agricultural inputs. They are also increasingly diversifying their sources of income in order to spread the risk. For instance, the mean number of sources of income per household was 1.3 in 1993 and in 2002 it had risen to 1.5. Sustainable livelihoods in the rural areas therefore require some form of engagement with the environment and maximising the productivity of the land with the support of paid labour to provide the inputs. That families have spread the risk by investing in durable consumer goods, diversifying their wealth into livestock, money and education for their children and using multiple strategies for the creation of wealth makes perfect sense. The problem is for those who have clung onto the bottom rung of the ladder for the past 9 years while the ladder itself is sinking.

This study of Lesotho presents a classic scenario of many rural areas. Although it did not concentrate on people's political involvement previous studies have shown how people have less voice in the more remote areas of Lesotho (Turner, 2000). In common with other remote rural areas the Basotho living in the mountains and foothills of Lesotho have 'limited scope for production, higher risks, greater vulnerability, lower political bargaining power' (Bird et al, 2002). It is also the case that these areas are getting poorer and are being left behind in a country which is seeing economic growth, even if at a modest level. However, these households also show an ability to adapt and diversify in order to survive.

That income measures are not the only measure of poverty has been well documented (Bradshaw, 2002) and also that different measures of poverty do not always correlate (Baulch & Masset, 2002). This is true in this study where very few people ranked lowest on all the measures of poverty – income, assets, and self ranking. One issue is that many assets are non-fungible (such as toilets) in rural areas or where there is little re-sale value (such as land). Having assets is only of use if they can be realised therefore. It is possible that the worst off households in 1993, in terms of income poverty, asset poverty or malnutrition, have not survived into 2002 and that they were just too vulnerable without substantial external help (Jaspars and Shoham, 1999). In that sense chronic poverty has destroyed these families. This study in Lesotho therefore is a study of mostly long-term, persistently and often deeply poor people but who nevertheless have managed to develop livelihoods whereby they can survive.

Bird et al suggest that more human capital led development for remote rural areas may be the way forward and help these areas out of poverty. This may well be true but both education and waged employment carry high risks for rural people. They are fine while they last but are not necessarily sustainable. Plus the type of employment which is on the increase in Lesotho now, excluding Government, is often for unskilled or semi-skilled workers in eg the textile industries. Work in these factories also requires a member of the family being prepared to move to the urban areas and send money home. There is no doubt that many of the households in rural areas would benefit from direct Government subventions such as pensions and this would provide a basic level of security and inflow of money into many rural areas much as it has done in South Africa (Aliber, 2002). Well funded village level government would also be another way to inject cash into these cash starved areas so long as there is adequate local accountability.

The 2000 Poverty Report for Lesotho, drawn up in conjunction with many of the stakeholders, contains 80 recommendations for how to improve the lives of the remote rural poor (Sechaba Consultants, 2000). These range from changing the pattern of planting to suggesting fairly major public works programmes. What comes across however is, although some require changes in individuals, many of these recommendations are structural in nature and require government, either at national or local level to intervene. Many also require good financing which is going to have to come either from richer nations or from the rich within Lesotho itself.

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