

**Small Scale Artisanal Diamond Mining and Rural Livelihood
Diversification in Lesotho**

by

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Abstract

This thesis examines how individuals and households of Kao and Lihobong villages in Lesotho responded to economic challenges resulting from, amongst other factors, the implementation of structural adjustment policies; a decline in work opportunities for Basotho migrants in South Africa; the wider collapse of the regional mining complex, and; continued failure in developing agricultural production. More specifically, the study focuses on individuals and households implicated in unrecognised and unlicensed artisanal diamond mining and who use such mining, in the midst of these economic challenges, as a supplementary means of income or livelihood diversification. Artisanal diamond mining in Lesotho is a livelihood for rural households that is masked by the dominant representation of Lesotho as a labour reserve. Making use of the 'moral economy' and 'human economy' approaches, the thesis explores how artisanal miners in Lesotho engage in diamond digging and selling. It also investigates the constraints they face in a sector that was heavily regulated historically and remains so in post-independence Lesotho, a state which is itself constrained by a regional and global context that makes it difficult to raise the living standards of its citizens. In order to understand the responses of individuals and households in the implicated villages, the thesis combines an historical with an ethnographic approach. As such it examines the conditions artisanal diamond miners have operated under from the 1950s to 2014 when fieldwork for this thesis was conducted. It looks at how artisanal miners and artisanal mining collectives with their own moral economies negotiated the contestation over natural resources with the Lesotho state and international commercial mining companies. In doing so it investigates how the artisanal miners positioned themselves in relation to the law; claims to ownership over land; the international market for diamonds; and society. As an economic activity artisanal diamond mining is viewed in relation to the larger social processes in which it is embedded and from which it derives meaning. As such this thesis tells a story of conflict, violence and resistance; a story that remains pertinent, given the current debates about economic democracy in contexts of natural resource wealth. In my analysis, I pay particular attention to the role of women in ASM in Lesotho.

Key words:

Artisanal Diamond Mining, Lesotho, Rural Livelihoods Diversification, Gender, Human Economy, Moral Economy, Economic Democracy, Development, Ethnography, Anthropology at Home.

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List of Acronyms and Abbreviations

ABC	All-Basotho Convention
AGOA	African Growth and Opportunity Act
ANC	African National Congress
ASM	Artisanal and Small-scale Mining
BAFED	Basutoland Factory and Estate Development Corporation
BCP	Basutoland/Basotho Congress Party
BDC	Basutoland Diamond Corporation
BNLS	Botswana, Lesotho, Namibia, Swaziland
BNP	Basutoland/Basotho National Party
CBL	Central Bank of Lesotho
CDP	Compulsory Deferred Pay
CIDA	Canadian International Development Agency
CUC	Custom Union Convention
DC	Democratic Congress
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOL	Government of Lesotho
IEC	Independent Electoral Commission
ILO	International Labour Organisation

IMF	International Monetary Fund
KDM	Kao Diamond Mine
KP	Kimberley Process
KPCS	Kimberley Process Certification Scheme
LAC	Lesotho Airways Corporation
LCD	Lesotho Congress for Democracy
LFM	Lesotho Flour Mills
LHWP	Lesotho Highlands Water Project
LLA	Lesotho Liberation Army
LNDC	Lesotho National Development Corporation
LDMC	Liqhobong Diamond Mine Cooperative
MFP	Marematlou Freedom Party
PEMS	Paris Evangelical Missionary Society
PPP	Public-Private Sector Participation
PWV	Pretoria-Witwatersrand-Vereeniging
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SARW	Southern African Resource Watch
SIDA	Swedish International Development Cooperation Agency
TRC	Transformation Resource Centre

UK	United Kingdom
UN	United Nations
US	United States
USAID	United States Agency for International Development
WB	World Bank
WDC	World Diamond Council
WTO	World Trade Organisation
WWII	World War II

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CHAPTER 1: INTRODUCTION AND RESEARCH METHODS

1.1 Background and problem statement

Several researchers have observed that artisanal mining has become a more pronounced feature of rural livelihoods across the southern African region, including in Lesotho (Bryceson & Jonsson, 2010; Maconachie & Binns, 2007; Maconachie & Hilson, 2011; Thabane, 2000a). Income earned through artisanal mining is becoming increasingly important for the reproduction of rural households (Fisher, Mwaipopo, Mutagwaba, Nyange & Yaron, 2009; Maconachie & Binns, 2007: 109; Maconachie, 2011: 1058). While the reasons for the growing importance of this type of mining vary across the region and continent, studies suggest that as an income generator, it does not always replace agricultural production, but instead supports or supplements it (Maconachie & Binns, 2007: 107; Binns, 1982: 121; Ellis, 1998; 2000). The current study is concerned with understanding the impact of artisanal mining observed in rural economies across the southern African region on households and individuals in rural Lesotho.

The study builds on Motlatsi Thabane's PhD thesis entitled *Individual Diamond Digging in Lesotho, 1955-1970: A study of an aspect of the social and economic history of Lesotho* (1995) and his ground-breaking article, 'Liphokojoe of Kao: A study of a Diamond Digger Rebel Group in the Lesotho Highlands' (2000). As one of the few scholars who have written on artisanal diamond mining in Lesotho, Thabane's doctorate (1995) focussed on the social history of the artisanal miners in the Lesotho villages of Kao and Letšeng from 1955 to 1970. In his published article (Thabane, 2000) deals primarily with a specific group of miners, known as *Liphokojoe tsa Kao* (which literally means 'Foxes of Kao') – a group of artisanal miners in Kao village in the 1960s to 1970s. The article focuses on debates concerning the analysis of the character of this group: their acts of protest and rebellion. In the two ground-breaking works Thabane writes a social history of miners in Lesotho. My own focus is somewhat different: it is on the developmental implications of artisanal diamond mining, and the moral economies in which it takes place. Given this shift in focus, I depart in some respects from Thabane's analysis, and as a result, our methods also differ. His methodology included the use of archival work and interviews with former members of the rebel mining group. My

study is directed towards understanding the interaction between mining activities, rural livelihood and wider change in rural society. The underlying argument running throughout this thesis is that economic activity should not be viewed in isolation from the larger social processes in which it is always embedded and from which it derives meaning. And it is my view that it is those larger processes that assist us in spelling out the developmental implications of artisanal diamond mining for Lesotho's society and the Lesotho state.

The situation in Lesotho with regard to the mining of natural resources is both similar to and different from other post-independence societies in Africa and the Global South. In developing countries, at least since the colonial period, mining was construed as a capital-intensive industry governed by the state (or state-owned enterprises), or private companies, through the processes of owning, controlling, producing, regulating and marketing mineral wealth. Since the winds of change that brought independence in the second half of the twentieth century, mining has increasingly been taken over by private sector operators and owners, particularly multinational companies, and also small-scale artisanal miners. The state retains the role of regulator and facilitator of the industry's activities and growth (Rukonge, 2006: 9).

Since the early 1980s, with what has become known as the Washington Consensus, developing countries have had little option but to liberalise their economies and create political and economic conditions that will attract capital investment from developed and rich countries. In response to this pressure, dressed up as global consensus, developing countries have adjusted their macro-economic policy and regulatory frameworks (Rukonge, 2006: 9). The changed macro-economic policy environment has created the conditions for multinational mining companies with access to capital to invest in mineral extraction in developing countries, with the promise of good returns. The Washington Consensus held that natural resources, and minerals in particular, offered developing countries an unprecedented opportunity for micro- and macro-economic growth and sustainable development (Rukonge, 2006: 9). The resulting influx of multinational corporations into the extractive industries of developing countries since the 1980s has had uneven social and economic effects on those countries, with mixed reactions at the community

level. Lesotho, a developing country with some mineral wealth, has not been an exception to these changes in natural resource development (Rukonge, 2006: 9).

Even as the Washington Consensus falls apart, and in the absence of clear global alternatives, developing countries continue to embrace macro-economic policies that aim to attract direct foreign investment, while the provision of social services is being left largely to the private sector, which is held up as an engine and in some instances the only engine, for economic growth (Rukonge, 2006: 9). In other words, the neo-liberal thinking promoted by international institutions is built on the Washington Consensus and promotes the growth of market-led economies and the withdrawal of governments from providing social services. In the shadow of economic liberalisation, globalisation and bulging debts, developing countries have thus, with few exceptions, succumbed to these ideas (Rukonge, 2006: 9).

Lesotho is no different. Given the country's physical size, its dependence on a regional economy, and its lack of competitive advantage within the southern African economy, the developmental emphasis on its mineral wealth is acute compared to that of countries with more developed manufacturing or commercial agricultural sectors. Diamonds, along with cattle (see Ferguson, 1990), matter to Lesotho, and herein lies the significance of this study. The aim of this research is to document unlicensed diamond mining and other informal income-generating activities in the Lesotho highland villages of Kao and Lihobong. The study was inspired by a belief that the informal income-generating activities, including artisanal diamond mining, employed by the villagers of Kao and Lihobong could be seen as strategies for alleviating rural impoverishment and diversifying rural livelihoods. Rural impoverishment in Lesotho is a stark reality, as will emerge throughout this thesis. Against this backdrop, the objectives of the study are as follows:

Objectives

1. to examine artisanal diamond mining as a livelihood diversification strategy among rural households in Lesotho;
2. to assess the possibilities of artisanal diamond mining as a viable and sustainable alternative, or potential complement, to traditional agricultural production among those households;

3. to document the strategies employed by artisanal diamond miners in marketing diamonds in the highlands of Lesotho; and
4. Lastly, to investigate how the proceeds from the diamond trade affect individual livelihoods and rural households and communities.

In addressing these objectives, I point to historical and economic factors that shape Lesotho's economic development and its current economic situation. Here, the scholarly literature identifies the decline in Basotho migrant labour to the South African mines (Matsumoto, 2014: 21), de-agrarianisation in Lesotho (Molefe, 2009; Bryceson, 1997; 1999; 2002) and reverse migration in Lesotho (Crush, Williams & Peberdy, 2005; Matsumoto, 2014). As is well known, rural livelihoods across southern Africa, including Lesotho, have been argued to be intimately tied to wage-work in urban contexts and the resulting remittances from South African mines and the Zambian Copper Belt (Crush, 2010; Mususa, 2014). While my thesis offers a slight corrective to this dominant view, the complex migrant labour system that developed over the past century has meant that money remittances, earned as compensation for wage work, flowed from capitalist enterprises in mainly urban centres to rural households in the southern African region where wage workers have permanent residence (Plath, Holland & Carvalho, 1987: 159). Rural areas across southern Africa have acted as labour reserves whereby temporarily employed mine workers move back and forth between urban and rural areas selling their labour (Murray, 1981, Wallman, 1972). This process was regulated by states and capitalist employers, while family and friendship networks among miners sustained wage workers, who were typically paid low wages. Migrant mine workers, mostly men, reinvested cash earnings and other resources derived from the time they spent in urban areas in agriculture and the informal sector around their rural homesteads (Crush, 2010). The demise of the regional migrant labour system in South Africa and the Zambian Copper Belt in the 1990s led to the retrenchment of many migrant mine workers (Maphosa & Morojele, 2013: 154; Mususa, 2010). Many returned to their home countries and villages and were forced to pursue other non-mining livelihood activities (Matsumoto, 2014). Across the region, the activities that former mine workers pursued differed from one country to another.

At the same time, mining itself has undergone important changes. Commercial mining companies now prefer to employ casual labour in small numbers while outsourcing production. Following trends observed in other capitalist enterprises under contemporary neo-liberalism, mines have drastically cut down on welfare provisions for workers and routinely move much of their profits off-shore rather than investing it locally (Simutanyi, 2008: 7-8). In the case of Zambia, Simutanyi (2008:9) argues that the mining companies withdrew from social service provision (medical services, schools, recreational facilities, water, electricity and other social amenities) to the community. The government of Zambia and local authorities did not fill the vacuum and as a result there has been deterioration in social services in most mining towns on the Zambian Copper Belt (Simutanyi, 2008: 9).

Coupled with the demise of the regional migrant system, the lack of social service provision has negatively affected people's lives across southern Africa. In response people in rural areas are forced to explore alternative opportunities to make a living. For instance, following the retrenchment of their mine-working husbands from Zambia Consolidated Copper Mines after its privatisation, wives responded by re-working ore at dumping sites and selling copper without licences (Mususa, 2014). Likewise, retrenched male Basotho mine workers responded by engaging in artisanal diamond mining – in their home villages and across rural Lesotho – to sustain their livelihoods. Batswana men joined an increasing demand for unskilled labour in the rapidly growing capital of Botswana, Gaborone (Townsend, 1997: 418). In Malawi after formal mine migration to South Africa declined, many impoverished Malawians went to work in the tobacco sector in the Central and Northern regions of Malawi (Andersson, 2006: 380, 382). Other Malawians took up unlicensed artisanal gemstone and limestone extraction in Chenkumbi, Chikwawa and Nsanje in southern Malawi, and the Mzimba district in northern Malawi (Kamlongera, 2013). In Mozambique, retrenched miners also opted for several livelihood alternatives, which included artisanal gold mining (Kamlongera, 2013).

What may be the significance of documenting and thinking about the way in which ordinary people and households respond to structural changes in the economy? An emerging body of literature argues that the way in which ordinary people 'insert themselves practically into economic life on their own account' (Hart, Laville &

Cattani, 2010: 5) should play a much bigger role in how scholars understand economic life. This calls for a grounded understanding of everyday economic life, which is particularly important in current debates on development, as dominant economic institutions and ideologies tend to obscure, marginalise and repress in-depth investigation and analysis of this level of reality. In the wake of renewed economic crises in the global economy and the criticism of economics and economic policy (Hart, 2015), a view is emerging that development policies and institutions often privilege the concerns of international capital and national elites over ordinary citizens (Hart & Sharp, 2015). By contrast, the human economy approach in particular, calls for renewed attention to everyday economic practices documented through the ethnographic method and set against, and in relation to, an historical understanding of the global economic system and emergent world society (Hart & Sharp, 2015; Hart, 2015).

What then may a close look at the responses of retrenched mine workers and rural households to the decline of the regional mining complex offer scholars in their efforts to think about sustainable economic futures? More specifically, what does the resurgence in artisanal diamond mining, which is seen as one such response, say about the economic realities of rural livelihoods in Lesotho? Moreover, how might a reflection on the responses of ordinary people shape the thinking of national and regional public authorities as they set out to devise policies, create institutions and allocate money in pursuit of national economic growth and the improvement of citizens' lives?

The way in which national and regional public authorities approach mineral wealth is of course shaped by history, national political concerns and the demands set by a global economy. This is true for Lesotho, as it is for many other developing economies. Competing sections of society may lay claim to mineral wealth. The way in which such mineral wealth can be collected or extracted from the earth is not only varied, but different political ideologies argue for contrasting approaches to ownership of wealth and land, organising and remunerating labour, and extraction methods. The distribution of such wealth and the perennial question of where the profits flow is always contested by different local and global interest groups. How a

national government responds to mineral wealth, and to the question of artisanal mining, often reveals much about power and wealth distribution.

It is therefore not surprising, as Banchirigah (2006) has argued, that artisanal mining is often marginalised by governments in developing countries in favour of foreign commercial mining companies that are granted concessions to operate mines. The reasons for this will be discussed in Chapter 6. Despite national government often favouring international capitalist companies over local households in the extraction of mineral wealth, artisanal and small-scale mining is growing in importance as an economic activity. In rural sub-Saharan Africa, Hilson (2009: 4) estimates that artisanal diamond mining provides some kind of employment to over 2 million people. ASM can be a resilient livelihood choice for people who are vulnerable, or who are looking for economic diversity in their livelihoods. In fact, ASM generates up to five times the income of other rural poverty-driven activities in agriculture and forestry (Buxton, 2013). The sector employs ten times more people than the commercial mining sector, and stimulates considerable local economic development around ASM sites (Buxton, 2013).

In any case, other than artisanal diamond mining, there is little else going for Lesotho citizens. Agriculture is in decline and growth in the manufacturing sector is slow. The prospects of any other sectors of the economy creating employment for Basotho men and women are small. This makes mining very important to Lesotho's economic prospects and to the quality of life of Basotho¹. But mining is of course not new to Lesotho. As I detail later in this thesis, there is a long history of both commercial and artisanal mining in the country. For most of Lesotho's recent history, the odds have been stacked in favour of international mining groups and artisanal mining has been marginalised and repressed. The current moment (of post implementation of Structural Adjustments Programme, collapse of mining complex, introduction of Kimberley Process and Mines and Minerals Act 2005 in Lesotho), however, raises the possibility for a reconsideration of the ways in which mining is conducted in

¹ Note that in Sesotho the term 'Basotho' is the plural form of the singular 'Mosotho'. In this sentence and others to follow the word is being used as a plural, which is equivalent to the anglicised version 'Basotho' or to 'the Basotho people'. Basotho is the people from Lesotho or Lesotho citizens. Mosotho is an individual from Lesotho or Lesotho citizen.

Lesotho. This thesis aims to contribute to that moment by paying close attention to artisanal diamond mining.

In most eyes, Lesotho has been known only as a labour reserve for South Africa. Dominant representations in scholarly literature tend to reproduce that image (Moseki, 2011; Ferguson, 1990; Murray, 1981). Studies that focused on the regional migrant labour system have unwittingly contributed to the image of Lesotho as a labour reserve (Crush, 2010). Little attention has been paid in the scholarly literature to concealed livelihood, artisanal diamond mining activities that have been on-going in the Lesotho highlands since the 1950s. This neglect is due not only to the relatively small scale of these activities but also to the way in which economic ideologies in the context of the Cold War blinded scholars and policy makers to the reality of artisanal diamond mining. By focusing on labour, labour migration and remittances, the neglect of artisanal diamond mining in academic and policy discourse has allowed political elites and international capital to get away with organising mining in their interests. As I suggest in my conclusion, there is also a gendered dimension to this blind spot. This study will show how women participated in artisanal diamond mining to support their households in the absence of men, as the remittances sent from South Africa were not enough to support rural households.

One of the objectives of this study is to correct this omission by documenting the complex realities of artisanal diamond mining. My cue for this is taken from those who engage in artisanal diamond mining. Of course, this also means engaging with those who seek to regulate artisanal diamond mining. The Government of Lesotho recently released a draft of its Mining Policy (Lesotho Mining and Minerals Policy Green Paper, 2014). This research is thus timely, and forms part of a process of thinking about the future of artisanal diamond mining in Lesotho. The following section discusses the decline of agricultural production and migrant labour as part of the economy of Lesotho.

Contemporary economy: Survival beyond the labour reserve economy

The livelihoods of Basotho in Lesotho's rural areas have historically depended largely on agricultural production (Turner, 2001; Molefe, 2009; Nseera, 2014). Over the past twenty years, agricultural production has declined as a result of land

degradation and soil depletion (World Trade Organization [WTO], n. d). Despite decades of development funding injected into Lesotho to stimulate agriculture, the agricultural sector remains moribund, accounting for roughly 7.3 percent of the country's Gross Domestic Product (GPD) in 2012. In 2003 there was a steep decline of 16.4 per cent in agricultural production (World Trade Organization n. d; Nseera, 2014). Nonetheless agriculture continues to play a significant role in the livelihoods of rural communities, and policy makers tend to focus only on stimulating agricultural production. Successive governments have continued to reaffirm this commitment to agriculture at the cost of exploring other strategies that may result in rural livelihood diversification and thus more resilient rural livelihoods. A good example of this obstinate commitment to agricultural production is the National Vision 2020 Plan. This articulates a commitment to Agricultural Sector Investment Programmes which seek to improve food security and overcome hunger, combat wide-spread stock theft, promote diversification into cash crops, revise land tenure system, advance irrigation methods and deliver effective extension service (Government of Lesotho, 2000).

This national economic policy focus has resulted in the mushrooming of internationally funded development projects in Lesotho, most of which have the aim of increasing agricultural production. In his celebrated study of rural development projects that focus on agricultural and livestock production, James Ferguson, in his book *The Anti-politics Machine* (1990), argues that development projects often play a role in expanding the anti-democratic powers of the state and diffusing politically charged situations and interests (the anti-politics) instead of increasing production as promised. Arguably, a look at livelihood strategies that fall outside the domain of agricultural and livestock production, could contribute to developing a view of Lesotho households and livelihoods that is not dominated by development discourse and the resultant anti-politics. Such a perspective gives us the opportunity to think about the future of mining in Lesotho with insight that emerges, not from the discourse of international development, however important that may be, but from the everyday livelihood strategies of those engaging in artisanal diamond mining.

Thinking about the future of mining in Lesotho begs an understanding of its history, both in Lesotho itself and the region. The so-called 'mineral revolution' in the region

was sparked by the discoveries of diamonds and gold in the late nineteenth century in South Africa. This revolution led, amongst other things, to an increased demand for food and labour in those cities and towns where mineral extraction took place and where secondary industries developed. The demand for labour and food had a regional dimension. Lesotho, for one, responded by becoming a major supplier of grain to some mining towns in South Africa, turning Lesotho into, what Colin Murray (1981: xi) called, the 'granary' of South Africa. In addition, the accelerated economic growth and industrialisation that accompanied the discovery of minerals in South Africa intensified the demand for labour from neighbouring countries. In this context, Basotho became increasingly dependent on wages from South African mines. Feinstein (2005: 47) describes the situation as follows:

[African economies were] totally transformed by the discovery of diamonds and gold in the late nineteenth century. From that point forward, the economic history of [southern Africa] becomes, in essence, a story of how this unique combination of indigenous populations, European settlers, and mineral resources was brought together in a process of conquest, dispossession, discrimination, and development to promote rapid economic progress. . . It is this history of the incorporation of the African people that paved the indispensable labour for a modern economy. . . Africans progressively lost the possibility of continuing to farm independently . . .

The participation of Basotho in wage labour in the 1860s was principally aimed at acquiring more cattle, ox-drawn ploughs and guns. So as Basotho were drawn into a regional labour market constructed around the mining industry, the importance of agricultural production, nationally and for rural livelihoods, declined. Hence, dependence on wages eroded independent farming by Basotho. Agricultural production in 1860 was still a major source of livelihood and men spent only limited periods in wage labour.

Thabane (2002: 108) calls this phase of wage labour, 'discretionary labour migration'; this is mainly because the earnings from work in South Africa were not yet pivotal to the livelihoods of Basotho households. Consequently, migrant workers were selective with regard to the employers they chose to work for. Such 'economic independence' from employers gave Basotho substantial bargaining power in terms of wages and employment conditions. However, such flexible labour proved incompatible with the need of capital for more stable, predictable and controllable

labour supply, particularly at a time when commercial farming was beginning to compete with mining for cheap labour. As a result, the colonial state in South Africa used various methods to ensure Basotho labour was forced off the land and made available to the colonial state's construction projects and to individuals who needed labour for the mines and farms (Thabane, 2002). Increasingly, Basotho migrant workers were forced into long-term contracts that required them to stay in mine compounds for stretches of time.

European imperialists freed up labour by dismantling Basotho's pre-colonial socio-economic, political and trading activities, which had supported their relative autonomy in relation to the global economy. Colonial laws, Thabane (2002) argues, effectively undermined the pre-colonial socio-economic structures of the Basotho by ensuring that monetary rather than other forms of exchange became the primary means for securing basic necessities. The process of freeing up labour for the emerging regional labour market was also achieved by forcing Basotho off their rural lands through the introduction of a Hut Tax in 1870. The tax could only be paid in cash, which in turn forced Basotho to abandon their lands and agricultural production and work for wages in the mines (Theal, 2002: 500; Maleleka, 2007; Boehm, 2003).

There were other factors, unrelated to the development of capitalism in the region, which contributed to the decline of economic autonomy that had characterised early colonial Lesotho. These include drought and animal diseases, notably rinderpest (Murray, 1980; Boehm, 2003). The regional colonial context and changes in transport infrastructure also had an impact on Basotho participation in the regional market for food. The neighbouring Free State Republic imposed tariffs on Basotho produce in the 1890s forcing Basotho to sell at higher prices. Completion of the railways into the interior of the Free State Republic meant Basotho struggled to compete with cheaper grain imported from overseas. Moreover, loss of arable land to the Boers in the 1850s left Lesotho (Basutoland) with mostly mountainous areas unsuitable for agricultural production. The agricultural potential of the remaining available land was further reduced by soil erosion, further undermining Basotho's relative economic independence (Murray, 1980; Maleleka, 2007; Boehm, 2003).

The consequences were unsurprising. By the beginning of the twentieth century, a higher number of Basotho males than ever before were working in the mines to

support their families. For example, in 1904, there were 86,000 working in the mines out of the total population of approximately 349,500 (Stevens, 1967: 39). In 1906, a railway line that connected Lesotho's capital, Maseru, with South Africa was completed. As a result, the number of Basotho working in the mines increased further (Stevens, 1967: 39). By the 1920s, Basutoland's (Lesotho's) position as the main supplier of labour to South African mines was cemented. In this regard, Murray (1980) argued, Basotho could no longer be described as an agricultural society. Small-scale agricultural production that survived this process was maintained through wages from the mines (Pule & Thabane, 2004). Similarly, as Ferguson (1990) has argued, it was remittances from wage work that supported the bovine mystique in livestock production. Meanwhile, remittances became a mainstay of rural households. Murray (1981) argued that it became imperative for men to support the family unit by moving away for wage-work resulting in his thesis on 'families divided'. Mine workers invested also in various types of small businesses, including informal enterprises, retail stores, mills, transport and tailoring (Maliehe, 2013; Thabane, 2002).

The regional mining system thus created an economic system in which a regional market for labour was a striking feature. The freeing up of labour for this regional market transformed relations all over the region. It also created new forms of dependency within households, and between households and the wider money economy. Lesotho's rural economy was significantly impacted upon by the migrant labour system (Murray, 1980; Spiegel, 1980; Ferguson, 1990). As Lesotho became more interlinked to the regional economy, it not only lost aspects of its economic autonomy, but it also became more and more difficult to conceive of a national economy.

Over a period of roughly the last 20 years the status of South African mining has shifted from being the backbone of Basotho livelihoods to being what it is currently a minority occupation for a fortunate few. Turner (2005) argues that many Basotho young men are unable to seek employment in South African mines, as it was the case with the previous generation. As a result, these young men find it difficult to amass the resources needed to start an independent household. Young people see little prospect of employment or significant income generation prospects unless they

are 'lucky' enough to get work for long hours and minimal wages in a Maseru factory (Turner, 2005). It is now clear that households must build livelihoods within Lesotho, as there are no new employment opportunities in South African mines.

For those already employed in the South African mining sector retrenchments are common. The number of Basotho's employed in South African mines dropped from 130,000 in the 1970s to around 50,000 the 1980s (Boehm, 2003: 6) and then to 40,600 at the beginning of 2011. By December 2013, these numbers had declined further to 33,500 (Crush et al, 2010; Central Bank of Lesotho, 2011a: 18; Love, 1996). This decline in labour migration has resulted, amongst other things, in a drastic decline in the amount of remittances flowing from South Africa to rural Lesotho. Former mine workers have therefore had to explore other forms of income generation to support their households.

Upon returning to Lesotho, retrenched miners typically embark on agricultural production, or take up other non-farm activities to improve their livelihoods (see, for example, Maliehe 2015). Whereas Basotho previously sought to sell their labour in order to survive, they are now also willing to sell land or earn a living from renting out land. Thus, retrenched miners' households convert fields they own into settlements for rent, or buy fields or arable land so as to build residential structures for rent (*malaene*) (Thebe & Rakotje, 2013: 408). According to Thebe and Rakotje (2013: 408), the *malaene* facility is regarded as a lifetime investment and stable source of livelihood outside agriculture. In post-labour-reserve Lesotho, households in peri-urban and urban areas build *malaene* instead of producing crops; 'harvesting rent' has thus emerged as an important household land strategy for the majority of land-holding households in peri-urban and urban as well as rural villages close to diamond mining (Thebe & Rakotje, 2013: 408; Ambrose, 2004: 7). Retrenched miners go to Maseru to look for formal jobs, or wives go to work either in factories in Maputsoe and Maseru or in South Africa as domestic workers.

Unsurprisingly, the significance of artisanal diamond mining has increased in response to the decline in migrant labour. I observed this in the Butha-Buthe District during my field research [May 2013 – January 2014]. For decades, the livelihoods of communities in the villages of Kao and Liqhobong have been supported by independent unlicensed artisanal diamond mining. As Thabane has argued, artisanal

diamond mining has, since the 1930s, supported and supplemented pastoral and agricultural activities (Thabane, 1995, 2000a, 2009). And despite the long history and significance of artisanal diamond mining to rural communities in Kao and Liphobong, successive post-independence governments in Lesotho have persistently marginalised, trivialised and criminalised artisanal diamond mining. Scholars such as Chefa and Maleleka have observed that mining policies support commercial mining over artisanal mining (Chefa, 2014; Maleleka, 2007). The marginalisation of artisanal diamond mining in Lesotho is evident from the fact that artisanal diamond mining remains illegal. According to the Lesotho government:

The artisanal and small-scale mining (ASM) sub-sector is especially challenging for Lesotho. Currently, ASM activities are not legally permitted in the country . . . For fear of creating loopholes for illegal exportation of conflict diamonds, the Government has not legalised mining of industrial minerals and semi-precious stones by ASM sub-sector (2014).²

The Government of Lesotho perceives commercial diamond mining companies as less likely to export diamonds illegally compared to artisanal diamond miners because of the provisions of the Kimberley Process (KP). The Kimberley Process is a joint government, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments (Kimberley Process, n. d; Gupta, Polonsky, Woodside & Webster, 2010). As I will argue later in this thesis, the KP process in Lesotho has had detrimental processes on ASM.

In this section, I have discussed important causes for the decline of agriculture and migrant labour in Lesotho's economy. This decline has had an impact on the economy of Lesotho. This discussion is important for the argument I present in this thesis because, with the decline of agriculture and migrant labour, many Basotho have had to look for alternative livelihoods. In most cases, they are involved in the informal sector, which includes artisanal diamond mining. This provides an important backdrop for my discussion of artisanal mining in Lesotho.

It is against this background that I undertook an ethnographic study of rural livelihood diversification in Lesotho by conducting empirical research on an otherwise promising, but often neglected, sector, i.e. artisanal diamond mining. This research,

² Lesotho Mining and Minerals Policy Green Paper, www.ls.undp.org, [2014, December 16].

therefore, aims to explore artisanal diamond mining in the context of rural household livelihood diversification strategies. The following section describes the research methodology employed for the study.

1.2 Research methodology

I approached the study using ethnography, qualitative research, and textual and empirical data analysis. A qualitative research approach enabled me to document information about people and processes in their natural settings, which involved studying them in all their complexities (Leedy & Ormrod, 2013).

Field research

This thesis is the result of several years of research, inclusive of nine months of fieldwork in the highlands of Lesotho in the villages of Kao and Liqhobong mining areas in the Butha-Buthe district in the north-eastern part of the country. The fieldwork was undertaken between May 2013 and January 2014 in two phases with the support of the Human Economy Programme at the University of Pretoria in South Africa. In Phase One, I stayed in Kao and Liqhobong villages and consulted the local chiefs and community councillors as well as artisanal diamond miners and their households. In Phase Two, I interviewed government officials from the Ministry of Mining, the Ministry of Trade and Industry, Cooperatives and Marketing (currently known as the Ministry of Small Business Development, Co-operatives and Marketing), and the Ministry of Local Government and Chieftainship. These four ministries are based at the headquarters of Maseru and Butha-Buthe, and there is also an official from the commercial diamond mine in Liqhobong. I carried out Phase Two in January 2014 prior to returning to the University of Pretoria in February. In both phases, I sought permission from the local authorities before I began my research. In Phase One, I obtained permission from the Area Chiefs of Kao and Liqhobong, and in Phase Two from the heads of department or section, depending on the specific Ministries.

I carried out Phase One between May 2013 and December 2013 in both Kao and Liqhobong villages. I lived in Kao from May to August 2013, and then in Liqhobong from September (after a Human Economy conference) to December 2013. I first visited Kao in March 2013 during my Easter holidays, with my nephew and his late

friend (Khetla) from Kao. This friend introduced me and my nephew to his sister (Nthabiseng)³ and told her about my research, which was commencing in May. Nthabiseng promised to look for accommodation for me, but in case she could not find any, agreed that I could stay with her temporarily while searching for accommodation. After the brief meeting with Nthabiseng, the three of us went back to my home district, Leribe.

After that initial visit to Kao, I began my field work in May 2013. After gaining access to the village and informants, Nthabiseng introduced me to Chieftainess Mrs 'Makhutso. She told the Chieftainess that I was staying with her, as I had not yet found my own place. Mrs 'Makhutso promised to assist in looking for accommodation. I lived with Nthabiseng for two weeks then moved out of her house into my own hut which was close to her grandmother's home. By that time, I already had a good relationship with her grandmother. In a way her grandmother became my research assistant, introducing me to her neighbours and accompanying me while doing my initial interviews.

Nthabiseng, on the other hand, was selling clothes, dagga (marijuana), and at times diamonds that she got from her friends or partner who worked in the commercial diamond mine. There was a time when she told me about someone who was selling a diamond for ZAR 9000, which she described as yellow and big without a crack. I told her that my purpose for being in Kao was to research artisanal diamond mining, not the diamond trade, so I did not buy a diamond (besides, I did not have that amount of money, or a client to sell to).

After moving to my rented hut, I was shocked to realise that Nthabiseng was storing her dagga in my rented hut, claiming that no one would suspect anything. This dagga was in a white big bag (*sara-sara*) under my bed. She [Nthabiseng] also stored the packaged dagga in her house ready for customers. I told her that the presence of her dagga in my hut without my knowledge was unacceptable. In Lesotho it is illegal to grow and sell dagga and her action was putting me and my study at risk. The incident affected our relationship to some extent.

³ Nthabiseng is a pseudonym. All personal names of informants used in this study are pseudonyms unless indicated.

Despite that, unlicensed artisanal diamond miners from Kao and the wider community thought I was a spy deployed by the government to report the people who were involved in unlicensed artisanal mining. I got to know about this from Nthabiseng's grandmother. As a result, they were reluctant to be interviewed about unlicensed artisanal diamond mining activities. My observations of their reluctance to participate in my study led me to believe that their comportment or fear was based, on the history of Kao and artisanal diamond mining. In the 1970s, miners were murdered in Kao following conflicts between the government and unlicensed artisanal diamond miners. The government dispatched the police to force unlicensed artisanal diamond miners to vacate the mining deposit. Miners resisted and in the stand-off, many were shot. A more detailed account of this history is recounted in Chapters 6 and 7. Upon my arrival, I also realised that artisanal diamond miners and the villagers were scared of the coalition government led by the All Basotho Convention (ABC), because most of the villagers were members of the opposition Democratic Congress (DC). Their reluctance to talk to me stemmed from their fear that I was from the state and from an ABC-controlled government. It dawned on me that the issue of diamonds is deeply political and has had an impact on local as well as national politics.

Nonetheless, the fears or concerns of the households of Kao were alleviated by my stay in their village and the repeated visits I made to their houses, which never led them into any trouble with police or government officials. I also attended the village's emergency meeting, where one of the artisanal miner's huts caught fire and burnt down. I had interviewed this man a few days prior to the incident and he had been very sick. When they saw me there, some of them came to me to exchange ideas on how he could be helped and sent to his hometown, Quthing. From that incident, I realised that I had been taken in as part of the family. Near to the end of my stay in Kao, the artisanal diamond miners had changed their attitude towards me. They viewed me as someone who could negotiate with the government on their behalf concerning the renewal and licensing of artisanal diamond mining activities. Some of the artisanal miners even asked for my phone number, while others got it from Nthabiseng. The miners held these notions, despite the fact that I had told them I was a student from the University of Pretoria and had nothing to do with either the commercial diamond mine or the government.

In Liqhobong, I had a formal research assistant from the neighbouring village by the name of Thabang. This time, I did not use my nephew's networks but made my own through the nearby lodge. The owners of the lodge introduced me to a young man, who was known for transporting buyers to the artisanal diamond miners at the river banks. Thabang was an unemployed young man, unmarried and without children. He did not have any family obligations or a stable job to attend. He was available and willing to be my research assistant. He accompanied and assisted me on my research throughout my stay in Liqhobong.

The presence of Thabang as my research assistant had more results than the grandmother of Nthabiseng in many ways. Thabang was popular among artisanal miners in Liqhobong and more male miners were ready to speak to me, as they knew him. Villages in the highlands are scattered or far apart, but the fact that my informant was young made it easy to cover more households than I had done in Kao study. I worked with him during my field work in Liqhobong from September to December 2013. I paid him what I could afford until I left Liqhobong in December 2013.

The fact that the villagers of Liqhobong were more willing than those of Kao to talk to an outside researcher such as myself could be attributed to the history of artisanal diamond mining in this village. In the late 1970s, a diamond cooperative was established which most of the artisanal miners joined (a more detailed account of the history and activities of this cooperative is provided in Chapter 7). I surmise that the formalisation of mining activities in this area made miners less reluctant to talk about mining, even unlicensed mining. As a result, miners in Liqhobong were free to speak about their work, about former members of the co-op, and about unlicensed miners.

There is a dialect used in the highlands that is different from the lowlands. For instance, when people in the highlands refer to the lowlands, they call it 'Lesotho' as if they live in a different country. The artisanal miners too, had their own linguistic terms which they used during their mining activities and diamond transactions (see Chapter 5). I learned these terms during interviews and discussions about diamonds in both Kao and Liqhobong, although it was in Liqhobong that I picked up most of the words because my research assistant would habitually interject during my interviews

so as to put the miners at ease. I then made a point of using these terms so as to blend in, thereby acquiring greater linguistic competence.

I used notebooks for collecting data, with one for recording interviews and observations and a second to rewrite the notes in the evenings. The rewritten notes are more organised and clearer and include some analysis of the day's events. I also used a digital recorder and camera to capture informants' data during interviews and other research methods. I used these devices in agreement with the informants. Nonetheless, there were some instances when a digital recorder was not used, especially with government officials. Government officials told me that they preferred interviews without the use of a digital recording device because they did not want their voices to be recorded or captured. I conducted all the interviews in Sesotho, the local language which I speak fluently. Being a citizen of Lesotho who speaks Sesotho fluently and also being informed about Basotho society was beneficial for me in relating to my informants and the villagers of Kao and Liqhobong. This was anthropology at home because of my familiarity with the language and culture of the informants in the highlands of Lesotho. The following section explores some of the research techniques I used in my study.

Participant observation and focus groups

I used participant observation and focus group techniques for data collection. Participant observation is a technique in which, as the action is happening, a researcher both observes and participates in the action being studied (Klandermans & Staggenborg, 2002:120). Through the participant observation I observed and interacted with the villagers of Kao and Liqhobong, as well as attending their public meetings, which they called *lipitso* (singular *pitso*). A chief consults and informs his subjects via the institution of the *pitso* (the noun *pitso* is taken from the verb *hobitsa*: to call] (Wallman, 1968: 169). The customary procedure reflects and extends the peculiar relationship of Moshesh (Moshoeshe) with his sub-chiefs and followers. Whenever matters of public interest were to be discussed, chiefs and people would be called to assemble and hear the 'news'. Any man was then entitled to voice his opinion and advise on the proper course of action. *Lipitso* were conducted in this way at each administrative level, from national down to the village unit, and became the basis of Lesotho's 'democratic' tribal policies (Wallman, 1968: 169).

In present day Lesotho, the women also attend *lipitso*, which was how I managed to join several such meetings in Kao, including a public gathering initiated by the commercial diamond mine in Kao. The purpose of this gathering was to select a new community representative. A committee is selected biannually, the community then re-elects the people who have been serving on an out-going committee. The function of this committee is to report community grievances in relation to the commercial diamond mine's operations. The villagers of Kao, for example, complained (prior to my 2013 arrival in Kao) that the commercial diamond mine polluted their river: water flows from the mine carrying mine tailings via the *molatsoana* stream into the Kao River. The water from the river is used for household consumption (such as laundry) and agricultural purposes. At the time of my visit the commercial diamond mine had not addressed this issue, and it was still an outstanding matter when I left Kao. I learned about this matter at a *pitso* that I attended and from interviews with the informants about the matter. However, I was told by informants that no livestock had died due to water pollution.

In Liqhobong, members of the committee were waiting for the commercial diamond mine there to call a meeting to elect a new community representative. I was told by the villagers that the same people had been serving on the committee for many years, and that no one was ready to approach the mine in order to elect an alternative representative. Attending *lipitso* in both Kao and Liqhobong villages was significant for my study, as it was through these meetings that I became a part of the community and was able to observe how villagers dealt with community grievances and concerns. This enabled me to participate in village activities, such as funerals and traditional celebrations, without being considered as an outsider from the lowlands by the villagers. Besides *lipitso*, I observed informants in their homes during interviews, or while hanging out with them when they were busy with daily duties. I even followed them to the river banks when they mined diamonds.

I also used focus group techniques for data collection during my field work. The focus group method is a group interview that capitalises on communication among research participants in order to generate data. Group interviews are often a quick and convenient way to collect data from several informants simultaneously (Kitzinger, 1995). I conducted focus groups interviews in both Kao and Liqhobong

villages, but men dominated the focus groups. I suggest that men dominated the focus groups because they were held in the *shebeens*, and where people would be drinking beer for *matsema* (work parties) or *mokete oa balimo* (ceremony for ancestors). While women also attend *shebeens* it is mostly men who hang out there.

Interviews

I conducted unstructured and semi-structured interviews with artisanal miners from Kao and Liphobong diamond mines as well as members of their households. I designed unstructured interviews and conversations to explore issues linked to artisanal diamond mining and household livelihood strategies. I carried out unstructured interviews in their homes, while digging for diamonds along the river banks and also while walking along the road.

I interviewed 35 unlicensed diamond miners, mostly men aged from 17 to 75 years. Since I lived in the local villages, I was able to conduct interviews throughout the day subject to the miners' schedule. I paid them visits at their homes and followed them to the mining sites to interview and observe them while digging for diamonds. To put miners at ease, I started with questions about *Liphokojoe tsa Kao* (Foxes of Kao), which I realised made them feel relaxed as they recounted their experiences with *Liphokojoe*. Some went as far as to recount tales about *Liphokojoe* they had heard from their parents and grandparents. As the miners became more comfortable with the interview process and with me, I gradually introduced more sensitive questions. In interviews, I ensured my informants that the confidentiality of the information was respected and that I used names or pseudonyms. I designed these unstructured in-depth interviews and conversations to allow miners to narrate their own life experiences in relation to the mining activities as well as the marketing and trading of diamonds and household livelihood diversification strategies.

Moreover, I conducted interviews in Sesotho, which is the local language, and the informants understood the language and participated well in the interviews and discussions. I wrote the discussions and interviews in Sesotho and later transcribed the data into English. As with any translation, it was not always possible to find English equivalents for what had been said in Sesotho.

Participants and sampling

The study participants were drawn from two major groups: the first consisted of householders in Kao and Liqhobong and the second of government officials. From the two villages combined I chose a total of 27 households. This householder group constituted the largest informant group in the study, with the overall number of informants being 35. Another category of informants is the government officials from the following ministries: Mining, Trade and Industry, Cooperatives and Marketing, and Local Government and Chieftainship, in the capital, Maseru (headquarters of the ministries) and Butha-Buthe town (ministries at the district level). I interviewed a total of 10 government officials, including a Member of Parliament from the highlands. I identified informants through the use of snowballing. A total number of the informants interviewed is 45 (35 from Kao and Liqhobong villages, and 10 government officials. Key informants located people suitable for the study (Bernard, 2006: 192-3). I recruited informants using three main criteria: on the basis of their having worked as individual diggers, on the basis of continued engagement with artisanal mining, and on their willingness to participate in the research.

Documentary sources

In order to strengthen my argument and data, I consulted conference papers, articles and commentaries published in journals, relevant textbooks, newspapers, archaeological records, internet sources, published interviews, field surveys and archival resources as well as digitised documents. The government reports consulted were from the following ministries: Mining, Trade and Industry, Cooperatives and Marketing, Local Government and Chieftainship, and Law and Justice.

I also consulted Professor David Ambrose, [retired professor of the National University of Lesotho] who provided me with some of the articles from his library in Ladybrand. I also interviewed Professor Motlatsi Thabane [Head of History Department at the National University of Lesotho] who researched the social history of artisanal diamond mining in Kao as well as Letšeng.

Data analysis

I employed thematic data analysis in order to examine and present my content. This included analysing interviews and field notes in a bid to identify and engage emergent research themes. Thematic analysis involves identifying main themes, assigning codes to themes, classifying responses under themes as well as integrating themes and responses into the study (Kumar, 2011). My findings are elaborated upon in Chapter 4, 5 and 7. The following section discusses the ethical considerations.

1.3 Ethical considerations

This research was developed in compliance with the ethical guidelines of the Research Ethics Committee of the Faculty of Humanities at the University of Pretoria. On my arrival in the villages (Kao and Liqhobong), I sought permission from the local authorities and presented an introduction letter from the University of Pretoria. In the case of Kao, Nthabiseng accompanied me to the residence of the chief (*moreneng*) literally 'at the chief's place' (Wallman, 1968: 170, Murray, 1981: 3) and in Liqhobong Thabang accompanied me to *moreneng*. Area chiefs in both villages (Kao and Liqhobong) allowed me to carry out fieldwork. For the purpose of conducting interviews, I also obtained permission from informants themselves, especially the target group of artisanal diamond miners and the government officials. Moreover, I informed the local leaders and informants about the objectives of the research and its duration. I discussed with the informants the purposes of the interviews and told them that the information was needed for research purposes only (Welman et al, 2005: 181; Matsie, 2009: 30; American Anthropological Association, 1986).

With the second ethical consideration, voluntary participation in research, I ensured that informants participated in my research out of free will rather than coercion. Therefore, I gave informants an opportunity to accept or decline to participate in the research. Thereafter, informants completed the consent forms and signed them. However, in some cases, I accepted the verbal authorisation mainly due to the advanced age of some miners and also the fact that some were illiterate. I gave

informants consent forms after everything was explained thoroughly and truthfully to them (Welman et al, 2005: 201).

The third ethical consideration concerned issues of protection from harm, either physically or emotionally of artisanal miners during interview sessions. I made the miners aware that my presence in the village would not disrupt the community's normal way of life. In addition, the informants were made aware that they were free to withdraw from the study at any time they wished (Welman et al, 2005: 181; Matsie, 2009: 30).

The fourth ethical consideration I took into account was the issue of confidentiality and anonymity: this is because my study investigated a very sensitive activity that is illegal according to the Lesotho government. I took issues of confidentiality and anonymity into consideration in the study and I concealed the informants' proper names and used pseudonyms. From the beginning, I assured informants of their anonymity and reassured them that their privacy would be respected at all times (Welman et al, 2005: 181; Spradley, 1980: 23; American Anthropological Association, 1986). The next section discusses the thesis outline.

1.4 Thesis outline

The thesis comprises eight chapters. **Chapter 2** focuses on the theoretical framework and literature review of the study. It situates the study within a broader global and continental body of literature on artisanal and small-scale mining (ASM). The chapter employed 'moral economy' as an appropriate theoretical tool to examine the data. **Chapter 3**, using a political economy approach, the chapter documents the history of the economy of Lesotho with a view to establishing how the economy mutated during different political eras marked by the introduction of different economic packages including the Structural Adjustment Programmes (SAPs). The chapter also examines macro-economic considerations such as the Southern African Customs Union (SACU), foreign aid, the African Growth and Opportunity Act (AGOA), and remittances. **Chapter 4** analyses forms of livelihoods other than mining in the households of Kao and Liqhobong and how these households had to look for alternative livelihoods after the collapse of regional mining complex and implementation of structural adjustment. This chapter suggests that, with the

implementation of SAP and the decline of migrant labour as well as agriculture, many Basotho lost their jobs and hence opted for the informal sector as their main livelihood.

Chapter 5 documents how artisanal diamond miners work along the river banks and dumping sites of the commercial mines. It examines how households of Kao and Liqhobong, as well as those from neighbouring villages, have engaged in artisanal and small-scale mining since the state displaced them and privatised Liqhobong Diamond Cooperative to make way for commercial mining companies. The chapter also describes how artisanal miners in Kao reacted when their working space was handed over to a commercial mining company. The argument is put forward that what is viewed by state officials and government bureaucrats as illegal mining, is regarded by the unlicensed artisanal diamond miners as a legitimate survival strategy. The chapter investigates the nature of the moral economy that has developed among artisanal miners in rural Lesotho.

Chapter 6 explores the history of diamond mining in southern Africa. In doing this it zooms in on the case study of Lesotho (Kao, Letšeng and Liqhobong). The historical background that is given is considered necessary in order to more fully understand contemporary diamond mining in Lesotho. Moreover, the chapter discusses Lesotho's regulatory framework for diamond mining, contrasting this with artisanal diamond mining. Following on from the Chapter 5 investigation into the nature of the moral economy among artisanal miners themselves, this chapter poses the broader question of how the moral economy has shaped the development of diamond mining in Lesotho.

Chapter 7 describes how diamond mining activities (competition between commercial and artisanal miners) brought about a conflict over land use and access to diamonds in Kao and Liqhobong villages. The chapter argues that, because of the conflicts and moral issues related to diamond mining, diamonds are perceived by artisanal miners as a valued commodity worth fighting for and a source of livelihood. The chapter answers questions including: How has this moral economy been shaped by villagers' historical relation to the Maseru state and to the international market?

Chapter 8 gives the conclusion and recommendations of the study. In particular, I advance the argument that women played a central role in artisanal diamond mining

in Lesotho. Following this line of thinking, the story of ASM outlined in this thesis has women at its core; hence criminalisation of artisanal diamond mining in Lesotho fell on women.

CHAPTER 2: THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 Introduction

In the previous chapter, I discussed the problem statement and research methodology I used in the course of my research. This chapter focuses on the literature review and theoretical framework of the study. It situates the local material within a broader global and continental literature on artisanal and small-scale mining (ASM), agriculture and decline of migrant labour. ASM is discussed as one of the important informal income-generating activities (informal sector) in the households of developing countries. The term 'small-scale mining' first surfaced in the seminal report of the United Nations, *Small-Scale Mining in the Developing Countries*. The report highlighted the economic significance of small-scale mining in developing countries (Hilson, 2009 citing UN, 1972). Various types of minerals are extracted in the ASM sector including gold, diamonds, bauxite, iron ore, marble, limestone, silver, tin, zinc, construction materials, and various gems such as emeralds and garnets. These minerals are mined on different scales in various countries (Baah-Ennumh, 2012: 38).

This chapter also introduces the theoretical framework. The study used the concept of moral economy and human economy as an appropriate theoretical tool to examine the data for this thesis. Nonetheless, the concepts of political economy and livelihood are additional theoretical tools that are used in Chapter 3 and 4. The following section reviews the relevant literature on artisanal mining, agriculture and the decline of migrant labour, or the collapse of the regional mining complex.

2.2 Literature review

Scholarly research has demonstrated that agricultural production, as the historically major rural livelihood strategy, has been deteriorating in many sub-Saharan African countries over the past two decades (Van Bockstael et al, 2011). Many rural households and smallholder farmers are struggling to make ends meet and, as a result, they have been moving towards non-agricultural activities to supplement their incomes (Van Bockstael et al, 2011). The literature identifies some aspects of this diversification (determinants of diversification) such as risk strategies, coping behaviour, labour markets, seasonality, credit markets, as well as asset strategies

(Ellis, 1998: 11). By definition risk strategy refers to a trade-off between a higher total income involving greater probability of income failure, and a lower total income involving smaller probability of income failure (Ellis, 1998: 13). Households often anticipate failure, and consequently are prepared to accept lower income for greater security, compared to higher income with a great risk.

Coping behaviour, on the other hand, points to the risks of involuntary response to disasters as well as unanticipated failure in major sources of revenue. Coping behaviour can include using up of food stocks, gifts from relatives, community transfers, and sales of livestock during disaster or shocks (Ellis, 1998: 13). Seasonality and risk point to the role of labour markets in reducing cyclical and insecurity threats to the construction of viable rural livelihoods. However, labour markets also offer non-farm opportunities for income generation differentiated by other considerations such as education, skills, location and gender (Ellis, 2000: 294). Asset strategies make investments in order to increase income-generating capabilities in the future. Investing in order to enhance future livelihood prospects is described here as the assets within the household (Ellis, 2000: 296). Seasonality means returns on labour time, i.e. income that can be earned per day or week worked varies during the year in both agricultural and off-agricultural labour markets (Alderman & Sahn, 1989). Agricultural returns depend on peak labour, such as the labour needed for cultivation and harvesting, in order to achieve farm outputs during periods when little, if any, activity can be usefully undertaken on the farm. Off-farm returns vary, as temporary labour markets spring into being, for example, to harvest a grain or tree crop, or to move recently harvested produce from farms into stores or distribution centres. Invoking the farm household model, seasonality causes changes in occupation to occur, as labour time is switched from lower-return to higher-return activities (Alderman & Sahn, 1989). These opportunities (such as artisanal mining) are used as a substitute for farm work due to poor agricultural production. This process of income diversification has resulted in what has become known as 'multiple livelihoods'. The term 'multiple livelihoods' refers to a process whereby rural households are engaged in more than one work activity (Bryceson, 2002: 2; Van Bockstael et al, 2011: 5), such as agricultural activities and ASM.

This section discussed the determinants of diversification in the sub-Saharan African countries. These determinants are as follows; risk strategies, coping behaviour, labour markets, seasonality, credit markets and assets strategies. The section lays the foundation for reviewing how households respond to agricultural challenges in the region. The following section discusses artisanal diamond mining in Africa in the midst of a decline in agricultural activities.

Artisanal diamond mining in Africa

The following five themes that emerged in the scholarly debates about artisanal mining literature in Africa: 1) the significance of artisanal mining livelihoods for poverty alleviation; 2) contentious relations between artisanal and commercial mining with regard to land, mineral rights and labour; 3) artisanal miners' extraction of so-called conflict minerals; 4) legal aspects of artisanal mining production and exchange; and 5) the environmental hazards associated with artisanal mining. These themes are interrelated and overlap with each other (Bryceson & Jonsson, 2014: 2) as is the case in my study.

With regard to the first theme of poverty alleviation, the literature suggests that artisanal mining forms a significant part of people's livelihoods in developing countries: for example rural Zimbabweans depend on it due to the country's economic hardships (Bello & Bybee, 2014: 1). ASM is an important sector globally, which employs about 15 to 20 million people (Maconachie, 2011). China's ASM sector alone is estimated to employ 2.5 million people; whereas the rest of Asia/Pacific has 6.7 to 7.2 million people working in ASM (ILO, 2003: 1; ILO, 1999: 7). In sub-Saharan Africa over 2 million people work in the ASM sector (Hilson, 2009: 4). It is estimated that in Ghana 1.1 million people are involved in this sector, whereas an additional 20 000 Ghanaian individuals are believed to be operating under large scale mining (World Bank, 1995: 1, Ryan, 2006, Carson et al, 2005: 5; UNECA, 2011: 69). The role that ASM plays as a source of employment is globally underestimated. ASM also contributes to national economies over and above providing employment, however insecure, undignified and unprotected such employment may be.

ASM miners connect the commodity – whether diamonds or gold – to global markets through the chain between the production and consumption processes. Since ASM is often not recognised as a legal economic activity, miners bypass regulatory systems that span national economies and mix their economic practices by drawing on both market dynamics and state dynamics. In Chiadzwa Zimbabwe, for example, artisanal miners in 2006 used to barter their diamonds for household groceries from foreigners who settled in nearby Mozambique (Nyamunda & Mukwambo, 2012: 151). They exchanged diamonds for groceries like soap, bread and candles in the local shops in Chiadzwa, although some business owners refused to accept diamonds due to a lack of knowledge of such stones and their value (Nyamunda et al, 2012: 151). In Geita Township, Tanzania, miners established businesses such as guest houses and cosmetic shops from profits made through the sale of diamonds. In Nyarugusu and Mgusu, Tanzania miners boast of owning good and modern housing (Mwaipopo, Mutagwaba, Nyange & Fisher, 2004: 59). Therefore, mining is expected to generate returns that will sustain livelihoods (Baah-Enumh, 2012: 2). This implies that the livelihood engendered by the exploitation of minerals should outlive the mines and propel the local economies upwards (Baah-Enumh, 2012: 2).

The second prominent theme in the literature deals with the often reported contentious relations between artisanal and commercial mining concerns. These conflicts typically revolve around land, mineral rights and labour. The literature also suggests however that there exist instances where mutually beneficial relationships emerged between commercial mining concerns and local people, despite news stories typically pointing to the contrary. For example, the commercial miners [and the ASM miners] in Panguma and Kayima in Sierra Leone and in Chiadzwa, Zimbabwe, bought large quantities of food crops from the locals, thus constituting an important market for local populations (Binns, 1982: 122; Nyota & Sibanda, 2012: 143). The income generated by such sales was reinvested by local producers into home building, support for families and most notably into the expansion of cash crops such as coffee, cocoa and citrus fruit (Binns, 1982: 121). There is also a high demand among miners for local foodstuff. Sale of foodstuff by farmers to miners is a profitable business because the farmers sell their produce to miners at higher prices than at the local market. The residents of Panguma and Kayima are said to have believed that diamond mining offered them hope and an opportunity to finance the

reconstruction of their livelihoods in post-conflict Sierra Leone (Maconachie et al, 2007: 109). The analytical point is that the presence of mining, either commercial or artisanal, brings along some form of livelihood for those who are involved in mining as well as those who sell goods to miners from both the commercial and ASM sector.

The third theme in the literature speaks about the environmental hazards associated with ASM. Despite the increasing significance of ASM to rural livelihoods, artisanal mining has a bad track record for its adverse environmental impact and its prominent use of child labour. Several authors (Kambani, 2003: 141; Gunson & Veiga, 2004: 109; Hilson, 2002) argue that artisanal mining operations cause environmental degradation irrespective of the scale of the operation. Notable environmental concerns in the sector are chemical pollution (for instance, cyanide and mercury pollution), noise pollution, and pollution of rivers (water pollution) (Baah-Ennuhm, 2012: 38). Water pollution extends to other water bodies through direct and indirect dumping of tailings and effluents, improperly constructed tailings dams, acid rock drainage, river siltation and damage in alluvial areas (Baah-Ennuhm, 2012: 38; Aryee, et al, 2003; Hilson 2002; Hilson & Pardie, 2006). Other environmental problems include land degradation through continuous pitting and trenching of land without reclaiming the land; as well as deforestation in the process of searching for ore (Hilson, 2002). At the same time, there are concerns raised by other scholars (see, Aigbedion & Lyayi, 2007; Tibbett, 2009: 15) in relation to environmental degradation as a result of commercial mining. Commercial mines can, and with large-scale surface mining on the increase, often does take up a large amount of land (Tibbett, 2009: 15). This might be farmland, wildlife habitat, a water source, or other environmentally or socially useful land. Another serious environmental problem from commercial mining is the so-called 'large-volume' waste that it produces, and its effect on land, ecosystems and water (Tibbett, 2009: 15). Here the problem is deciding what to do with the huge quantities of waste and chemicals produced and also limiting the damage that they can cause. Often, commercial mines have led to near-permanent pollution caused by the chemical instability of the waste materials they produce (Tibbett, 2009: 15). The chemicals used include dangerous poisons such as mercury, cyanide, sulphuric acid and arsenic. Chemical pollution also originates from acid mine drainage, which comes from exposing large surfaces of fragmented rock which liberates sulphides and heavy metals into the environment

(Tibbett, 2009: 15). This shows that both commercial and artisanal mining cause environmental degradation; often leaving the place or land without proper rehabilitation or with no rehabilitation at all.

Tens of thousands of children are believed to work in the small-scale gold mines in Africa, Asia and South America, who are made to work both above ground and underground. These children are exposed to a myriad of life-threatening factors that include mineshaft explosions, rock falls and tunnel collapses. They breathe air filled with dust and sometimes toxic gases. Above ground, children dig, crush, mill and haul ore, often in the hot sun. Some stand for hours in water, digging sand or silt from riverbeds and then carrying bags of mud on their heads or backs to sieving and washing sites (ILO, 2006). In the case of my study in Lesotho, I observed two teenagers (aged 17), during my field work. Pollution is significantly prevalent in artisanal gold mining due to the use of toxic substances like mercury. As Hinton et al (2003) write, through the process known as amalgamation, mercury is used to acquire gold from the ore. Mercury is applied to gold-aggregated sediment, which results in a pasty amalgam. Subsequently, the paste is burned, typically in the open air, to produce the final gold product. When released into the environment, the paste transforms into toxic methyl mercury, which, in sufficient quantities, is deleterious to both plant and aquatic life and harmful to human health. The mercury vapour poses a serious health risk, especially if there is chronic exposure, which is possible for the miners and local people around the mining area if inhaled it can produce symptoms such as visual constriction; impairment of hearing; impairment of speech; and impairment of gait (Hinton et al, 2003). It is not surprising that such working conditions exist when industries are marginalised and criminalised. The comparative literature demonstrates that the same happens in other industries that are repressed, such as small-scale entrepreneurs (for instance, small construction firms and the minibus/taxi sector) in South Africa (Rakabe, 2013). Even though small construction firms are earmarked for creating employment opportunities in South Africa, they are faced with many challenges: a combination of limited technical skills, strong competition (both among small contractors and from large companies), and cumbersome requirements for procurement and for the grading of a construction company keep the small-firm construction sector largely underdeveloped (Mofokeng, 2012; 2013; Rakabe, 2013). Cottage industries are among the marginalised

industries in Tanzania (Kristiansen & Mbwambo, 2003: 365). Cottage industries are easily marginalised in open competition with foreign investors and centrally located business (Kristiansen & Mbwambo, 2003: 365). In sub-Saharan Africa, there are clear indications that enterprises owned by foreigners from Asia tend to be bigger, more innovative and faster-growing than neighbouring firms owned by people who are native to Africa (Kristiansen & Mbwambo, 2003: 365 citing Ramachandran & Shah, 1999). As a result, many foreign owned companies out-compete the industries owned by people of African citizens (see Maliehe, 2015).

The fourth prominent theme in the literature deals with the legal aspects of artisanal mining production and exchange. There are scholars, such as Kamlongera (2013: 4), Siegel and Veiga (2009: 51) and Hilson and Hilson (2015), who argue that governments should acknowledge the short-comings associated with ASM so that these can be mitigated through effective regulation and meaningful formalisation. The concepts of effective regulation and meaningful formalisation are hotly debated in the literature and among public authorities. Nonetheless, Siegel and Veiga (2009: 51) argue that ‘formalisation is the means of absorbing existing customary practices – developed informally by miners–into the mainstream of a country’s legal and economic affairs’ (Siegel & Veiga, 2009: 51). International development organisations can help to facilitate the transition of ASM from an extra-legal to a legal economy by creating revolving loan funds, and helping to carry the risk of lending money to miners (Siegel & Veiga, 2009: 51). Formalising ASM activities can therefore be a win-win situation for both governments, which would stand to benefit from tax collection, and rural households, which would be supported in their livelihoods (Kamlongera, 2013; 44). In Lesotho and Malawi, for example, ASM remains unlicensed. In countries where ASM is regulated, artisanal miners find it difficult to operate within the realm of state law. Ghana is one of the countries that legalised ASM in 1989 (Hilson & Potter, 2003: 245), but it remains difficult for miners to acquire licences as prospective applicants have to navigate through endless layers of bureaucratic red tape. These processes include a lot of paperwork, high fees to obtain documents, and limited availability of land where legal miners can work (Banchirigah, 2008: 29; Geenen, 2012: 325). Any process of meaningful formalisation will have to avoid providing bureaucrats with the power to control, stymie and extract rent from those who do the actual work of mining, as happened in

Ghana. Due to laborious bureaucratic procedures, many individual miners get discouraged and opt for the relatively easier route of operating outside legal confines (Banchirigah, 2008: 29). In this illegal route, artisanal miners face continuous harassment from government officials and experience police brutality, which ranges from police habitually setting dogs on miners, shooting at miners and beating them up (Nyota et al, 2012: 138). Artisanal miners have limited ways in which to respond.

Unlicensed artisanal miners, in order to survive, engage in the typical 'grey' economies of bribery to avoid harassment from the police. In the eastern region of the Democratic Republic of Congo, most ASM activities are unlicensed because of weak implementation of the law by the state. In South Africa too, there are challenges in relation to the mining policy. ASM in South Africa is regulated by the same legislation that is used for commercial mining and, as a result, ASM miners fail to comply due to lack of resources, lack of capital and shortage of skills (Mutemeri & Petersen, 2002: 286).

Governments, rather than creating favourable conditions and effective regulatory frames to enhance the potential of ASM for the impoverished rural majority, tend to use the shortcomings of ASM to justify its vilification and criminalisation. This in turn can be interpreted as a way to mask state support for commercial mining companies. Therefore, artisanal mining can be said to constitute an informal and unlicensed economic activity, principally because income generated through artisanal diamond mining and selling is largely unregulated by law (Hart, 2010: 145). The formal economy, by contrast, includes a world of salaries, monthly mortgage payments, clean credit ratings, fear of the tax authorities, regular meals, good health cover, pension contributions, school fees and summer holidays. What makes this lifestyle 'formal' is the regulatory of its order, a predictable rhythm that is often taken for granted (Hart, 2010: 13).

Van Bockstael et al (2011: 6) make the point that 'artisanal miners' meagre profits stay at home, and are invested in their communities through commercial interaction with local traders and service providers.' The profit that these miners make is normally invested in catering for household needs. However illegal taxes can be imposed on miners by mine police, mine ministry officials, intelligence agents, armed forces or even rebel militia; as is the case in the DRC (Mthembu-Salter, 2012). The

presence of private investments normally leads to the closure of artisanal mining (e.g. in Lesotho and Zimbabwe); as a result, artisanal miners lose their incomes. The miners usually resist the order and continue to dig without licences; consequently, the artisanal mining sector is criminalised (Nyota et al, 2012: 138; Thabane, 2000: 108). The issue of criminality is often used to demonize the sector and justify draconian interventions (Potts, 2007: 6). By definition, criminal activities are illegal, and the informal sector is typically unlicensed/unregistered, which means it is also 'illegal' (Potts, 2007: 6).

To claim that the entire informal sector is criminal is another matter however. The people themselves know how to distinguish between criminality and the informal sector (Potts, 2007; Mpofu, 2015: 22). For instance, rich countries have criminal activities that relate to drugs, theft, fraud and these are not seen as informal sector activities (Potts, 2007: 6). In poor cities, some criminals live in poor, unplanned settlements where many people work in the informal sector. Obviously, that does not mean the criminals' activities are informal, any more than formal sector workers living in such settlements automatically become 'informal' (Potts, 2007: 6). To illustrate the point, Potts (2007: 6) makes the following distinction: 'For example, he drives an informal, unlicensed taxi cab (a legitimate livelihood), he steals cars (a criminal).' Likewise Hart (1973: 69) argues that informal income-generating opportunities include legitimate and illegitimate activities. Legitimate opportunities include farming, shoemaking, petty trading, shoe shining and hair cutting. Illegitimate opportunities include smuggling, bribery and petty theft (Hart, 1973: 69). In practice, the formal and informal dimensions of the economy are integrated (Hart, 2015: 8).

The fifth theme in the literature deals with the artisanal miners' extraction of so-called 'conflict minerals'. This refers to minerals that are sold by armed groups to fund violence and insurrection. There are four main minerals mined in the DRC: tin, tantalum, tungsten and gold, with the electronics industry being one of the main buyers of these minerals (DeVoe, 2012: 465; Cook, 2012: 1). Rebel groups and breakaway Congolese army groups maintain control over mines in eastern DRC (North Kivu Province and Walikale territory). These groups use the millions of dollars of profit each year to increase their wealth, keep control of the local populations, and continue fighting (DeVoe, 2012: 465). Walikale has been the scene of much fighting

in the armed conflict and the territory contains some of the most lucrative mining sites in the region (DeVoe, 2012: 465). The armed groups (such as Forces Democratiques de Liberation du Rwanda⁴ [FDLR] troops, a group of Mai-Mai rebels) control mines and profit from the sale of conflict minerals. These armies exploit the Congolese civilian population by enforcing systems of illegal taxation on every worker, merchant and visitor who works or lives near the mines (DeVoe, 2012: 465).

In the case of conflict diamond mining, diamonds are called 'conflict' or 'blood' diamonds (interchangeable terms). Marchuk (2009,97) recorded that blood or conflict diamonds are mined mostly in these countries in Sierra Leone, Angola, DRC and Liberia. For instance, in Sierra Leone throughout the armed conflict (1991-2002), the Revolutionary United Front (RUF), a rebel group, used diamonds to buy ammunition, arms, medicine and food (Marchuk, 2009: 97). The possession of arms and ammunition by rebel groups gave them the power to control vast territories of the country, and to enslave civilians and exploit them in the diamond mines. Sierra Leone is among the countries which produce diamonds that are mainly for use as gemstones – the clear and colourless diamonds used in jewellery (Marchuk, 2009: 97). Gemstone diamonds are the most valuable stones in the diamond market, whereas industrial diamonds, the imperfect stones mainly used for drills and other tools, are of a relatively insignificant value in the world diamond market. These lower quality diamonds are produced in Liberia, and the difference between Liberia's industrial diamonds and Sierra Leone's gemstones is that gemstones are more striking and thus easily spotted by experts (Marchuk, 2009: 88). As I will demonstrate in this thesis, how the implementation of the KP in Lesotho has resulted in the criminalisation of ASM and diamond cutting and polishing (see Chapter 6).

Decentralisation of the artisanal and small scale mining activities forms part of the above mentioned themes. The rationale for decentralisation is also reflected in the natural resource management sector where there is broad agreement that centralised resource management has failed to deliver sustainable and equitable outcomes (Hirons, 2014). Potentially positive outcomes of decentralised natural resource governance include the empowerment of local people to protect resources, increased revenues for local councils and people, particularly in marginal and

⁴ Also known as Democratic Liberation Forces of Rwanda.

disadvantaged groups and increasingly sustainable resource-use (Hirons, 2014). Decentralisation broadly entails the shifting of responsibility for decision-making from central to local institutions (Hirons, 2014: 22) which is needed for the growth of ASM activities.

In the case of my study the most prominent and overlapping themes relate to: 1) debate about the significance of artisanal mining livelihoods for poverty alleviation; 2) debate about the contentious relations between artisanal and commercial mining with regard to land, mineral rights and labour, and; 3) institutional and regulatory of artisanal mining production and exchange. These themes unfold in the subsequent chapters of the study and are also summarised in my conclusion; including the; 4) moral economy of miners.

Whether licensed or unlicensed, the numbers of households engaging in ASM are increasing, and are likely to continue increasing as long as poverty continues to necessitate such livelihood measures (Hentschel, Hruschka, & Priester; 2002: 3). It is, therefore, essential that effort is made to maximise the benefits brought and enabled by small-scale mining, and to mitigate the costs (Hentschel et al, 2002: 3; Kamlongera, 2013: 44).

Table 2.1 shows the number of the people benefiting directly and indirectly from ASM in some African countries, although it does not include Lesotho. In the case of Lesotho, the number of artisanal diamond miners in the 1980s was about 1,200 (Ambrose, 2004). In contemporary Lesotho, it is difficult to obtain detailed statistics about artisanal diamond miners and accurate information about the sector, since they operate without licences. While Table 2.1 gives figures for miners and their dependents, it does not capture those people who benefit indirectly from ASM, such as those who sell foodstuffs to artisanal miners at the mining sites or those who rent.

Table 1: Number of beneficiaries of ASM in African countries

Country	ASM	Estimated Dependents
Angola	150,000	900,000
Burkina Faso	200,000	1,000,000
Central African Republic	400,000	2,400,000
Chad	100,000	600,000
Cote d'Ivoire	100,000	600,000
DRC	200,000	1,200,000
Eritrea	400,000	2,400,000
Ethiopia	500,000	3,000,000
Ghana	1,100,000	4,400,000
Guinea	300,000	1,500,000
Liberia	100,000	600,000
Madagascar	500,000	2,500,000
Mali	400,000	2,400,000
Mozambique	100,000	1,200,000
Niger	450,000	2,700,000
Nigeria	500,000	2,500,000
Sierra Leone	300,000	1,800,000
Sudan	200,000	1,200,000
Tanzania	1,500,000	9,000,000
Uganda	150,000	900,000
Zimbabwe	500,000	3,000,000

Source: UNECA (2011: 69)

As the next section of this chapter explains, livelihood diversification has rapidly increased in the region and ASM in southern Africa has become an important activity in which many households in the region are engaged in the midst of failure of agriculture, decline of remittances from migrant labour, and collapse of mining complexes.

This section discussed the five themes that emerged in the scholarly debates about artisanal mining literature in Africa. These are as follows; 1) the significance of artisanal mining livelihoods for poverty alleviation; 2) contentious relations between artisanal and commercial mining with regard to land, mineral rights and labour; 3) artisanal miners' extraction of so-called conflict minerals; 4) legal aspects of artisanal mining production and exchange, and; 5) the environmental hazards associated with artisanal mining. It showed how ASM in Africa is both beneficial as regards livelihoods and detrimental in relation to environmental degradation and child labour

issues. Hence, the section offered several perspectives in relation to ASM operations. The following section discusses the causes of livelihood diversification in the region.

Livelihood diversification and ASM in Southern Africa

This section argues that many of the households in southern Africa struggle to survive on agriculture alone, hence, the analysis is presented against the backdrop of a rapid increase in livelihood diversification in the region. Literature indicates that in this region non-agricultural income sources constitute between 80 per cent and 90 per cent of total household income (Ellis, 1999; 2000; Bryceson, 2002). This will help us to understand why rural households in the region are engaged in both agricultural and non-agricultural activities; or even migrate from agriculture to non-agricultural activities.

Livelihood diversification is defined as the process by which rural households construct a diverse range of activities and social support capabilities in their struggle for survival and in order to improve their standards of living (Ellis, 1998: 4). There is a lot of scholarly work that analyses the causes of livelihood diversification in the region. For instance, in Zimbabwe, at least half to three-quarters of rural Zimbabwean people engage in non-agricultural activities to supplement their agricultural earnings, as a result of the slow socio-economic development in their country (Matondi, 2011: 2). Among these people, there are those who engage in ASM. Unlicensed ASM in Zimbabwe is one of the key livelihoods that have progressively become popular in the country (Matondi, 2011: 2). Many Zimbabweans find ASM as an easy way to earn money, and the tools (pick, shovel, and a dish) are easy to acquire for alluvial gold panning (Matondi, 2011: 2). In some cases, gold panning is widely done during the agricultural off-season. This was initially mainly to supplement household income, but for some it is now a key livelihood strategy. When ordinary people in Zimbabwe engage in small scale mining, they face many obstacles such as policing and roadblocks, interference in their lives, having their land taken away, and imprisonment for petty thefts of small quantities of mineral products (Matondi, 2011: 2). The fact that they are prepared to face such obstacles indicates that small-scale mining, and gold mining in particular, is seen by these Zimbabweans as a solution for survival in harsh living conditions. Therefore, people

move from agriculture into the ASM sector also because of 'poor agricultural yields as a result of erratic rainfall patterns' (Dreschler, 2001: 137).

Similarly, in the case of Mozambique, in the Nwadjahane village, farmers adopted a diversified range of activities in order to survive the detrimental effects of drought, recurrent storms, and floods caused by climatic change (Osbaahr, Twyman, Adger & Thomas, 2008: 1951). In Zambia, retrenched miners opted for back-yard agriculture and their wives engaged in reworking ore from large-scale copper mines in the Copper belt region (Mususa, 2014). The proliferation of ASM in response to the challenges faced by the households in southern Africa confirms its importance as an alternative livelihood in the midst of poverty and future uncertainties.

Anderson (2006) shows that diversification occurs as a result of a decline in migrant labour in South Africa and the collapse of the regional mining complex. Labour migration has been central in the understanding of southern Africa's political economy. Countries in southern Africa supplied male migrant workers to centres of production. In the Malawian case, after more than a decade of politicking over mine migration between the Malawian and South African governments and the latter's mining industry, the Employment Bureau of Africa (TEBA) closed its offices in 1988 (Andersson, 2006: 375). Thus ended an era of centralised labour recruitment by foreign agencies in Malawi (Andersson, 2006:375). After centrally organised mine migration to South Africa ended, Malawians opted for an informal market in tobacco production, unlicensed artisanal gemstone and limestone extraction (Matsumoto, 2014: 2; Kamlongera, 2013; Andersson, 2006). While formal mine migration declined, many impoverished Malawians went to labour in the tobacco sector in the Central and Northern regions of Malawi (Andersson, 2006: 380, 382). On the other hand, other Malawians went for unlicensed artisanal gemstone and limestone extraction in Chenkumbi, Chikwawa and Nsanje in southern Malawi and the Mzimba district in northern Malawi (Kamlongera, 2013).

In the case of Botswana, a decline in migrant labour to the South African mines has been one of the reasons for the changes in the life course of male villagers in its rural villages (Matsumoto, 2014: 21). During the peak period of mine work, the miners left their families in the villages, and their extended families, including their parents and any kin who needed support, were economically dependent on

remittances (Townsend, 1997: 418; Matsumoto, 2014: 21). However, after the decline of migrant labour in the 1990s, men (especially young men) gained the option of staying permanently in urban towns with their nuclear families (Townsend, 1997: 418). Around the same time, there was an increasing demand for unskilled labour in the rapidly growing capital of Gaborone (Townsend, 1997: 418). As a result of the increased demand in Gaborone, many of the young men were absorbed into the domestic labour markets. More significantly, though, the growth of Gaborone and the diversification of the economy of Botswana have given young men other opportunities for their future besides returning to the village community (Townsend, 1997: 418).

Similarly, de-industrialisation also caused livelihood diversification for many households in South Africa. Following the closure of factories in QwaQwa (Bantustan under the apartheid regime) in the 1990s, there has been a pressing need to support new sources of livelihood within QwaQwa. The mass of movement of people into the informal sector and an overwhelming concentration there on selling basic foodstuffs and household goods means that informal retailing in QwaQwa is saturated (Slater, 2002: 614). The 1990s saw some of the differences between rural and urban household strategies eroded. De-industrialisation left people more dependent on welfare payments, or on the informal sector (Slater, 2002: 613). Household circumstances and kin and social relations became increasingly significant differentiating factors, as households attempted to diversify their livelihood activities (Slater, 2002: 613). Many people lost jobs in the process and had to look for alternative livelihoods which ended in an informal sector reselling clothes.

This section has discussed why households in the southern African region diversify their livelihoods. This is as a result of the drop in agricultural production, the decline in migrant labour, de-industrialisation in South Africa, and socio-economic crisis. In this context the households opt for alternative livelihoods with Lesotho affected as much as other countries in the region. The following section discusses the challenges of agricultural development in Lesotho.

Agricultural development challenges in Lesotho

Lesotho's arable land constitutes only 9 per cent of the total land area of 30 355 square kilometres (Mekbib, Olaleye, Mokhothu, Johane, Tilai & Wondimu, 2012: 5). But even the available land is not utilised to its full capacity as fields lie fallow from year to year due to a variety of reasons: one being lack of financial resources to finance agricultural activities (Central Bank of Lesotho, 2011b: 5). Another reason for the under-utilisation of arable land is because land use practices adopted in Lesotho include an extensive extractive cultivation system. Some argue that this system has resulted in over-exploitation of the soil with serious land depletion and soil erosion problems and has contributed to a massive loss of usable arable land over the years (Mbata, 2008: 6). Likewise, it has been argued that the unplanned and uncoordinated use of the rangelands [grazing areas] by farmers has also led to serious overstocking. The communal land tenure system discourages long-term investment in the land for soil conservation and regeneration. The result is that the number of rural households that are landless has steadily increased over the years (Mbata, 2008: 7).

Crop production and raising livestock are the major domestic economic activities but for most households these are minor sources of income (Lye & Murray, 1980; Matsumoto, 2014: 14). This was not always the case: in the 1870s the Basotho nation developed a prosperous economy based on the export of agricultural products (Murray, 1981). Some migration to work temporarily for South African commercial farmers and the diamond mines in South Africa occurred, but it was secondary to agricultural activity for the economy as a whole. Over time a combination of events led to a gradual erosion of the comparative advantage of Lesotho's agriculture and an increase in the proportion of families that were best able to sustain themselves by migrant labour. The major contributing factors were the loss of arable land to the Orange Free State, increased population growth of Basotho, discrimination against Lesotho's products by South Africa, soil erosion and land degradation (Murray, 1981; Cobbe, 1982; Thabane, 2000a).

Over the past 40 years, the Lesotho government and donor agencies have intervened in agriculture by providing subsidies to improve agricultural production (Central Bank of Lesotho, 2011; Ferguson, 1990). Nonetheless, these interventions

have not revived agricultural production in the country. Even the most recent attempts to promote block farming through government guaranteed loans do not seem to have increased production. As one scholar noted 'block farming is a concept of pooling together small individual land units into a block where one crop type can be grown thus enabling economic utilisation of implements and inputs' (Selebalo, 2004: 5). Furthermore, the Central Bank of Lesotho (2011) and Southern Africa Resource Watch (2010) argue that block farming has not yielded returns to government or reduced food insecurity in Lesotho. Thus, the Government of Lesotho's attempts to reduce food insecurity through block farming has not appeared to work as farmers have failed to repay their loans; they claimed to have suffered a crop failure because of the drought. Failure of farmers to repay their debt forced the government to settle nearly ZAR 74 million with the local commercial bank, Standard Lesotho Bank. Only 107 farmers, of the 230 who got the loan, paid anything at all, with the best-paying debtor repaying only 10 per cent of what he owed. Others have paid as little as 0.2 per cent of their loans (Molomo, 2010).

Ferguson (1990) argued that the Government of Lesotho uses development for strengthening and expanding the exercise of administrative power. Poverty in Lesotho is a point of entry and justification for the launching of interventions that may have no effect on poverty, but do have other concrete effects, such as government services like the new post office and police station in the new district of Thaba-Tseka (Ferguson, 1991: 256). The Central Bank of Lesotho seems to confirm Ferguson's argument when they suggest that donor agencies provide subsidies in an agricultural sector to increase production, but their efforts fail due to government administrative power (CBL, 2011).

Lesotho agriculture is still funded by the state, in spite of the country's poor resource base. Despite this, many farmers involved in agriculture in Lesotho do not get enough yields for household survival. The sector's productivity has continued to decline and its capacity to absorb the rapid population growth (2.6 per cent per annum) is thus becoming increasingly limited (Matete & Hassan, 2000).

This section discussed the challenges of Lesotho's agricultural sector, covering land degradation, donor funding and development. It demonstrated some of the causes that have led to greater livelihood diversification among Basotho households. The

next section introduces the approaches deemed appropriate for this study, which are to view livelihood strategies (in this case mining) from the perspective of the moral economy and human economy.

2.3 Theoretical framework

The concepts that have been deemed most applicable in framing this study are those of the moral and human economy, nonetheless, there are also theories that will be used for specific chapters; these include political economy (see Chapter 3), and livelihood approach (see Chapter 4). Before reviewing the moral economy, it is imperative to review the political economy and livelihood approaches.

Political economy

The concept of political economy is multi-faceted and contested (Chowns, 2014: 63). For instance, for Adam Smith, political economy was the science of managing a nation's resources so as to generate wealth. For Max Weber, it is how the ownership of the means of production influenced historical processes (Weingast & Wittman, 2006: 3). According to Weingast and Wittman (2006: 3), political economy is the methodology of economics applied to the analysis of political behaviour and institutions. Other scholars, such as Drazen (2000), propose that political economy is, rather, the study of how politics affects policy choices and economic outcomes, with specific emphasis on the central concept of conflict of interests (Drazen 2000). It is in this latter sense that I use the phrase in my Chapter 3 analysis. By using the concept, I am agreeing with Drazen (2000) and also relying on his analysis of political economy.

Using a political economy approach, Chapter 3 documents the history of economic development in Lesotho with a view to establishing how the economy mutated under different political eras marked by the introduction of different macro-economic policies, including the Structural Adjustment Programmes. The chapter also examines macro-economic considerations, such as SACU, foreign aid, AGOA, and remittances. My analysis relates specifically to artisanal diamond mining.

Livelihood

The livelihoods approach centres on the links between individual or household assets, the activities in which households can engage with a given asset profile, and the mediating processes (institutions, regulations) that govern access to assets and to alternative activities (Allison & Ellis, 2001: 378). A fundamental precept of this approach is to identify what people have rather than what they do not have, and then to strengthen people's own incentive solutions, rather than substitute for, block, or undermine them (Allison & Ellis, 2001: 378).

The concept of a livelihood seeks to bring together the critical factors that affect the vulnerability or strength of household survival strategies. These are thought to comprise, chiefly, the assets possessed by households, the activities in which they engage in order to generate an adequate standard of living and to satisfy other goals such as risk reduction, and the factors that facilitate or inhibit different households from gaining access to assets and activities (Allison & Ellis, 2001: 379). Therefore, a livelihood comprises the assets (natural, physical, human, financial and social capital) and the activities including access to these assets and activities (mediated by institutions and social relations) which, together, determine the standard of living of an individual or household. The livelihoods approach is typically set out in the form of a framework that brings together the principal components which are thought to comply with the livelihoods definition, as well as demonstrating the interactions between them (Allison & Ellis, 2001: 379).

Chapter 4 places a livelihoods approach at the centre of analysing livelihood activities in the households of Kao and Liqobong. It is essential to understand why and how households engage in changing livelihoods. In this way, the livelihoods approach demonstrates that many rural households are engaged in the informal income-generating activities economy. Additionally, the livelihoods analysis in Chapter 4 provides a means by which to better understand the nature of informal income-generating activities that the households of Kao and Liqobong are involved in.

Informal economy (informal sector) is a concept that was coined by Hart in his study among unskilled migrants in Northern Ghana who migrated to the capital city Accra

in search of wage employment (Hart, 1973:61-89; Hart & Sharp, 2015: 8; Chen, 2012: 2; Motšoene, 2013: 55). Hart (1973: 61-89; 2010: 143; 2015: 8) defines the informal economy as unregistered small-scale economic activities. These economic activities are largely invisible to bureaucracy. Hence, the distinction between formal and informal income-generating opportunities is based essentially on that between wage-earning and self-employment (Hart, 1973: 68). Formal economic opportunities include public sector wages, private sector wages and transfer payments (pensions, unemployment benefits) and monthly mortgage payments (Hart, 2010: 13). In Lesotho, the informal sector is growing, and the study demonstrates this through its findings in the next chapters. The next section discusses the concept of moral economy.

Moral economy

The concept that has been deemed most applicable in framing one aspect of my study is that of the moral economy. This concept has a long history and was originally applied by E. P. Thompson in 1966 in his study on the English urban crowd in the eighteenth century. According to Thompson (1971: 76-136), the food riots that took place in England in eighteenth century were not necessarily the result of impulsive hunger, but rather a legitimate reaction against a new political economy (Nite & Stewart, 2014: 25; Dogan, 2010: 4). James C. Scott (1976) used the term in the late nineteenth and early twentieth-century in relation to South-east Asian peasant struggles over subsistence and survival (Nite & Stewart, 2014: 25). In both cases, the concept of the moral economy was applied to the study of pre-industrial societies (Nite & Stewart, 2014: 25). With Thompson, it was the moral economy of provision, specifically over access to food and price-setting, whereas with Scott it was the moral economy of exploitation and rebellion (Thompson, 1971; Scott, 1976: vii; Nite & Stewart, 2014: 25; Dogan, 2010: 4).

According to Dogan (2010: 4), the moral economy argument is based on the assumption that economics is shaped by the wider social relations that surround the relations of production and distribution. Therefore, before the construction of the “natural” order of a specific domain of production relations, there exists another order conceived as natural by a broad segment in any polity (Dogan, 2010: 4). However, before Thompson popularised the moral economy argument, the main thread for this

line of contention came from the seminal work by Karl Polanyi (Dogan, 2010: 4; citing Polanyi, 1986), who introduced the concept of the 'embeddedness' of economic institutions. Polanyi differentiates between modern capitalist economies, which are based on the assumption of the self-regulating market, and traditional economies, where production and exchange relationships are embedded in far more comprehensive social and political rules and practices. Polanyi points to the abnormal and the socially-constructed idea of a self-regulating market. He warns against and illustrates the social and economic risks of such institutions (Dogan, 2010: 4; citing Polanyi, 1986).

Following Scott, a research agenda emerged, where every instance of rebellion was analysed as an act of resistance against the imposition of modern economic structures and commercial markets onto traditional polities, especially when peasant revolts involved a non-capitalist ideological discourse. This began to be analysed in terms of a sharp dichotomy between moral economies and commercial economies (Dogan, 2010: 4; see also Moodie, 1986, 1994; Werthmann, 2009; Honke, 2011; Nite & Stewart, 2014). Moodie (1994), in his work titled *Going for Gold* (1986), powerfully argues that the conditions of work and life on the mines in South Africa were characterised by the moral economy of mines. The moral economy regulated, not without dispute and contestation, the relations between mine management and black mine workers (1994: 76-96; 2010: 105). The moral economy, then, can be said to constitute a set of informally accepted reciprocal rights and obligations, which thereby accounts for the degree of consent [or acquiescence or deference] to the conditions under which politically disenfranchised and non-unionised mine workers lived and worked (Moodie, 1994).

On the basis of these remarks and following in the footsteps of James C. Scott, the term 'moral economy' has become a slogan in most cases for a critique of the market economy. The shortcomings of this new version of the moral economy are that it has lost 'its original strict economic dimensions' (Fassin, 2009: 38). Fassin argues (2009: 38) that in the past 15 years, the concept of moral economy has sparked renewed interest in the field of the history of science but also, more generally, in the social sciences (Fassin, 2009: 38). This rediscovery was accompanied by a double inflection. On the one hand, the concept was extended

beyond the subjugated groups and applied in particular to scholarly realms, thereby losing its original strict economic dimensions. On the other hand, it was deprived of its critical dimension from the moment it no longer sought to account for political facts. Rather the concept goes for ‘generalisation beyond subordinated groups’ (Fassin, 2009: 38).

Hann (2010: 192), on the other hand, argues that

[the] moral economy may cover everything from consumer tastes and desires to the work ethic and values derived from religious convictions. A distinct moral economy might then be attributed to every social group or ‘subculture’. Since there is individual variation within every such group, it is then a short step to recognise individual moral economy.

Hann’s argument indicates that moral economy touches on the multi-faceted dimensions of the human economy. It is in this latter sense that I use the concept of a moral economy in the study. In doing so, I am relying on Hann (2010: 192), an anthropologist who states that the concept of the moral economy might be attributed to every social group or ‘subculture’, for instance, artisanal diamond miners in this study. He further argues that moral economy could embrace private property, as the market and property may also offer the best moral guarantees of provisioning. Linking “the concept of moral economy to the informal sector (informal economy) it is important not to idealise the concept; we need to be continuously alert to the fact that the very same norms which underpin resistance to the market and to rapacious power holders may also have repressive, destructive potential” (Hann, 2010:197).

Hart and Sharp (2015: ix) state that ‘people make and remake their economic lives’ emphasising that ‘economic democracy (human economy) means nothing if not trusting the people to identify and explain their own interests’ (Hart & Sharp; 2015: viii). Similarly, Hart, Laville and Cattani (2010: 5) observe:

... the human economy is already everywhere. People always insert themselves practically into economic life on their account. What they (people) do there is often obscured, marginalised or repressed by dominant economic institutions and ideologies.

As a result, the aim of the human economy is 'to promote economic democracy by helping people organize and improve their own lives' (Hart, 2015: 4). This is done through the presentation of findings to the public and being made understandable for readers' own practical use (Hart, 2015: 4).

In the context of the moral economy of unlicensed artisanal diamond mining, the study asks how miners insert themselves into the economy, and what kind of moral economy has developed among these miners in rural Lesotho around a shared material concern, livelihood, diamonds and land.

In order to synthesise these approaches (moral economy and human economy) throughout the study, consideration was given to how unlicensed artisanal diamond mining activities are conducted, how diamonds are marketed and sold, how revenue from diamonds is invested; as well as how unlicensed artisanal diamond miners square up to a hostile state and commercial mining companies. In this respect, the moral economy argument is useful in exploring artisanal diamond mining in contemporary Lesotho. This contributes to a debate on artisanal diamond mining in Lesotho, a country known primarily as a labour reserve for South Africa. There are very few scholars who write about the moral economy and the anthropology of Lesotho, which is why the moral economy of artisanal diamond mining in Lesotho is not well known in the academic literature and not well documented either. In addition to filling the gap, the moral economy allows us to analyse the social and economic conditions of ASM in the rural highlands of Lesotho.

This section discussed the concepts that have been used in analysing the data of this study. These concepts include moral and human economy, political economy (see Chapter 3), and livelihood approach (see Chapter 4).

2.4 Summary

The analysis I presented in this chapter shows a shift from agricultural to non-agricultural activities as a means of livelihood for many rural households in Lesotho. The chapter argues that non-agricultural activities including artisanal mining; have become an important means of livelihood in developing countries in southern Africa due to climatic changes, the decline in agricultural production, migrant labour, de-industrialisation in South Africa and failure of developmental policies. Artisanal

mining is not without challenges, which include environmental degradation and pollution, child labour, while mining legislation typically does not support ASM.

With the themes stated above, this chapter gave the reader a foundation and picture of the dynamics of the livelihood activities in the region and globally. It laid the foundation for the upcoming chapters, which will be analysing the specific case of Lesotho. The next chapter reviews the political economy of Lesotho from independence to the present.

CHAPTER 3: LESOTHO POLITICAL ECONOMY: INDEPENDENCE TO THE PRESENT

3.1 Introduction

The preceding chapter discussed the theoretical framework and literature review for this study. This chapter covers political events in Lesotho since independence in 1966, and the impact of these events on the economy. The chapter is organised into the following sub-headings: macro-economic considerations, independence, transition and authoritarianism (the Basotho National Party rule, 1966-1986), military dictatorship and adoption of SAPs (1986-1993), and multi-party 'democracy' (1993-2012).

Lesotho is a landlocked country entirely surrounded by South Africa. Since its independence in 1966, the country has been dependent on South Africa for employment, resources and supplies, as well as local banking (Mafeje, 1978: 52; Coplan, 1994: xii, 5; Ferguson, 1990: 39, 60; Ferguson, 2006: 52). It is also dependent on foreign aid from donor countries and international development organisations. The next section examines the main drivers of the Lesotho economy, which, as mentioned earlier, is largely dependent on external influences including the Southern African Customs Union (SACU), foreign aid, foreign direct investment (FDI), the South African economy, and also remittances from South African enterprises.

3.2 Macro-economic considerations

The principal source of revenue for the Government of Lesotho comes from commercial diamond mining, both wholesale and retail, and from the Lesotho Highlands Water Project and other major infrastructural projects. According to figures from SACU (2014), commercial diamond mining and the quarry industry contributed 6.6 per cent to the GDP of Lesotho in 2012, this was a sharp decline from the peak of 9.3 per cent registered in 2011 (SACU, 2014). Agriculture, notably crop production, contributed a paltry 3.9 per cent to GDP in 2012. This, SACU (2014) notes, was due mainly to bad climatic conditions including the drought.

Wholesale and retail contributed 12.3 per cent to the GDP in 2012, a considerable increase from 6.6 per cent in 2011. SACU (2014) explains this by pointing to the increase in the number of shopping malls in Maseru. Real estate also grew by 2.7 per cent because of the emergence of private property development in Maseru (SACU, 2014). These figures indicate that internal economic activities contribute to the growth of the country, although comparatively less than economic activities generated from outside the country. The growth of retail, transport and property development suggests that internal economic development is becoming significant in the country. However, despite remarkable progress on the internal front, the fact remains that 49 years after independence, Lesotho's economy is largely 'dependent' on outside factors. These factors include dependence on foreign aid, foreign direct investment, the South African economy, the Southern African Customs Union (SACU) and migrant labour remittances from South Africa.

Foreign direct investment is an export-led economic growth strategy. This strategy was anchored on a labour-intensive manufacturing approach designed to provide jobs for the citizens (Maliehe, 2015:12). SACU was initially formed as a colonial-era instrument to control the flow of goods into and out of the then British colonies; an arrangement that was retained with a new agreement in 1969. In essence, South Africa collects customs and excise revenue on behalf of all four countries and distributes 98 per cent of all this money to the three other members as a form of aid, retaining only the 2 per cent that should accrue to itself. It is a formula that has both worked and been fraught with difficulties over the past century (Zibi, 2013). A detailed discussion about foreign aid, SACU remittances, South Africa's economy and AGOA follows.

Foreign aid

Since independence in 1966, the Government of Lesotho has depended heavily on foreign aid from donor countries and organisations. Lesotho received foreign aid from 27 countries⁵ and also from 72 international agencies and non- and quasi-

⁵ Bilateral aid or sources from the following countries: Australia, Austria, Canada, Cyprus, Denmark, Democratic Republic of Germany, Federal Republic of Germany, Finland, Ghana, Korea, Kuwait, India, Iran, Ireland, Israel, Korea, Libya, The Netherlands, Norway, Saskatchewan (Canada), Saudi Arabia, South Africa, Sweden, Switzerland, Taiwan (R.O.C), United Kingdom, United States (Ferguson, 1990: 3).

governmental organisations⁶ between 1975 and 1984 (Ferguson, 1990: 4). Accordingly, the ‘purpose of aid was to alleviate poverty, increase economic output, and reduce “dependence” on South Africa’ (Ferguson, 1990: 8) thereby fostering the country’s economic independence. But it created another kind of dependence in the process, which included employing expatriate consultants and ‘experts’ by the hundreds, and churning out plans, programmes, and, most of all, paper, at an astonishing rate (Ferguson, 1990: 8). Another example is Mozambique, since it abandoned Marxism–Leninism and joined the Bretton Woods Institutions in the mid-1980s, substantial international aid has flowed into the country (Anderson, 2012: 2). With annual aid inflows averaging between one-fifth and one-quarter of gross national income and direct funding to the government’s budget accounting for about half of revenues in recent years, Mozambique remains heavily dependent on foreign donors (Anderson, 2012: 2). External dependence and the pervasive scale of aid inflows raise questions about ‘ownership’ of Mozambican politics, particularly because they have allowed foreign donors to exercise considerable influence over domestic policymaking (Anderson, 2012: 2).

Foreign aid to Lesotho is considerably less today (it remained at 8 per cent over the decade of 2000 to 2010) (Thamae & Kolobe, 2016: 117), when compared to what

⁶ AFL-CIO African-American Labour Centre, Abu Dhabi Fund, Africa Inter-Mennonite Mission, African Development bank, African Development Fund, African Graduate Training (U.S.), Afro-American institute, Agency for Personnel; Service Overseas (Ireland), Anglo-American/De Beers, Anglo - Collieries Recruiting organization of Lesotho, Arab Bank for Economic Development in Africa, Australian Development Assistance Agency, British Council, British Leprosy Mission, Brothers of the Sacred Heart, CARE, Catholic Relief Service, Christian Aid, Commonwealth Development Corporation, Commonwealth Fund for Technical Cooperation, Credit Union National Association (US), Danish Church Aid, Danish Volunteer Service, Dental Health International, Economic Commission for Africa, European Development Fund, European Economic Community, Food and Agricultural Organisation of the U.N., Ford Foundation, Fund for Research and Investment for the Development of Africa, German Volunteer Service, Goldfields (R.S.A), IMAP International (U.S), International Bank for Reconstruction and Development, International Cooperative housing Development Association, International Development Association, International Extension College, International Labour Organisation, International Monetary Fund, International Potato Production Centre, International Telecommunications Union, International Trade Centre, International Volunteer Service, meals for millions Foundations (U.S), Mennonite Central Committee, Mine labour Organisation, Near East Foundation, Netherlands Organisation for International Relations, OPEC, Overseas Development Institute (U.K.), Oxford Committee for Famine Relief (U.K), Save the Children Fund, Seventh-Day Adventist World Service, sisters of the Holy Names of Jesus and Mary, South African Mohair Board, South African Wool Board, United Nations Capital Development Fund, United nations Fund for Population Activities, United Nations Human Habitat and Settlement Fund, U.S. Peace Corps, Unitarian Service Committee of Canada, United Methodist Committee on Relief, United Nations Children’s Emergency Fund, United Nations Development Programme, United Nations Volunteers, Volunteer Development Corporation, World Food Programme, World Health Organization, World Rehabilitation Fund, World University Service (Ferguson, 1990: 7).

the country received from independence up to the late 1980s (from approximately 16 per cent to 26 per cent between 1960 and 1989) (Thamae & Kolobe, 2016: 117). From the early 1990s, there was a noticeable decline in the amount of aid accorded to Lesotho. This was due mainly to the fact that many agencies expressed frustration with authoritarian rule, corruption, street crime and inefficiency in Lesotho. The political instabilities of 1994 and 1998 also made some donors withhold aid and close their offices within the country (Thamae & Kolobe, 2016: 117). As a result, most of them relocated their headquarters and operations to Botswana and South Africa. Germany was one of the first major donors to leave Lesotho, relocating to Pretoria, South Africa, in 1994 (Rosenberg & Weisfelder, 2013). This was around the period when South Africa became a democratic country following the African National Congress (ANC) victory in the first democratic elections in 1994. Other European countries that closed embassies and consulates in Lesotho in the 1990s, included Sweden and Great Britain. The Swedish International Development Cooperation Agency (SIDA) and the United States Agency for International Development (USAID) also ceased their operations in Lesotho in the 1990s (Rosenberg & Weisfelder, 2013).

In their study on the role of international development aid in Lesotho, Rosenberg and Weisfelder (2013) argue that the consequences of these closures and transfers of headquarters, offices and operations, was a steep decline in the amount of foreign aid received by Lesotho: from US\$ 188.4 million in 1988 to US\$ 92 million by 1995. In 2005, the three major donors to Lesotho – Ireland (the Irish also recently moved out of Lesotho), the World Bank, International Development Agency and Great Britain – reduced development aid to Lesotho to less than US\$ 30 million per year (Rosenberg & Weisfelder, 2013). Loss of foreign aid had a detrimental impact on the economy of the country, as the government depended on foreign aid to finance its activities (Rosenberg & Weisfelder, 2013). In the context of this decline in development aid, the Lesotho government has had to look for alternative sources that include Foreign Direct Investment (FDI) to finance its activities.

Foreign direct investment – AGOA and the South African economy

Given the context of declining development aid the Lesotho government has had to attract international capital in the form of foreign direct investment in order to grow

the economy, create employment, deliver services, collect taxes and pay officials. Thus far Lesotho governments have focused on the manufacturing sector in the hope that it will create employment and boost GDP. Boosting the artisanal diamond sector has so far not been given enough attention. The manufacturing sector, especially the apparel industry, is export oriented. The sector has received an important stimulus with the signing of the African Growth and Opportunity Act (AGOA) in 2000. AGOA is a US-Africa economic partnership agreement promoted by the United State of America under the leadership of President Barack Obama. The aim is to give African countries greater opportunities to export their products to the US market, with the promise of economic growth (Shakya, 2014: 25). As Shakya (2014) reports, under AGOA Lesotho is reported to have outranked all other garment-producing countries in the sub-Saharan region, with exports per capita of US\$ 177 in 2009 (Shakya, 2011). After the government, the clothing and textile industry is the largest employer in the country. Around 47 971 employees were employed in the clothing and textile sector by December 2013, this was an increase from 45 877 recorded in December 2012 (SACU, 2014). As of December 2013, the public sector employed 44 234 people (SACU, 2014). This demonstrates that the cornerstone of FDI in Lesotho is the apparel industries, which contributed to the employment of the local Basotho women. The companies that have invested in Lesotho include Ace Apparel International from Hong Kong.

The AGOA agreement with Lesotho was scheduled to come to an end in 2015 (Ralengau, 2015), and as of May 2016 it has not been renewed nor terminated. Roughly 46 000 employees (SACU, 2014) are employed in clothing and textile industry in Lesotho. It is uncertain whether the US will renew the AGOA agreement. Some claim (Ralengau, 2015) that the reason for this is the unstable political situation in Lesotho, which led among other things to early elections⁷ in February 2015. In the wake of the political turmoil, the US, through its embassy in Lesotho, voiced strong concerns about the political situation in the country (Ralengau, 2015). The political turmoil, rooted in an old political struggle, was renewed in August 2014 following an attempted coup d'état against the All Basotho Convention (ABC) Prime Minister Tom Thabane. Thabane was eventually removed as Prime Minister, not

⁷ Under normal circumstances Lesotho's election was to be held in 2017, however due to political instability elections were held in February 2015.

through military violence, but through the ballot box: he was defeated in the early elections of February 2015. Security concerns escalated after the assassination of army commander, Maaparankoe Mahao, and the abduction, by sections of the government army, of soldiers loyal to Mahao and the former Prime Minister. This prompted the intervention of the Southern African Development Community, which mandated the South African Deputy Prime Minister, Cyril Ramaphosa, to mediate in the conflict. One outcome was the creation of a commission of inquiry led by a judge from Botswana, Mpaphi Phumaphi. The political uncertainty in the country has thus made it difficult to create an attractive environment for international investors should the government decide to continue on such a macroeconomic strategy. This point is exemplified by the possible consequences of the political turmoil to AGOA.

In order for a country signed up to AGOA to remain in this agreement, a number of conditions must be fulfilled. These include respect for the rule of law, efforts to combat corruption and protection of human rights. Those in favour of AGOA fear that Lesotho, like Swaziland, might be dropped from AGOA because of lack of respect for human rights. Swaziland was removed in June 2014, because of its lack of protection for workers' rights (Ralengau, 2015). Those in favour of this agreement argue that Lesotho's exit from AGOA will negatively affect the economy of Lesotho, and hence that the government should develop and diversify the country's economy and create employment (Maliehe, 2015).

A defining feature of Lesotho's economy is its relationship to South Africa. Lesotho imports about 90 per cent of its consumer goods, including agricultural inputs, from South Africa. This dependency is worrying, given that Lesotho produces less than 20 per cent of its own food needs (AGOA, 2014). Imports from South Africa increased from R7.6 million in 2009 to R9.3 billion in 2010, i.e. 23 per cent. SACU (2012; 2014) reports that Lesotho's trade deficit increased from ZAR 2,536 million in 2007 to ZAR 5,633 million in 2010 (SACU, 2012; 2014). As Maliehe (2015) has argued, importing so much consumer goods from South Africa means that internal production is hindered, because in most cases imported goods from South Africa out-compete the locally produced goods in terms of quality and price (Maliehe, 2015). For instance, the price of products sold by Basotho farmers is undercut by Basotho entrepreneurs

who buy their agricultural produce from South Africa and sell them at cheaper prices in Lesotho.

Basotho farmers cannot compete in terms of the price and quality of their produce, and at times also the reliability of their supply. This has been a major issue in attempts to develop a strong and independent domestic economy in Lesotho since political independence (Green, 2014; Maliehe, 2015). The typical solution to such a situation would be that a government introduces import taxes on certain goods and subsidies in order to create an environment in which local producers can develop their enterprises. The Lesotho Revenue Authority (LRA) has a special agreement with the South Africa Revenue Service (SARS), according to which 14 per cent of Lesotho's value added tax (VAT) must be paid [by the person who bought goods in South Africa to Lesotho] when goods are sent to Lesotho. If the goods arrive at the Lesotho border (direct or indirect export), then 14 per cent RSA VAT will already have been charged on top of the price of the goods, a refund of the VAT is then paid over by SARS to the Lesotho Revenue Authority (Van der Merwe, 2013). Any discussion of Lesotho's economy would be incomplete without a discussion about the Southern African Customs Union. In the context of declining development aid, and little foreign direct investment, the revenue the Lesotho government receives from the SACU has grown in importance.

Southern African Customs Union

The Customs Union Convention (CUC), later transformed into the Southern African Customs Union (SACU), is the world's oldest customs union and dates back to 1889. It was a customs union that emerged between the British Colony of Cape of Good Hope and the Orange Free State Boer Republic (Gibb, 2006: 583; SACU, 2014: 1; Ngalawa, 2014: 145). The CUC was later extended by the British Colony of Cape of Good Hope and the Orange Free State Boer Republic to cover the British High Commission Territories⁸ of Bechuanaland (Botswana) and Basutoland (Lesotho) in 1893, Swaziland in 1903, and the Union of South Africa in 1910. In 1969, the CUC renegotiated an agreement that led to the adoption of the name 'Southern African

⁸ British High Commission Territories (HCTs) were admitted under a separate protocol which categorised them as second-class members with diminished rights. Neither of them had the power to amend customs duties, alter the terms of the agreement, or vote on new concessions (Maasdorp, 1982; Gibb, 2006; Ngalawe, 2014).

Customs Union' in 1970 (Ngalawa, 2014: 145). After the end of apartheid in South Africa, SACU was renegotiated once more, culminating in the 2003 agreement. This agreement allowed for Namibia, earlier administered as South West Africa by South Africa and then a *de facto* member, to become a *de jure* member. Current members of the union are Botswana, Lesotho, Namibia, Swaziland (BLNS countries) and South Africa. The primary goal of SACU remains to promote economic development through regional coordination of trade in the southern African region (SACU, 2014: 1; Ngalawa, 2014: 145).

Lesotho depends heavily on proceeds from SACU as a source of national revenue; nearly two-thirds of fiscal revenue is derived from SACU. SACU member states deposit their customs and excise collections in a common revenue pool (Ngalawa, 2014: 145). The formula in place for revenue sharing was agreed upon following negotiations that started in 1994 and ended in an agreement in 2002 (SACU, 2014; Ngalawa, 2014: 145). Under this new revenue sharing formula, the BLNS countries combined acquire nearly half of the collections in the common revenue pool, even though their joint GDP is less than 10 per cent of SACU's GDP. This income derived from the common revenue pool constitutes a considerable proportion of total government revenue in the BLNS countries. For instance, in Swaziland, revenue from SACU accounts for over three-quarters of government revenue. In Namibia, it accounts for more than half of government revenue. In the 2012/13 financial year, SACU revenues constituted 45 per cent of Lesotho's budget, and 30.7 per cent of GDP (SACU, 2014; Ngalawa, 2014: 145).

The situation is rapidly changing. The Central Bank of Lesotho (2010) recorded that SACU revenues constituted about 62 per cent of government revenue in the 2006/07 financial year. In the 2012/13 financial year, SACU revenues accounted for about 45 per cent of Lesotho's government revenue/budget (Maliehe, 2015: 15; SACU, 2014). Despite this decrease, SACU revenues continue to play a significant role in the Lesotho's national budget. However, the net decrease in the revenue transfers from SACU can negatively affect the country's economic plans and activities (Maliehe, 2015: 15; Ngalawa, 2014: 146). Maliehe (2015) argues that it is imperative for the Government of Lesotho to develop alternative sources of revenue to meet potential shortfalls from SACU that might engender unexpected losses in recurrent income.

Importantly, the formal diamond trade in the BLNS countries plays a significant role in SACU revenues. According to the terms of the revenue-sharing formula, Namibia and the other SACU members are required to pay a subsidy to Botswana for every US dollars' worth of Namibian, South African and Lesotho diamonds exported (Grynberg, 2015). Since the transfer of the De Beers mining company's headquarters from London to Gaborone in Botswana, diamonds have been transported and sold within Botswana [the SACU agreement countries], so the SACU revenue-sharing formula now applies to these diamond transactions as well. The implication for the commercial diamond industry in Lesotho is that Lesotho's diamonds are no longer exported to London, for instance, but instead to Gaborone. This means that Botswana is the one benefiting, as it imports diamonds from fellow SACU members, for instance Lesotho. In addition, after cutting and polishing, Botswana then exports the imported diamonds to London or Israel or any non-SACU member and gets revenues in both cases. The same applies to Namibia when it exports diamonds to Gaborone.

The picture that is emerging is one in which the flow of money from international aid into Lesotho has declined and revenue from SACU is likely to decline in the near future. This has made it difficult for the state to finance itself. Adding to these pressures is the decline in remittances from Basotho working in South Africa.

Remittances

Before the decline of migrant labour or collapse of the regional mining complex, the majority of households in rural Lesotho were dependent on remittances from South African mines for their livelihood (Crush et al, 2010: 1, Wallman, 1972). Generally, households without access to such remittances were worse off (Crush et al, 2010: 4). As examined in Chapter 1 and 2, the changes in the 1990s in the southern African mining industry in general led to retrenchment of foreign workers and declining employment opportunities. In this period (1990s) many Basotho men [declining from 50,000 in the 1980s to 33,513 in 2013] were retrenched from South African mines. On the other hand, around the same time there is a noticeable increase in the migration of Basotho women to South Africa; this is coupled by a marked increase in the migration of young women within the country to work in AGOA factories (Crush et al, 2010: 10, 21; Trillo-Figueroa, 2009; Bezuidenhout &

Jeppesen, 2011: 7; AGOA, n. d). As such, the Lesotho labour market has been feminised in line with developments in other developing countries, such as Burkina Faso and Guinea (Kolev & Sirven, 2010: 29, 30).

In the twentieth century, the majority of migrants from Lesotho, who were employed by the South African mines, were single men. Such young men used to remit funds to parents and family members back home. However, the situation has markedly changed. According to a 2010 demographic survey (Crush et al, 2010: 3) conducted in Lesotho through the Migration and Remittances Survey (MARS), more men (84 per cent) in Lesotho were found to be married, and to be the heads of the household, compared to what obtained in the past. Age wise, most of these married men heading households were over 40 years. In other words, more men are permanently resident in Lesotho than before (see Murray, 1981). This change is due mainly to the fact that there are fewer employment opportunities for Basotho men in South African mines (Crush et al, 2010: 1). The Migration and Remittances Survey is national-scale and statistically representative. Households were randomly selected and included in the survey if they answered 'yes' to the question: 'Are there migrants who work outside this country living in this household?' A total of 4,700 households were identified in the regional sample (Crush et al, 2010: 6). The Lesotho portion of the sample consisted of 1,023 households. Data was collected on household attributes as well as the characteristics of individual household members, both migrants and non-migrants. Information was gathered on a total of 1,076 migrants of whom 899 were male and 177 were female (Crush et al, 2010: 6).

Crush et al (2010) discovered that changes in the profile of miners migrating from Lesotho to South Africa have had an impact on the flow of remittance in several ways. The study revealed that the decline in the employment of Basotho men in the South African mines has not led to a decrease in the flow of remittances to Lesotho. Rather, the total amount of remittances increased as a result of increases in the wages of miners. However, these remittances are directed to a limited number of households. Concomitantly there is a noticeable increase in the rate of inequality between households with a mine worker as a member and those without. There are

also cases of Basotho mine workers, known as '*makholoa*',⁹ who leave their Lesotho families for good. Such *makholoa* may have second families or partners in South Africa, thus reducing the amounts remitted (Crush et al, 2010; Maliehe, 2016).

The findings of the Crush et al 2010 study are disputed. The Central Bank of Lesotho (2005) in an earlier study argued that remittances from South African mines decreased from ZAR 120 million in 1991 to ZAR 400, 00 in 2005. The study – based on two migrant mine workers' surveys conducted by the Central Bank of Lesotho (CBL); one in 1992/93 and a second (unpublished one) in 1999 –indicated that, on average, migrant mine workers remitted 71.3 per cent (1992/93)and 68.9 per cent(1999) of their total earnings to Lesotho (Central Bank of Lesotho, 2005). Therefore, the fall in the average number of migrant mine workers over the years ultimately led to the decline in the mine workers' remitted income (Central Bank of Lesotho, 2005).

Previously transfer of remittances was managed by institutions under a formal set-up such as the Compulsory Deferred Pay (CDP) system, TEBA, the post office, and banks; but lately, the vast majority of cash remittances flow through informal channels (usually carried by hand). In the CDP system, portion of the miner's salary was paid in a special account in the Lesotho National Development Bank (LNDB), later to TEBA bank due to dissatisfaction among miners with LNDB. Only 5 per cent of migrants uses the post office and 2 per cent the banks to remit (Crush et al, 2010: 43). Easily the most popular way of sending goods home is to bring them personally (82 per cent). A smaller number (12 per cent) entrust them to friends or co-workers (Crush et al, 2010: 43). But only 4 per cent use official rail transport channels and fewer than 1 per cent entrust their goods to the taxis that ply the routes between Lesotho and the South African towns where they work (Crush et al, 2010: 43). Changes in how cash remittances make their way from employers in South Africa to rural households in Lesotho have influenced the statistics [as it cannot be captured unlike with the formal channels]. Informal channels work well since most of the households are in the rural areas and they do not have access to either the post office or banks. Remittances are crucial in funding agriculture, purchasing food and

⁹ The term '*makholoa*' refers to men who have second wives elsewhere, or to men who leave their families for good, or to men who return to their original families only after many years, often when they are sick or to be buried.

clothing, paying for transport, and meeting payments for health services, education and funeral and burial policies as well as starting businesses. The bulk of remittances are normally used to meet the household's subsistence needs and to contribute to burial societies and grocery buying associations, including egg circles. Some members of societies loan money to non-members and members of the society to be paid back with interest (Crush et al, 2010).

In this section, I discussed macroeconomic considerations such as foreign aid, SACU, FDI, remittances and the South Africa economy. I showed how, since independence, these factors have transformed by having decreased their contribution to the economy of the country. This is important for the argument I am making in this thesis, as, for instance, the decrease of remittances means that many Basotho households now need an alternative livelihood in Lesotho to sustain themselves, hence, artisanal diamond mining can be perceived as one of the income generating activities that can be explored. The next section explores the political eras in Lesotho since 1966.

3.3 Independence, transition and authoritarianism: BNP rule, 1966-1986

The Basotho National Party (BNP) led the national government in Lesotho following independence from Britain. BNP leader Chief Leabua Jonathan led the country in 1966 following a narrow win against the Basutoland Congress Party (BCP), which was then headed by Ntsu Mokhehle. The BCP, the main opposition party, was formerly known as the Basutoland African Congress (BAC), and it was formed in 1952 (Thabane, 2000; Pherudi, 2001: 266). The BCP's followers were dominated by the Protestant-educated urban middle class, small businessmen, migrant workers, workers employed within the country, as well as people in the mountainous areas. The BCP also attracted support from university and college educated elites from which its leadership was drawn. The BCP advocated radical social change, notably with regard to chieftainship, arguing that chiefs abuse their powers particularly on issues such as *matsema*¹⁰, *mafisa*¹¹ and land distribution. In other words the BCP

¹⁰*Matsema* (singular: *letsema*), are communal work parties which can also be referred to as forms of collective labour organisation in which people work in groups to produce food and to participate in other socially productive activities. In the pre-colonial era, *matsema* were used as free labour for chiefs; and this kind of labour was mostly provided by commoners. Such labour was normally used during cultivation, hoeing and harvesting of the chief's field during the farming season as well as for

'wanted to eliminate statutory chiefly powers' (Coplan, 1997: 40). Chief Leabua and junior chiefs resisted the BCP's move and established their own party, the BNP, to protect chiefs and their powers (Thabane, 2000a: 112). The BCP advocated, at least in principle, radical social change at home and support for the liberation struggle in South Africa (Bardill, 1988: 188).

The BNP was formed in 1958, a few years after the BCP, with the support of the Catholic Church in Lesotho, which had previously attempted to form the Christian Democratic Party (Pherudi, 2001: 266). Those who formed the BNP were at odds with certain precepts of the BCP, which they perceived as pro-Communist. It should be noted that the establishment of the BNP was a response by junior chiefs largely to what they perceived as a threat posed by the BCP to chieftainship and Christianity. The BNP was largely composed of Catholic school teachers, women and 'petty chiefs' as stated by Thabane (2000: 113). Popular among Christian followers of the Roman Catholic Church, the BNP was strongly opposed to what it saw as the provocative and Communist-inspired militancy of the BCP. The BNP stood for the preservation of traditional values and institutions at home and for the establishment of cordial working relations with South Africa (Frank, 1981: 176; Bardill, 1988: 188; Thabane, 2000a: 113). After Lesotho achieved political independence, the country was immediately faced with challenges of 'limited economic endowments' (Thabane, 2000a: 111) and the struggle for power¹² including 'contestation over the role of the monarchy' (Motšoene, 2013:80) between King Moshoeshoe II and Prime Minister Chief Leabua Jonathan (Thabane, 2000a:

any task required by the chieftaincy. *Letsema* used to be required for *ts'imo-ea-lira* or the chief's 'field of chieftaincy', and it was normally a big field. All participants involved in *letsema* were given food and drinks during the period of work (Mothibe, 2002: 27; Nyeko, 2002; Thabane, 1995; Gay, 1982).

¹¹*Mafisa* is livestock loaning – sometimes referred to as the cattle loan system. The *mafisa* system was introduced by King Moshoeshoe (founder of the Basotho nation) as one of his socio-economic strategies. It is a practice that involves entrusting a portion of one's animals or stock to another person. *Mafisa* is conducted based on good relationships and trust between the owner (loaner) and holder (loanee). A loanee does *mafisa* out of free will. Animals that are used in such exchanges are cattle, small stock (sheep and goats), and pigs, as well as poultry. Within this setup, cattle were given for *mafisa* by men, while pigs and poultry were given for *mafisa* by women. An understanding exists that if the animals die in the hands of the holder, he/she must return a replacement animal plus half the progeny. This can be a long-term loan or short-term loan of cattle as the case might be (Duncan, 2006).

¹² After independence in 1966 there was continuous tension between the royal family through King Moshoeshoe II and the Prime Minister. King Moshoeshoe II thought that after Lesotho's independence he would have more power over the Prime Minister in the country's leadership. However, according to the terms of the constitution the King was only allowed to be responsible for ceremonial functions with minimal powers of appointment (Frank, 1981:177).

111). This conflict between King Moshoeshoe and Chief Jonathan resulted in the forced exile of Moshoeshoe to England. Exile and frequent threats of dethronement, far from being solutions, have tended to provide temporary solutions for successive regimes, but the problem continues (Pule, 2002: 177-178).

At the time of political independence, Lesotho had a population of 977,000, of which 117,000 were reported to be temporary residents in South Africa (Ward, 1967: 356). A quarter of the total labour force of 427,433 was employed in South Africa. The labour force in Lesotho was concentrated in the public sector, and the total number of people that received a public sector salary stood at 18,000 (Thabane, 2000a: 112; Bardill, 1988). Roughly 306,000 people were either involved in subsistence farming or unemployed. Those employed in South Africa in 1966 earned an amount of money estimated to be ZAR 29,429 per year per person, whereas those employed in Lesotho but not involved in agriculture earned the equivalent of ZAR 10, 225 per year (Thabane, 2000a: 112). There was also a tiny set of employers operating in the private sector made up of shopkeepers, who were mainly foreigners from Europe, street vendors, beer brewers, and handicrafts weavers, as well as an even tinier service sector concentrated in towns (Bardill, 1988; Thabane, 2000a: 112; Maliehe, 2015). This shows that many Basotho households depended on remittances from South Africa.

In 1966 the BNP government made a policy decision to open the country's economy to South African and international companies. The BNP government like many other African countries immediately following political independence, had a small revenue base and lacked resources that could finance the state. After 1966, the BNP-led government followed US-led capitalist policies to grow and develop the economy, whereas other African countries, including Mozambique, Tanzania, and Mali, followed the Union of Soviet Socialist Republics (USSR) led communist economy (Maliehe, 2015: 2). Thereafter Lesotho gained support and guidance from the World Bank, the International Monetary Fund, the World Trade Organisation and the United Nations (Maliehe, 2015: 2). The aim of the adoption of this policy was to create jobs that would help absorb the remaining labour force within the country.

In order to realise this job creation plan, and in a bid to attract foreign investors, the government created the Lesotho National Development Corporation (LNDC) in 1967.

The establishment of the LNDC was supported by a prominent South African business magnate, Anton Rupert. The first director of the Corporation, Wynand van Graan, was also South African. The main purpose of the LNDC was to boost job creation and woo foreign investors to Lesotho. Included in this new policy was a stipulation that the LNDC could grant prospecting and mining leases to interested mining companies (Thabane, 2000a: 113; Wellings, 1983: 21). Companies interested in obtaining mining rights were bound to enter into an agreement with the LNDC, and when agreement had been reached in principle, the LNDC would apply for a prospecting or mining lease over the area selected by the company concerned (SARW, 2010: 1). As Thabane (2000a: 113) writes, 'At the heart of the LNDC's strategy to attract foreign investment were guarantees of easy repatriation of profits, a five to ten year tax holiday on profits, and an assurance of the availability of abundant labour'. The LNDC was also to act as a landlord for all the foreign companies that invested in Lesotho. The rights that companies enjoyed under this arrangement tended to make the leased land secure, resembling 'private property' in capitalist economies (Thabane, 1995: 21). If a company with rights to land awarded by the LNDC decided not to use the land before the expiration of the term agreed to, it still retained the rights spelt out in the lease and no one else could use the land (Thabane, 1995: 21).

As part of the same set of policy directives, the BNP government enacted legislation such as the Cooperative Societies (Protection) Act 1966 and the Mining Right Acts of 1967 with the implication of growing the economy. In 1968, it created the Department of Mines and Geology and promulgated the Precious Stone Order of 1970 in order to regulate and develop the mining sector (Rosenberg & Weisfelder, 2013). The Department of Mines and Geology was established with the mandate to manage and regulate diamond mining operations and along with the LNDC it granted diamond diggers' licences to many previously unlicensed artisanal miners (Rosenberg & Weisfelder, 2013).

At the end of the BNP's first five-year term in office, it became clear that opening Lesotho's economy to South African companies was not bearing fruit. Many felt that, far from benefitting, Lesotho had become ever more 'dependent' on South Africa's economy. They claimed that the BNP government had failed in its mission of building

an independent economy (Frank, 1981: 192). The opposition BCP redoubled efforts to win the elections that were held in 1970. And indeed, the outcome of the polls indicated that the BNP had lost the elections to the opposition BCP. However, Leabua refused to hand over power to Ntsu Mokhehle. He declared a state of emergency, suspended the constitution, arrested opposition leaders including Ntsu Mokhehle¹³ and put King Moshoeshoe II under house arrest. The refusal of Chief Leabua to hand over power sparked unrest and anti-government protests throughout the country. The BNP government responded with police repression and arrests of the leaders and followers of the opposition (Thabane, 2000a; Frank, 1981: 186, 193; Murray, 1981: 5; Coplan, 1997: 41).

As protests spread throughout the country, the police response became deadly. For instance in Mathebe in the Mafeteng District, 80 people were estimated to have died during the protests. BNP sources reported only 15 deaths, which were those of miners. The most serious confrontation occurred in Kao between artisanal diamond diggers and the police. In this time of political violence, the police attacked about a thousand artisanal diamond miners whom the BNP suspected of organising an armed insurrection in the town of Hlotse. About 150 artisanal diamond miners and members of *Liphokojoe tsa Kao* (the Foxes of Kao) were thought to have died during that confrontation (Frank, 1981: 194). The BNP government viewed the *Liphokojoe* uprising as a BCP plan to topple the government (Frank, 1981: 194; Thabane, 2000a: 117). This uprising was not an isolated incident. There also occurred the murder of a Lonrho geologist and two policemen, the harassment of government officials and the staff of multinational corporations, the kidnapping of a Roman Catholic priest, and the burning down of a police station and a government clinic (Thabane, 2000a: 108). But the conflict between artisanal miners and the state at Kao, one of the sites where I conducted field research for this thesis, was central to the making of Lesotho's post-independence democracy and economy. This conflict, according to Thabane (2000a: 121), demonstrated that 'the diggers were concerned, that taking away land from them in this way would either reduce them to employees of foreign companies – a prospect which, as testimonies show, again and again, most diggers dreaded – or Basotho would be reduced to eating one another and

¹³After a period in prison, Ntsu Mokhehle fled into exile in Botswana, then Zambia and finally South Africa, where he led the guerrilla Lesotho Liberation Army until Leabua was overthrown in a military coup in 1986 (Coplan, 1997: 41).

thus descend to the lowest level to which human beings can sink, that of cannibal'. These prospects were so dreadful to the artisanal miners that they vehemently resisted the post-independence BNP-led government (see Chapter 7).

Several scholars (Magure, 2012; 2014; Mwenda & Tangri, 2005: 450) who have studied post-independence states, have observed the development of the 'politics of the belly' and the emergence of new networks of patronage. Lesotho has not been spared from this dynamic, for instance, in addition to macroeconomic policy reforms, the BNP has used its access to government funds and employment positions to satisfy its followers. Offering employment and other favours exclusively to party members has become entrenched in the state (Thabane, 2000a: 113). Some of those who did not benefit from the largesse of the BNP had to eke out a living through other activities, including diamond digging. Many of those outside the BNP fold were or became supportive of the BCP (Thabane, 2000a: 112, 113). Those Basotho, including *Liphokojoe*, who could not find a niche in Lesotho's mainstream economy outside of agricultural and livestock production, felt the brunt of the economic limitations and blamed the BNP government for political discrimination (Thabane, 2000a: 113). Thabane (2000a) found that some of the Basotho men and women, who came to the mineral deposits in Kao, Letšeng and Liphobong in the 1950s and 1960s, did that with the intention of improving their livelihoods. Such local and migrant miners saw diamond mining as one of the few alternatives through which they could better their lives (Thabane, 2000a: 113).

In the years following the suspension of the constitution, which Maleleka (2009: 6) described as the 'era of a one party state', Chief Leabua Jonathan continued with the same policies. These included the previously mentioned policy of opening up the economy to South Africa and the first Five Year Development Plans, which had begun when the BNP took power in 1966. In this one party state Chief Leabua deployed seconded South African officials to important administrative and judicial positions in the Lesotho government. He argued in his defence that Basotho were 'idlers' (Frank, 1981: 184). He advised the Basotho people to emulate their hardworking and efficient 'neighbours in the RSA in developing their country' (Frank, 1981: 184). Frank (1981: 184) wrote that Chief Leabua Jonathan's relations with South Africa proved to be unpopular among the masses. Some Basotho and the

opposition party's leader perceived Chief Jonathan's relationship with South Africa as an informal guarantee for his longevity in office. Indeed, South Africa's support for Chief Leabua proved important during the 1970 elections. Tellingly, and unlike his peers in the region and the wider international community, at the time Prime Minister Chief Leabua Jonathan refused to condemn racism in South Africa (Frank, 1981: 185).

However, by 1973, the relations between the BNP-led and South Africa had deteriorated as Chief Leabua adopted a more critical stance towards South Africa (Frank, 1981: 185). In search of legitimacy for his government, Leabua Jonathan became part of the international opprobrium opposing the South African government's apartheid policy. As a result of his new position, foreign aid flowed into the country and Chief Leabua used development aid to serve the ruling party and its clients (Coplan, 1997: 41). International partners therefore became the guarantors of BNP rule; however, within the country, Chief Leabua faced many challenges as many ordinary people, including elements in the army, were not satisfied with his rule (Coplan, 1997: 41). This was so much so that in 1974 there was an attempted coup d'état organised by opposition BCP party leaders. In response Chief Leabua Jonathan used the Paramilitary Unit and the BNP Youth League (also known as *Lebotho la Khotso* or 'Peace Corps' or *Koeeko*) to hunt down the BCP leaders. These two government organs were heavily armed and the BNP used them against all opponents. Following threats by these armed BNP organs of government, the BCP went into exile and formed the *Lebotho la Ntoa la Lesotho* (Lesotho Liberation Army) (Coplan, 1997: 42; Pherudi, 2001: 267).

In the face of its overwhelming economic troubles, the foreign policy decisions of the BNP government were driven by whichever country or funder was prepared to provide funding. For example, when the South African government reduced its financial support to Lesotho after the 1970 election, the BNP government turned to the international arena by adopting various United Nations protocols. The BNP-led government then began to openly criticise the South African government and accept African National Congress (ANC) refugees in Lesotho (Maliehe, 2015: 139).

The BNP ruled the country from independence until it was toppled by the military regime in 1986. The state failed to create job opportunities and did not develop

artisanal diamond mining within the country. Despite this, many people who did not work in the formal sector had no choice but to try and earn a living in the informal sector, including through artisanal diamond mining.

In this section I discussed Lesotho's political economy since independence in 1966. I showed how the BNP-led government began ruling as a multiparty state but later imposed one party rule. This is important for my thesis, since the contestation between Basotho and foreign investors over diamond mining began under the BNP-led government. As a result of the failure to create jobs and economic opportunities, people had little option but to seek out other opportunities, among them artisanal diamond mining. Moreover, Chief Leabua's rule was fraught with contestation between him and the monarchy and between the BNP and the opposition party. The latter affected his relations with the South African government, and in the end, the military toppled his government with South African government assistance. The following section explores the policies and economic development under the military regime.

3.4 Neoliberalism and 'democracy' after independence (1986-2012)

Military dictatorship and adoption of SAPs (1986-1993)

In the late 1970s, the relationship between the BNP-led government and the Nationalist Party-led apartheid state was at its lowest ebb. As a result, the South African government went into a marriage of convenience with the opposition BCP against the BNP government. It also supported the Lesotho Liberation Army with training and equipment in attacks against the BNP government (Pherudi, 2001: 268; 278). The reasons for the deterioration of relations between the two national governments are manifold. As mentioned in the previous section, the BNP government had reversed its earlier policy and joined the international community in condemning white minority rule in South Africa. It started accepting political refugees fleeing South Africa into Lesotho. It refused to recognise the independence of Transkei. The South African government was not impressed by the engagement of the Government of Lesotho in anti-apartheid campaigns. It accused Lesotho of being 'a launching pad for the African National Congress (ANC) and Pan-Africanist Congress (PAC) guerrilla incursion into South Africa' (Thabane, 2000b: 634). As a

result, in December 1985, South Africa began implementing radical economic strangulation measures against Lesotho. In January 1986, it closed the borders with Lesotho putting an end to cross-border movements. This was the same month that the government of Chief Leabua Jonathan was overthrown by the Lesotho military, led by Major General Metsing Lekhanya. Immediately after Chief Leabua Jonathan was ousted, the South African government re-opened the borders (Thabane, 2000b: 634). This event demonstrates the extent of the South African government's influence on Lesotho politics and leadership.

In 1988 Lesotho's military-controlled government adopted Structural Adjustment Programs (SAPs). According to Foulo and Grafton (1998: 792), the military government in Lesotho embraced the SAPs because of its deteriorating financial conditions. The stated objective was to improve the country's balance of payments position and to increase its long-term growth rate (CBL, 1991; Foulo & Grafton, 1998: 792). However, Matlosa (1991: 120) has argued that, unlike other African countries that adopted SAPs because of their debt situation, Lesotho's adoption was closely linked to the Lesotho Highlands Water Project (LHWP) and South Africa's need for water security (see also Braun, 2010). Matlosa (1991: 20) writes

Lesotho's case presents a different picture. It does not seem that external debt was much of a pressure for the country to court the IMF as official sources have claimed. The most plausible rationale for Lesotho to have undertaken SAP has much to do with the country's dire need for concessionary and non-concessionary loans for the US\$ 2 billion Lesotho Highlands Water Scheme (LHWS) undertaken jointly with the South African government. This marriage between Lesotho and the IMF also has much to do with an interest of foreign capital to invest in LHWS, particularly through the World Bank. In other words, the World Bank made it clear that its participation in the LHWS is conditional on government adopting the IMF austerity programme.

Matlosa thus holds that the military government in Lesotho painted a picture of the economic meltdown in order to justify implementation of the SAP. Maliehe agrees (2015: 143) in essence that the then adoption of the SAP was a means to open up the country's economy to foreign investment, specifically in the Lesotho Highlands Water Project rather than face economic meltdown like in other Africa countries (Maliehe, 2015: 144). Discussion of the background to the Highlands Water Project

is relevant for the argument I present. In the early 1950s, the governments of Lesotho and South Africa negotiated the construction of a water system that would supply water to South Africa's industrial Pretoria-Witwatersrand-Vereeniging (PWV) area. A greater demand for water in the PWV area in the 1970s put pressure on the government of South African to seek to develop this water project (Thabane, 2000b: 633). Two feasibility studies had already been conducted; the first in the 1950s and the second in the 1960s. However, following completion of these studies, the two countries could not agree on how to allocate the costs of constructing the water project. In 1979, a third feasibility study was conducted, followed by a fourth one in 1983.

Nine months after the military regime toppled the BNP government, the Highlands Water Treaty between Lesotho and South Africa was signed following the guidelines of the 1983 feasibility study (Thabane, 2000b: 634). In the opinion of many Lesotho citizens, the signing of the Highlands Water Treaty was associated with the overthrow of the BNP government in which a civilian dictatorship was replaced by a pro-South Africa military dictatorship. The military government's record on human rights turned out to be much worse than that of Chief Leabua's BNP government. The military government, for example, imposed the Highlands Water Treaty on the people without consulting relevant institutions (Thabane, 2000b: 634).

According to Matlosa (1991: 20), the Lesotho Highlands Water Project had two main components. The first was the transfer of water to the PWV area, and the second was to build the 'Muela hydropower plant. The main objective of this hydropower plant was to generate electricity for Lesotho's domestic and industrial needs (Matlosa, 1991: 20, Thabane, 2000b: 635, Tsikoane, 2008). Under the terms of the agreement, the Government of Lesotho was to fund the hydro-power plant to the tune of US\$ 300 million. The military government raised this sum through borrowing from international commercial banks and international governments. South Africa undertook to fund the first component, which included the construction of the Katse and Mohale dams as well as related infrastructure to ease the transfer of water to the PWV area (Matlosa, 1991: 20; Foulo & Grafton, 1998: 793; Thabane, 2000b: 635).

In order for the Government of Lesotho to obtain the necessary financing from international creditors, it had to acquire an IMF Seal of Approval. An IMF Seal of

Approval indicates the IMF's opinion that a country has the ability to pay its external debt and also that a debtor country is working towards economic stability. The military Government of Lesotho signed its first IMF/World Bank SAP agreement in 1988 (Matlosa, 1991: 20). It can be said that the agreement with South Africa inserted Lesotho into an international political and economic environment in which the terms were set by IMF member countries and international development agencies.

The Structural Adjustment Programmes that Lesotho signed up for consisted of three packages; package one from 1988/89 to 1990/1991, package two from 1991/92 to 1994/95, and package three from 1995 to 2000. The programmes for packages two and three were called the Enhanced Structural Adjustment Facility and the Privatisation and Private Sector Development Project (Matlosa, 1991:21, 22). The first programme (1988/89-1990/91) and part of the second one (1991/92) were implemented under Lesotho's military rule. Other African countries under military rule then, include Benin (General Mathieu Kerekou), Congo-Brazzaville (General Denis Sassou Nguesso), Rwanda (General Juvénal Habyarimana) and Zaire (General Mobutu Sese Seko), also adopted SAPs. As has been noted in the wider literature on the consequences of SAPs in Africa (Matlosa, 1991: 24), the implementation of these programmes in Lesotho affected several government institutions, such as the public service, agriculture, health, and education. Scholars argue (Matlosa, 1991) that this resulted in a rise in prices and the cost of living. Matlosa argues that the prices of agricultural inputs rose to the point where farmers and ordinary Basotho could not afford them. In the public sector, over 807 civil servants were retrenched in 1991 and many more retrenchments were to follow as a result of the implementation of SAPs in Lesotho (Matlosa, 1991: 24).

During this military period, the rules of Structural Adjustment in relation to the development of diamond mining, applied primarily to artisanal diamond miners (Kao) and diggers' cooperatives in Liqhobong. This continued for the remainder of the 1980s and 1990s. At the same time, the government's fourth five-year development plan for the country (1986/87-90/91) described the mining sector as a sector which needed massive investment but had an uncertain future and often distant returns. Similar sentiments were expressed by Sechaba Consultants in 1995, which stated

that contrary to the popular belief that mountains are generally rich in minerals, this was not the case in the mountain kingdom. This was also the explanation given for the closure of the De Beers diamond mining operation at Letšeng in 1982 (Maleleka, 2007: 10). As a result, under the military regime, and for a few years after it, commercial diamond mining was not active (it was only revived in 2000); hence, there were no capital inflows recorded in the literature or government reports.

As stated earlier, it was during the military dictatorship era, that the governments of Lesotho and South African signed the Highlands Water Treaty, and it was in turn this Treaty that led to the adoption of the SAP in Lesotho. By the end of its rule in 1993 the military government had implemented part of the SAP. In this section, I have discussed the military regime's political economy. The main topic is the adoption of the SAPs through the Highlands Water Project between South Africa and Lesotho. The implementation of SAPs in Lesotho like elsewhere led to retrenchment of many working people in the country as a result of the transformation of polices that followed. The next section discusses the multiparty democracy governance and the implementation of the second package of the SAP programme.

Multiparty 'democracy'– 1993 to 2012

A multiparty election was held in Lesotho in 1993 and was won by the Basotho Congress Party following its return from exile (Maleleka, 2009: 6). The BCP won a clean sweep of all 65 parliamentary seats. The military government, which was then led by Colonel Elias Ramaema, handed over power to the civilian government 'headed by long-time BCP leader Ntsu Mokhehle' (Southall, 1994: 110). The new multiparty government that was formed under the BCP in 1993 pursued the second Structural Adjustment programme. Both the second and third programmes consisted of privatisation of public services and entities (such as Lesotho Flour Mills, International Freight and Travel Services, Lesotho Bank) and stimulating a private sector development project. It was within the framework of the latter component that the privatisation of the state enterprises was carried out. The Government of Lesotho owned over 50 enterprises and embarked on privatising them (Maliehe, 2015; Makafane, 2005: 37).

The second programme, namely the Privatisation and Private Sector Development Project, began in 1995. In order to facilitate this programme, the BCP-led government passed the Privatisation Act No. 9 of 1995 (Maliehe, 2015). This Act established the Lesotho Privatisation Unit under the Ministry of Finance. The purpose of the Privatisation Unit was to ‘plan, manage, implement and control the privatisation process in Lesotho’ (Maliehe, 2015: 158). The Act laid down privatisation principles, guidelines and regulations to be followed. It basically adopted three methods of privatisation, namely, private management contracts; the outright sale of company shares and/or their assets, and; liquidation of bankrupt companies and parastatals (Maliehe, 2015).

The practical privatisation process of the government-owned companies and parastatals was mostly completed by the subsequent Lesotho Congress for Democracy-led government. In other words, the BCP-led government introduced the Privatisation Act and began negotiations with various investors in order to buy or manage state-owned companies (Maliehe, 2015) but did not follow through, as it got distracted by conflict and internal power struggles (Motšoene, 2013: 96).

Divisions dating from the BCP’s time in exile emerged within the governing party, and tension between two BCP groups, Maporesha (pressure group) and Majelathoko, resulted in a split of the party on 9 June 1997. The faction led by Ntsu Mokhehle, who was Lesotho’s Prime Minister at the time, broke away to form a new party, the Lesotho Congress for Democracy (LCD) (Motšoene, 2013: 97). Forty of the then ruling BCP’s members of parliament joined the LCD, giving it a majority. The LCD consequently assumed power (Lesotho Times, 2014) and formed a new government, then went on to win a majority in the 1999 general elections. The LCD’s successful launching was aided by Mokhehle’s popularity among ordinary party members, since he had been the leader of the BCP since 1952. Mokhehle was celebrated as a leader who had fought against the suffering of Basotho, not only during the despotic rule of the BNP and Military regimes but also, under colonialism. By virtue of this, the majority of party members in the constituencies followed him (Maliehe, 2015).

Thereafter the LCD-led government ruled the country practically unopposed for 15 years (1998 to 2012) under the leadership of Prime Minister Pakalitha Mosisili.

Motšoene (2013) argues that since the LCD took power the state has focussed on consolidating power to the detriment of development. The LCD government was not able to stimulate economic growth or promote market-led development (Motšoene, 2013: 88) and even with development assistance from elsewhere, the economy remained stagnant. However, as has been explained earlier, there were broader and more long-term economic forces at play, so it was not simply the internal politics of the LCD that affected Lesotho's economic development and brought about underdevelopment and poverty (Motšoene, 2013: 88).

The LCD government continued with the implementation of the Privatisation and Private Sector Development Project which they had begun during the BCP government (Maliehe, 2015). The implementation of these packages entailed selling offstate-owned assets as it has been mentioned. State assets were mostly bought by non-residents of Lesotho, elites and politicians, as the ordinary Basotho could not afford them (Makafane, 2005: 47; Maliehe, 2015).

Lesotho state cooperatives were privatised among other government-owned businesses and assets. Among these was the Liqhobong Diamond Cooperative (see Chapter 7). As a result many members of the Liqhobong Diamond Cooperative lost their livelihood. The LCD government also introduced reforms in the diamond sector. For example in 2000, the Precious Stone Order 1970 was amended to increase the criteria for acquiring a dealer's licence. This was followed by the establishment of the Mines and Mineral Act, No. 4 of 2005, and later by the Land Act 2010, the implications of which will be discussed in Chapter 6. The aim of these reforms in the diamond mining sector was to attract foreign investment in the mining industry in line with the IMF structural reform programme.

In this section, I discussed the contestation of power between the two groups in the BCP-led government which later led to the establishment of the LCD. This was followed by consideration of the LCD's governing strategy including its implementation of the second SAP programme, namely the Privatisation and Private Sector Development Project. The section is important for my study, as both the BCP and LCD-led governments attempted to promote agriculture and manufacturing, but failed to promote artisanal diamond mining as a means to create employment.

3.5 Summary

This chapter documented the political history of Lesotho, from its independence from Britain in 1966 until 2012, and it explored macroeconomic policy under successive political leaders and governments. Liberalisation of the economy moved ahead during different political eras – 1966 to 1970 the BNP-led multiparty government; 1970 to 1986 the BNP-led one party state; 1986 to 1993 the military regime; and 1993 to 2012 the LCD-led multi-party government – with the promotion of industries that included agriculture and manufacturing. Since independence, there have been power struggles within the various ruling parties and also between the governing party, the monarch and opposition parties. As a result, the former governments (for instance the LCD) failed to expand economic development in new directions (such as mining [artisanal diamond mining], tourism, and communication, wholesale and retail trade by locals), and instead concentrated on consolidating party power to the detriment of development (Motšoene, 2013).

In the context of declining development aid, little foreign direct investment, and decreasing SACU revenues and remittances from South Africa, the Government of Lesotho has had to look for alternative ways to grow the economy. Since many Basotho lost jobs due to the decline of migrant labour, implementation of SAPs, failure of developmental policies, and the decline in agriculture, many people have turned to the informal sector to support their households.

The next chapter discusses the livelihood activities of the rural households of the highlands of Lesotho under the umbrella of the informal sector, which has become a cushion for Basotho in the centre of economic challenges.

CHAPTER 4: LIVELIHOOD DIVERSIFICATION IN KAO AND LIQHOBONG HOUSEHOLDS

4.1 Introduction

The preceding chapter documented the political economy of Lesotho from independence to the present. This chapter analyses forms of livelihood adopted in the households of Kao and Liqhobong in response to agricultural failure and a decline in migrant labour opportunities. It suggests that with the implementation of structural adjustment and the decline of migrant labour many Basotho lost their jobs and opted for the informal sector as their main livelihood.

The chapter is organised under the following thematic headings: centres of contemporary mining; income sources – typical sources, indirectly related to mining: rent and piece jobs: the sale of precious stones and diamonds. These themes emerged following interviews and focus group discussions conducted during fieldwork. The chapter, therefore, draws on ethnographic research carried out from May 2013 to January 2014 in Kao and Liqhobong, which are two villages in the Butha-Buthe district in north eastern Lesotho. The chapter commences by discussing the research sites.

4.2 Centres of contemporary mining

While I conducted fieldwork in various sites, which included archives, government offices, and the urban areas of Maseru and Butha-Buthe, most of my ethnographic research took place in the rural highlands of Lesotho in Kao and Liqhobong villages. The highlands of Lesotho is a mountainous area with scattered settlements, poor roads and meagre services, and it contains some diamond deposits (Maliehe, 2015: 19). The lowlands consists of urban areas characterised by better business and government services, infrastructure, transport, communication and information (Maliehe, 2015: 19).

As a Mosotho woman, born and brought up in the Leribe district in the lowlands of Lesotho, I have a long relationship with Lesotho as a whole. Before I discuss the livelihood activities in Kao and Liqhobong villages, I want to introduce the villages of Kao and Liqhobong – the centres of artisanal diamond mining in Lesotho. As such,

the sites selected themselves. My interest in mining in general developed at a tender age, as my father was a former mine worker in Free State Geduld Gold Mine in South Africa. I wanted to know more about his working conditions and researching artisanal mining was the closest opportunity for me to understand this. Even though my research investigated informal mining, as opposed to the large-scale commercial operation where my father had worked, I felt there were many related issues. With a scholarship from the Human Economy Programme, I was able to fulfil my desire and even more, I was also able to carry out field work in the highlands of Lesotho.

In the course of preparing for my field research, and in negotiating my research proposal, I realised that I would have to conduct primary field research with villagers who are involved in artisanal diamond mining. Reading up on the human economy approach, I realised the strengths of the ethnographic method in the overall vision of the human economy. It became clear to me that I would have to get to know the villages and people of Kao and Liqhobong if I wanted to understand the impact and potential of artisanal diamond mining.

Butha-Buthe is the smallest district in the country, covering a surface area of 1,789 square kilometres and representing 5.9 per cent of the total land area. Geographically, the district is situated between 28° 46' south and 28° 15' east, sharing borders with Leribe district to the south and Mokhotlong district to the east. It is divided into three ecological zones; highlands, foothills and lowlands. Almost half of Butha-Buthe is classified as mountainous, with the remainder composed of 36 per cent foothills and 14 per cent lowlands (Trillo-Figueroa, 2009: 16).

As far as we know Butha-Buthe was first settled in the early 1800s by people that were displaced during the Lifaqane¹⁴ wars. They used the Maluti Mountains as a place of refuge. King Moshoeshoe I, the founder of the Basotho Kingdom, stayed in this district until 1824 before relocating to Thaba-Bosiu, further south. The colonial history of the district dates back to 1884 when it was established as a government sub-district as part of the process to get local Basotho to pay taxes to the British authorities (Trillo-Figueroa, 2009: 22). The map below shows the location of the villages of Kao and Liqhobong.

¹⁴ Lifaqane wars were violent upheavals unleashed by Shaka's attempt to build a Zulu kingdom, which triggered a train of refugee chiefdoms attacking and fleeing from one another (Mothibe, 2002).

Figure 4. 1 Maps of Lesotho showing mining sites.



Source: Firestone Diamonds¹⁵



Source: Ezilon Maps¹⁶

¹⁵Lqhobong, <http://www.firestonediamonds.com/operations/mining-operations/liqhobong>, [2014, January 10].

According to the administrative structure of the Ministry of Local Government and Chieftainship,¹⁷Butha-Buthe district is made up of five constituencies, namely, Butha-Buthe, Hololo, Mechachane, Motete and Qalo. These five constituencies are in turn composed of ten community councils and 96 electoral divisions (Trillo-Figueroa, 2009: 20). The ten community councils include Kao, Likila, Linakeng, Lipelaneng, Liphobong, Makhunoane, 'Moteng, Ntelle, Sekhobe and Tša-le-Moleka.¹⁸ Lesotho, in addition to institutions of the 'modern' state, has a 'traditional' leadership structure. In this structure, the Butha-Buthe district is divided into two principal chieftaincy areas called Makhoakhoeng and Butha-Buthe (or Likila). Each principal chief has several area chiefs under his authority (Trillo-Figueroa, 2009: 20). The Butha-Buthe or Likila principal chief has 40 gazetted (paid) area chiefs under his jurisdiction, while the Makhoakhoeng principal chief has 25 gazetted area chiefs. Village chiefs or headmen are responsible to area chiefs, who are in turn responsible to principal chiefs (Trillo-Figueroa, 2009: 20).

Kao

Kao (Ha Shishila) falls under Kao Community Council. Ten years ago this community council had a total population of 5,304 people comprising 2,618 males and 2,686 females totalling 1,211 households. Kao Community Council incorporates several villages including the village of Kao (Shishila), Lephatsōane, Lihloahloeng, Tiping, and Kaonyana (Trillo-Figueroa, 2009: 21). All these villages fall under the authority of Area Chieftainness 'Makhutso who is based in the chief town of Kao (Ha Shishila). 'Makhutso¹⁹ is a gazetted (paid) area chief, who has several local chiefs or headmen

¹⁶Ezilon Maps, <http://www.ezilon.com/maps/africa/lesotho-physical-maps.html> [2016, August 15].

¹⁷ The leadership structure of the country changed following the of local government reforms. As a result some of the functions that were performed by the village chiefs were now done by the local Community Councils. The functions included allocation of burial sites, natural resource management and protection. Traditionally village chiefs were the ones that allocated fields for cultivation, but things changed following the local government reforms (Trillo-Figueroa, 2009). However there has been a lot of resistance from some village chiefs (including my village chief in Leribe) who continue to allocate land as if nothing has happened. Some villagers also side with village chiefs against the government reforms.

¹⁸Linakeng, Liphobong, Makhunoane, 'Moteng, Ntelle, Sekhobe and Tša-le-Moleka Community councils have 9 electoral divisions each, whereas the rest of the community councils Likileng (Likila), Kao and Lipelaneng Community councils have 11 electoral divisions, each (Trillo-Figueroa, 2009: 21).

¹⁹According to customary law, the Kingdom's Chieftainship Act in Lesotho allows only males to be chiefs, meaning sons succeed fathers to the chieftainship. Nonetheless, a wife can act as 'caretaker' or 'regent' of the chieftainship until a male heir takes over, or in some cases, if a chief husband is ill or dies. A woman cannot inherit the role or succeed to chieftaincy on the basis of her gender (Jansson,

under her administration. Headmen or local chiefs are not gazetted but they act as the 'eye of the chief' (Murray, 1981: 37) in their respective villages.

The area of Kao (Ha Shishila), situated on the highlands plateau, is where both artisanal and commercial diamond mining takes place. The Kao River runs below Kao village and joins the Malibamatšo River downstream. Access to this village is via a gravel road that branches out from the main road in Ha Lejone. This main road runs from Hlotse (Leribe district) to Thaba-Tseka town (Thaba-Tseka district).

According to a household survey conducted by Sechaba Consultants (2004)²⁰ in September 2004, the number of individuals living in Kao (Ha Shishila) was 689; more than 10 per cent of the broader Kao area. These 689 individuals comprised 241 households with an average of 2.8 members per household. This average was markedly lower than the mountain average of five members per household; the reason for this divergence from the norm is because of the presence of internal migrants. To understand why Kao differs in this and other ways from typical mountain villages, it is important to appreciate that its demographic characteristics are heavily influenced by the presence of migrants (Sechaba Consultants, 2004: 18). This has to be explained with reference to diamond mining. Migrants from all over Lesotho come to reside in Kao in private houses or in the mining compound, either as workers in the commercial diamond mine or as artisanal miners working at the river banks. The presence of migrants from all over Lesotho gives Kao a character that is different to other 'traditional' highlands villages. The presence of a migrant worker compound and some migrant worker households, which may not consist of full families, accounts for the low average household number in this village.

A study that was conducted by Sechaba Consultants (2004) for one of the diamond mining companies identified three categories of residents in Kao: ordinary residents, long-term residents and migrant residents. The Sechaba study defined ordinary residents as those recognised by the chief and local authorities as 'native'

2013; Eldredge, 1993: 137). Hence 'Makhutso acts as a regent of the chieftaincy of Kao (Shishila) since her husband is deceased and does not have sons.

²⁰This report came out in November 2004. It was conducted on behalf of Kao diamond mine (DM) in a form of a social impact assessment. Sechaba Consultants has been contracted by Serious View Trading to carry out the social impact assessment (SIA) component of the Environmental Impact Assessment. This report follows an earlier report detailing issues raised by affected communities at Kao that would need to be addressed by stakeholders.

inhabitants of Kao. These are people born in Kao together with those who came to reside in Kao through patrilocal residence after marriage (wives joining the households of their husbands, as is the custom in Lesotho). The Sechaba study defined long-term residents as ordinary residents whose homes are located in the area identified for diamond mining (such as Tiping, the neighbouring village to Kao). This category was necessary as the study was a social impact assessment of the situation in Kao. It is useful to consider the demographic and socio-economic situations of affected households that fall into three distinct categories. The Sechaba study defined migrants in Kao as those people who came from other districts and villages to Kao with the objective of engaging in artisanal (commercial was not yet functional then) mining. There were no migrants who were in Kao for reasons other than ASM. This category of residents is furthermore defined as Kao residents who have not been accepted by the chief or local authorities or the community, and therefore can lay no claim to land in the village. Locally, such residents are referred to as *masosolara* or *masosolo*. *Masosolara* normally rent accommodation or land on which they construct temporary dwellings from residents of Kao (Sechaba Consultants, 2004). The fact that Basotho migrants are not allowed to own land in Kao offers ordinary Basotho residents the opportunity to become landlords; to make money from renting out accommodation to outsiders.

During my stay in Kao from May to September 2013, I observed that most of the houses or huts in Kao were thatched stone rondavels (*mokhoro* or *rontabole*) with a few rectangular houses (*polata*) made of stones with corrugated iron roofing. Thatched stoned rondavels are the most traditional structures and are constructed from locally available materials. This makes them more affordable than the rectangular houses with iron roofing. The materials used to build the rondavels include *majoe* (stones) which are available along the mountains and are normally broken to sizeable pieces that are used for hut construction. *Joang* (straw), which grows along the mountains and sometimes at the edges of fields, is used for roofing huts. Villagers without crop fields buy straw from those that have it; *leqala* (reed) is collected from rivers/pools or they use poles cut from tree branches. *Mobu* (mud) is dug from the *khatampi* a special place from which soil suitable for plastering is readily available. These materials are typically also found elsewhere in the highlands. Most of the building resources are thus affordable and can be bought at a

negotiable price from those that have them. After the collection of building materials, construction can commence. A builder is hired from the village or other neighbouring villages. Figure 4.2 shows the village of Kao (Ha Shishila).

Figure 4. 2 Kao (Ha Shishila) village.



Source: Google Earth

Although the presence of migrants does contribute to the livelihoods of Kao families and villagers are able to construct homes from the locally sourced material, this does not mean that the quality of life is outstanding. Villagers of Kao lack important amenities such as health care facilities. The only clinic in the village belongs to the commercial mine and is situated within the mine's compound. This clinic provides health services only to staff members employed by the commercial mine. Kao villagers have to travel to Rampai Health Centre in a neighbouring village about ten kilometres from Kao (but located within the jurisdiction of Kao Community Council). Kao does not have a post office, there is no electric power in the village, it does not have a police station, and there are no public or private sewage systems such as ventilated improved pits, commonly known as VIP toilets.

There are eight primary schools in the Kao Community Council (Trillo-Figueroa, 2009: 58) jurisdiction, but within Kao village itself there are no primary or secondary schools. The closest primary school is a kilometre away and the closest secondary school is in Sekhobe Community Council. It is unsurprising that few children from

Kao complete secondary education. Churches play an important role in the lives of many Basotho, mainly because almost all schools are operated by Christian churches (Gay & Khoboko, 1982). However, in the village of Kao (Ha Shishila), there is neither a school nor a formal church. Interestingly the only formal Christian congregation in Kao is one that has developed in close relation to the mining industry, with the main congregants being miners. The congregation was formed by *masosolara* artisanal miners and miners employed at the commercial mine. The congregation calls itself *Bapostola* and it forms part of the group of African Independent Churches described by Meyer (2004) and Anderson (2011). There is an African Methodist Episcopal Church (AME) and a Roman Catholic Church several kilometres away from the village of Kao (Ha Shishila).

The character of Kao is shaped not only by the presence of migrants and the absence of basic health and educational facilities; it is also influenced by the nearby Oxbow Afriski Resort, a popular destination for skiing (Oxbow Ski Slopes) and fishing. Oxbow is visited by school groups and international tourists as well as local communities. Overnight accommodation in rondavels is available and camping is also permitted (Trillo-Figueroa, 2009: 85). While few tourists from Oxbow would venture into Kao, the villagers of Kao are well aware of the existence of Oxbow and the social consequences of an industry such as tourism in an otherwise rural context. In other words, Kao is not an isolated village; it is quite accessible by gravel road and is connected to other places and other districts of the country. Some of its community members have been forced to seek employment elsewhere, including in the factories of Maputsoe in Leribe, because of its declining job opportunities such as working in the commercial mine (as they recruit skilled and educated people) (see section 4.3).

Liqhobong

In the same region of Lesotho is located the village of Liqhobong. This village rests along the Maloti Mountains and at the bottom of it is a stream that runs below the village towards the Liqhobong Diamond Mine. At present the mine is owned by Firestone Diamonds, a United Kingdom-based company. This stream passes below the village joining the Motete River, which in turn joins with the Malibamatšo River. Malibamatšo's water is eventually collected by the Katse Dam which supplies water

to South Africa through the Lesotho Highlands Water Project. Liqhobong, like Kao, is close to Afriski Resort. Liqhobong and its sub-villages, which include Pulane, fall under the Sekhobe Community Council, which is in the Motete constituency. According to the 2006 census report, Sekhobe Community Council is composed of about 18 villages with a population of 3,885 and 792 households, 178 of which are female-headed and 17 that are child-headed. Of these 792 households, 78 are located in Liqhobong village with a total population of 406 (221 males, 185 females). According to the same report the sub-village of Pulane has 40 households with a total population of 221 (110 males, 111 female). As in Kao village, there are migrant workers in Liqhobong; since the two villages are just 5km apart, the differences between them are minor and the miners move between the two villages.

Like Kao, the village of Liqhobong is dominated by traditional homestead structures which are not fenced. Most of the huts are thatched stone rondavels, with a few rectangular houses made of stones (very few houses with bricks) with corrugated iron roofing. The biggest challenge in the construction of houses in Kao and Liqhobong or rural villages in general is the growing shortage of materials such as straw and reeds. Limited labour is another factor, as digging and carrying of stones is a labour intensive task, although it does not stop households from accomplishing the task. Corrugated roofing, on the other hand, which is often used for rectangular houses, is purchased in Hlotse, the closest town. These houses are considered more prestigious compared to the traditional huts and house owners often pay extra for transporting of roofing sheets from town to village. In a village such as Pulane (see Figure 4.3), a sub-village of Liqhobong, where there is no tarred or gravel access road, roofing material is transported using a donkey or a span of oxen over a long distance. In local status hierarchies, those villagers with corrugated roofing are considered to be of a higher social status than those with thatched roofing. During an interview with a research participant,²¹ from Pulane a middle-aged man of 47 mentioned that in their village there were only thatched roofed huts in contrast to the main town Liqhobong. According to him, that shows how impoverished households of Pulane are compared to the households of Liqhobong. Based on my own observations, however, most of the homes in Liqhobong, as in Pulane, were thatched stone rondavels. Other indicators of social class in Pulane included number

²¹ Thulo, interviewed at Liqhobong, Butha-Buthe district, September 2013.

of huts per household, and presence of a kraal and number of cattle, thus showing that even in the highlands of Lesotho some social stratification exists (Turkon, 2009).

Figure 4. 3 Pulane sub-village of Liqhobong



Source: Picture captured by the Researcher, 2013

Some households in the village of Pulane had kraals; normally kraals are used as enclosures for livestock, especially during the night. It is common in Lesotho for cattle to be enclosed in a kraal when they are not grazing in the fields. *Lisu* (dried cow dung) from the cattle kraal, as well as manure from horses and donkeys, is used as an energy source in many households: as a fuel, it is used for cooking food and heating water. *Bolokoe* (fresh cow dung) mixed with mud is used as a floor covering in a hut. This prevents the earth floor from collecting dust and cracking. Such flooring is often renewed, depending on the wear and tear resulting from the movement of people.

In Lesotho, a household is called a '*lelapa*' ('*malapa*' plural). A household is a social unit composed of those living together in the same place, related or unrelated. This group shares meals and makes joint decisions over allocation of resources, including income pooling (Guyer, 1981: 98; Ellis, 1993; Spiegel, Watson & Wilkinson, 1996: 11; Smeeding & Weinberg, 2001: 2). A household in the context of Lesotho refers to a group of people 'eating from one pot', as Colin Murray metaphorically postulates (1981: 48) as well as 'both to the nuclear family as the basic form of domestic association and to the wider agnatic family' (Murray, 1981: 48). Likewise, a household may contain both related and unrelated persons (Nyanguru, 2003: 7), with

each group consisting of up to three generations within the same household. In a household the members are normally involved in diversified livelihood activities.

In this section, I discussed the centres of contemporary mining sites, namely Kao and Liqhobong villages. I showed their location and administrative structures as well as household categories. Moreover, I indicated how these villages connect with other villages or districts within the country. This is important for the study as it gives the reader an overview of the social and economic dynamics present in villages and households in this region. The next section discusses how households in these villages make a living.

4.3 Sources of income

In Lesotho currently, the informal sector represents a central economic activity. This is because of the structural reformation of the country's economy due to the following factors: decline in agricultural output, retrenchment of migrant labour from mines in South Africa, decentralisation of government projects, urbanization, job insecurity in the formal sector and new entrants into the labour market (Motšoene, 2013: 206; Ferguson, 1990). The informal sector serves as an improvising survival mechanism for impoverished households to suppress 'economic and social distress' (Motšoene, 2013: 206), allowing them to meet basic needs and thus avoid destitution. This is true especially for women.

The informal sector in Lesotho, as is the case with other developing countries, can be seen as a response to the economic crisis (Motšoene, 2013: 240). Informants in this study are involved in the following informal sector categories: typical sources of income, sources indirectly related to diamond mining, trade of wool and mohair, land as an asset and livelihood, the sale of precious stones and diamonds. A detailed discussion of each of these categories follows.

a) Typical sources of income

The most typical sources of income in Kao and Liqhobong villages are informal selling of goods and services, and welfare grants. The informal income generating

activities include gathering and selling of bundles of *sehalahala* (shrubs) for fuel,²² selling of home-made beer, and trading in imported clothes. Villagers, especially women, normally collect shrubs from the mountains and use them as firewood or sell them. A villager or woman would sell a bundle of shrubs for ZAR 20. Women also sell home-made beer to generate income. Women normally brew home-made beer in the highlands (Kao and Liqhobong). Both artisanal and commercial miners buy the locally made brew (Field work, 2013). Mrs 'Makeletso²³ (1946), a widow from Liqhobong, stated:

I live with three grandchildren because their parents died. I brew beer to sell to the miners so that we can have something to eat. The government only gives me 450 Maloti ²⁴[old-age pension], and it is not enough for us. So it is better for me to sell beer to add to that pension. (Interview, 'Makeletso, September 2013).

Similarly, Mrs 'Malerato (1973), a widow living in Pulane, sub-village of Liqhobong described her situation as such:

I live with my five children. Three do attend school; one is a *molisana* [herd boy]²⁵and is paid once in a year with a *khomo* [cow]. The remaining ones help me when I brew beer for selling. We have a challenge of water in this village; so she fetches water and fuel for me. We depend on money from selling beer, and it is not enough for us.(Interview, 'Malerato, September 2013).

Women in Lesotho are known for beer brewing; although Motšoene (2013) in her study discovered that some men living in urban Maseru also engage in brewing and selling beer to generate cash to sustain themselves. This means that beer brewing can no longer be associated with women only, but rather with the need to make a living. Basotho boys from the rural and urban villages make an economic contribution to the homestead through stewardship of goats, sheep and cattle. Herding is considered by Basotho definitive of their society, shaping a collective

²²Shrubs are sold to other local villagers. They are collected mainly by women of all ages in the morning or afternoon just before women prepare daily meals for their households. They are collected along the mountain at the communal area.

²³ Informant Makeletso, interviewed at Liqhobong, Butha-Buthe District, September 2013.

²⁴ M is the Lesotho Maloti, also called the Loti. In international currency terms, the Lesotho Maloti (LSM) is equivalent in value to ZAR 1.

²⁵ Herd boys take care of livestock such as cattle, sheep and goats in Lesotho.

male character through common experience in youth. At first the Basotho boys herd livestock at the outskirts of the village, later in the remote highland cattle posts (Coplan, 1994).

There are also other informal income generating activities such as trading in imported clothes: my data reveal that there are a small number of men and women who engage in the buying and selling of second-hand clothes in order to generate household income. Some households purchase stock or cheap clothes in Durban or Johannesburg in South Africa with the sole purpose of reselling them for profit in the village. The wives of artisanal diamond miners and other enterprising women in any household resell stock. Sometimes clients buy clothes on credit and make arrangements with traders regarding repayment (Field work, 2013).

Because the villages have no clothing stores and people often do not have enough money for a return trip to Hlotse (ZAR 190), a popular town for people in the highlands, traders fill the gap (Field work, 2013). Traders and clients usually make a verbal agreement. However, if a debtor fails to pay, a trader reports him/her to the chief who then arranges the terms of repayment with the debtor. Traders report clients to the chiefs or community councillors rather than to the police station because there is no police station in either of the villages. The closest police station is Lejone Police station in Leribe district, which is about 25 km from Kao village.

Another typical source of income in Kao and Liqhobong villages is the old-age pension grant. Lesotho, Botswana, Namibia, and South Africa comprise a cluster of southern African countries which provide monthly non-contributory benefits to their elderly citizens (Smith et al; 2013: xiii). Most African states provide some form of contributory pension through social security or pension funds. Social security or pension funds are for people working in the formal sector and some African countries also operate non-contributory pensions that apply to civil servants (including teachers, judges and the military) and war veterans and their spouses. The non-contributory pensions are financed from general taxation, rather than income from employees' social security payments, which places a fiscal burden on the state (Smith et al; 2013: xiii). Yet it offers a livelihood to the elderly people.

South Africa was the first country in Africa to institute a state pension. Of the countries discussed here, South Africa has the longest history as a welfare state although the shortest history of universal democratic elections. A significant debate came about with the end of the apartheid government in 1994, when pension were finally equalised for all citizens (subject to meeting the age criteria and a means test). Pensionable age in South Africa is 65 for men and 60 for women (Smith et al; 2013: xiii). Namibia began giving all its senior citizens pensions after removing pension related discrimination after independence in 1990. The pensionable age for both men and women was changed to 60 years old, which was consolidated in the National Pensions Act of 1992 (Smith et al; 2013: xiii) .

Lesotho is the most recent country in Africa to establish an old age pension. The LCD-led government announced that the pension was to be implemented in the 2004 budget and within months the first payments were made (Smith et al; 2013: xiii). A parliamentary debate about the pension was held shortly before voting registration began, and following a month-long registration process, the first pensions were delivered in November 2004 (Smith et al; 2013: xiii). The Old Age Pension scheme with 83,000 beneficiaries – costing LSM 371 million or US\$ 49 million annually) is one of the largest safety net programmes in Lesotho. It is a universal, non-contributory, unconditional cash transfer programme, available to everyone aged 70 and above. However, since only 6 per cent of the poor are estimated to be older than 64, any age-based programme is not going to directly reach many of the poor (Smith et al; 2013: xiii).

There is also the Child Grants Programme (10,000 households costing LSM 16 million or US\$ 2.2 million annually). This is a non-conditional social cash transfer programme targeted to poor households with children. At present, the programme covers roughly one-sixth of the country but is being expanded. The programme is relatively new and is still very dependent on donor financing, such as the European Union (Smith et al; 2013: xiii; Motšoenne, 2013: 231). The Children Grant Programme does not cover even a quarter of Lesotho. This implies that only a few have safety nets, meaning that the majority of children are vulnerable to impoverishment (Motšoenne, 2013: 231).

Some of the households of Kao and Liqhobong depend on the elderly pension grant, but it can barely sustain households (Motšoene, 2013: 231). A number of the informants I interviewed were over 70 years and sustained themselves with the government pension grant (old age pension), which amounts to LSM 450 (or ZAR 450) per month per person.²⁶ While the old age pension is the most prominent provision, since it applies only to people of 70 and above, it is available only to 3.9 per cent of the population (Motšoene, 2013: 232).

The cost of living is high in Lesotho; according to the Lesotho Bureau of Statistics (2009) the average household expenditure in urban areas was estimated to be just over LSM 1000 per month and in rural areas LSM 860. This figure shows that the pension grant was not enough in 2009; there has since been only a slight increase.

Lesotho mine workers who formerly worked in South Africa do qualify for the Lesotho government pension grant if they are 70 years old or above, because as noted earlier, the old-age pension grant in Lesotho is for anybody older than 70. In most cases miners of that age are already at home, either retrenched or on a pension from South Africa. Mr Khakanyo (73 years), a retrenched worker from a South African mine now living in Liqhobong, said the following:

I live with my wife [68 years, former LDMC coop member] and two grandchildren. I used to work in the mines in South Africa, but since I came home there is nothing to live by. I only get 450 Maloti from the government every month. This money is the only income in this house, and four of us have to live on it for the whole month and life is difficult [*bophelo bo thata*].²⁷

(Interview, Khakanyo, October 2013).

Khakanyo illuminates that his household survives on the meagre state welfare grant, and the money does not meet household needs. This does not mean that the public welfare assistance is adequate as a means of living (Motšoene, 2013). As indicated by Motšoene (2013 citing Sharma (1986)), the public welfare benefits provided by states in developing countries are very low; especially if the households do not have other forms of livelihood support such as kinship support networks. This is the challenge even among households with elderly people in Lesotho.

²⁶ Monthly grant in 2013/2014 during the researcher's field work.

²⁷ Informant Khakanyo, interviewed at Liqhobong, Butha-Buthe District, September 2013.

In this section, I discussed typical sources of income, such as informal income generating activities, which include gathering and selling of bundles of *sehalahala* (shrubs), selling of home-made beer, trading in imported clothes. I showed how households in Kao and Liqhobong villages make a living out of the above-mentioned activities. This is relevant to the argument I am making in that the informal sector has become an important source of livelihood especially for women, given decreased opportunities in the formal sector.

b) Income sources indirectly related to diamond mining

Renting and piece jobs

While the old age pension is the most prominent provision, as mentioned previously, it is available only to 3.9 per cent of the population (Motšoene, 2013: 232). Some homeowners in Kao and Liqhobong villages are able to generate income through renting out houses or huts to migrants or outsiders. This form of income has not been discussed much in the literature on rural livelihoods in Lesotho. Ambrose (2004: 7) wrote that workers' employment came from locally and afar, and a variety of accommodation was available, with some workers renting *malaene* or single room tenements. Officials of the Department of Mines and Geology occupied two of the larger Maluti Diamond Corporation houses. All of this, however, officially came to an end in the year 2000 when Kao was again cleared to make room for a mining company to come in and establish full-scale commercial mines.

Since then artisanal diamond miners continued to mine, despite the official closure of Kao deposit from artisanal diamond miners— and the demand for accommodation also increased in the area. Income from rent in rural areas is growing alongside the extraction industries in Lesotho – both commercial and artisanal – and in the tourism and manufacturing sector. Not much has been written about it, however, although Thebe and Rakotje (2013) and Motšoene (2014) have discussed rent income in the contexts of the urban areas of Lesotho. Elsewhere in Africa the literature shows that the extraction of minerals leads to higher demand for accommodation. For instance, in Maisamari in Nigeria, accommodation is in great demand and as a result rentals have increased (Ahmed & Oruonye, 2016: 8).

I discovered during my fieldwork that rent in Kao and Liqhubong villages was higher than in other typical highland villages. At the time, the monthly rental for a hut in Kao and Liqhubong was between ZAR 100 and ZAR 200, whereas in a typical village like Ribaneng in rural of Mafeteng, rent was ZAR 50. The increased demand for accommodation due to mining activities accounts for the difference in the cost of rent. It is not only unlicensed artisanal miners that seek accommodation in the two villages but also people employed or seeking employment at the commercial mine. In fact, in Kao and Liqhubong villages, there are always people looking for jobs in the commercial and/or artisanal diamond mining sectors who require accommodation for the long or short term. Out of desperation, some are even willing to stay in huts that have been built for grain storage purposes (Field work, 2013).

Mr Motlatsi²⁸ (70), widower, living in Kao with five grandchildren, stated:

I rented [out] two huts to *masosolara*
(Interview, Motlatsi, September 2013).

Similarly, Mr Tieho²⁹ (1966), married with four children also living in Kao revealed that he rented his huts [out] to commercial mine employees. He stated:

I have rented three huts, two to the employees of the mine (referring to the commercial mine). Another hut is rented by someone looking for the job.
(Interview, Tieho, October 2013).

In the above-mentioned cases huts are used as rental property, and the proceeds are generally used to purchase household consumption items. This contributes to the local economy of the villagers through the exchange of goods and services within their locality and in other neighbouring villages. For instance, when migrant labourers procure goods and services locally, their earnings support development in the market economy by establishing opportunities for small-scale enterprise. This process has been on-going for a time in Lesotho (Turkon, 2009: 92).

Part-time employment is also an income generating activity which contributes to household survival and asset accumulation (Moser, 1996) as well as minimising vulnerability in poor households (Motšoene, 2013: 215). As noted in previous chapters, lack of formal employment, retrenchment, and implementation of structural

²⁸ Informant Motlatsi, interviewed at Kao, Butha-Buthe, September 2013.

²⁹ Informant Tieho, interviewed at Liqhubong, Butha-Buthe District, October 2013.

adjustment policies amongst other things has led to the diversification of livelihoods by households in the region (Motšoene, 2013; Bryceson, 2002; Ellis, 1998).

Casual or 'piece jobs' are popular in the villages of Kao and Liqhobong. Such jobs include working for commercial diamond mines (Kao or Liqhobong) as a casual labourer for limited weeks or months. Other kinds of piece jobs in these two villages include offering services such as washing clothes for people, hoeing and harvesting other people's fields, building or maintaining houses, and levelling ground for other people so that they can build a house (Field work, 2013).

In my interviews with villagers from Kao and Liqhobong, I asked them about their sources of income. Unsurprisingly, most of the informants talked about the lack of employment in Lesotho and in the highlands. The available employment is limited to piece jobs either offered by fellow villagers or commercial mines in both villages (Field work, 2013). Many informants from Liqhobong also stated that subsistence farming was their source of livelihood; however, production has dropped drastically, so much so that they were forced to look for other opportunities to feed their households (Field work, 2013).

Their views echoed the wider literature on the decline of agriculture in the region as a result of SAP implementation, climate change, and a decline in remittances from South African mines (Motšoene, 2013; Bryceson, 2002; Ellis, 1998). At the time of the study conducted by Murray (1981) in Lesotho, many of the men from the rural areas of Lesotho were working as migrant miners in the South Africa. Since then things have changed, with a Sechaba Consultants (2004) report indicating that few men from Kao work in the South African mines. Most of them work informally in different sectors within Lesotho.

Sechaba Consultants (2004: 26, 27) documented the most popular occupations in Kao village. 'Occupation' was defined as the principal activity of the person, not as the person's profession or form of employment (Sechaba Consultants, 2004: 26). The most popular occupation was panning (diamond digging), with just over one-third of the population engaged in this as their prime activity. Diamond digging was the highest occupation with 35 per cent. The second most common occupation was housework (22 per cent of adults) which did not generate income, the third most

common activity, self-employment (9 per cent), has comprised of those engaged in traditional home brewing, selling to both residents and migrants (Sechaba Consultants, 2004: 26). The fourth most common activity was farming (6 per cent of adults), and the fifth was shepherding (5 per cent) (Sechaba Consultants, 2004: 27).

For local villagers to get employment at the commercial mine is difficult because there is strong competition for new jobs and the level of education of those seeking employment is often not up to the standards required by the commercial mines, leaving most to resort to unlicensed artisanal diamond mining (Field work, 2013). Villagers told me that the mines were looking primarily for skilled employees (with qualifications and specialised skills), and since most of them were uneducated herdsmen they could not compete with skilled people from South Africa and the urban areas such as Maseru (Field work, 2013).

Moreover, the wages from casual labour are too low to sustain a household, largely because cheap labour is a key incentive offered to foreign investors, with most employers sticking to the minimum wages without any increment (Motšoene, 2013: 215). Information on actual payment rates for such work were not easy for me to obtain as informants refused to reveal the amounts. They only complained of how low the wage was. I was unable to investigate the welfare provisions for workers at this mine.

As mentioned earlier commercial mining companies now prefer to employ expatriate staff over locals (Tibbett, 2009: 13; Laterza, 2014). Locals are often employed as casual labour in small numbers while production is outsourced. A pattern that has been observed in other capitalist enterprises under contemporary neo-liberalism, is that mines have drastically cut down on welfare provisions for workers. In the case of the commercial mines operating in Kao and Liqhobong I was unable to get any information on the number of jobs available in the mines. I did not even have access to their annual reports.

The household of Mr Moketa³⁰ was an example of a family faced with the difficulty of coping without a permanent job. Moketa (37) had previously worked in South Africa

³⁰ Informant Moketa, interviewed at Liqhobong, Butha-Buthe District, October 2013.

as a construction worker but now his household depended on income from piece-jobs. He stated:

Since coming back home from South Africa [working for construction companies under contract] here in Liqhobong, I still live by piece-jobs either by contractors working in the mine or someone asks me to help (*thusa*) in our village with a garden. I do all these piece-jobs to feed my family [wife and kids]. There is no job in Lesotho; the government is not doing anything to help us.

(Interview, Moketa, October 2013).

Moketa and his household lived on the income from the piece jobs, and he did not have livestock to fall back on in times of need. Piece jobs offered by the commercial mine are popular, but when it comes to working in the garden the terms become fluid as villagers may regard such work as a piece job or simply as a form of helping out (*ba thusa*) the owner of the garden (Field work, 2013). Among Basotho, the principle of helping and sharing (*thusano*) is widely recognised as a long-standing, traditional and highly valued part of everyday life (Turkon, 2009: 90 citing Turkon, 2003: 159).

In this section, I discussed informal income-generating activities indirectly related to diamond mining, such as renting and piece jobs. I showed how residents of Kao and Liqhobong may benefit from renting houses and yards to outsiders. The main occupants of the rented houses are miners working at the commercial and artisanal diamond mines. Moreover, piece jobs, either from the commercial mines or other villages, are a popular occupation among both migrants and residents of Kao. This is important for my study because it showed how the villagers and migrants depend on the informal sector as a result of the socio-economic hardships in the region.

Trade in wool and mohair

In Lesotho, sheep and goats are raised for sheared wool and mohair which is sold to provide cash income (Matsumoto, 2014: 14). On average, a sheep produces 3.5 kg of wool while a goat makes 1 kg of mohair. According to the Animal Production Officer,³¹ I interviewed, a kilogram of wool in 2013 was sold for ZAR 35 on average, whereas mohair was sold for ZAR 55 a kilogram. Villagers in Lesotho normally sell their wool or mohair through the Ministry of Trade, Cooperative and Marketing and

³¹Mr. Tlhatlosi Tlatlosi District Animal Production Officer, interviewed at Teya-Teyaneng, Berea District, September 2013.

through other associations such as the Wool and Mohair Growers Associations and the South African Wool Board.³²Farmers, after selling their products, normally get a cheque the following year through the same Ministry (Mafisa, 1992).

Migrant miners normally rear their livestock in their own villages rather than keeping them in Kao and Liqhobong villages. In their own villages, it is easier to get someone to look after their livestock than it would be in Kao or Liqhobong. Therefore, they sell wool and mohair from their respective villages (Field work, 2013).

Villagers in Lesotho also rear cattle, as well as horses and donkeys, although the latter are less numerous as compared to cattle, sheep and goats. Villagers use horses and donkeys as means of transportation. Horses are normally used for travelling long distances such as going to the cattle posts to monitor livestock. Donkeys are used to transport food crops from fields, or water from distant boreholes to homesteads. A donkey can also be used to transport grain to the diesel mill to be ground into flour. Villagers that do not own horses and donkeys can borrow from others. They do not pay for the services but have to be on good terms with the donkey or horse owner. This means that horses and donkeys raised in these villages are not for owners' use only, but for mutual aid as well (Field work, 2013). The above mentioned animals are normally reared by men, whereas pigs and chickens are reared by women (see Ferguson, 1990); and under normal circumstances whereby the wells are nearby, women are the ones responsible for fetching some water. Women are only assisted by boys with donkeys if the wells are far from the village.

Cash income derived from the sale of wool and mohair and from other livelihood activities is normally spent in these villages. Villagers purchase goods or groceries from the local small shops and may also go to Hlotse town. In most cases their cash income contributes to the local economy of the village through buying in the village and also hiring other villagers for piece jobs that include gardening and washing clothes. The local earnings are thus distributed amongst the villagers of Kao and Liqhobong.

³²Wool and mohair is shorn at the wool shed by livestock assistants in the presence of the farmers committee from organisations like the Wool and Mohair Growers Associations (WMGAs). Wool or mohair is weighed and packaged and sent to Maseru. The WMGAs sell their wool through the South African Wool Board (SAWB) and their mohair through the South African Mohair Board (SAMB) (Mafisa, T. 1992).

In this section I discussed the trade of wool and mohair in Kao and Liqhobong villages. I also showed how villagers spend the income earned from wool and mohair. This is important as it demonstrates a different form of livelihood that the villagers in the highlands are engaged in compared to the villagers in the lowlands. Family livestock holdings are higher in the mountains than they are elsewhere in the country (including lowlands) (Turner, 2001: 62).

Land as an asset and livelihood

Land is an important asset that can cushion the poor against poverty (Motšoene, 2013: 216). It serves to generate livelihoods in terms of agricultural productivity and sometimes through income generation from leasing it out for other productive activities (Motšoene, 2013: 216). But where there is insecurity of tenure along access to land, this increases the vulnerability of poor households. The land administration system determines security of tenure in many African countries (Motšoene, 2013: 216). In Lesotho, from the 1980s, the land administration system was modified through the introduction of legislation, such as the Local Government Act of 1997 and 2004, which enabled leasing of land in urban areas by individuals living there (Motšoene, 2013: 217; Thabane, 1995: 21). Later on, there was the introduction of the Land Act of 2010 (replacing the 1979 Land Act), which stipulated that chiefs no longer had the power to allocate or administer land; instead, this prerogative was vested upon elected politicians or officials, such as local political councillors and cabinet ministers. Despite this legislation, the communal land tenure systems did not change; as such, all members of a community retained access to communal grazing land (Lesotho: Land Act 2010, No.8 of 2010, 2010: s4; Daemane, 2012: 168). With regard to women, land-related laws discriminating against women have been repealed. Women are now entitled to own land and register it in their own names. Married women have access to land and entitlement, through women's rights under the Equal Married Person's Act, 2000 (Motšoene, 2013: 218). The women who are not married now have access and entitlement to land through Land Act 2010. Another new concept introduced by this Act was the entitlement of land by foreign companies with a local shareholding of about 20 per cent. Prior to this Act, no foreigner or foreign company could own land in Lesotho (Daemane, 2012: 168; Polasi, Mohapi, & Majara, 2015).

Land is an important asset to the households of Kao and Liqhobong, and the main crops produced are maize, wheat and peas. The fields in these villages often lie along the mountain slopes and are susceptible to soil erosion due to the steep terrain. Informants stated that in the past they had plenty of food (from crop production), as they used to reinvest the remittances from South African mines to buy agricultural inputs (Field work, 2013). As a result, they were food secure, and those who did not have fields used to assist those with fields, and they were paid with food or cash, which is still the practice with those who own fields even though they are few. The fields of about twenty households in Kao were taken by the commercial diamond mine in Kao as it expanded its mining operations, and these households were left without fields (see section on land dispossession [page 111]) (Field work, 2013).

Manual labour demand was often at its peak during the farming season, more labour was needed from January to February for weeding and from April to June for harvesting. During farming seasons, villagers who had no land worked for money and food grain for those who owned land, this resulted in *khora*, which means abundant food supplies for everyone in the village. However, this is not the case anymore, since, as mentioned above, 20 households have been dispossessed of their land by the commercial mining companies (Field work, 2013).

Mr Tamao³³ from Kao used to farm his field (inherited from his parents) before the commercial diamond mine in Kao expanded its mining area to include his land and adjoining fields (fencing the area) in 2000. Tamao (37 years), father of two children, stated:

Do you know how I grew up from my childhood to where I am today? I used to cultivate land and grow crops on the land that has been taken from me by the owners of that mine. I am left with not a single field that I can use to grow crops. I used to sell maize to people here and with that money I supported my family. Apart from growing crops I also searched for diamonds here in the river.

(Interview, Tamao, June 2013).

Villagers who have enough maize normally sell some to those who have not cultivated or do not have maize. As of 2013, during my field work, 20kg maize was

³³ Informant Tamao, interviewed at Kao, Butha-Buthe District, June 2013.

costing ZAR 120. Additionally, grains such as wheat and sorghum were exchanged as 1:1 (20kg of sorghum to 20kg of wheat) (Field work, 2013). The internal market is popular among the villagers in Lesotho and villagers prefer to buy grain from the local villagers rather than going to a supermarket. This behaviour can be attributed to neighbourhood ties, negotiable prices, paying in kind, or buying on credit, and even borrowing maize or maize meal from other villagers. I suggest that it is morally acceptable for the villagers to look for food internally before going outside. In the past, Lesotho was able to feed itself and in good years surpluses were produced and exported to other countries (Mbata, 2008: 6). However, during the 1920s, food production in the country began to decline and by 1930 Lesotho has become a net importer of food grains (Mbata, 2008: 6).

Another challenge some of the informants expressed was the lack of funds for buying agricultural inputs during the farming season (2012/2013). As a result, many of the households struggle to survive on agricultural production alone. The maize and wheat yields of those who did manage to continue cultivating had diminished from an average of 8 bags (50 kg) per acre to 2 bags which was the case in the 1970s to 1980s (Field work, 2013). The situation became even more acute in the 1990s as more informants were retrenched from South African mines. The consequence was that farming was affected, and households became more food insecure (Field work, 2013). Mr Rantšo (1960)³⁴, living in Kao, and the father of four children, revealed his situation as follows:

I was retrenched in the mines in 2005, since then I don't have money to buy seeds and fertilisers for my fields. I always wait for someone who will do sharecropping or half-share (*lihalefote*) with me, because I don't even have livestock.

(Interview, Rantšo, June, 2013).

Rantšo is a land owner who inherited his field from his late father but does not have funds to buy agricultural inputs and a span of oxen for ploughing (a span of oxen costs ZAR 150 per acre). In the case where a villager owns land and does not have funds to buy agricultural input and oxen, such a villager gets involved in sharecropping. In sharecropping, the owner of land and the funder share the harvested grain based on a verbal agreement made prior to cultivation. Both parties

³⁴ Informant Rantšo, interviewed at Kao, Butha-Buthe District, June 2013.

share their harvest after taking into consideration the weeding expenses. Without external assistance, Rantšo's piece of land is useless and there will be no production to sustain his household (Field work, 2013).

Households involved in sharecropping³⁵ practices in the late twentieth century used it as a mechanism to build up their assets while working in the South African mines; such practices also enabled households of Kao to sustain farming activities within the community. Poor farmers combine efforts with others in a similar situation to carry out farming activities; and the households continue to help each other in many informal ways. The result is that there is no absolute destitution or social exclusion among households (Turner, 2005).

Villagers in Lesotho use sharecropping to strengthen social protection mechanisms and traditional sharing even though these two forms of support overlap, there is more potential in the social protection mechanisms than in traditional sharing. Turner (2005) argues that there is a long and lamentable history of the Government of Lesotho adopting the traditional mechanism of sharecropping as a development strategy (Turner, 2005). These interventions in sharecropping have always generated losses for the state as the government rarely succeeded in collecting its share of the proceeds. However, field owners often suffer too, especially when ploughing and input delivery from the government arrives late and/or is inadequate, leading to correspondingly low harvests – which therefore means that the government also suffers losses due to its not being able to cover its costs from field owners. Turner (2005) argues that the Government of Lesotho should stay clear of sharecropping with Basotho, for such strategies are in nobody's interest. This advice is often linked to a broader conclusion about the ineffectiveness of government, or other external agencies, intervening in the sharing mechanisms within a community (Turner, 2005). In my field work I discovered that villagers of Kao and Liqhobong

³⁵ Half-shares ploughing or share cropping was a farming method that mostly involved Basotho who did not possess oxen. This was a contract between land-occupiers who had no cattle and owners of ploughing oxen. The contract took many forms, though the usual agreement involved the occupier providing the land, and the plougher providing the oxen. Both contributed equal amounts towards purchasing seed and both parties split expenses related to bird-scaring, hoeing, and reaping. And at the time of harvest, each party got half the crop (Duncan, 2006). If one side undertakes to relieve the other of part of the cost or labour, then an adjustment in the final share of the crop may be made. As was the norm, with such arrangements, if one side did all the reaping or hoeing, the other side would give up one bag of the final harvest, however small the harvest was, for each of these operations. It is important to note that half-shares ploughing did not require third party interference notably that of local chiefs (Duncan, 2006).

practised traditional share cropping which did not involve the state. They practiced share cropping in both cropping seasons (winter and summer).

Land dispossession

Land dispossession too has led to households' livelihood diversification in Kao and Liqhobong. In the case of Kao village, a commercial diamond mine took over of some of the fields through negotiations with owners of the fields and the state in 2004 (Field work, 2013). In Liqhobong village 24 households were due to be displaced when the commercial diamond mine was expanded in 2014 (Field work, 2013). However the process of relocating households was expected to increase over time due to the expansion of the plant within the mine's growing concession area (Field work, 2013). Of the 24 households, 22 were to be relocated to the far end of the same village of Liqhobong and two to the lowlands in Leribe district, in Sebothoane and Tšifalimali villages (Field work, 2013).

The process of displacement and relocation is unfortunate as some of these villagers from Liqhobong were elderly and wanted to remain settled rather than to be relocated. Displaced households were going to lose social ties with their current neighbours; their livelihoods would also be affected (Field work, 2013). The households that were displaced to the lowlands would no more be involved in artisanal diamond mining. Therefore, displaced households would have look for other forms of livelihood as there is no artisanal diamond mining in Leribe (their new place). The commercial mine seemed not to have a rehabilitation programme for these displaced villagers that would sustain their lives and livelihoods (Field work, 2013).

As mentioned earlier, in Kao some of the informants told me that they legally lost their fields to the commercial diamond mine in 2004. However the mine did compensate the householders, and they received the first payment of ZAR 5,000 called *teboho ea ts'imo*' (which means thank you for your field) in the early 2000s. Subsequently, Kao households which lost fields receive an annual payment every year in June. This payment varies from one household to another depending on the acreage of a field, however on average it is ZAR 1000 (Field work, 2013). Notwithstanding the compensation, the householders of both Kao and Liqhobong

stated that their livelihood had been lost during the expansion of the commercial mining deposits in both areas because they had lost fields (*masimo*) and yards. They lost their land for foreign commercial mining companies, and also lost their source of income or livelihoods which was farming and diamond mining (Field work, 2013).

In this section, I discussed land as an asset and livelihood among the villagers of Kao and Liqhobong as well as land dispossession in both villages. I showed how, since the expansion of the commercial diamond mines, some villagers lost their fields and yards. As a result their agricultural production decreased. This is important for the argument I am making in this thesis about the moral economy of land connection and ownership among the villagers of Kao and Liqhobong.

Sale of precious stones

Miners mine not only diamonds but also other precious stones and minerals such as *lirubi* (rubies) and *sekama* (ilmenite)³⁶. Miners sell *lirubi* and measure them out by the cupful to buyers of precious stones, with prices ranging from ZAR 250 to ZAR 350. Miners also sell *sekama*, mainly to families of initiates or owners of initiation schools. This mineral is crushed into powder and mixed with other ingredients such as petroleum jelly to form a cream or lotion that is used by initiates prior to their graduation. It is important to emphasise that artisanal miners, as much as they dig primarily for diamonds, also mine for *lirubi* and *sekama*. The sale of such precious stones and minerals contributes to household income (Fieldwork, 2013). Mrs 'Malisemelo³⁷ (1968) living in Kao confirmed:

I sell *lirubi* and *sekama* with my husband. We both dig for diamonds along the river. It is not a lot of money but it is better than nothing. We are trying because we are a family of five people. We stay with our three children and they do not work.

(Interview, 'Malisemelo, July 2013).

Villagers also sell diamonds to buyers in the mining sites or from their homesteads. This is discussed in more detail in Chapter 5.

³⁶ Of minerals which have been mined on a small scale in Lesotho over a long period, the best known is *sekama* or ilmenite, a shiny mineral used for cosmetic purposes. Crushed and mixed with sheep fat, it adds lustre to the hair. Ilmenite is always found in association with kimberlite (Ambrose, 2004).

³⁷ Informant 'Malisemelo, interviewed at Kao, Butha-Buthe District, July 2013.

4.4 Summary

The general observation from this chapter is that the informal economy is central to economic lives of the villagers of Kao and Liqhobong. Traditional livelihood activities, such as agriculture and remittances from South African mines, are declining in importance. General observations from the villages of Kao and Liqhobong indicate that there are a number of sources of income for these villagers: the selling of goods and services, and the old-age pension grants; then there are those indirectly related to mining (rent and piece jobs); villagers also trade in wool and mohair; and there is sale of precious stones and diamonds; and land is both an asset and a source of livelihood. Women in particular find refuge in the informal economy.

The next chapter reviews how artisanal diamond mining, as one of the informal income generating activities, has become an important rural livelihood after the decline of migrant labour and agriculture. It also considers what kind of moral economy has developed among artisanal miners in rural Lesotho.

CHAPTER 5: KAO AND LIQHOBONG: CENTRES OF CONTEMPORARY ARTISANAL DIAMOND MINING

5.1 Introduction

The preceding chapter explored livelihood diversification among the villagers of Kao and Liqhobong. This chapter documents how artisanal diamond miners work at the river banks and dumping sites of the commercial mines. It also examines how households of Kao and Liqhobong as well as those from neighbouring villages engage with ASM after the state displaced them and privatised their cooperative to make way for commercial mining companies. This chapter argues that illegality, as seen by state officials and government bureaucrats, is on the contrary regarded by unlicensed villagers as a legitimate survival strategy. It answers questions such as: How do villagers mine and why? What kind of moral economy has developed among artisanal miners in rural Lesotho? What is the contribution of mining to local economies and households livelihoods?

I take further the argument about the existence of a moral economy among miners, which shapes their relationship to land and to mineral wealth, by highlighting the way in which the moral economy shapes villagers' attitudes to work and their livelihoods. Since villagers who mine operate without licences, this chapter also explores the transformations in the strategies they employ in the marketing and trading of artisanal diamonds. Despite the fact that ASM in Lesotho is unlicensed, artisanal miners or villagers involved in ASM do not refer to themselves as 'illegal miners' even though the state and government officials refer to them in this way.

One government official (Khoboko, 35 years) elaborated on the illegality of ASM within the country as follows:

People in the highlands like to engage in artisanal diamond mining illegally. They do it knowing very well that it is illegal to do so. They do not consider the mining legislation which does not allow them to do so [referring to the Mines and Minerals Act of 2005] (see chapter 6). Nonetheless, they continue to dig diamonds illegally. (Interview, Khoboko, January 2014).

Unlicensed artisanal diamond miners in Lesotho, like informal copper miners in Zambia, have ‘crafted an alternative moral economy to justify what they are doing and why are they doing it’, as stated by Mususa (2014) in her thesis titled *‘There used to be order: Life on the Copper Belt after the privatisation of the Zambian Consolidated Copper Mines*. In her thesis, Mususa (2014: 124) states that ‘an alternative morality to justify illegality should thus be seen as part of the creation of a narrative to explain the growing importance of informality as a way of inhabiting the world and making a living...’ This is in the context of improvisational livelihood-making, which casts people outside formal legal systems, and in turn leads to contestations over ownership and control (Mususa, 2014: 124). This is in line with the wives of retrenched miners from the Zambia Consolidated Copper Mines who got involved in informal copper mining through reworking ore from commercial mine dumping sites when their husbands got retrenched from the Zambia Consolidated Copper Mines.

Therefore, in the complex interactions that emerge, legality and legitimacy start to separate from each other; if state organisations present informal miners and their activities as illegal, the miners reclaim legitimacy by, amongst other things, drawing attention to the importance of mining to their livelihoods (Lahiri-Dutt, Alexander & Insouvanh, 2014: 26). By refusing to change their occupational identity as miners, villagers not only resist being labelled as illegal but also challenge static mineral governance systems that have remained blind to their interests (Lahiri-Dutt et al, 2014: 27). It is in this scenario that miners or villagers in Zambia and Lesotho or elsewhere contest the structures or institutes that hinder their involvement in ASM by labelling them illegal.

Secondly, within a discussion of the human economy, the chapter contributes to an understanding of what people (artisanal miners or villagers involved in ASM) ‘do on the ground, not what economics textbooks claim they are supposed to do’ (Laterza, 2013: 135). This may be understood in the economic democracy sense, whereby artisanal miners ‘express their own interests’ (Hart & Sharp, 2015: viii) by working at the river banks and dumping sites of the highlands of Lesotho. The human economy approach in particular calls for a renewed attention to everyday economic practices documented through the ethnographic method, which should be set against, and in

relation to, a global economic system and emergent world society to be understood historically (Hart & Sharp, 2015; Hart, 2015). Nonetheless, their mining activities are contested in various ways.

This chapter draws on ethnographic research carried out from May 2013 to January 2014 in two mining deposits in Kao and Liqhobong in the Butha-Buthe district, in the north eastern part of Lesotho. In Kao and Liqhobong I observed unlicensed artisanal diamond miners or villagers digging for diamonds along the banks of the Kao River and the Liqhobong River and also at the dumping sites of commercial mining companies. I carried out unstructured and semi-structured interviews with informants at their work places and homes. The following section explores the role of ASM in the local economies of Kao and Liqhobong.

5.2 Role of artisanal diamond mining in local economies of Kao and Liqhobong

Thabane (2000a, 2003) argued that the people of Kao and Liqhobong were different from other people in the highlands or lowlands because of the availability of diamonds. Diamonds supplemented the traditional pastoral and agricultural activities. So households in Kao and Liqhobong depended on crop and livestock production as well as selling of diamonds. Mr Lerole (49 years), a migrant unlicensed miner in Liqhobong, had the following to say in an interview:

I left my wife and children at home in Chepesele (lowlands in Butha-Buthe district) to make a living in Liqhobong. I'm digging (*cheka*) for diamonds out of hunger (*tlala*) because there are no jobs (*mesebetsi*). The government (*'muso*) is not giving us jobs; rather they harass us as miners when making a living
(Interview, Lerole, September 2013).

Mr Lerole makes the case that lack of jobs in Lesotho is the main reason that pushed people such as himself into diamond digging. He legitimises his unlicensed mining activities because of this lack of jobs, the small returns, and the harassment from government officials. We have seen that since political independence miners have responded in a variety of ways to efforts by the state to displace and regulate them. Mr Ramakau (63 years), an unlicensed miner in Kao, stated:

I joined *sosolo* [individual diamond digging/ASM] after retrenchment (*phonkola*) from Welkom. I came here [Kao] to work because there is

nowhere else I can go to feed my family/household (*ho fepa le lelapa la ka*).
(Interview, Ramakau, May 2013).

Ramakau legitimises his work (mining activities) as the consequence of unemployment since being retrenched from South African mines. He says it is the need for some form of employment in order to take care of his household that made him take what he believed to be the only available work, which is unlicensed ASM. Typically, this is how Ramakau and other informants legitimise their unlicensed ASM activities.

Following the displacement of artisanal diamond miners from the deposits in Kao and Lihobong to make way for the commercial mining companies, artisanal miners moved to river banks and dumping sites to eke out diamonds. Informants I interviewed expressed the view that the absence of a social welfare system made their life even more difficult. Mrs 'Malikeleli from Lihobong commented:

Because I am only 53 years I do not get any social grant (*penchene*) from the government. I wish I was getting that because I do not work and I am a widow living with my three children. Without the social grant I'm helpless.
(Interview, 'Malikeleli, October, 2013).

'Malikeleli long to receive the old-age pension grant as it is a consistent source of income and there are very few opportunities to make a living in their villages. Moreover, the fact that the commercial mining companies have taken over some tracts of land in Kao and Lihobong is given as the reason for people's need to turn to unlicensed ASM. Mr Moremo-moholo (52 years) an unlicensed miner from Kao had the following to say in an interview:

The commercial mine took our land [pasture] (*makhulo*) and fields (*masimo*). Our livestock (*liphoofo*) has nowhere to graze, and even the land where we used to dig diamonds (*cheka*) is taken. We are left to scavenge in the river in order to live (*ho ngoapa ka nokeng hore re phele*).
(Interview, Moremo-moholo, June, 2013).

According to the miners I interviewed, both villagers and migrants, unlicensed ASM is their survival strategy and the commercial mines deprived them of a key source of

livelihood. Secondly, they engaged in *sosolo* [ASM] due to retrenchment, lack of social welfare and unemployment in the country. The moral economy of miners includes the morality of obligation and provision for their households. ASM is the available supplementary livelihood for their households; as a result they are obliged to join *sosolo* as there are no other opportunities.

5.3 Role of commercial diamond mining in local economies

A commercial mine in Kao, like many other commercial mining companies in the highlands of Lesotho, employs some local residents as casual labourers (temporary and unskilled) (Field work, 2013). In these villages and in Lesotho more generally occasional work or casual labour is known as ‘piece jobs’ or ‘piece work’ (Motšoene, 2013: 241). This form of occasional work is common in both Kao and Liphobong commercial diamond mining. In an interview with Mr Katse (37 years), an unlicensed miner and a casual labourer at the commercial mine in Kao, the issue of piecework arose:

Researcher: So, for now, how do people you know and who do not work survive?

Mr Katse: I see you were not listening to me, I said people live with piece jobs (*phisijobo*). It is much better to stay with my family and fend for them right here. Find piece jobs here and there and at least spend that money together with them.
(Interview, Katse, June 2013).

Similarly, Mr Mosia (48 years) from Kao, also a casual labourer at a commercial mine, expressed his views as follows:

Some [people] do work here [at the commercial mine], however, they are on piece jobs, like two months or so. At least they are always doing something. It is better than nothing.
(Interview, Mosia, July 2013).

Since temporary casual employment is a source of income, it is no wonder the villagers feel that doing a “piece job” is better than sitting at home with no job. This is especially the case for those who do not own livestock or are not involved in ASM. Additionally, the commercial mines installed public water pipes and pumps in both Kao and Liphobong: the source of the piped water in both cases is within the mining

compounds (Field work, 2013). In the case of Kao, some villagers complained³⁸ and suspected that this piped supply was polluted; while the mine officials argued that it was clean and purified. Consequently, for household use the villagers of Kao prefer to go back to old sources of water rather than consuming the water from pumps constructed by the diamond mine (Field work, 2013).

A commercial mine in Kao maintains the gravel road from the T-junction in the nearby town to Kao. This gravel road gives motorable access to Kao although it can be risky to drive small vehicles, especially when the road is wet (due to snow and rain). However, Kao gravel road is well maintained compared to the Liqhobong road which can only be plied by 4 x 4 vehicles and big cars.

This section is about the role of the commercial mining companies in the villages of Kao and Liqhobong. Both commercial mines provide villagers with piece jobs and water and maintain the gravel roads from the neighbouring town to the respective villages. Most of the commercial mines in the highlands hire local as casual labourers; this is the kind of employment available for the locals. The locals stated that the recruiting commercial mining officials described them [locals] as unskilled and not educated enough to perform technical tasks. Hence the jobs are given to foreigners and people from the lowlands.

5.4 Informal and unlicensed artisanal diamond mining in contemporary Lesotho

Since artisanal diamond mining was criminalised by the LCD-led government in 2004, after pressure from the IMF and World Bank through SAP, artisanal miners in Kao and Liqhobong moved to the river banks to sieve or dig for diamonds rather than working in the open pits operated by commercial mining companies, with some going as far as to scavenge the ore dumped by commercial mines. I observed men (and some women) between the ages of 17 and 75 working in the rivers, with the most active ones being middle aged.

The economic reality of Lesotho is driving changes in the gender profile of the artisanal miners in Kao and Liqhobong. In earlier years there were almost equal

³⁸ Interview with Member of Parliament (MP) from the highlands constituency.

numbers of men and woman artisanal miners (Field work, 2013)³⁹ However, following the retrenchment of migrant labourers from mines in South Africa, more men became involved in unlicensed ASM. During fieldwork, I observed that most of the unlicensed artisanal miners were from the villages surrounding Kao and Liqhobong, however, there were also some who had migrated from other parts of Lesotho (internal migrants) such as Mokhotlong, Thaba-Tseka and Mhales' Hoek (Field work, 2013).

Artisanal diamond miners and villagers learnt mining skills through hands-on practice and informal transfer of knowledge by working with older and more skilled artisanal miners. They worked individually and used rudimentary tools and the mining method can be described as 'labour intensive' (Thabane, 2003: 147; Hinton, Veiga & Beinhoff, 2003). This is the case for ASM in Zimbabwe and Ghana and also among the miners I observed in Lesotho where the most common equipment consisted of picks, shovels, spades, buckets and bowls. The buckets were used for carrying soil to the other side of the working area, and miners were panning and sorting diamonds in big basins with small holes to let water out (Field work, 2013). The buckets and bowls ranged in size from 5 litres to 20 litres.

Mr Lerapo (40 years), an unlicensed miner and villager from Kao, illustrated how he carried out his mining activities:

I dig, and pull stones/rocks with the spade. After that, I collect the soil (*mobu*) and mix it with water and then sieve for diamonds. Or at times, I dig the mud inside the running river water. I clean this mud in order to locate diamonds. Once I find a diamond, I celebrate and tell other miners nearby to rejoice with me. Nonetheless, in most cases I find *lirubi* and small diamonds
(Interview, Lerapo, July 2013).

The miners seldom buy mining tools, as they get them from former miners within the village. I suggest that use of tools is anchored in relationships of mutual kinship, neighbourhood and community membership.

Miners told me that they preferred to work individually because diamonds were scarce compared to what they used to find at the deposits, which are now controlled

³⁹ Informants in Kao and Liqhobong, 2013.

by the commercial mining companies. Hence, they do not want to share their work and profits with other artisanal miners (Field work, 2013). Artisanal diamond miners who worked individually performed all of the mining roles themselves. Nonetheless, there were a few forms of collective digging that involved teams working along kinship and friendship lines, i.e. family members or relatives and friends. These teams assisted each other where necessary, particularly when carrying out activities that involved heavy duties. For example, in collective diggings, miners assisted each other to remove a big rock which could not be done by an individual. In this case, the miner who needed assistance, organised and mobilised others to assist him or her to remove a rock/s (Field work, 2013). Mr Taoana (50 years) from Kao-Tiping village illustrated collective digging as follows:

At times, I have to remove *pitla ea lejoehali* a big rock, that's when I ask other miners to help to remove that rock. I will tell them *khome e oele* [literally a cow has fallen which means I need assistance]. They will come to help me remove the rock, and then go back and continue with their diggings (Interview, Taoana, July 2013).

Similarly, there were a few couples that worked together in both Kao and Liqobong. These couple on average were 40 years old. I interviewed two couples per village. Mrs 'Mamahapu (42 years), an artisanal miner from Liqobong, described how she and her husband carried out mining activities:

I started working with my husband recently, especially when I do not go to help other people in their fields. He digs for diamonds and I wash/pan and sort them [diamonds or rubies]. When we find a diamond it becomes a joyful moment for both of us.
(Interview, 'Mamahapu, October 2013).

In both cases, collective diggings are organised around fellow artisanal miners, villagers or kin. Nonetheless, in general, most artisanal miners preferred to work independently on a daily basis.

Some of the unlicensed miners from Kao even preferred to dig for diamonds at night under the moonlight using a torch, since they worked for a commercial mining company during the day. They needed only rudimentary tools and strength to engage in ASM, and they were free to rest without asking permission from anyone. In Liqobong it is a different case, as miners preferred to work during the day; normally their average working day was from sunrise to sunset with a very brief

lunch break. This could be attributed to the fact that unlicensed ASM miners took mining as their full-time job, something close to ‘formal employment’ (Field work, 2013). Mr Lekhulo (43 years) a migrant artisanal miner in Liqhobong, had the following to say in an interview about diamond digging:

I began digging for diamonds in Liqhobong as a way of making a livelihood. I come here every morning and leave in the evening. This is my full-time job (*mosebetsing*). I engage in diamond digging every day, except when there is a funeral in the village which is normally on Saturday. (Interview, Lekhulo, November 2013).

As it has been stated in Chapter 4, the key finding of the Sechaba Consultants report about Kao is that ‘illegal’ diamond panning is the most common current adult occupation in Kao, with 35 per cent of adults involved in it (Sechaba Consultants, 2004:26). This is attributed to the fact that very few people in Kao have any reliable employment, suggesting their ready availability once formal mining begins. The only other activity of note is farming, which is the main occupation of 6 per cent of adults in Kao. Involvement in farming is not untypical– in Lesotho adults frequently engage in farming as a secondary activity, with rounds of short but intense seasonal work (ploughing and planting in spring, weeding in summer and harvesting in winter) (Sechaba Consultants, 2004: 26).

However, as discussed earlier, artisanal diamond miners do not consider themselves to be illegal miners, even if the Sechaba report characterises their mining work as such. They have constructed a moral economy through which they have legitimised their unlicensed ASM activities on the basis and the sense of, amongst other things, land ownership. According to this moral economy, the diamonds belong to them.⁴⁰ Mr Khotle (48 years), an artisanal miner and resident of Kao, described this moral economy as follows:

My field/land *tsimo ea ka* was taken by those people in that mine, so I don’t have a field and the place to dig for diamonds. They took everything I had which is my land (Interview, Khotle, June 2013).

Khotle and other informants from Kao and Liqhobong, claim that the land belongs to them and that their use of it for unlicensed ASM is legitimate. Unlicensed artisanal

⁴⁰ Informants in Kao and Liqhobong, 2013.

mining in Lesotho constitutes an illegal and informal economic activity principally because income generated through diamond mining and selling are largely unregulated by the law (see Chapter 6). As Blair (1981: 144) stated, unlicensed diamond digging has no barriers to entry, no licence fees, and entails no negotiations with mining officials or chiefs. Hence, unregistered artisanal miners never pay taxes, and their main objective is to meet household needs and acquire quick wealth (Labonne, 2014).

This section was about the ASM activities in contemporary Lesotho discussed the equipment miners use and their working relations in both collective and individual diggings. Miners use rudimentary equipment passed down from generation to generation. Mining involves mutual aid among kin and neighbours and a moral economy shared among miners.

5.6 Linguistic terms used in unlicensed artisanal diamond mining

Further evidence for the existence of a shared moral economy among the artisanal miners and villagers of Kao and Liqhobong is the existence of a shared vocabulary or linguistic code among miners, which refers to diamonds and the mining of precious stones. Some words in this vocabulary are also used by miners in other parts of the country and by the surrounding communities. Miners use the following terms; *masosolara* [alternatively *masosolo*], *maphuphulara* [*maphuphula*], *sosolo*, *thepa*, *phahlo*, *lejoe* and *moeti* in their daily interactions. As it has already been stated, *masosolara* (or *masosolo*) is a term used by the villagers of Kao to designate migrant artisanal miners, it distinguishes the migrants from the residents who are traditionally accepted by the chief and who can therefore claim certain rights, including to land. In Liqhobong the term for migrant artisanal miners is *maphuphulara* (or *maphuphula*). In both villages *sosolo* refers to individual diamond digging or ASM. Miners also shaped Sesotho words to describe a diamond, among the code words used for a diamond are *thepa* which literally means ‘an item’; *phahlo*, which means ‘clothing’, and; *lejoe* which means ‘stone’. The word *moeti*, which means ‘visitor’, is used to refer to a buyer of diamonds (Field work, 2013).

The above-mentioned code words or language innovations,⁴¹ forged by unlicensed artisanal diamond miners and the communities surrounding mining areas such as Kao and Lihobong, distinguish them from the communities of non-mining areas, and from state officials. The emergence of the linguistic codes is reflective of a partially separate moral economy among miners, as the language offers them secrecy in relation to government officials including police. In a sense then the artisanal miners can be likened to a sub-cultural group which has its own practices, norms and moral values. For instance, an outsider listening to artisanal miners having a conversation about *thepa* would find it difficult to understand what exactly those artisanal miners are talking about. The Sotho-speaking outsider would most likely think that artisanal miners were talking about clothing, and not pay much attention to the conversation. The development of a secretive language or code forged in the context of artisanal mining and trading sets the artisanal miners apart, even if only partially, from the surrounding society.

Besides language innovation by unlicensed artisanal diamond miners and villagers, miners (both migrants and miners from Kao and Lihobong) also claim rights over mineral wealth in both Kao and Lihobong deposits. It is evident from what unlicensed artisanal miners said that they consider the mineral wealth in their respective villages to be theirs because their land has been occupied by *makhoa* (literally 'whites' but referring to all foreign investors). Artisanal miners associate *makhoa* with commercial diamond mining, loss of land and loss of access to diamond mining and selling. In their view, their livelihood is intimately connected to and embedded in the land and as such with unrestricted access to land and diamonds. Mrs Mankholi (80 years), a former artisanal miner and resident of Kao, said the following:

With the arrival of the white people (*makhoa*) [also referring to the commercial mine] some people including me stopped digging for diamonds. This is because *makhoa* took our land, yet the land belongs to us Basotho not to them (Interview, Mankholi, May 2013).

The issue of land, race and Basotho has a long history which dates back to the 1830s when land became a central source of confrontation between Basotho and

⁴¹Illegal diamond miners in Chiadzwa Zimbabwe also forged linguistic terms for their diamonds and mining activities (Nyota & Sibanda, 2012:130).

European settlers (Thabane, n. d). Thereafter, Lesotho became a British colony in the 1860s. The background to European land speculators' activities in Lesotho was a series of discoveries of mineral deposits in different parts of South Africa from the mid-1860s (Thabane, n. d). Speculators were convinced that these deposits originated in, or extended to, other territories of the region. This conviction filled them with a desire to acquire land rights in territories adjacent to South Africa, including Lesotho. However, by this time Lesotho was a British colony and the earlier tactics of acquiring land – conquests and agreements with chiefs – were not as feasible as they had once been (Thabane, n. d). Those seeking mining rights had to make applications for consideration not only by the chiefs but also by colonial officials. The chiefs feared losing more land to Europeans against the background of land scarcity occasioned by an increasing population and growing livestock numbers; and they feared losing sovereignty over land leased to Europeans. Accordingly, they routinely turned down Europeans' applications for land rights, and for many years, the colonial government supported the chiefs in their policy (Thabane, n. d). Nonetheless, in the 1950s, the colonial government pressurised Chieftainess 'Mantšebo to allow General and Mining Finance Corporation (GENCOR)'s prominent Colonel Jack Scott to prospect the whole country. GENCOR was a South African company. This move was strongly opposed by the local people as it was considered to be contrary to the traditional land tenure system and it was not democratic, as Chieftainess 'Mantšebo had not discussed the matter with other chiefs within the country (Thabane, 2000). Since then, there have been conflicts over land between the villagers, the state and commercial mining companies.

ASM miners from Kao and Liqhobong have developed a partially separate moral economy by defining themselves and their mining activities as separate from other villagers. The Kao and Liqhobong miners present themselves as distinctive groups of people living together in isolated places and sharing a range of ideas, experiences and practices derived from their shared engagement in artisanal mining. This is also visible in their distinctive attire, consisting of grey blankets with gumboots and hat. One artisanal miner I met in the course of my field work described how police officers would identify miners travelling in public taxis based on their distinctive dress. Having identified miners, police officers would then search and confiscate diamonds found

on their bodies. Mr Mosia (53 years), a migrant artisanal miner in Kao, articulated his experiences as follows:

Police used to pick us out in a taxi full of people because of our attire (*liaparo tsa rona*). They recognised us because of our grey blanket (*kobo e thokoa*), gumboots (*likhohlopo*) and balaclava hat (*katiba ea baretlhaba*). In most cases they [police officers] searched us and took our diamonds. (Interview, Selepe, September 2013).

Artisanal miners' attire looks similar to that of the herders in the highlands, and it takes skill and experience to differentiate between the two. Clearly the police officials are also aware of this. In my observation, the only other observable differences between herders and miners are speech and age. Typically herders are younger than miners, even though I encountered several young miners in Liqhobong. From the wider literature we know that distinctive dress is one of the defining characteristics of a subculture, and that the subculture of Basotho mine labourers, called Marashea, that emerged in the mining fields of South Africa also had a distinctive style of dress (Kynoch 2000; Bonner 1993; Guy & Thabane 1987).

This section was about the shared and secret code that emerged among miners as they wanted to disguise their talk concerning diamonds from the state and other authorities. The section also discussed the relation between the land, race and Basotho as well as the attire typically worn by artisanal diamond miners.

5.7 Trade in diamonds: How artisanal miners sell diamonds and what determines prices

This section draws on ethnographic research into how artisanal diamond miners sell diamonds in Kao and Liqhobong. It should be noted that these artisanal miners have been operating without licences since 2004, which was a year prior to the establishment of the Mines and Minerals Act in 2005. This is why artisanal diamond miners market and sell diamonds without licences (Field work, 2013) as the Lesotho government started applying the provision of the Act even before it was passed in 2005.

Artisanal diamond miners usually store their diamonds in small plastic bags or containers normally used for a leavening or raising agent (yeast). When I enquired from my informants why they use yeast plastic containers to store diamonds, Mr

Selepe (53 years), one of my key informants and a community councillor,⁴² had this to say:

I use the yeast container (plastic bag) as my package for my diamonds because this container is strong and durable, does not tear easily and diamonds will be lost since they are stones and heavy if I use normal plastic containers
(Interview, Selepe, September 2013).

Such yeast containers can be re-used to avoid extra cost as they are easily accessible in the locality, as women use yeast with locally grown wheat for making bread.

In addition to having developed their own secret code to talk about diamonds, artisanal miners and diamond buyers have established a set of criteria that shape negotiations over asking prices for diamonds. These criteria are based on the size and colour of a diamond, and whether it has cracks or not. The buyers purchasing diamonds from artisanal miners in Lesotho later become sellers of these diamonds in South Africa and elsewhere; so the local criteria are linked to the criteria by which diamonds prices in the international market are set (Field work, 2013).

In the international market prices are set by what is known as the four 'Cs', namely colour, carat (weight/size), clarity and cut (Scott & Yelowitz; 2010: 354; Falls, 2011: 441). Colourless and near colourless diamonds have greater brilliance. The weight or size of a diamond is measured in carats. The cut of a diamond has a significant effect on its sparkle or brilliance. Diamonds that are completely free from internal flaws or inclusions⁴³ are very rare (Scott & Yelowitz; 2010: 354; Falls, 2011: 441).

Colour and clarity are predetermined by nature, but within the limits imposed by the rough stone, the particular shape as well as the carat weight and cut are determined in the production process (Scott & Yelowitz; 2010: 355). A diamond processor can cut a rough stone into one or more finished jewels and so he/she will choose the shape, size and cut of a diamond to maximise profits (Scott & Yelowitz; 2010: 355).

⁴²This informant from Lihobong was a community councillor in the neighbouring town, and because he had access to a motor vehicle, he generated additional income by transporting prospective diamond buyers to artisanal miners. This informant was also a diamond dealer, selling diamonds he had bought from artisanal miners in the rivers banks to outside buyers.

⁴³ Small imperfections inside the diamond (Lumera Diamonds). Available: <http://www.lumeradiamonds.com/diamond-education/diamond-clarity>. [2016, 15 January].

Consumer preferences for size, shape and cut thus will drive the production decisions of diamond processors (Scott & Yelowitz; 2010: 355).

Unsurprisingly then the size and clarity of a diamond also shape the price that artisanal miners in Kao and Liqhobong will get from a buyer. As noted earlier, the pricing of diamonds in the highlands of Lesotho is directly related to the pricing of diamonds in the international market, even if the diamonds sold in Lesotho are uncut.

I was informed that the negotiations over prices for diamonds were conducted in South African rands. This is perhaps not unsurprising, given that most of the buyers are from South Africa. In any event, the South Africa rand is widely used in everyday transactions throughout Lesotho. For example, it is widely available in banks; one can purchase groceries in the supermarkets with rands and even pay school and hospital fees in this currency. Lesotho used the South Africa rand throughout the 1970s and introduced the loti as local currency in December 1979, initially on a par with the rand, which is still the case now (Murray, 1981: xv). Prior to the introduction of the rand and then the loti, the British pound was the currency used. This is why, during interviews, artisanal miners did not mention using the US dollar, or any other currency, besides the rand and the loti in their sales of diamonds (Field work, 2013).

As mentioned, diamond buyers look for qualities, such as the colour of a diamond when deciding whether to purchase and the price they are willing to offer. I was informed that the colours of diamonds from Kao and Liqhobong range from clear crystal, to yellowish, to bluish. Likewise, their sizes range from a sugar grain size, which is locally named according to what Hallard (1976: 570) calls 'metaphorical modes of expression'. For instance, a *tsoekere* is literally a diamond the size of 'grain of sugar', a *lebele* diamond is likened to a 'grain of sorghum', *three kotara* refers to a three-quarter carat diamond, 'one' refers to one carat, and so on. I was told that buyers prefer 'top white' transparent and crystal clear – diamonds, because these are in demand in international markets (see Scott & Yelowitz, 2010; Falls, 2011). 'Top white' diamonds are mostly found in Kao and Letšeng and yellowish diamonds are mostly mined in Liqhobong⁴⁴ (Field work, 2013).

⁴⁴ Informants interviewed in 2013 in Kao and Liqhobong, Butha-Buthe, Lesotho.

I did not interview any buyers or observe any transactions, as miners and villagers did not allow me to join them in negotiations over price and or exchanges.

Table 2: Diamond prices in the Lesotho highlands

Diamonds	Selling price in ZAR (rands)
'Tsoekere' (sugar grain size)	R200-R600
'Lebele' (sorghum grain size)	R1,000-R1,500
'Three kotare' (3/4 carat)	R3,000-R5,000
One (1 carat)	R6,500-R7,500
Two (2 carats)	R10,000-R15,000
Three (3 carats)	R20,000-R30,000

Source: Author's field work notes

This section discussed the determinants of diamond prices in the international market and the prices of uncut diamonds in transactions between miners and buyers in the highlands of Lesotho. Moreover, the section discussed the storage of diamonds and the use of the South African rand as the main currency during negotiations and exchanges.

5.8 Borders and legality: Diamond dealing as a global trade

The outsiders who come to buy unprocessed diamonds from the highlands of Lesotho are typically South African men.⁴⁵ According to some informants, these buyers from South Africa in turn sell the Lesotho diamonds on to South African commercial diamond enterprises. As expected, and as confirmed by the numerous court cases in South Africa involving the smuggling of uncut diamond across the SA-Lesotho borders, South Africa serves as a convenient and important route for the marketing of Lesotho diamonds mined by unlicensed miners to international markets. Given that Lesotho does not have diamond cutting and processing firms, diamonds mined in Lesotho are exported. Also, there is no local market for diamonds to speak of. It is a situation similar to that of Ghana and Mali, where dealers smuggle the diamonds mined by artisanal miners into the Kimberley Process pipeline through a neighbouring country (Bieri & Boli, 2011). Likewise, rebel groups from Ivory Coast

⁴⁵ Informants interviewed in 2013 in Kao and Liqhobong, Butha-Buthe, Lesotho.

smuggle diamonds into the KP pipeline through neighbouring countries that have signed up to the KP, such as Mali and Ghana. These so-called 'conflict' diamonds are also smuggled from the eastern Democratic Republic of Congo (Bieri & Boli, 2011).

Even though I have no direct evidence of this, it is very likely that diamonds mined by unlicensed and informal artisanal miners in Lesotho, and sold to buyers from South Africa, end up in the legal and formal South African diamond market and ultimately find their way to the international markets through KP certificates as 'legal', or as having been mined in South Africa. Dietrich (2000: 332) made such an argument when he claimed that diamonds mined in Lesotho are smuggled to South Africa for sale in the country's Free State province, which has a border with Lesotho. Dietrich speculates that the high number of aircraft registered in Maseru in 1999 is directly associated with diamond smuggling operations, suggesting that Lesotho plays a much larger role in the laundering of diamonds than is commonly assumed. Dietrich (2000) also cites figures published by De Beers that Lesotho's recorded output of diamonds in 1999 was US\$ 3 million. However, records suggest that in 1999 Belgium imported 42 596, 55 carats, valued at US\$ 14 713 632, (or US\$ 345 per carat) from Lesotho alone. The high price of diamonds closer to that of South Africa-imported into Belgium from Lesotho suggests that the diamonds are mined elsewhere. The elevated value could also indicate a contamination of diamonds mined in Angola. Dietrich sees additional proof of underreported smuggling of diamonds from Lesotho in the naming in the Fowler Report of a smuggler who operates partially out of Lesotho through a Swiss company (Dietrich, 2000: 332).

One of my research participants, Mrs Mathabo from Kao, described the typical sale of a diamond to an outside buyer in the highlands in the following terms:⁴⁶ An outside buyer is taken to a homestead in the village by a local artisanal diamond miner, often accompanied by three to four friends of the artisanal diamond miner. The transaction is concluded immediately and (unsurprisingly) only cash is used. Transactions in goods or services that are considered illegal by the state are usually unlike typical market transactions as they require more trust (Field work, 2013).

⁴⁶Informants interviewed in 2013 in Kao and Liqhobong, Butha-Buthe Lesotho.

Outside buyers normally leave their motor vehicles in a neighbouring town from where they hire a vehicle from middle men. These local middle men then transport buyers to the artisanal miners or sellers in Kao and Liqhobong. Some middle men double up as local buyers and are in a position to sell whatever diamonds they might possess to outside buyers. In other words, local buyers act as middlemen who also buy diamonds from the artisanal miners at the river banks and resell them to foreign buyers (Field work, 2013).

In a different context of ASM, Vlassenroot and Van Bockstael (2008) have argued that middlemen provide sponsorship to miners who are later left with inequitable terms. These terms often trap artisanal miners in a cycle of poverty (Vlassenroot & Van Bockstael, 2008). In the case of Ghana, Hilson and Pardie (2006: 106) argue that monopolistic middlemen who supply mercury to artisanal gold miners also sell those miners costly medicines to remedy ailments caused by mercury poisoning. With gold miners, a lack of appropriate safeguards is preventing them from improving their practices and livelihoods and instead opening the way for the emergence of monopolistic middlemen. Ultimately miners end up in a cycle of dependence on middlemen resulting in and increasing indebtedness. In the case of Lesotho, I picked up no other dimensions concerning the relationship between middlemen and miners besides cash-money transactions. It is likely however that local buyers or middlemen are able to purchase diamonds at lower prices from miners than outside buyers.

Unsurprisingly, the selling and buying of precious stones, deemed illegal by the state, is accompanied by practices of deception and secrecy, while it always contains the potential for conflict. The literature shows that governments lose out on considerable amounts of revenue when minerals are sold on the unregulated (black) market rather than through official channels (Labonne, 1996: 118). Loss of revenue is the primary reason for states to combat diamond smuggling across borders. On the other hand the illicit or illegal trade in diamonds includes transnational trade networks that are deemed to be legitimate by non-state subjects (Falls, 2011: 444). And while many transnational exchanges of diamonds are illegal in defying the rules of formal political authority, they are considered quite acceptable, or 'licit', in the eyes of participants (Falls, 2011: 444).

Although I was not able to interview any buyers, and did not want to put my research informants at risk by observing these transactions, some of my research participants felt free to discuss aspects of the transactions. I was informed that diamond transactions are often characterised by deception and lies, with inexperienced diamond buyers being the most typical victims. Transactions are typically conducted in secret and only word-of-mouth discussions take place between artisanal miners and buyers. Informants spoke of instances where miners outwitted outside buyers by selling inferior quality diamonds known as *bort* or *boart*. This is the miners' code word for shards of non-gem-grade-quality diamonds,⁴⁷ locally known as *boto*. I was also told of buyers who had been duped into buying *boto* returning to ask for refunds once they failed to sell their *boart* diamonds (Field work, 2013). What was surprising was that some artisanal diamond miners who sell their diamonds actually budget for refunds for dissatisfied buyers that they have duped. This suggests that, even if transactions take place immediately and only cash-money is used, some of the relationships between miners, sellers and outside buyers have a long-term character to them.

I was informed of instances when a dissatisfied outside buyer returned with a *boart* diamond. In this instance, the artisanal miners that were present during the initial transaction again meet with the buyer. As a negotiation strategy to gain favourable terms they may feign ignorance about the poor quality of the diamond during talks about a possible refund. In other cases, they may agree to substitute good diamonds instead. Artisanal miners generally are in a weak position. For obvious reasons they cannot report outside buyers to the police station if a deal goes wrong, so they prefer to solve transactional issues amicably without the presence of legal contracts (Field work, 2013).

Artisanal miners who sell diamonds are aware of the dangers of cheating during a diamond exchange; it can lead to serious conflict and even death. An informant in Kao told me that one of her sons was murdered by robbers who attacked him in his house at night demanding diamonds. Her daughter-in-law, the wife of the deceased son, attested to the incident, as she was with her husband and children when they were attacked (Field work, 2013). Despite the risk of robbery and deals going wrong,

⁴⁷ <http://en.wikipedia.org/wiki/Bort> [2015, January 10].

artisanal miners carry on digging and selling, not only because they get away with it, but also because they have very few other options. As such, their situation resembles sapphires miners in Northern Malagasy in that those traders have to know the qualities of sapphires, or else they would be deceived and cheated by miners selling sapphires (Walsh, 2004). Likewise, the buyers and sellers of diamonds in Kao and Liqhobong ought to know what makes a good and expensive diamond. Mrs 'Makeletso (58 years), an unlicensed artisanal diamond miner⁴⁸ from Liqhobong village, explained how miners may try and deceive buyers:

When a *sefofu* [literally a blind person, or in this case an inexperienced buyer] arrives here, I hit him with *boto* [non-gem-grade shards of diamonds]. But when he leaves, I keep part of his money in case a diamond might not be bought by his customer [where he sells it], even though it is difficult to keep the money while one is suffering. If indeed he returns a diamond to me, I negotiate with him on how I would pay back his money. But I keep that *boto* so that I can hit another *sefofu* that might come along later. Maybe *Molimo* [God] will help me this time and that *sefofu* would not come back for his money.
(Interview, 'Makeletso, September 2013).

I was told that despite the real dangers involved (such as arrests by police officials, or being attacked by buyers during negotiations) unlicensed artisanal diamond miners do at times deceive (or try to deceive) buyers during diamond transactions. Regardless of the risks involved, miners have little choice other than to participate in the 'illegal' diamond market, as there are no legal ways for them to sell diamonds to markets, and this form of mining is an important part of their livelihoods. The quotation from 'Makeletso above illuminates an aspect of the moral economy implicated in the artisanal miners' negotiations with buyers. This involves risking deceptive behaviour while trying to avoid conflict.

This section was about the buying and selling of diamonds to both local middle men and to outside buyers, as well as aspects of the cross-border smuggling of diamonds that are often underplayed. It illuminates aspects of the moral economy of artisanal miners including cases where the exchange of diamonds goes wrong and where miners respond with remedial options.

⁴⁸ Interview: Informant 'Makeletso, Liqhobong, Butha-Buthe, September 2013.

5.9 Uses of mining income

Artisanal miners use the income from the sale of diamonds to sponsor agricultural activities such as crop production, especially for those artisanal miners who have access to fields in the villages. Even migrant miners join in sharecropping arrangements (*lihalefote*) with village residents who have access to fields yet do not own agricultural inputs. My data shows that some miners who do not own cattle hire spans of oxen to plough fields. They also buy agricultural inputs so as to join *lihalefote* arrangements. Those who have access to fields yet do not own cattle may invest the proceeds of sharecropping in agricultural inputs. They may get involved in sharecropping with those who can provide them with cattle and agricultural tools or with those who can afford to hire cattle and tools. Villagers told me that the most popular crops in Kao and Liqhobong are maize, wheat and peas. Because of the steep terrain in the highlands, agricultural capital-intensive machinery, such as tractors and combine harvesters cannot be used (Field work, 2013).

Not everywhere are the proceeds from artisanal mining invested in crop production; Cuvelier (2011), in his ethnographic study conducted in Katanga in the south-east province of the Democratic Republic of Congo, found that artisanal miners spend their proceeds extravagantly. According to him artisanal miners in Katanga do this because ‘Many people [artisanal miners] who strongly identify with the style of *kivoyou* [the style of being deviant or of behaving as a rascal] try to justify their own squandermania by saying “my body is my capital” [*maungo yanguni capital*]' (Cuvelier, 2011: 114). According to Cuvelier (2011, 2014) that expression means that miners view their bodies as instruments that helped them earn money; that is why they want to distinguish themselves from other men in Katangese society by spending their money extravagantly, and spending money on the adornment of their bodies.

The situation I encountered in Lesotho is different with the artisanal miners being careful and cautious about how they spend their income. This is in part because of the economic hardships that rural households face, and because of the difficulties involved in diamond mining. As a result, artisanal miners in Lesotho prioritise the sustenance of their households over the lavish consumption that is mentioned in the

ASM literature (see Geenen, 2015; Cuvelier, 2011; Van Bockstael & Vlassenroot, 2008).

The Lesotho artisanal diamond miners I interviewed claimed to prioritise basic household needs, such as food, education for children (uniform, tuition and book fees), clothes, improvement to their homes, as well as agricultural activities and other non-agricultural economic activities aimed at diversifying their means of livelihoods (Field work, 2013). Some informants from Kao and Lihobong claimed to have spent money from diamond sales to cover school fees for their children (ZAR 400 per quarter in a public school), renting books (ZAR 500 in a public secondary school) and buying school uniforms (ZAR 250), and in some cases, providing allowance money for school-going children (Field work, 2013).

Furthermore, artisanal miners spend portions of the income derived from diamond sales on groceries and clothing and invest it in home brewing and wood vending ventures. Their thriftiness is exemplified by women who prefer to buy grocery stock from lowland towns, such as Maputsoe or Hlotse in the Leribe district, where it is much cheaper than in neighbouring towns such as Mokhotlong. Women combine such thriftiness with entrepreneurialism when they travel to Durban or Johannesburg to purchase grocery stock or cheap clothes in bulk and travel back home to sell such stock, for profit (Field work, 2013). The women I spoke to do not make such trips weekly but once in two to three months; they travel with other hawkers from different villages and this enterprise is not necessarily related to ASM. During my field work, the cost of transport to Durban/Johannesburg from Maseru ranged between ZAR 200 and ZAR 300 return (Field work, 2013).

This section covered how individuals and households use income derived from selling diamonds. This includes investments in crop production, including sharecropping, paying for education, and spending on clothing and groceries. It also discussed the apparent thriftiness of Lesotho artisanal miners in relation to the portrayal of artisanal miners in other parts of the African continent.

5.10 Summary

In this chapter, I argued that unlicensed artisanal diamond miners regard ASM as a legitimate survival strategy, in part because of the failure of the state and the market

to meet their needs, and in part because they insist that the land and mineral wealth belong to them. Miners regard their economic practices of digging and selling diamonds as legitimate. Just as with the informal copper miners in the Copper Belt of Zambia, the Lesotho highlands unlicensed artisanal miners regard ASM as a legitimate survival strategy.

The forging of a secret code among artisanal miners was discussed as further evidence of a distinct moral economy that exists among miners. This moral economy speaks not only to miners' claims to ownership of land and mineral wealth, but also to their conflictual relationship with public authorities that seek to criminalise their economic activities and their necessary engagement with an unofficial market in diamonds. The trade of diamonds outside of official channels implicates the moral economy of miners which includes remedial actions. It was discussed how the proceeds of diamond sales are used in household expenditure.

The picture that is emerging is that artisanal diamond miners continue to access mineral resources in whichever way possible, even if mining and the minerals trade is heavily regulated by the state and the odds are stacked in favour of the state, the owners of capital and local elites. The moral economy of ownership and connection to land that is shared by miners is linked to the discovery of diamonds in Lesotho and the development of commercial diamond mining. Scholars such as Chefa (2014) have argued that the LCD-led government introduced legislation that in effect protected the interests of commercial mining companies while marginalising and criminalising artisanal diamond mining in the rural areas of Lesotho. Despite the criminalising effects of state legislation, unlicensed ASM continues to play a significant role in the livelihoods of households in Kao and Liqhobong.

The following chapter explores the history of diamond mining in southern Africa and Lesotho.

CHAPTER 6: COMMERCIAL DIAMOND MINING –DISCOVERY, REGULATION AND DEVELOPMENT

6.1 Introduction

This chapter explores the history of diamond mining in southern Africa more broadly because it is impossible to understand the dynamics, including the moral economy, of contemporary artisanal diamond mining in Lesotho without some knowledge of this history. The evolution of the regulatory framework governing diamond mining within Lesotho is also described. The case studies of Lesotho mining are further developed in response to two questions, namely: What is the history of the distinctive moral economy among artisanal diamond miners in Lesotho? and, how has this moral economy shaped the development of diamond mining in Lesotho?

It is important to note that South African diamond mining shaped the nature of the mining industry and diamond trade regionally and worldwide. It was in South Africa where the De Beers mining company was born. This is the company that over time secured a monopoly position globally and shaped the worldwide diamond mining industry. De Beers established mining operations in Lesotho when other companies had abandoned the idea (Thabane, 1995). In this section I rely on the published work by M. Thabane as the principal historian who has researched the history of diamond mining in Lesotho.

6.2 Early diamond mining in South Africa

Following the 1860 discovery of minerals at Kimberley by artisanal miners in the southern African region, prospectors from Europe and elsewhere descended on Kimberley. Some prospectors brought mining equipment to assist them in excavating the mines, while others were completely dependent upon labour. One could say that labour was their main asset and limited capital their biggest obstacle. Each artisanal miner or prospector with the right to a claim was entitled to a mining area of 30 x 30 Cape feet (Thabane, 1995: 30). The method of extraction at the time was opencast quarrying of the top layer. There was fierce competition among miners for the most promising pits (Thabane, 1995: 30), not unlike the situation of artisanal mining at Kao and Lqhobong today.

Five years after the discovery of diamonds in Kimberley, the general feeling amongst miners was that only the top layer of yellow ground was diamondiferous, i.e. rich in diamonds (Thabane, 1995: 30). That is why they dug only to the depth of the yellow ground and then abandoned their claims, moving to another claim. In 1872, however, geologists discovered that the diamond-bearing pipes at Kimberley went much deeper than previously thought. This discovery prompted miners to commence digging at much greater depths in their claim areas (Thabane, 1995: 30). Deep digging brought with it new challenges, including water seepage into the pits. Overcoming this challenge required additional capital to buy strong and suitable equipment, but most miners did not have the requisite capital (Thabane, 1995: 30). In the pits of Kimberley, miners from Lesotho, who worked side by side with miners from elsewhere in the world, learnt about diamondiferous pipes; knowledge which later assisted them in the discovery of diamonds in Lesotho. There is, in other words, a relationship between the discovery of diamonds in Kimberley and the emergence of artisanal diamond mining in the Lesotho highlands. Unfortunately, we know next to nothing about possible artisanal diamond mining in Lesotho during the 'pre-colonial' era.

Despite the challenges that small-scale diamond miners faced, Kimberley yielded large quantities of diamonds, and several miners who found diamonds early on struck it rich. According to some, the relatively unrestricted access to diamond claims and the lack of control over sales of diamonds led to oversupply, depressed markets and a fall in price (Thabane, 1995: 30; Van Wyk, Cronjé & Van Wyk, 2009: 8). Some saw in this process the need and opportunity to regulate the production and marketing of diamonds more closely. Regulatory systems evolved that restricted diamond digging to a few diggers, which in turn lessened competition. Over time, a monopoly situation evolved (Thabane, 1995: 30; Van Wyk et al, 2009: 8).

There are many lessons to be learned from a close reading of the history of diamond mining at Kimberley. It may inform our understanding of the evolution of small-scale artisanal mining into commercial mining. Suffice to say that here the emphasis is on the impact that the development of diamond mining in Kimberley had on those Basotho miners who worked there and who acquired knowledge and skills which they later would transfer to their home country.

The drive towards greater economies of scale resulted in the establishment of conglomerate mining. Conglomerate mining was one solution to the problem of huge capital investment, and it also had an impact on the marketing of diamonds and the elimination of overproduction. Large diamond conglomerates started taking over most of the digging operations in Kimberley, displacing smaller digs and individual mining enterprises. In the short run, conglomerate mining stabilised the output and marketing of diamonds, giving the conglomerates the ability to withstand recessions better than a multitude of competing individual diggers (Thabane, 1995: 31). Importantly, the conglomerate mining that emerged in Kimberley gave birth to more capital intensive commercial diamond mining in South Africa, which in turn was exported to other countries including Lesotho.

The South African situation is important to this study as it illustrates the dynamics involved in the shift from artisanal to capital-intensive mining, and because Basotho acquired skills and knowledge in Kimberley which they transferred to Lesotho.

6.3 Emergence of commercial diamond mining in South Africa

By the early 1920s, competition among individual diggers in the Kimberley mining fields had been eliminated, and diamond mining became the preserve of a few mining companies or conglomerates (Thabane, 1995: 32). These conglomerate mining companies invested large amounts of money in sophisticated mining equipment. They included De Beers; the Kimberley Mines and its shareholding companies; and the French Company under the chairmanships of first Cecil John Rhodes and then Barney Barnato. De Beers was established in 1888 by Cecil Rhodes (Thabane, 1995: 32; Spar, 2006; Bone, 2012). Although these companies were rivals, they worked together to control the output and marketing of diamonds in South Africa/Kimberley (Thabane, 1995: 32).

Over time, De Beers emerged as a dominant and monopolistic force in diamond mining worldwide. It achieved this position through its access to international capital, buying up large tracts of diamondiferous land in different parts of the world, and by reaching output and marketing arrangements with other producers. This dominant market position enabled De Beers to develop and establish what a diamond-marketing cartel is effectively. As a major producer of diamonds and a major

shareholder in syndicates that set up the marketing cartels, De Beers exercised significant control over the production and marketing aspects of the industry worldwide (Thabane, 1995: 33).

Another reason why De Beers became a dominant force was because the company was owned by Cecil Rhodes. As Prime Minister of the Cape Colony, Rhodes used this political position to influence the legislature to pass laws in favour of his company, which 'secured cheap labour, resources and the necessary capital to move from alluvial mining to mining at deeper levels' (Van Wyk et al, 2009: 7). Rhodes in effect set the tone for the consolidation of commercial mining in South Africa. From here on the mining industry continued to exert undue influence over government, with the lines between industry and state, and the interests of powerful mining personalities and powerful political personalities, often blurring (Van Wyk et al, 2009: 7). By 1892, De Beers controlled all the mining pits of Kimberley. In the long run, Rhodes managed to establish a monopoly over all the diamond fields and mines in southern Africa as he acquired rights in every place where a discovery threatened the interest of De Beers. After securing the Charter for the British South Africa Company, Rhodes secured all diamond rights in Bechuanaland (Botswana), Southern and Northern Rhodesia, and eventually a controlling interest in Premier Mine near Pretoria for De Beers (Van Wyk et al, 2009: 8). Thus, through his influence and power, Rhodes secured a dominant position for De Beers in the mining industry throughout South Africa (Van Wyk et al, 2009: 7) and the southern Africa region. De Beers also controlled the actors, process and resources in its immediate exchange system, known as the Diamond Trading Company. This company gave De Beers complete control and discretion over the distribution of a vast proportion of the world's diamonds (Gupta et al, 2010; Zimnisky, 2013). Buyers or site holders authorised by De Beers were the only ones that could participate in the non-negotiable Diamond Trading Company sales.

In this section, I discussed the emergence of commercial diamond mining in South Africa. I showed how the conglomerate mining companies clubbed together in order to eliminate small-scale surface mining and control aspects of the market for diamonds. Over time De Beers became a dominant force in the worldwide diamond industry and remains so to this day. This is important for my study as De Beers

established commercial diamond mining operations in Lesotho at a time when other commercial ventures abandoned the pursuit of profitable commercial mining in Lesotho.

6.4 Discovery of diamonds in Lesotho

Several scholars have written histories of diamond mining and the discovery of diamonds in Lesotho (Thabane, 2000a; Ambrose, 2004; Hall, 2004). Unsurprisingly, they all tell a similar story. Hall (2004) suggested that the discovery of diamonds in Lesotho was connected with Basotho miners who worked in Kimberley. He held that Basotho miners, upon returning to Lesotho from the mines in Kimberley, recognised some 'blue ground' which looked similar to the diamond bearing rocks in Kimberley (Hall, 2004: 11). When these Basotho miners saw these rocks, they began digging and found diamonds. Thabane (2000a) argues that local Basotho women digging coloured soil for decorating their houses were the first to discover diamonds. In the process of digging for coloured soil, women found 'a small precious stone that puzzled them' (Thabane, 2000a: 153). These women took the stone home and showed it to some men. The men happened to have worked in the mines in Kimberley and recognised the stone as a diamond.

Both of these narratives link the discovery of diamonds in Lesotho to local people and to the geological skills and knowledge Basotho men acquired on the Kimberley diamonds fields, underplaying perhaps the role of women in the process. Either way, the official declaration of diamonds found in Lesotho occurred in 1954 following the death of a woman⁴⁹ in Kao. She had suffered fatal injuries after falling into an unstable pit while digging for diamonds. Her death brought diamond digging into the public domain (Thabane, 2003: 148, 153; Maleleka, 2007: 5). According to Thabane (1995), the death of this woman marked the end of individual diamond digging in Kao (Thabane, 1995: 52). Thereafter, Kao became a site of contestation between commercial mining companies and individual diggers, with the state opting to side with the commercial mining companies most of the time. As such, the contestation morphed into a three-pronged conflict between commercial mining companies, individual diggers and the government (Thabane, 1995: 52). In other words, the

⁴⁹ A further study about this woman and artisanal diamond mining in Kao will be done in the future research.

situation resembles what other scholars have noted elsewhere in Africa (Hilson, 2002: 149).

6.5 Diamond mining in colonial Lesotho

Armed with the knowledge of the discovery of diamonds, the colonial Government of Lesotho (then Basutoland) in 1955 convinced the Paramount Chieftainess 'Mantšebo Seeiso to grant a five-year exclusive prospecting and mining right over the entire country to a South African company, the General Mining Finance and Corporation (GENCOR). This move by the chieftainess was strongly opposed by the local people as it contradicted the traditional land tenure system. Furthermore, as mentioned earlier, 'Mantšebo did not discuss the issue with other chiefs within the country and as such her decision was regarded as undemocratic (Thabane, 1995; Ambrose, 2004). As soon as GENCOR began diamond exploitation in 1955, the colonial state proceeded to close down the diamond deposits to individual diggers (Thabane, 2000a: 105-106). Based on his geological findings, the head of GENCOR, Colonel Jack Scott, considered Kao to be the most economically viable site for diamond exploitation. GENCOR subsequently joined forces with Anglo-American De Beers and created the Basutoland Diamonds Mining Company (Thabane, 2000a: 106).⁵⁰The Government of Lesotho forced artisanal diamond miners to abandon their mining activities (Thabane, 2000a:106), resulting in the deprivation of a means of livelihood for artisanal miners. During the lease period, Scott conducted a series of explorations and identified several diamondiferous pipes at Letšeng, Liqhobong, Kao and Kolo (Thabane, 2000; Hall, 2004; Transformation Resource Centre-TRC⁵¹, 2004; Maleleka, 2007).

Meanwhile, the Letšeng kimberlite was officially discovered in 1957 and GENCOR was granted a second prospecting agreement in 1961. GENCOR prospected Kao only and this made Letšeng available to Basotho artisanal diamond diggers (Ambrose, 2004; Hall, 2004). The opening of the Letšeng deposit to Basotho diamond diggers led to a diamond rush. In 1962 the diamond exports from Lesotho were valued at ZAR 280 000. Most Basotho diamond diggers mined with

⁵⁰More of Basutoland Diamonds mining company in Chapter 5.

⁵¹Transformation Resource Centre [TRC]. 2004. Summary of events in Lesotho. 16 June. [http://www.trc.org.ls/events20.043.htm# Diamond Mine to be developed at Kao](http://www.trc.org.ls/events20.043.htm#Diamond%20Mine%20to%20be%20developed%20at%20Kao). [2014, 16 June].

rudimentary tools such as picks, shovels and a perforated tin bath or basin to wash the soil (Ambrose, 2004: 3; Hall, 2004). Basotho diggers occupied the newly opened Letšeng deposit, while the Kao mine was legally reserved for commercial mining.

In the case of Liqhobong, the Government of Lesotho officially acknowledged the presence of diamonds in 1957, but it is likely that local people were digging for diamonds way before then. GENCOR, headed by Scott, prospected both Kao and Liqhobong deposits up until November of 1959 when the Anglo-American Corporation took over prospecting both sites until 1964. Their findings indicated that both deposits were unproductive. The limited lifespan of the mines led to the discontinuation of commercial mining operations in 1967, in the process enabling artisanal diamond miners to return to the sites (Thabane, 1995; Ambrose, 2004; Maleleka, 2007; Central Bank of Lesotho, 2012).

After more than a decade of artisanal mining, the licensed individual diamond diggers working in Liqhobong, in 1978, formed a cooperative that was sponsored by the government. This cooperative became known as Liqhobong Diamond Mine Cooperative (LDMC). The establishment of this cooperative was a political move by the state to control and prevent individual diggers in Liqhobong from rebelling like their fellow miners in Kao (see Chapter 7). The cooperative started with roughly 900 male and female members. The state appointed the leaders of the cooperative and thus exercised some control. Members joined on the basis of an active diggers licence and only those miners with an up to date licence could become part of the cooperative. In other words, unlicensed artisanal diggers could not join the cooperative. Moreover, some artisanal miners did not join the LDMC because they preferred to be self-employed and did not want to share the profits of their sales with anyone else (Field work, 2013).⁵²

The LDMC was operational for almost two decades until the 1990s, when MineGem, a Canadian mining company, began mining operations at Liqhobong. With the closure of both Kao and Liqhobong deposits to artisanal miners from local communities and elsewhere, artisanal miners descended from the main deposits to

⁵² Interview. Miners. Liqhobong. September 2013

the river banks to continue digging and panning for diamonds while laying claim to the land and the mining deposits (Field work, 2013).⁵³

In this section I discussed diamond mining in colonial Lesotho. The literature shows how the death of a woman diamond digger in Kao led to contestation between Basotho artisanal miners, the state and commercial diamond mining companies over access to diamonds. This is relevant for my study as contestation over land-use began during the colonial era and remains an issue in post-independence and contemporary Lesotho.

6.6 Diamond mining in post-independence Lesotho

At independence, most African economies were geared towards primary commodity production (mostly agricultural), which typically accounted for the largest share of their GDP (Adepoju, 1993: 1). For example, primary production contributed 48 per cent of GDP in Zambia between 1964 and 1969; 39 per cent in Kenya between 1964 and 1968; and 64 per cent in Nigeria in 1960. Manufacturing sectors, based mainly on import substitution, were very small, both absolutely and relatively to other sectors, contributing only 2 per cent of GDP in Ghana in 1957. African country's exports were dominated by just a few commodities: cocoa in Ghana, Nigeria and Cameroon, coffee and tea in Kenya, and copper in Zambia. These accounted for up to 75 per cent of export earnings (Adepoju, 1993: 1).

Like many other African countries at the time, post-independence Lesotho opted to expand its economy (see Chapter 3). Following this decision, the state developed several structures and pieces of legislation in relation to the extraction industry to enable it to achieve its goal of economic growth amidst the contestation between commercial mining companies and Basotho artisanal miners.

Ambrose reported that in 1967 a local individual digger from Letšeng, Mrs Ramaboa, found 'what was then the world's seventh largest diamond, the 601 carat "Lesotho Brown"' (Ambrose, 2004: 3). Following the discovery of this diamond, the BNP-led government reversed its earlier decision and opened the Letšeng deposit to international commercial companies. In 1968, the government forcefully cleared the

⁵³ Interview. Miners. Kao. May 2013.

Letšeng deposit of artisanal miners so Rio Tinto Zinc, a London-based mining company, could commence mining (Epstein, 1978). In the process the BNP-led government displaced licensed individual diggers by moving them from the Letšeng deposit to the Kao deposit. Unsurprisingly, this move by the BNP led to competition and conflict between the established Kao diggers and the newcomers from Letšeng. In a bid to resolve the crisis, officials from the Department of Mines tried to introduce greater regulation of Kao mining by pegging the area and allocating claims based on the pegged boundaries. The established diggers of Kao resisted this move to regulate the claims and subverted the state authority by constantly removing the pegs (Hall, 2004; Thabane, 1995).

In conjunction with displacing the artisanal miners at the Letšeng deposit, the BNP-led government, through the recently created Lesotho National Development Corporation (LNDC), awarded Rio Tinto mining company the right to prospect the Letšeng deposit from 1969 to 1972 (Thabane, 2000a: 106; Hall, 2004; Ambrose, 2004). The London-based Rio Tinto proceeded to engage in bulk sampling, but the results were not sufficiently profitable for the mine to proceed exploiting the deposit commercially. However, the global oil crisis in 1973, which led to a rise in the prices of gold and precious minerals in the world market, altered the prospective of profitable mining. In 1975, De Beers reached an agreement with the BNP-led government to operate and develop the Letšeng deposit into a fully operational mine. The mine was officially opened in 1977 and from 1978 to 1980 employed almost a thousand employees at Letšeng contributed more than half of all of Lesotho's export by value (Hall, 2004: 14). This was an indication both of the number of diamonds that were mined at Letšeng and of the high prices that diamonds fetched on the world market at the time. The inevitable slump in prices forced De Beers to close its Letšeng operations in 1982. The Lesotho miners based at Letšeng were absorbed into other De Beers and Anglo American operations in South Africa.

Following De Beers' exit in 1982 individual diamond diggers went back to the Letšeng mine and continued digging for diamonds until 1999 when the mine was taken over by JCI Projects, a South Africa-based company. The LCD-led government signed an agreement with JCI Projects on 28 May 1999 for the reopening of the Letšeng mine; however the reopening was delayed until 2004

(Ambrose, 2004). In the meantime, Alluvial Ventures⁵⁴ was sub-contracted by JCI Projects to rework the previous diggings and to mine areas that were around the main diamond pipe. In 2003, Alluvial Ventures announced the discovery of a 215 carat gem which was later insured for US\$ 2 million (Ambrose, 2004). Alluvial Ventures continued to mine in Letšeng until 2004 when JCI took over mining operations. JCI operated from 2004 to 2006, before Gem Diamonds bought the company for an estimated US\$ 143 million (Maleleka, 2007). This transaction was no doubt influenced by JCI mining a 603 carat diamond; then regarded as the 15th largest diamond ever to be found. At the time of writing, Gem Diamonds continues to mine the Letšeng Mine with a share ownership of 70 per cent and the remaining 30 per cent owned by the Government of Lesotho (Ambrose, 2004; Maleleka, 2007). According to Madowe (2013), Letšeng produces some of the largest diamonds in the world and certain diamonds mined at Letšeng are among the twenty largest diamonds in the world (e.g. 601(1967), 603 (2006), 493 (2007), 478 (2008), 550 (2011) carats).

The other centre of contemporary mining, Kao, has a different history. The Kao deposit was operated by Basutoland Diamonds until 1967 (see Chapter 7). Thereafter, in 1971, the deposit was taken over by Maluti Diamond Corporation, a subsidiary of Newmont Mining Corporation and the Lonrho Corporation, and in turn the deposit was taken over by U.S. Steel. The Maluti Diamond Corporation was operational only from 1971 to 1973 and deserted the deposit in January of 1973. The Maluti Diamond Corporation had failed to predict the oil crisis that led to the rise of gold and diamonds in that same year; hence, it failed to make a profit from that crisis. Between 1973 and 1981 no formal mining took place in Kao, but licensed and unlicensed artisanal diamond digging continued. Officially miners were only allowed to dig in Kao from 1986 onwards and yet they managed to dig deep enough to reach the pipe (Halls, 2004; Ambrose, 2004). However, this was short-lived as the deposit was officially closed to the diggers in 2000, who then had to make way to a mining company that was to establish fullscale mining (Ambrose, 2004). With the closure of

⁵⁴Alluvial Ventures was a small-scale mining company registered in Lesotho in 2002. The shareholders of Alluvial Ventures are M2V2 Limited, Druid Exploration CC and Skip Fast Food (Pty) with 20 per cent, 40 per cent and 40 per cent shares respectively (Chefa, 2014:13). M2V2 Limited is registered in the British Virgin Islands, while both Druid Exploration CC and Skip Fast Food (Pty) are subsidiaries of Batla Minerals SA registered in South Africa (Chefa, 2014:13).

the deposit to the diggers from Kao and elsewhere, individual diamond diggers descended to the river banks to continue digging for diamonds. In addition to continuing their digging, they organised and took the then Minister of Natural Resources to court⁵⁵, fighting for the renewal of their licences (see Chapter 7). Unfortunately for the miners the case was decided in favour of the Minister.

Since then, however, there has existed a simmering tension between mining companies and individual diggers who were marginalised by the state. Unsurprisingly the miners were upset; individual diggers were forced out of the productive deposits at Kao and were given pipes that were rejected by the multinational companies.

Regardless of the challenges that artisanal diamond miners faced, they have not given up their occupation. In relation to the methods of operation, commercial mining companies mining areas of Letšeng, Kao and Liqhobong, use opencast mining, which involves drilling, blasting, loading and hauling (Madowe, 2013).

In this section I discussed diamond mining in post-independence Lesotho showing how contestation over access to diamonds continued between Basotho artisanal miners and commercial mining post-independence. I discussed how the BNP-led government in 1970 clashed with miners in Kao over the issue of access to diamonds. This indicates the evolving relationship between artisanal miners, the state and commercial mining companies in the context of the development of the diamond mining industry. The conflicts between the state and the miners of Kao and Liqhobong will be discussed in greater detail in Chapter 7. Suffice to say that there is both continuity and discontinuity in diamond mining in all three locations and this has been the case in both the colonial and post-colonial period.

6.7 Lesotho's regulatory framework for diamond mining

Mining and mineral rights in Lesotho are regulated by the Constitution and the following pieces of legislation; the Mines and Mineral Act of 2005 (which repealed and replaced the Mining Rights Act of 1967); the Precious Stones Order of 1970; the Land Act of 2010 (which repealed and replaced the Land Act of 1979); and the

⁵⁵ Interview. Miners. Kao. May 2013.

Kimberley Process Certification Regulations (Mophethe, 2010). The Land Act of 2010 introduced the possibility of land ownership by foreign companies. The Act allows for the entitlement of land by foreign companies with a local shareholding of about 20 per cent. Prior to this 2010 Act, no foreigner or foreign company had the right to own land in Lesotho (Lesotho: Land Act 2010, No.8 of 2010, Daemane, 2012:168).

The following paragraph discusses diamond mining with regard to the Mining Rights Act of 1967.

The Mining Rights Act, 43 of 1967 was enacted by the BNP-led government after independence in 1966. The stated purpose of the legislation was to regulate the following mining activities: the allocation of rights to prospect and mine for minerals, the issuing of mining leases and licences, and the granting of dealer's licences. According to the Constitution, this Act vested mineral and land rights in the Basotho nation. In Namibia, for example, the Constitution of the Republic of Namibia, as the supreme law of the land, provides that 'natural resources below and above the surface of the land and in the continental shelf and within waters of Namibia shall belong to the state if they are not otherwise lawfully owned' (Amoo, 2014: 232). The minerals in the Republic of Namibia vest in the state, and ultimately belong to the people of the Republic of Namibia in light of the fact that the state is accountable to the people (Amoo, 2014). In both countries, the minerals belong to the state, and the citizens cannot have access to them without permission from the state through the relevant legislation and structures.

Lesotho's Mining Rights Act, 43 of 1967 also granted mining leases to those living on mineral rich land, provided the land was free of title for the specific mineral. Moreover, the holder could prospect and mine the specified mineral/minerals on the land. The licence or lease stipulates the duration of the agreement as well as other conditions such as fees for granting rights, reporting procedures, rentals, royalties and sanctions for non-compliance (Mining Rights Act, Act 43 of 1967; Mbendi, n. d).

The same Act also made provision for dealer's licences. This licence enabled a diamond dealer to buy, sell, and import and export minerals such as precious stones. A diamond dealer's licence was issued provided the applicant met the necessary

conditions, such as a licence fee of ZAR 1,000 for a Mosotho national and ZAR 2,000 for a foreign national. This licence was renewed annually and there were no special incentives given to attract investors to the minerals sector in Lesotho. A foreign investor was supposed to register his/her company within the country before applying for prospecting and mining licences. Artisanal and small-scale mining, on the other hand, required no special conditions (Mining Rights Act, Act 43 of 1967; Mbendi, n. d).

Following the establishment of the Mining Rights Act 43 of 1967, the Government of Lesotho enacted the Precious Stone Order of 1970. Prior to that, diamond trading had been regulated by the Diamond Trade Act of 1885 (SARW, 2010: 2). Under the Precious Stones Order, a prospecting permit was granted to a holder entitling him/her to peg a prospecting area (for instance in Kao) during the prospecting period in a given deposit. Each prospecting area was 40,000 Cape square feet in size (equivalent to 3,716,122 square metres) and each holder's prospecting area was limited to 10 sites. The prospecting permit holder could apply and be granted a mining licence, provided he/she proved the existence of payable quantities of gemstones (diamonds). Additionally, the mining licence entitled the holder to prospect and mine on the prospecting area for the specified minerals based on the stated conditions. Prospecting leases for precious stones and for other minerals carried the same conditions as the abovementioned prospecting permits (Mining Rights Act, Act 43 of 1967; Mbendi, n. d).

Unlike the Mining Rights Act 43 of 1967, which focused on prospecting and mining activities as well as diamond dealings, the aim of the Precious Stone Order of 1970 was to regulate dealing in rough precious stones including diamonds and the protection of mining areas. It also provided for the conditions and penalties that governed the rough diamonds business. The terms 'rough' or 'uncut diamonds' refer to diamonds that have not been subjected to any of the operations of diamond cutting, and include a crushed diamond, diamond dust, a diamond fragment or partly manufactured diamond, diamond powder and any rough or uncut synthetic diamond (Precious Stone Order of 1970).

The 1967 Act provided that a diamond dealer's licence could be granted for a period of one year and could be renewed on the 31st of December of the year it was

issued. This licence gave the owner the right to deal in rough or uncut diamonds as a buyer, seller, importer or exporter, subject to compliance with the provisions of the Order (Precious Stone Order of 1970).

Another crucial aspect of the aforementioned Order dealt with protection over diamond areas. Diamond dealers and all other people were prohibited from entering Diamond Protection Areas unless they possessed a valid licence to dig in such areas. In 2000, the then Minister of Natural Resources of the LCD-led government amended the Precious Stone Order of 1970 with the aim of ‘tightening’ the criterion for granting a diamond dealer’s licence. The new measures made it more difficult for ordinary people to obtain a licence. Now they needed to raise a minimum amount of ZAR1 million in dealing capital and produce a bank statement as proof, while also producing a tax clearance certificate from the Lesotho Revenue Authority (Precious Stone Order of 1970, Chapter II 6 1 a). This new provision was in stark contrast to what obtained in the past where no specified amount of money was required:

before any diamond dealer’s licence is issued to any person there shall be lodged with the Commissioner a recognizance in the form prescribed, entered into by such person and one or more sufficient in the Regulations and shall be subject to such conditions as may be set forth in such form. Every such recognizance shall be entered into before the resident magistrate of Maseru and for the duration of the licence applied for... (Precious Stone Order of 1970, Chapter II 6 1 a).

I am of the opinion that the aim of the 2000 amendment was to effectively prevent diamond dealers with little capital from acquiring licences. In my view, this was aimed at excluding ordinary citizens of Lesotho, who do not have access to capital, bank accounts and the necessary documents, from acquiring licences. In hindsight, it looks as if this move favoured the politicians and other elites who could access the kind of capital that was required, while being able to comply with the bureaucratic requirements. As a result of this legislation, the activities of ordinary diamond dealers who had been operating for decades were criminalised, as they were forced to operate without dealer’s licences, hence ‘illegally’. Paradoxically, because the transactions concluded by these ‘illegal’ diamond dealers were carried out outside the regulatory framework, the state lost out in terms of revenue from taxes. Those with formal licences, of course, managed to occupy an important position in the sales

of diamonds. Whereas the 2000 legislation worked against the interests of ordinary diamond dealers, subsequent legislation gave every citizen of Lesotho the right, in theory at least, to ownership of mineral wealth.

The 2005 Mines and Mineral Act repealed and replaced the Mining Rights Act 43 of 1967. This legislation focused on the presence and promotion of commercial diamond mining. The role of ASM was underplayed. Section 3 of the 2005 Act vested the ownership of minerals in the Basotho nation. Accordingly, mineral rights and titles were not to be awarded to ‘an individual who is not a citizen of Lesotho’ or to ‘a company which has not been established and registered in Lesotho’ (Mines and Mineral Act, No. 4 of 2005, 2005: s3 and s5). So mineral rights and titles could be granted only to citizens of Lesotho and companies registered in Lesotho. While Basotho are free to start mining companies, the reality is that the set requirements to acquire a mining licence and/or to start a company are beyond the reach of most ordinary Basotho (Chefa, 2014).⁵⁶

Despite its rhetoric that ownership of minerals is vested in the Basotho nation, this Act failed to remove the barriers to entry of many Basotho to the diamond sector. Unlike the case in Botswana and Zambia, the Act did not institute measures aimed at encouraging foreign commercial mining companies with the required experience and financial muscle to work with locals (Rosenberg & Weisfelder, 2013; Mophethe, 2010: 9). Chefa (2014) for one argues that the arrangement favours foreign commercial mining companies at the expense of locals, despite the Act’s emphasis on local ownership.

The Mines and Mineral Act of 2005 also holds that an individual Mosotho may only hold a mineral permit for artisanal mining in a deposit that is about 100 square metres. However, the *permit will not be issued for mining of diamonds* as ‘a person who wishes to conduct small-scale mining operations may apply for a mineral permit to conduct operations for any mineral other than diamonds over an area not

⁵⁶Lehlohonolo Chefa is the Chief Executive Officer of Policy Analysis and Research Institute of Lesotho. Paril – a non-governmental organization (NGO) conducting research studies on national policies among other functions – in 2014 worked in partnership with Southern African Resource Watch (SARW) to produce a report on the ownership of mineral rights in Lesotho (Ntsukunyane, 2015).

exceeding 100 square metres'(Mines and Mineral Act, No.4 of 2005, 2005: s46; Mophethe, 2010).

Additionally, the newly established draft of the Lesotho Mining and Mineral Policy Green Paper also *does not allow for legal artisanal diamond mining in Lesotho*. This policy would mean that there is no more licence acquisition (diamond digger's licences) for artisanal diamond mining in contemporary Lesotho. The issuing of individual diamond diggers' licences in Lesotho ended in 2004 on the eve of the establishment of the Mines and Mineral Act, No.4 of 2005. So anyone who is involved in artisanal diamond mining is regarded as an illegal diamond miner by the state. Licensed diamond mining is reserved for commercial diamond mining companies. However, as I discussed earlier (see Chapter 5), artisanal diamond miners do not consider themselves to be illegal miners. They have constructed a moral economy through which they have legitimised their unlicensed diamond mining activities on the basis of land ownership, the discovery of diamonds, and the moral imperative of providing for their household. According to their distinctive moral economy, diamonds and land belong to them.⁵⁷

In this section I discussed Lesotho's regulatory framework for diamond mining including the Mining Rights Act of 1967, the Mines and Mineral Act of 2005, the Precious Stones Order of 1970, and the Land Act of 2010. I showed how the legislation has evolved since independence and how artisanal diamond mining is affected by legislative development. This is important for the argument I am making in this thesis, as for instance the establishment of the Mines and Mineral Act of 2005 meant that many of Basotho involved in artisanal diamond mining would be criminalised.

6.8 Kimberley Process

This section explores how the introduction of the Kimberley Process (KP) affected ASM in Lesotho. The KP is a joint government, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments (Kimberley Process, n.d; Gupta, Polonsky, Woodside, & Webster, 2010). Talks about the Kimberley Process started

⁵⁷ Informants in Kao and Liqhobong, 2013.

when southern African diamond-producing states met in Kimberley, South Africa, in May 2000. The purpose of the meeting was to discuss ways to stop the trade in conflict diamonds and to ensure that diamond purchases were not financing violent projects by rebel movements and their allies seeking to undermine legitimate governments. The Kimberley Process was then officially established in 2003 (Kimberley Process, n.d; Grant, 2012: 159).

In order for the KP to function properly, member governments play a significant role by making available sufficient state resources to ensure efficient customs control enforcement of the Kimberley Process Certification Scheme (KPCS) (Gupta et al, 2010; Bieri & Boli, 2011). The main function of the Certification Scheme is to monitor trade in rough diamonds across the globe and to prevent trade in conflict diamonds. It also provides an audit of rough diamonds from producers to merchants and manufacturers (Read & Janse, 2009). According to Bone (2012), the World Diamond Council has pressed for more reforms that are intended to strengthen the Kimberley Process, including the creation of a small, permanent secretariat. The World Diamond Council believes that the KP's operations should comprise full-time professional support rather than an annual rotating chair. This, according to the World Diamond Council, will provide the on-going support that is needed for continuity within an industry (Bone, 2012).

The Kimberley Process Certification Scheme is open to all countries willing and able to implement its requirements. Thus far the KP has 54 signed-up participants representing 81 countries, with the European Union and its Member States counted as a single participant. KP members account for approximately 99.8 per cent of the global production of rough diamonds (Kimberley Process, n.d.; Bieri & Boli, 2011). In addition to nation states, the KP relies on the participation of the diamond industry, through the World Diamond Council (which includes De Beers, the leading rough-diamond wholesaler) and non-governmental organisations (NGOs), such as Global Witness and Partnership Africa Canada (PAC). These NGOs play the role of exposing the links between violent conflict and the extraction and sales of natural resources (Grant, 2012: 160).

The Kimberley Process is a voluntary scheme. All member countries have adopted legislation in line with the criteria set out by the Kimberley Process Certification

Scheme. The set criteria include control systems and the issuance of Kimberley Process certificates for all rough diamonds mined through formal processes. For example, the United States implemented the Kimberley Process Certification Scheme through the Clean Diamond Trade Act in July 2003. Lesotho domesticated the Kimberley Process Certification Scheme with legal Notice Number 66 of 2003. The Regulation is known as the Precious Stones (Kimberley Process) Regulation. In terms of this regulation the Government of Lesotho issues a certificate that could be valid for a period of five years. The holder should keep it for the duration of the five-year period and present it to an official of the Department of Mines and Geology (currently called the Ministry of Mining) whenever requested to do so (Chefa, 2010: 46).

Mophethe (2010: 12) argues that Lesotho went further than just signing the KP certification agreement, and passed regulations that make the provisions of the KP part of municipal law. This is intended to ensure that Lesotho's legally mined diamonds will be sold in international markets. By being part of the KP, Lesotho minimised its risk of exposure to being used by illegal diamond dealers (Mophethe, 2010: 12). These regulations regulate the importation of rough diamonds into Lesotho, as well as the exportation of rough diamonds from Lesotho, in accordance with the KP (Mophethe, 2010: 12). The KP Certification Scheme established specific diamond trade requirements, such as record keeping, oversight, customs operations and penalties for violation (Bieri & Boli, 2011). KP members are required to implement internal control systems that will track rough diamonds from the mine to the finished gem across the borders (Bieri & Boli, 2011).

Bieri and Boli (2011) argue that following implementation of the Kimberley Process, trade in conflict diamonds decreased in West and Central Africa, except for Cote d'Ivoire and the Democratic Republic of Congo. The United Nations banned Cote d'Ivoire from exporting rough diamonds, however, rebel groups smuggled diamonds into the KP pipeline through neighbouring countries such as Mali and Ghana, both of which are KP members. The eastern DRC smuggled conflict diamonds as well (Bieri & Boli, 2011). Nevertheless, there has been a dramatic drop in the reported trade of conflict diamonds, which currently account for less than 1 per cent compared to between 5 percent and 15 per cent in the 1990s. The KP also established the review

mission and greater transparency in the collection and sharing of diamond trading data (Bieri & Boli, 2011; Bone, 2012). Accordingly, this multi-stakeholder governance scheme has made it more difficult for conflict diamonds to make their way into the global market. It removed the gems as a funding source for violent conflict and in the process contributed to peace building (Grant, 2012: 160). Grant (2012) also claiming that the KP has also made a positive contribution to the management of this valuable natural resource by strengthening governance capacity in member states (Grant, 2012: 160).

Despite the aforementioned achievements, there remain some unaddressed challenges. Trading in illegal diamonds continues to take place in a number of countries that signed up to the Kimberley Process. The KP also came under fire for failing to take action against Zimbabwe, which violated the Certification Scheme's human rights standards, given abuses in the Marange diamond area (Bieri & Boli, 2011).

In the case of Lesotho, Chefa (2010: 47) has blamed the Kimberley Process for the further criminalisation of ASM and diamond cutting and polishing. Lesotho's diamond industry includes not only many small-scale miners, but also diamond cutters and traders. The fact that the implementation of the KP in Lesotho has resulted in the licences of small-scale miners being revoked has been a major cause of protest by many local people because the industry been taken out of their hands and given to wealthy foreign investors whose latest scheme takes the form of a worldwide regulatory process (Chefa, 2010: 47). Those miners who had their licences suspended have not subsequently had them renewed. Miners who applied for new licenses, with their strict requirements, have not been successful. There are currently no licensed diamond dealers operating in Lesotho, and this poses a huge challenge to people who have relied on diamond dealing and digging for their livelihoods. That is why, in the course of my fieldwork, I did not encounter licensed diamond dealers and why artisanal diamond miners were dealing only with 'illegal' buyers. This situation does not encourage the development of the local processing of rough diamonds into cut or polished diamonds, which would be a way of optimising benefits from the industry (Chefa, 2010: 47).

Chefa (2010: 47) argues that implementation of the Kimberley Process is hampered because of the weak institutions in Lesotho. For example, the Lesotho Mounted Police Service is ill-equipped to police the execution of mining laws and the KP regulations within the diamond industry (Chefa, 2010: 47). For real regulation to be effective, the police's Diamond Unit has to be bolstered with more specialised personnel, and the current officers have to be further trained in dealing with this industry (Chefa, 2010: 47). Moreover, the government needs to increase the financial muscle of the Lesotho Mounted Police in order for it to augment this important unit, which will protect the diamond industry from the hands of smugglers and felons. The Department of Mines needs specialists in mining and geology, as geological specialists are more likely to be employed in the private sector where higher salaries are available (Chefa, 2010: 47).

Nonetheless, Chefa (2010: 47) maintains that there are opportunities for Lesotho in participating in the KP Certification Scheme. It is an opportunity to ensure that the proceeds from the sale of diamonds go to where they are needed most, which is to advance the wellbeing of the citizens of Lesotho. The Kimberley Process does limit the possibility of diamonds fuelling conflicts in Lesotho, which would be a huge setback to an already ailing economy that is struggling to recover from years of mismanagement of resources and a drastic decline in SACU revenues (Chefa, 2010: 48). The fact that the Government of Lesotho has representatives stationed in all mining sites on a full-time basis is a huge opportunity to ensure that the KP is fully observed. This move by the government is intended to ensure that no diamonds leak into or out of the legal trade (Chefa, 2010: 48).

In this section, I discussed the Kimberley Process, showing how it was established and how it decreased the trade in conflict diamonds in Africa. On the other hand, for Lesotho, the introduction of the KP is said by some scholars to have contributed to the decline of artisanal diamond mining. This is relevant for my study because the introduction of the KP and the Mines and Minerals Act of 2005 effectively further criminalised artisanal diamond mining in Lesotho. It built on a long history of the state depriving Basotho artisanal diamond miners of this form of livelihood. The question remains how to effectively regulate the global trade in diamonds without

giving states and local elites additional ammunition to use against small-scale artisanal miners. The next section offers some analysis and summarises the chapter.

6.9 Summary

Despite much policy talk about harnessing the potential of artisanal diamond mining for rural livelihoods, mining laws in Lesotho and southern Africa generally continue to favour commercial mining interests over those of artisanal miners. In South Africa, the Mineral and Petroleum Resources Development Act of 2002 regulates both the commercial and artisanal mining sectors. This immediately poses challenges to artisanal miners as they do not have the capital, the resources, or the skills to comply with the 2002 Act. In Zimbabwe, the regulation of Exclusive Prospecting Orders favours commercial mining over local artisanal miners (Tibbett; 2009; Mutemeri & Petersen, 2002: 286; Dreschler, 2001). In Lesotho the Mines and Minerals Act of 2005, despite its emphasis on local ownership, effectively continues to stack the odds against ASM in favour of commercial mining.

Why do governments favour commercial mining over artisanal mining? The literature suggests that governments form alliances with international capital because of the rent-extracting opportunities this presents, since it is much more difficult to extract money from small-scale miners than it is from commercial mines. Moreover, regulation entails complex bureaucratic procedures, which in turn create opportunities for government officials on different levels to carry out corrupt practices (Auty, 2006: 142). Regulating commercial mining enterprises listed in urban areas results in more profitable rental opportunities than regulating artisanal mining operations based in rural areas. Tibbett (2009) argues that governments often favour commercial mining over artisanal mining because of the increased opportunities for foreign exchange earnings, and the substantial tax and royalties it presents to the state.

Even though governments of developing countries favour the interests of commercial mining companies over those of artisanal miners, literature has shown that in the developing world the contribution of natural resource sectors to national economies is limited (Singh & Bourgoignie; 2013). The question has even been raised as to whether the abundance of natural resources in developing countries, 'was in fact a

curse to poor countries' (Singh & Bourgoïn, 2013). I concur with Singh and Bourgoïn (2013) that poor countries with natural resources are unable to sustain growth and alleviate poverty. This is because of their excessive reliance on primary commodities, which creates several other economic distortions associated with lack of competitiveness in manufacturing (Singh & Bourgoïn, 2013).

In this chapter, I discussed the early history of diamond mining in Lesotho and South Africa, and the emergence of commercial mining. In the process, I distinguished between colonial and post-colonial mining eras in Lesotho, as well as between commercial and artisanal mining in Lesotho. These distinctions have a bearing on the development of diamond mining and continued contestation over diamonds between artisanal miners and commercial mining companies, a contestation that is central to this study.

CHAPTER 7: COMMERCIAL VERSUS ARTISANAL MINING IN LESOTHO – CONFLICT, VIOLENCE AND RESISTANCE

7.1 Introduction

The previous chapter examined the history of diamond mining in South Africa and Lesotho, as well as the evolution of Lesotho's regulatory framework for diamond mining. This chapter describes how diamond mining activities in Kao and Liqhobong villages resulted in competition and conflict between commercial and artisanal mining, specifically over land-use and access to diamonds. It argues that artisanal mining is highly valued by rural villagers as they have few other means of securing their livelihoods. It is not surprising then that artisanal diamond miners in Kao resisted moves to limit their access to land and mineral wealth. Thus, those artisanal miners who had been mining legally in Kao, fought back when the state failed to renew their licences in the wake of new regulations following the introduction of the Kimberley Process. They resorted to taking the Government of Lesotho, represented by the then Minister of Natural Resources and Commissioner of Mines, to court demanding the renewal of their diggers' licences in order to ensure their livelihoods. Among the questions explored is the one of how the distinctive moral economy that emerged among artisanal miners has been shaped by villagers' historical relationship to the Maseru state and to international mining companies.

Therefore, the aim of this chapter is to contribute to the literature about the reaction and perspective of artisanal diamond miners vis-à-vis international commercial mining companies and states that work against their interests. I do so by discussing aspects of the moral economy of artisanal miners that concern land and competition over land-use. I examine conflicts over land and explore aspects of the resistance, both historical and contemporary, that artisanal miners in Kao and Liqhobong villages have demonstrated. I analyse this resistance in relation to the moral economy of artisanal miners.

The chapter draws on interviews I conducted with former members of Liqhobong Diamond Mine Cooperative (LDMC), former members of the *Liphokojoe* rebel group, artisanal miners and villagers from Kao and Liqhobong, government officials, an

official from Lihobong Diamond Mine Company⁵⁸ and published secondary material including records of court cases. The next section explores the conflict between the Basutoland Diamond Corporation – a commercial mining company – and a group of artisanal diamond miners known as the Foxes rebel group.

7.2 The Basutoland Diamonds Corporation in Kao: The Foxes and resistance

Basutoland Diamonds Corporation (BDC), a subsidiary of mining company of De Beers and General Mining Finance and Corporation (GENCOR), started mining the Kao deposit in 1959 (Thabane, 2000a: 106). Among the many kimberlite pipes that GENCOR identified under the then leadership of Colonel Scott were Letšeng and Kao. Scott concluded that mining Letšeng would be uneconomic (Thabane, 2000a: 106) and as a result BDC's operations focused on Kao. By mid-1963, BDC had already erected a pilot plant at the Kao deposit and had sent some rock samples to the Diamond Research Laboratory in Johannesburg. BDC was operational until 1967 when it was replaced by the Basutoland Factory and Estate Development Corporation (BAFED) (Biemans, 1963; Thabane, 2000a; Ambrose, 2004; Hall, 2004). Between 1959 and 1967, as far as commercial mining is concerned, very few diamonds were mined at Kao. Prior to the establishment of BDC and its operations in Kao, however artisanal miners worked the Kao deposit. According to Ambrose (2004: 3) and Hall (2004: 12) few diamonds were reported found at Kao during this period, although they evidently do not account for diamonds that may have been sold through informal channels.

The granting of an exclusive prospecting and mining right over the entire country to GENCOR under a Colonel Jack Scott meant that local Basotho were now prohibited by law from mining. It meant that individual digging operations conducted by artisanal miners such as those at Kao had to cease (Thabane, 2000a: 106). Having been forced to abandon their mining activities at Kao, and faced with the closure of digging opportunities, the Kao diggers and other interested parties decided to take

⁵⁸ I was able to conduct one preliminary interview with one official from Lihobong Diamond Mine Company but this official subsequently refused to be interviewed again. At Kao I was refused entry to KDM, and I did not interview any official from this commercial mine. Therefore it might seem that the chapter is one sided and has unfairly focused on the state and commercial mining companies. This is not the intention, since it is based on the findings from the above mentioned categories of informants. If officials from these companies are more transparent, I would gladly interview them in future research.

action (Thabane, 2000a: 106). Thabane (2000a: 106) recounts how miners took control of the Kao deposit at a moment when employees of BDC had gone to the lowlands to escape the highland winter. Basutoland Diamonds Corporation had stationed security staff to guard the mine in the absence of its employees, but local ASM diggers, still resentful that they had been dispossessed of what had once been an important aspect of their livelihood, reoccupied the diggings by force, removing the security staff left behind by the Anglo American subsidiary (Ambrose, 2004: 3). The colonial government responded to this occupation by artisanal miners by persuading Paramount Chief Bereng Seeiso⁵⁹ to declare the deposits of Letšeng, which Scott had declared as 'uneconomic', open to artisanal diamond miners. The Kao artisanal diamond miners then moved to the newly opened site in Letšeng and Basutoland Diamonds Corporation was able to reoccupy the Kao site (Thabane, 2000a: 106). This was not to be the end of the conflict.⁶⁰

From August 1961 onwards ASM mining in Letšeng was subjected to strict governmental control. The government requested that individual diggers obtain licences for their activities and declare their finds of diamonds to the Diggers' Committee (Thabane, 2000a). Diggers who could not meet these requirements were forced to remain in Kao. There, at night, they 'poached' the diamondiferous ores to which BDC had the concession. During the day they processed the ore. These miners were to become known as *Liphokojoe tsa Kao* (the Foxes of Kao). *Liphokojoe* miners slept in hills and caves neighbouring the mineral deposits. Their political militancy was driven by two factors; firstly, in their view Kao was now mined by *makhooa* (literally white people) who had no legitimate claim to mineral wealth in Lesotho. Secondly, unlike Letšeng, the Kao site was not guarded by policemen (Thabane, 2000a: 107). Theirs was a literal and radical interpretation of the idea that mineral wealth is invested in the Basotho nation. This wealth was not to be owned by outsiders.

⁵⁹Bereng Seeiso succeeded 'Mantšebo in March 1960.

⁶⁰The history of the Foxes - a rebel group that features prominently in the history of diamond mining at Kao - was written by the historian M. Thabane. In this chapter I rely on published work from Thabane to narrate the history of the Foxes and Kao. As mentioned, Thabane was interested in writing a social history of the Foxes and was not interested in teasing out the implications of the Foxes for development studies which is what I do in this chapter.

In 1967, militant *Liphokojo*e miners drove the Basutoland Diamond Corporation out of Kao and re-opened the deposit for artisanal diamond mining. The BNP-led government attempted to force the *Liphokojo*e miners to obtain licences for digging and to regulate the mining at Kao, but this did not work and the diggers in both Kao and Letšeng revolted. The insurgency lasted from 1967 until April 1970 when the government deployed the police and military, which brutally crushed *Liphokojo*e (Thabane, 2000a: 108; Hall, 2003; TRC, 2004). This brutal action against the artisanal miners came in the wake of the coup d'état that enabled the BNP to retain power despite having lost the elections. This exacerbated the situation and led to a full-scale revolt, which was brutally suppressed, occasioning considerable loss in human life (Ambrose, 2004: 4; Thabane, 2000a: 108).

The individual diggers' camp that was established in the wake of the *Liphokojo*e action was attacked and bombarded with hand grenades thrown from the window of an aircraft that reportedly had on board the commander of the Police Mobile Unit F. J. Roch [05 April 1970]. Some miners retreated to a ridge overlooking the camp at Kao and took pot shots at the aircraft in a vain attempt to bring it down (Thabane, 1995, Hall, 2004: 13). Meanwhile, a section of the Police Mobile Unit had been airlifted to Letšeng-la-Terai (currently known as Letšeng) and had commandeered Land Rovers from the Rio Tinto mining operations. They attacked the miners at Kao from the east, shooting and killing at least ten people. Frank (1981: 194) estimates that about 150 *Liphokojo*e tsa Kao artisanal diamond miners were killed during that confrontation. The houses of artisanal miners were sacked and burnt by the police. Some miners were arrested while others fled. The Kao digging sites were closed down.

Nyemotsa, a leader of the *Liphokojo*e miners, was hunted down and eventually killed by the police at Kolberg [April 1970] (Thabane, 1995; Hall, 2004: 13). Hall (2004) reported that graves of those killed in this conflict have been identified in Kao, with one such grave said to contain the mortal remains of at least five of the 'rebels' (Hall, 2004: 14). One informant from Kao, Mrs 'Maphakoana (80 years) elaborated upon how *Liphokojo*e were killed and buried in the local graveyard in Kao in a mass grave:

Roche [former commander of police] came with the army [*masole*] to fight with *Liphokojo*e. Many of them were killed on that hill, and their leader was

also killed on his way to Thaba-Tseka. He ran away from Roche and *masole*. They [*Liphokojoe*] were buried in Kao with many in one grave (Interview, 'Maphakoana, May 2013).

After the *Liphokojoe* miners were either killed or dispersed, the BNP-led government re-opened the Kao deposit in May 1970 for exclusive mining by artisanal diamond miners in possession of identification cards issued by the police (rather than the Department of Minerals). But for the miners who took advantage of this development at Kao the opportunity did not last long, as less than a year later, in 1971, the Maluti Diamond Corporation (MDC) started mining the Kao deposit (Ambrose, 2004: 4). The government of the day had granted a licence to the MDC to pursue commercial mining and once again this meant the displacement of artisanal diamond miners from the deposits. These displaced miners were given the option of moving to Lemphane – then known to many as Phokojoe-Khoaba – where the state provided them with Canadian-funded houses, water supply, rotary pans and a resettlement grant (Ambrose, 2004: 4). In return the state expected the diggers to work as a cooperative and to repay some of the cost of the state-supplied equipment. This was not to be a lasting solution. In subsequent years, conflict arose among individual diggers over the government-initiated cooperatives at Lemphane and those at nearby Liqhobong (Ambrose, 2004: 4).

The story I recounted above demonstrates, amongst other things, how the state effectively criminalised artisanal diamond mining while promoting commercial diamond mining. It also demonstrates the means by which artisanal diamond miners and the local villagers resisted these moves. The relevance of this is to show how the state, at times unwittingly, worked against the interests of its most vulnerable citizens and is in part responsible for the loss of livelihood that many artisanal miners suffered. The Government of Lesotho did embark on a new strategy in the late 1970s, consisting in part of the introduction of diamond cooperatives and encouraging artisanal miners to organise themselves into cooperatives. This was clearly a new strategy aimed at preventing the emergence of other rebel groups of artisanal miners such as *Liphokojoe* in Kao.

There is an earlier history of cooperatives in Lesotho, as a cooperative movement was officially introduced in 1948 under British administration, with most of the cooperatives dealing with the marketing of skins and hides and the production of

wool and mohair (Muccobs & Jita, 2009; Hartley, 2011). The formal introduction of cooperatives fuelled the interest of Basotho people as it resembled practices that were already common among them and several cooperatives with diverse projects were established throughout the country. Traditionally, the Basotho already engaged kinship and neighbourhood based on mutual aid and cooperative relationships, as opposed to contractual relations. For example, *matsema* are communal work parties or forms of collective labour organisation in which people work in groups to produce food and participate in other socially productive activities (as explained earlier and in footnote 10). As has also been mentioned earlier, *matsema* are also practised when digging for diamonds.

The new strategy developed by the government, which was aimed at organising artisanal miners in such a manner that would prevent further rebellions and occupations, was constructed on existing practices of mutual aid.

7.3 Liqhobong Diamond Mine Cooperative: Formation and closure

In discussing the establishment of a diamond cooperative in Liqhobong, this section analyses the action in terms of the broader questions that the thesis seeks to address. In an attempt to organise artisanal diamond miners in Liqhobong in such a way that would prevent further rebellion and occupations, the BNP-led government in late 1978 grouped licensed individual diamond diggers together and sponsored them to form a cooperative. This cooperative was named the Liqhobong Diamond Mine Cooperative (LDMC) (Hall, 2004). At its inception, the cooperative consisted of roughly 900 men and women. The state exercised tight control over the cooperative by placing government officials in the leadership structures. Prior to the establishment of the LDMC, the government had set up a revolving loan fund with aid monies from the Canadian International Development Agency (CIDA) whereby artisanal miners could acquire mining equipment, such as rotary pans and pumps, on a hire purchase arrangement (Maleleka, 2007: 7). Around 1971/1972, the total amount in the fund allocated was only ZAR 6000 a sum some miners considered to be very low (Maleleka, 2007).

The limited funds made available to miners through this loan facility for purchasing mining equipment did very little to assist the artisanal miners in transforming their

small-scale enterprises into mid-level companies with the ability to expand mining activities to a macro and commercial level. However, Maleleka (2007) does state that the fund made it possible for some artisanal miners, who did not have the basic start-up capital, to expand their mining activities. This fund further facilitated the transfer of artisanal miners from Kao and Liqhobong to new deposits nearby Lemphane (Maleleka, 2007: 8). The fund was also used by artisanal miners to build houses. Those artisanal miners who were moved to Lemphane were given ZAR 90 as a resettlement grant by the state (Maleleka, 2007; Thabane, 1995; Hall, 2004: 14). Maleleka (2007) and Thabane (1995) claim that in 1976, before the establishment of the LDMC, about 6000 artisanal miners were moved from Kao and Liqhobong to Lemphane. This was done as part of clearing these sites for mining by two commercial companies.

The formation of the LDMC did not stop those artisanal miners who mined without licences from continuing mining activities in support of their livelihoods. Miners who preferred to work independently continued to dig around the river banks while deserting the main deposit at Liqhobong. While some miners deserted the main deposit, the formation of the LDMC attracted other miners from Liqhobong and other districts in the country to come and mine at the main deposit at Liqhobong (Field work, 2013).

According to former members of the LDMC I interviewed, the formation of this cooperative caused tensions between the LDMC members who were Liqhobong villagers, and the non-LDMC miners who were from the villages of Liqhobong and other districts such as Mokhotlong and Thaba-Tseka. One informant from Liqhobong, Mrs 'Mametsi (63 years) stated:

We used to have conflicts with people who were not part of the *project* [LDMC]. They wanted to dig for diamonds yet they were not part of us. Diamonds belonged to us as the project (Interview, 'Mametsi, October 2013).

I learnt that some artisanal miners were not part of the LDMC because they were not in possession of a digger's licence. Also, some artisanal miners did not belong to the cooperative because they did not want to share their finds and profits with other members of the cooperative, as was provided for by the constitution of the

cooperative (Field work, 2013). Then there were those artisanal miners who did not join the cooperative and instead continued to mine along the river banks just below the Liqhobong deposit where the LDMC miners were mining. These tensions and competing interests in the mining community strained relations between villagers, leading to the formation of two factions. On the one hand, there was a group of cooperative miners who felt they were entitled to mine diamonds and had a licence to do so. On the other hand, there was a group of artisanal miners who were not members of the cooperative who also claimed the right to mine because they considered the area to be their land.

The LDMC group legitimised its mining activities by emphasising its contractual relationship to the government bureaucracy, while the other group legitimised its mining activities by emphasising their membership of a local political community, in which ownership of the land on which the diamonds are found, is vested. In both cases, competition over land-use and access to diamonds was central. In the literature on conflict in the context of ASM the most recorded conflict concerns land-use disputes, such as disputes over land-use between commercial mining companies and artisanal miners; between artisanal miners and rebel groups; and between artisanal miners and Chinese miners in small-scale gold mining in Ghana (see, Crawford & Botchwey, 2016; De Koning, 2009).

Similar conflict also played out within and between Liqhobong households. According to former LDMC members I interviewed, households with members that belonged to the cooperative had a stable income and a sense of security. Households with no-one in the cooperative faced challenges because artisanal miners from such households had to run away and cease their mining activities every time they encountered cooperative members or police officers (Field work, 2013). Mr Tlou (67 years), a former artisanal miner from Liqhobong, stated:

I was not a member of the *project* [LDMC]. So whenever we were digging for diamonds people working for the project and police would chase us away. When we worked we used to be afraid of the police as well as project members. That made us work below Liqhobong deposit and lose money in working there.

(Interview, Tlou, September 2013).

This sense of insecurity among those who did not join the cooperative greatly affected production. It also produced discontent. But, as Tlou said later on in the interview, ‘despite all the challenges we continued mining in order to “improve our lives” [*ntlafatsa maphelo a rona*]. There was a general consensus among those I interviewed that the LDMC was important at the time in improving the livelihoods of members. This was the view, despite the fact that it was said that cooperative members did not get monthly salaries but were remunerated when diamonds were sold. This remuneration from the cooperative was used in part to purchase livestock (especially cattle), buy household groceries and pay school fees for their children. One informant from Liqhobong, a former miner who was a member of LDMC, Mrs Mathabo (64 years), put it in the following words:

With the money I received from the project, I bought my household groceries and a cow for my husband⁶¹(Interview, Mathabo, September, 2013).

The production of livestock in Lesotho is a gendered affair. Men are responsible for rearing grazing animals such as cattle, goats and sheep, while women are responsible for production of pigs and fowls (Ferguson, 1990: 151). This explains in part why Mathabo handed over the cow she had purchased to her husband for tending, even as these rules are changing.

The state assisted the LDMC by providing services such as security and large mining equipment (Moltke-Huitfeldt, n.d).⁶²An earth-moving machine extracted ore from the Liqhobong deposit once a year and produced a supply of kimberlite for the members, which lasted for the year. The LDMC miners would then sieve for diamonds from the broken kimberlites. Rough diamonds would be sorted into parcels and sent to the auction in Maseru (Moltke-Huitfeldt, n.d).⁶³ The state organised the marketing and selling of diamonds mined by LDMC members through auctions at the Department of Mines and Geology (currently the Ministry of Mining). Liqhobong Diamond Cooperative also sold diamonds through a Fair Trade process under the

⁶¹ Informant Mathabo, interviewed at Liqhobong, Butha-Buthe District, September 2013.

⁶² Moltke-Huitfeldt, A. n. d. Women’s mining cooperative Lesotho. Available: <http://www.moltke-huitfeldt.com/product/women-s-mining-cooperative-lesotho-south-africa-380.html> [2013, October 17].

⁶³ Moltke-Huitfeldt, A. n. d. Women’s mining cooperative Lesotho. Available: <http://www.moltke-huitfeldt.com/product/women-s-mining-cooperative-lesotho-south-africa-380.html> [2013, October 17].

sponsorship of Ruby Fair company in the UK (Zoëbook, n.d⁶⁴; Jewel Tree Foundation, 2014).⁶⁵ Following the sale of diamonds, government representatives would pay the LDMC members the money raised during the auction. In an interview I conducted with Mrs 'Malerato (67 years), a former Liqhobong miner, she said, 'At times, we were paid something like a thousand rand or less; it was not on a monthly basis. We were paid after two or three months'.⁶⁶

The literature about ASM elsewhere in Africa shows that artisanal diamond mining is often one among many sources of income for households (Mwaipopo, Mutagwaba, Nyange & Fisher, 2004). As indicated earlier, data from interviews I conducted suggests that the same is true for the Liqhobong villagers and artisanal miners. The LDMC members also produced vegetables for both household consumption and for exchange to Liqhobong villagers. At the end of every year the leadership of the cooperative distributed vegetables, maize meal and sugar to members (Field work, 2013). The leaders of the LDMC also used vegetable gardening as a form of punishment for those who were suspected of stealing diamonds by transferring miners suspected of stealing to gardening from mining, as illustrated in the following quote from Mrs 'Mamokopu (49 years) from Liqhobong:

If they suspect a person for stealing a diamond and they don't have proof, that person is sent to work in the garden. For those that were caught with diamonds, they were expelled immediately... . We were supposed to cover our hands with something like a plastic bag in order to touch a diamond as not to be tempted...⁶⁷(Interview, 'Mamokopu, October 2013).

The LDMC was operational until 1996. Thereafter, on Tuesday 12 June 2000, the LDMC miners signed a mining agreement with the Lesotho government which handed over rights to mining diamonds at Liqhobong to the Canadian company MineGem (Ambrose, 2004: 8). According to the terms of the agreement, specifically Article I,⁶⁸ the cooperative [referring to the former members of the LMDC] was to

⁶⁴ Fair Trade Rubies from Tanzania, <https://www.zoepook.com.au/fair-trade-rubies-from-tanzania/>, [2016, July 25].

⁶⁵A Women's Mining Cooperative in Lesotho, South Africa. Available: <https://jewelreefoundation.org/certificates/certificate/reports/Liqhobong%20Diamond%20Cooperative.pdf>, [2014, December 15].

⁶⁶Informant Malerato, interviewed in Pulane sub-village of Liqhobong, September 2013.

⁶⁷ Informant 'Mamokopu, interviewed in Liqhobong, October 2013.

⁶⁸ Clause copied from the signed agreement between Liqhobong Diamond Cooperative and Mine (Liqhobong Mining Development Company).

receive 10 per cent of the net profits earned by the company during each financial year.

According to former LMDC members I interviewed, the cooperative faced many challenges that were not addressed adequately, which eventually led to its collapse and closure. These included the physical security of the members of the cooperative; funding for the mining operations, and; cooperative ownership issues. However, reports I obtained from the Department of Cooperatives showed that a lack of funding was considered to have been the main reason for the closure of the cooperative. At some point, government officials representing the LMDC went to Canada looking for financial assistance to run the mine.⁶⁹ I was unable to find further evidence regarding these negotiations.

According to a former LDMC member I interviewed, issues of ownership and control of the cooperative led to its collapse. They remarked that they were employed by the state to work for the 'project'. In their eyes, the cooperative belonged to the state, as even the leadership role was occupied by a representative from government. Cooperative members referred to him as their 'boss'. Moreover, the government elected the members of the management board of the LDMC. Former LDMC miner Mr Khahliso (73 years) from Liqhobong had this to say:

Some of us were never elected to the board because they [leaders of LDMC] said ... we speak too much and can't keep secrets. So those that kept secrets [some of the former members of the board who were elected by LDMC leaders] are all dead ... and we are still here⁷⁰
(Interview, Khahliso, September 2013).

It is likely that the issue of control by the state was exacerbated by educated urban government officials looking down upon rural artisanal miners. Clearly there was little trust between the rural miners and the urban managers. Perhaps this is not surprising, given that the mandate of the LDMC was to prevent artisanal miners from revolting rather than developing the livelihoods of Basotho miners.

In this section, I discussed the establishment of the LDMC. I showed the various phases this cooperative underwent. The government used external aid funds to

⁶⁹ Information is taken from the signed agreement form between Liqhobong Diamond Cooperative and Liqhobong Mining Development Co. (Pty) Ltd.

⁷⁰Informant Khahliso, interviewed in Liqhobong, September 2013.

constitute a cooperative that did not develop the livelihoods of artisanal miners, but instead was used to pacify rural miners by a group of urban managers. After the privatisation of the cooperative, many of the artisanal members went home to their villages. Others joined unlicensed artisanal diamond mining.

7.4 Responses by artisanal diamond miners to commercialisation and incorporation in Liqhobong and Kao

According to the terms of the agreement between the company and the cooperative that I have seen, MineGem promised the LDMC miners some compensation in the form of a pension for taking over the source of their livelihoods as well as 10 per cent of their net profits in a year. Former LDMC miners were initially given ZAR 10000 and then ZAR 6500. According to some informants I interviewed, this cash was not compensation from MineGem to the miners rather it was a refund of the contributory fee that the LDMC members had paid towards the cooperative. It seems that most of the LDMC miners received only a single cash payment as compensation. Commenting on this matter, Mr Thabathe (57 years), living in Liqhobong, stated:

The money that they [commercial mine] gave us is our contributory fee; it is not a compensation for buying our cooperative mine. We [former members of the LDMC miners] are still waiting for the compensation, because what they [the commercial mine] gave us is what we contributed by ourselves. We used to contribute R100 per person while working in a cooperative. Hence, the money given to us is from there [our contribution]...⁷¹

(Interview, Thabathe, September 2013).

While it is hard to verify the accuracy of this statement by my research participant, other informants also expressed dissatisfaction with the takeover of the mine by MineGem. Another informant told me that the commercial mine gave former LDMC miners two payments (Field work, 2013).⁷²

MineGem operated at the Liqhobong site from 1996 to 2003 with Kopane Diamond Developments taking over mining operations in 2003. Kopane operated from 2003 until 2010 but over the seven years it did not make any payments to the former members of the LDMC based on the agreement with MineGem and the Government

⁷¹ Informant Thabathe, interviewed in Liqhobong, September 2013.

⁷² Informants, Interviewed in Liqhobong, September 2013.

of Lesotho(Field work, 2013).⁷³Firestone Diamonds, an international diamond mining and development company, incorporated in the Great Britain, and listed on the London Stock Exchange (Chefa, 2014: 15) took over Liqhobong mine in 2010. Firestone is still operational in Liqhobong and held a meeting in a neighbouring town with former LDMC miners in December 2012 after the miners publicly complained about the company's failure to pay former members of the LDMC their rightful compensation.⁷⁴ At the end of the meeting, I was informed; Firestone Diamonds pledged to pay former LDMC miners lump sums instead of monthly allowances as per the earlier agreement as originally made with MineGem (Field work, 2013).⁷⁵ Firestone Diamonds instructed former LDMC miners who did not have active bank accounts to open such accounts so that the company could transfer the money into their accounts. From what I learnt, some former LDMC miners opened bank accounts but at the time our interviews took place in April 2014 these miners were still waiting for the compensation to be paid (Field work, 2014).⁷⁶

Some of the former LDMC miners returned to their respective villages after they failed to receive the promised cash benefits from Firestone Diamonds. Mrs 'Makamohelo (55 years), former LDMC miner and migrant from Mokhotlong, stated in an interview:

I returned to my home village Mapholaneneng [in Mokhotlong district] after the *project* was taken by *makhooa* [whites]. At the moment, I'm from the fields. That's what I'm doing these days. I returned to my village because I was not getting anything from the mine as we were promised by Ntate Khutso [mentioning the name of the LDMC leader representative from the government].

(Interview, 'Makamohelo, April 2014).

On the other hand, other former LDMC miners did not return to their respective villages but joined unlicensed artisanal diamond mining along the river banks of Liqhobong. The experiences of a former member of the cooperative, Mr Lesiba (55 years) from Liqhobong, is quite telling:

⁷³In the agreement it is stated that "Royalty" means the right of the Co-operative to receive 10 per cent of the Net Profits earned by the Company during each financial year of the Company pursuant to the provision of this Article.

⁷⁴ Informant Khotso, interviewed in Liqhobong, October 2013.

⁷⁵Informants, Interviewed in Liqhobong, September 2013; Interview with LDM official, September, 2013.

⁷⁶Informant 'Makamohelo, interviewed, Mokhotlong, April, 2014.

We have been waiting for the money from the mine until this day [April 2014] ... and some of the members of the cooperative are dead without their compensation from the mine and others went to their own villages...⁷⁷. This is painful and we don't even know what to do anymore! (Interview, Lesiba, April 2014).

In Lesiba's view, the inaction from the international mining company in settling their debt to the LDMC miners is a painful experience. While I have been unable to contact the mining company for their view, the views of Lesiba suggest a continuation of the old pattern whereby the state is reluctant to police international mining companies in the same manner as they habitually police ordinary artisanal miners. From my observations during field work in 2013 and 2014, it seems as if more and more of the former LDMC miners who remained in Liphobong have been pushed into unlicensed diamond mining as a result of the alleged delay in compensation pay-outs from the company. This is not the only case in which the compensation process by mining companies has proved to be problematic for communities. In Ghana for instance, some commercial mining companies, in an effort to appease displaced artisanal miners, have negotiated resettlement and compensation packages. However, the procedure for obtaining compensation for land is cumbersome and subject to delays, and generally the amount involved is considered inadequate, while the commercial mining companies are accused of unfairness (Hilson & Potter, 2005: 123 citing Andoe, 2002: 7). For example: a farmer who loses land to a mining project at a time when no crops are planted does not receive any compensation; payment for tree crops is given as a one-off payment without taking into consideration the gestation period of the trees; and 'landless' hunters and palm wine tappers who have lost their means of livelihood as a result of mine expansion are often discounted in the compensation (Hilson & Potter, 2005: 123).

Kao responses

The situation at Kao was different. Remember that at Kao miners were not formed into a cooperative. At Kao, there were both unlicensed and licensed artisanal diamond miners until early 2000, at which point the Kao deposit was

⁷⁷ Informant Lesiba, interviewed, Mapholaneng, April 2014.

commercialised. Logically, there were differences between how miners in Kao and miners in Liqhobong responded to the commercialisation of the mining deposits. Unlike some former LDMC miners in Liqhobong, who went back to their own villages after losing hope for receiving the promised compensation pay-outs, artisanal diamond miners in Kao opted to mine diamonds along the river banks. This could be explained with reference to the longer history of political consciousness among miners in Kao, in addition to their history of resistance and militancy. As noted in Chapter 1, 5 and 6, Kao artisanal diamond miners have a long history of fighting the police, state and commercial mines about continued access to mining in order to secure the livelihood of their households.

The contestation at Kao between artisanal diamond miners and commercial mining companies over access to the diamond deposits continued from 1959 until the mid-2000s after the commercialisation of the deposit. Thereafter, as mentioned, the Government of Lesotho took the drastic step of closing all deposits at Kao from artisanal miners. This, as Hall (2004) showed, paved the way for commercial mining activities to resume unperturbed. In addition, the Department of Mines refused to renew artisanal diamond miners' licences – an action aimed not only at the militant Kao miners but at artisanal miners throughout the country. I suggest the government's aim with this directive was to once and for all put a stop to the conflict, to consolidate the rights of commercial mining companies over artisanal miners, and to be seen to be complying with the Kimberley Process. However, the Kao miners were not going to be cut off from their livelihood in this manner by the LCD-led government. As we know, there is an earlier history of political mobilisation among Kao miners against the state and commercial mining companies. What form did such mobilisation take? Thabane (2000a) and others have discussed the political actions of the Foxes of Kao, which included protest, physical attacks on security personnel, armed insurrection and occupations.

From interviews I conducted, I learned that in the 1960s Kao miners formed diggers' associations amongst themselves to represent their interests. These diggers' associations had mutual funds, which miners used to pay for any legal costs the association incurred. The association also provided a platform whereby miners could discuss strategic issues amongst themselves, such as negotiation tactics with the

government, which included negotiations over licenses (Field work, 2013). This should not be surprising as the literature on Basotho migrants working on the mines in South Africa shows the existence of such mutual funds (Kynoch, 2000: 87).

It seems as if the extra-legal efforts of the diggers' association to push for their interests in negotiations with the government did not pay off. According to court records, the association in 2000 resorted to court action and sued amongst others the then Minister of Natural Resources and the Commissioner of Mines. This legal battle between the Ministry of Natural Resources and Kao artisanal diamond miners represents a new phase in the on-going contest between the state, commercial mining companies and artisanal miners. In my view, the unlicensed diamond miners from Kao opted for a legal battle rather than an outright occupation because of memories of the trauma that accompanied the killings of *Liphokojoe* members in 1970. Also, they had forged an alliance with urban elites and intellectuals like Kananelo Mosito, the lawyer who represented them in court case against the Department of Mines and Geology (see section 7.5).

In this section, I discussed the various responses of artisanal diamond miners to commercialisation and incorporation in Kao and Liphobong villages. The following section analyses one of these responses in more detail.

7.5 Legal battle

In this section, I focus on the legal battle over the Kao mining area in rural highland Lesotho that took place in the courts in the capital, Maseru. This case is instructive because artisanal miners attempted to win back their digging licences through the courts rather than through other forms of political action. It shows that artisanal miners were determined to continue their fight with the state over access to an important part of their livelihood. It also shows that the form that their actions took evolved over time. This is important to my thesis because it contributes to an understanding of the local level consequences of the Mines and Mineral Act of 2005 and the Kimberley Process. It suggests that the political situation in Lesotho has changed with the presence of more international NGOs that campaign on issues such as human rights, poverty and inequality.

The trigger for the court battle was a decision by the Ministry of Natural Resources⁷⁸ under the LCD-led government in 2000 to refuse to renew artisanal diamond miners' digging licences for the month of September 2000. Prior to this, diggers' licences were typically renewed every six months by the Ministry. Without offering an explanation, the Ministry deviated from established practice. Artisanal diamond miners simply received a notice informing them that their licences had not been renewed and that they had one month to leave the deposit. In response just over 200 miners joined hands and turned to the court demanding that their licences be renewed without any alterations.

According to the Lesotho Legal Information Institute (2001), citing a judgment in the case of 'Seqhobane and 205 others⁷⁹ vs. Minister of Natural Resources and Others', the artisanal diamond miners took the then Minister of Natural Resources, and the then acting Commissioner of Mines and Attorney General to court.⁸⁰ A reading of the judgement shows that the artisanal diamond miners argued that the government's decision to give miners only a one-month's notice to vacate the deposit was too short and indeed premature. In other words, their lawyers challenged the administration of the law; they did not challenge the law itself. Their lawyers argued that the artisanal diamond miners had a legitimate expectation that their digging licences would be renewed.⁸¹

The court record shows that the stipulations for the renewal or granting of the diamond digging licences appeared on the back of the diggers' licences. These conditions stipulated that the licence constitutes a contract between the applicant miner and the Department of Mines. Condition seven (7) stipulates that the licence may be cancelled or revoked by the Commissioner of Mines if some of the conditions

⁷⁸ Since the coalition government in 2012, the Ministry of Natural Resources has been split into two ministries, namely, Ministry of Mining and the Ministry of Energy, Meteorology and Water Affairs.

⁷⁹ Lebeko Seqhobane and other 205 artisanal diamond miners worked in Kao deposit.

⁸⁰ Case No.: CIV/APN/365/2000. Others (the then Minister of Natural Resources [first respondent] and others [then acting Commissioner of Mines – second respondent, and Attorney General – third respondent].

⁸¹ Lesotho Legal Information Institute. 2001. Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

listed are breached.⁸² The lawyers for the miners argued that artisanal miners did not breach any of the conditions stipulated at the back of the licence.

In his reply the then Minister of Natural Resources dismissed the arguments made by the legal representatives of the artisanal diamond miners and instead referred the court to the Treaty that exists between the Kingdom of Lesotho and the Republic of South Africa.⁸³ His council argued that the main purpose of the Lesotho Highlands Water Project was to collect, store and transfer water from the Senqu and Malibamatšo rivers in Lesotho to the Katse Dam and onwards to South Africa. He argued that, because diamond digging and sifting in Kao polluted the water of the Malibamatšo River, there was every chance that it would seep into and pollute the Katse Dam.⁸⁴ He argued that the only solution to prevent water pollution was to build slimes dams, but that the cost of this would be LSM 9 million [ZAR9 million] – an amount the Ministry could not afford.

The Ministry informed the court that this was the reason it decided to suspend diamond digging at Kao. It argued that, at the same time, it was exploring other avenues to prevent water pollution that might result in contaminated water making its way into the Katse Dam. The Ministry's decision, the court heard, was based on the weighing up of the advantages and disadvantages of allowing the continuation of small-scale diamond digging with the possibility that it may result in slimes dams that would cause silting of the Katse Dam. In the view of the Minister, the court heard, silting the Katse Dam would violate the terms of the Treaty to provide South Africa with clean water.⁸⁵

The court papers further recorded that the then Minister had held a *pitso* [public gathering] with artisanal diamond miners at Kao on 10 March 2000. During this

⁸²Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁸³Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁸⁴Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁸⁵Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

pitso, the court heard, the Minister informed the artisanal miners that diamond digging would be suspended and that the government was seeking possible solutions to the issue of water pollution in Kao River. The court documents show that the Minister informed artisanal diamond miners in a *pitso* that they would be notified when the government took a position on the matter. It is also recorded that the Minister told the miners that they would be given enough time to 'round up' their mining activities in the event that the government decided to put an end to artisanal mining at the site.

The records also state that a month prior to that *pitso*, ministry officials – including Nyakallo Mpatua the then acting Commissioner of Mines – visited Kao miners. During that visit, in August 2000, they presented a final notice to the artisanal diamond miners that their diamond digging licences, due to expire one month later in September 2000, would not be renewed.⁸⁶ The court record indicates that, at this visit, Nyakallo Mpatua took the stand to answer questions about the licences raised by the artisanal miners.⁸⁷

In the court records it is recorded that Nyakallo Mpatua, the second respondent, addressed the artisanal diamond miners on 23 August 2000 and that she verbally notified them that their licences would not be renewed. It is stated that she informed the miners that they would have to vacate the area after the expiration of the licences on 23 September 2000. The court records that, during that *pitso*, artisanal diamond miners maintained that they were unhappy with the one-month notice period as it did not give them enough time to complete sifting diamonds.⁸⁸ Following representations made to her Ministry subsequent to the *pitso*, the Commissioner gave the artisanal diamond miners an extra two months to round up their affairs. This new lease period was to commence on 27 September 2000. However, on 28 September the court served the Commissioner with a court order preventing her Ministry from evicting the applicants from the mining site.

⁸⁶Lesotho Legal Information Institute. 2001. Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁸⁷Lesotho Legal Information Institute. 2001. Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁸⁸Lesotho Legal Information Institute. 2001. Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

In the court hearing, the Commissioner of Mines argued that she did not cancel the miners' diamond digging licences but that these licenses had expired. Meanwhile, the terms and conditions of the licence document was silent about the conditions for renewal; rather, it mentioned that the licence might be cancelled or revoked by the Commissioner of Mines after consultation with the Diggers Committee, most likely following an inquiry into whether other written conditions have been breached.⁸⁹

The court records show that, in his judgement, the presiding judge was of the view that the 'renewal of licences was morally stronger than a refusal to grant a new licence' (Lesotho Legal Information Institute, 2001). The judge held that factors of prior involvement in the business concerned and of licence holders existing interest in eking out a livelihood out of the diamond digging, are positive considerations not to be ignored without good cause'.⁹⁰ However, the judge further argued that the licences of the applicants had indeed not been terminated; rather, they had expired on 23 September 2000. Hence, if they were revoked by the Minister before their expiry date, then the court would have been in a position to declare such revocation as null and void because the then Minister of Natural Resources had no power to revoke diamond digging licences; instead, it was the prerogative of the Commissioner of Mines. Therefore, the relevant facts of the case did not raise issues of termination, cancellation or revocation of the licences; on the contrary, they raised administrative issues regarding the decision not to renew the licences.⁹¹

In his judgement the judge also mentioned the *pitso* held in Kao on 10 March 2000 during which water pollution was discussed between artisanal diamond miners and the then Minister. He stated that even though no mutual agreement was reached on that day, artisanal diamond miners were made aware that the Kao deposit was going to be closed. On that account, artisanal diamond miners were given an opportunity to air their grievances. However, artisanal diamond miners did not use the opportunity until the moment they received an announcement in August 2000 that licences would

⁸⁹Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000)*. Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹⁰Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000)*. Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹¹ Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000)*. Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

not be renewed.⁹² The then Minister in March 2000 gave artisanal diamond miners an additional one month's notice with regard to the fact that the deposits might be suspended. The miners, the judge argued, had had ample time to send representations to the Ministry to persuade them to stop suspension – something they failed to do.⁹³

The judge also commented on the duration of the diamond digging licences, which typically were issued for a period of between six months to a year. He stated that the duration meant that their licences could be refused renewal at any time because they were not long-term licences, such as those the state issues for a period of 99 years.⁹⁴ In his ruling, he stated that the decision by the Minister of Natural Resources not to renew licences was regarded as a policy decision. On the other hand, termination of licences could not be done by the Minister of Natural Resources, but only by the Commissioner of Mines. The judge held that the renewal of the diamond digging licences was a 'matter for negotiation and bargaining and not for litigation'⁹⁵ between the Ministry of Natural Resources and artisanal diamond miners. He concluded his ruling by stating, 'In all circumstances of the case the Rule is discharged with costs'.⁹⁶ The artisanal diamond miners had lost their legal suit against the Ministry of Natural Resources and they had to carry all the costs associated with the court action.

According to a *Mopheme/Survivor* newspaper report (Motopi, 2000)⁹⁷ about the case and the judgement summarised above, the judgement also included an instruction

⁹² Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹³ Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹⁴ Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹⁵ Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹⁶ Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others* (CIV/APN/365/2000). Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

⁹⁷ Motopi, K. 2000. Lesotho: Small scale Diamond Diggers in Kao ordered to leave. *Mopheme/The survivor* (Maseru). 27 September. Available: <http://allafrica.com/stories/200009270132.html> [2014, October 20].

that the artisanal diamond miners must vacate the deposit within a week. In an interview with the then Minister published in *Mopheme/Survivor* newspaper, the Minister was quoted as saying:

Even though I am not aware that they have been given a week to vacate the site, I fully support that move, we have done everything to convince them to pull out, so that the site can be developed for mining (Motopi, 2000).

This newspaper report about the interview with the Minister made no mention of the arguments his council presented in court. In court, much was made of the Treaty between South Africa and Lesotho and how continued artisanal mining would result in water pollution, which in turn would jeopardise the Lesotho Highlands Water project and violate the Treaty between Lesotho and South Africa. The newspaper interview made mention only of the fact that miners were to vacate the deposits in order to develop the site for mining.

The court's ruling in favour of the Lesotho government meant that Kao artisanal diamond miners were now officially unlicensed. Unsurprisingly, given the long history of resistance to state interference and efforts to regulate their mining activities, some of the Kao miners continued to mine, this time without a licence. Hall (2004: 16) reported that unlicensed artisanal diamond mining continued until the mining area was fenced-off in 2000 by Serious View, the commercial mining company under prospecting lease from the government (Hall, 2004:16).

In my opinion the views of miners and their commitment to a moral economy that prioritised their livelihoods over the commercial and political interests of the Basotho nation as articulated in the Treaty, were at odds with the judgement given in court. While the judge recognised the right of miners to mine, he nonetheless gave the opinion that 'renewal in this case is a matter for negotiation and bargaining and not for litigation'.

In his published research on the Foxes of Kao, Thabane (2000a:106) writes that the miners he interviewed believed that they had a right to mine diamonds because these diamonds were on land that belonged to their local political community and not

Lesotho Legal Information Institute. 2001. *Seqhobane and 205 Others v Minister of Natural Resources and Others (CIV/APN/365/2000)*. Available: <http://www.lesotholii.org/ls/judgment/high-court/2001/105> [2014, October 29].

to the state. Moreover, they felt they had a right to the diamonds because the first stones were discovered by fellow Basotho (Thabane, 1995; 2000a). Likewise, I heard miners say that diamonds were discovered by Basotho in Kao and that this historical act gave Basotho artisanal miners a right to claim ownership of diamonds (Fieldwork, 2013). The moral economy of provision, in the case of artisanal miners in the highlands, assumes access to land and the diamonds within the land. They refer to the land as *lefats'e la rona* (our land) or *mobu oa rona* (our soil). In Lesotho's traditional land system, land ownership is vested in the nation of Basotho and is held in trust by the King; this is stipulated in the traditional land tenure system provisions of the Land Act of 1979. Accordingly, 'there is no individual ownership of land in Lesotho' (Daemane, 2012: 165, see also Motšoenne, 2013: 217). Again, this is not unique to Lesotho.

Ballard and Banks (2003: 299) argued that for most local communities in Papua New Guinea, land serves as a discursive point of reference to express ties to locality and kin. Ballard and Banks (2003:299 citing Ballard, 1997:48) further note that 'a claim to land, rather than some abstract notion of citizenship, is how the majority of Melanesians secure a foothold on the political stage and gain the attention of the state'. This holds particularly true in the case of mining, where the industry is concerned primarily with securing access and leasehold rights to territory and only secondarily with questions of engagement with local residents about improving their livelihoods. And, as we have seen is the case in Lesotho, commercial mining companies have an advantage over artisanal miners because capital is favoured by officialdom (Vibe, 2013; Auty, 2006).

Artisanal diamond miners in both Kao and Lihobong villages hold the view that commercial mining interrupted their livelihood. Nonetheless, they continue to scavenge whatever meagre remnants are available from the river banks. Mrs 'Mamoholo⁹⁸ (1956), an unlicensed diamond miner from Kao, stated:

Since they chased us from our deposit, here in the river we only get small diamonds like *lebele* [grain of sorghum size], *tsoekere* [sugar grain size] when we scavenge [*ngoapa*] or dig for diamonds (Interview, 'Mamoholo, June 2013).

⁹⁸ Informant 'Mamoholo, interviewed in Kao, Butha-Buthe June 2013.

'Mamoholo likened digging for diamonds along the river banks to *ho ngoapa-ngoapa*, which means literally scratching the ground to find diamonds; these are diamonds that are typically much smaller than those from the productive deposit.

During my field interviews, artisanal diamond miners stated explicitly that the presence of commercial mining companies represented a threat to their livelihoods. Mrs Mathato, an unlicensed artisanal diamond miner in Kao aged 65 years, expressed this dimension of the moral economy of miners as follows:⁹⁹

Without diamonds there is no life, diamonds are a mother and father to me. I came here in 1971 with my late husband and there is nothing I can do to make a livelihood without diamonds.
(Interview, Mathato, June 2013).

Mrs Mathato here invokes a universal principle of human association – that of kinship – to express her relationship to diamonds. This is one dimension of the moral economy that was forged by those miners who arrived in Kao in the 1970s. When access to land and to diamonds is your lifeblood, then those who stand in the way of your means of reproduction take on the appearance of the enemy. This is coupled with a sense of nostalgia for the early years of mining.

This echoes what scholars in other contexts have written about money and artisanal miners. In Burkina Faso, for instance, Werthmann (2013: 122) has argued that artisanal miners call money accrued from the sale of gold 'bitter money'. According to this view, 'bitter money' cannot be invested in lasting goods or serious productive activities (Werthmann, 2013: 122). Investing proceeds from 'bitter money' in bride prices, cattle, or other items that are considered essential for the production of a community can anger the ancestors and lead to sterility or death (Werthmann, 2013: 122 citing Luning, 2009; Megret, 2008; Werthmann, 2003a). In the case of Lesotho, money accrued from the sale of diamonds is not subjected to similar rules, or regulated according to different spheres of exchange (Parry & Bloch, 1989). Like income derived from other sources, money obtained through the sale of diamonds is not regarded as dangerous to households, ancestors or the wider community.

The actions of artisanal miners defending their right to pursue what is a primary source of their livelihoods, echoes what other scholars have written. The element of

⁹⁹Informant Mathato, interviewed in Kao, Butha-Buthe, June 2013.

resistance as part of the moral economy of provisioning ordinary people has been recorded in many instances in the literature. In Africa, the concept has been used to discuss labour (Dogan, 2010), mine workers (Nite & Stewart, 2014), African miners (Moodie, 1986; 1994), and artisanal mining (Werthmann, 2009). In his seminal article on the moral economy of the English crowd, Thompson (1971) has showed the role that food riots played in the English working class's response to the manipulation of bread prices.

7.6 Summary

This chapter has demonstrated how artisanal diamond miners responded following the commercialisation of the Kao deposit and the incorporation of artisanal miners into the Liqhobong Diamond Mine Cooperative. It discussed in detail the differences between the two sites in question and analysed the different responses by artisanal miners in relation to the institutional contexts and different histories of political consciousness and political action. What artisanal miners in both contexts share is, among other things, a distinctive moral economy that foregrounds the legitimate claims that artisanal miners have over access to land and diamonds. It also discussed a new form of political action that miners in Kao experimented with, namely legal action.

Artisanal miners from Kao resisted moves by the Minister of Natural Resources and Commission of Mines to evict them from the Kao deposits by organising themselves into a diggers' committee and taking the issue to court. They demanded the renewal of their diggers' licences and by implication defended their livelihoods. It was suggested that the memory of the killings of *Liphokojoe* miners in the 1950s informed the 2000 decision of the Kao artisanal miners to avoid more militant actions, and instead to opt for a legal route. In both cases (time of *Liphokojoe* and legal battle in 2000), however, the political action of the artisanal miners was informed by their moral economy.

The chapter discussed how, on one hand, artisanal diamond miners from Liqhobong encountered several challenges that led to the closure of their cooperative, and on the other hand, how artisanal miners from Kao were evicted by the Department of Mines from the Kao deposit following the Department's refusal to renew their

individual diggers' licences and the court judgement and order. Lastly, this chapter demonstrated the various forms of mining activities that took place in the area, including artisanal, cooperative, and corporate.

CHAPTER 8: CONCLUSION AND RECOMMENDATIONS

8.1 Artisanal Diamond Mining, Gender and the Human Economy

This study examined how individuals and households from Kao and Liqhobong villages in the rural highlands of Lesotho have used the presence of precious metals, specifically diamonds, to sustain their livelihoods in the context of economic crisis and poverty. The reasons for the deepening economic crisis in Lesotho are clear: a decline in work opportunities for Basotho migrants in South Africa, the collapse of the regional mining complex, continuing failure in developing agricultural production, negative consequences of structural adjustment policies, the inability of the state to expand its tax base and to increase earnings from exports, and declining revenue from the Southern African Customs Union. A series of recent events have also produced a political crisis (Matlosa, 1991; Ralengau, 2015; Maliehe, 2015). Given this dire political and economic situation, and what seems to be a lack of political will and imagination to address questions of rural poverty and livelihood diversification, new thinking and research is desperately needed. The aim of this study is to contribute to such a new thinking and policy formulation; policy that takes as its starting point the lives of real individuals, that is based on empirical research, and that seeks to expand our conception of what economic democracy might look like in Lesotho (Hart & Sharp; 2015).

More specifically, this research focused on individuals and households that are implicated in unrecognised and unlicensed artisanal diamond mining in the highlands. As someone who grew up in Lesotho and whose kin were intimately involved in the regional mining complex as mine workers, I wanted to understand how artisanal diamond miners use their knowledge and skill of artisanal mining, in the midst of these economic challenges, as a means to supplement their income. In other words, to explore how the instance of ASM could assist us in plotting a developmental future beyond agricultural and livestock production and wage work.

In order to understand the contemporary configuration of artisanal diamond mining, I had to understand its history and the historical relationship between artisanal diamond miners, the state, and international and commercial or capital-intensive forms of diamond mining. As a result, through conducting interviews and reading the

archives, I studied the conditions artisanal diamond miners operated under since the 1950s, up to the period of my ethnographic fieldwork in 2014. Since there is hardly a local market for diamonds in Lesotho to speak of, I had to understand not only the mining of diamonds of the highlands but also the processes and routes by which these precious stones travel before they end up in the hands of diamond buyers and eventually become the property of wealthy individuals across the world.

I was however not primarily interested in the global dimensions of the diamond trade. I saw in the stubborn persistence of artisanal diamond miners who keep on digging for precious metals despite severe challenges an illustration of how citizens at the margins of a distressed society insert themselves into the economy. As such, I was interested in how they dig for diamonds, how they identify and speak about diamonds, how they insert diamonds into the global market, and how they consume and/or invest proceeds from the sales of diamonds. Since such individuals and households do not make a living exclusively from the mining and selling of diamonds, but combine this with other forms of production and income generation, I had to also investigate how miners and their households engage with income generating activities outside of mining. This allowed me to situate their income derived from mining in relation to other forms of income generation. As I argued: it is imperative to build livelihoods within Lesotho at this point in time.

Apart from my personal interest in mining and rural livelihoods in Lesotho, I wanted this research to be part of changing the perceptions that people have of artisanal diamond mining and rural Basotho who engage in artisanal diamond mining. In short, they are not viewed positively by the Lesotho government and by elites who are concentrated in the capital of Maseru. However, if new thinking is called for in order to imagine an economy that is more democratic, inclusive, and that can address poverty more effectively, then we need to start not with the abstract models of economists who have never set foot in the highlands, but with the already existing practices and institutions of Basotho (Hart & Sharp, 2015; Hart, 2015). This is not to fall into the trap of romanticising Basotho artisanal miners, but to see in their existing practices and institutions elements that could potentially be scaled up and formalised in a manner that would increase their access to markets and wealth. In this, Lesotho is not alone. Many countries in Africa and South America are debating at this

moment the relationship between economic democracy and the extractive resources industries (Canel, Idemudia & North, 2010).

Against this backdrop, the objectives of the study are as follows: to examine artisanal diamond mining as a livelihood diversification strategy among rural households in Lesotho; to assess the possibilities of artisanal diamond mining as a viable and sustainable alternative, or potential complement, to traditional agricultural production among those households; to document the strategies employed by artisanal diamond miners in marketing diamonds in the highlands of Lesotho; and lastly, to investigate how the proceeds from the diamond trade affect individual livelihoods and rural households and communities.

Documenting artisanal diamond mining in Lesotho becomes important in this wider debate about economic democracy, and not only in terms of changing perceptions of artisanal miners in Lesotho. It is also about changing how we theorise Lesotho and its economy. I argue in this thesis that for too long Lesotho has been framed in the political and development studies literature as a 'labour reserve' that supplied labour for South African mines (Murray, 1981; Ferguson, 1990). I contend that this representation of Lesotho is dated and that it conceals significant aspects of the domestic economy. Too often Lesotho is discussed only in relation to migrant labour and the regional mining complex. Migrant labour emerged as a result of the historical process of freeing up Basotho's men labour for regional labour market. This is not to argue against regional perspectives, but to suggest that a regional perspective that focused on labour had the consequence of concealing important domestic income generating activities. I also contend that the focus on the regional migrant system may in fact have been closely tied to the fact that migrant miners were predominantly male and that most authors who wrote about Lesotho were male. These writers may have underplayed the role that artisanal diamond mining played partly because this work was not gendered as a male activity. As several scholars have shown (Braun, 2005; Braun, 2010; Ferguson, 1991; Murray, 1981), labour and the division of work is highly gendered in Lesotho. My thesis offers a corrective to this dominant perspective by including the voices of female artisanal miners and to show their contribution to rural livelihoods outside of the domains of domestic work and manufacturing (Manoeli, 2012; Braun, 2005; Braun, 2010).

The available evidence seems to suggest that artisanal mining in Lesotho was dominated by women during the colonial and early post-colonial period. It was the death of a female miner in 1954 that brought artisanal diamond mining to light (Thabane, 2003). Moreover, men tended cattle and were also engaged in wage labour (Ferguson, 1990). Such labour typically occurred in the context of gold and diamond mines in South Africa. No wonder the discovery of diamonds in Lesotho is attributed to women as they were the ones who were digging for colouring soil used for house plastering, decoration and facial beautification. Additionally, Ambrose reported that in 1967 a woman from Letšeng, Mrs Ramaboa, found ‘what was then the world’s seventh largest diamond, the 601 carat “Lesotho Brown”’ (Ambrose, 2004: 3). As a result of the discovery of that diamond, the BNP-led government opened the Letšeng deposit to international commercial companies and displaced artisanal diamond miners of Letšeng to Kao. Looking at the story of artisanal mining in Lesotho as accounted for in this study, women occupy a central role. They were the first to discover diamonds and organise themselves to take advantage of their economic value while men were working in the mines in South Africa. Women engaged in artisanal diamond mining to support their households as the remittances sent from South Africa were not enough to support rural households. Following this line of thinking, the story of marginality outlined in this thesis has women at its core; meaning marginalisation, and criminalisation of artisanal mining in Lesotho fell on women more so than men.

Furthermore, the case of Liqhobong Diamond Cooperative I discussed in the thesis confirms that women played an important role in ASM. As discussed, the Cooperative was established in the late 1970s with both men and women as members. Over time, most of the men left the Cooperative for wage work in South Africa and the Cooperative came to be dominated by women. Up until recently, this women-dominated Cooperative has been selling diamonds through a Fair Trade process sponsored by the company in the UK, Ruby Fair.¹⁰⁰

¹⁰⁰Fair Trade Rubies from Tanzania. Available: <https://www.zoepook.com.au/fair-trade-rubies-from-tanzania/>[2016, July 25].

A Women’s Mining Cooperative in Lesotho, South Africa. Available: <https://jeweltreefoundation.org/certificates/certificate/reports/Liqhobong%20Diamond%20Cooperative.pdf> [2014, December 15].

The wider literature on artisanal diamond mining in Africa supports the strong association between artisanal diamond mining and women. In Tanzania, for example, female diggers formed the Tanzanian Women Miners Association (Hentschel et al, 2003: 30). In Guinea, women comprise 75 per cent of those involved in the sector. In Madagascar, Mali and Zimbabwe the figure is 50 per cent, and in Bolivia, it is 40 per cent. In the Gaoua region in Burkina Faso the exploitation and selling of gold has traditionally been a female-only activity (Hentschel et al, 2003: 30). Therefore, in contrast to large-scale mining that typically favours employing men as wage workers, the involvement of women in small-scale mining is generally high (Hentschel et al, 2003: 30). While I do not have statistical evidence to rely upon, it seems that the collapse of the regional mining complex and the concomitant decline of wage work opportunities for male Lesotho miners in South Africa have resulted in an increase in Basotho men engaging in artisanal diamond mining. This has happened as some Basotho women migrate to South Africa to work as domestic workers, and as other women became internal migrants by joining *lifeme* textile factories in Maseru and other towns in Lesotho (Braun, 2010: 454). These factories have been established mostly in Maseru, Maputsoe, and Mafeteng; towns in the urban areas. These historical and contemporary migration patterns of women are a direct result of persistently high rates of poverty and unemployment as well as structural relations of inequality, regionally and globally (Braun, 2010: 454; Maliehe, 2016).

Women have and continue to play a central economic role in rural households in the absence of men. This occurred in the context of what is referred to as the informal economy. Braun (2005, 2010) argued in her work that women in the highlands of Lesotho played a role in food security in rural households but with the implementation of the Lesotho Highlands Water Project development policy, women's ability to secure food was negatively affected. Women in Lesotho have often been main providers for households. During the era of mass male migration they were often the primary farmers and at times also heads of households (Braun, 2005, 2010). As male migration diminished in importance women have increasingly also been the main breadwinners. This *de facto* situation resulted in women occupying a much more important role in the family and community. Placing this in focus challenges the stereotypical and static view of the roles that women play in

everyday life. In fact, Braun (2010) argues that development policies tend to reinforce men's power by constricting women's rights and ownership, despite women's *de facto* roles as food providers in families and households (Braun, 2010: 456). Braun (2010) further argues that such policies led to deepened gender inequalities that affected women's ability to secure food. Also it put women as a category at risk of food insecurity. While not a focus in his research, Ferguson (1990: 297) too argued that Basotho women are highly self-reliant and resilient in the face of adversity. In as much as they are economically dependent, they know how to look out for themselves. But Braun (2010) suggests that the situation for women has now deteriorated. Any attempt to rethink the development of Lesotho beyond wage labour and agricultural and livestock production has to place women at the centre.

In addition to generating new divisions of labour between men and women, and men returning to dominate artisanal mining, ASM has also resulted in new cleavages and differentiations in Basotho society; ones that often go unnoticed. In this thesis, I discussed a category of internal migration that has shaped the character of Kao and Liqhobong villages and that sets both Kao and Liqhobong apart from typical villages in the Lesotho highlands. The presence of diamonds in these villages have resulted in economic migrants from other parts of Lesotho moving to these villages in order to mine for diamonds in river beds or to seek wage employment at the mines of international mining companies that operate in these villages. These economic migrants rent accommodation from local landlords who have access to houses. They spent their earnings on purchasing commodities and services from local enterprises. Rent is becoming a more important income generating activity in peri-urban, urban and rural villages located near diamond mining. The *malaene* facility is regarded as a lifetime investment and stable source of livelihood outside agriculture and thus emerged as an important household land strategy for the majority of land-holding households (Thebe & Rakotje, 2013: 408; Ambrose, 2004: 7). The presence of money, markets and migrant residents give mining villages a different social character that, as the literature shows, they are, "subversive of traditional social arrangements" (Hart, 2013; para 10; Hann & Hart, 2011: 25). One consequence, as Sechaba Consultants (2004) have shown is that, Kao household size on average is composed of 2.8 members per household, this average is markedly lower than the mountain average of five members per household. The reason for this divergence is

most likely due to the presence of internal migrants. To understand why Kao differs, in this and other ways, from typical highlands villages, it is important to appreciate that its demographic characteristics are heavily influenced by the presence of internal migrants (Sechaba Consultants, 2004: 18).

Internal migrants introduce new dynamics to the social and economic life of the villages but typically do not participate in local-level political processes. In Kao, these internal migrants are called *Masosolo/Masosolara*. In Liphobong internal migrants are referred to as *Maphuphula/Maphuphulara*. The wider literature speaks about conflict between the local miners and migrant miners (Grätz, 2013; Fisher, 2007). In my research, I found that villagers and internal economic migrants generally co-exist peacefully. This was not always the case. As I discussed in chapter 7, the heyday of the Foxes of Kao were characterised by serious conflicts between the locals, commercial mining companies and Liphokojoe. The foxes were not the residents of Kao, but migrants from other districts within the country who had worked in South African mines (Thabane, 2000a: 114). The scale of this internal economic migration of men (and women) to Kao and Liphobong villages was not insignificant: Ambrose (2004) reckons that the number of artisanal diamond miners (both local and migrants) in 1980 in Kao was about 1200. This was long before other forms of rural internal economic migration in Lesotho became commonplace: factories only opened in the late 1980s (Manoeli, 2012). Today, 47 971 number of people are employed as wage workers in the textile factories (SACU, 2014). On the other hand, tourism only really started employing people in 2000, and as of 2011 generated an estimated 14,200 direct jobs (Rogerson & Letsie, 2013). The Lesotho Highlands Water Project employed people in 1987 with the construction of the Katse Dam, the 'Muela hydropower plant and related infrastructure in the northeast highlands (Thabane, 2000b: 635). Still, we know very little about the social and political effects of these older and newer forms of internal migration in Lesotho. More empirical studies on this topic may further qualify the dominant representation of Lesotho as a 'labour reserve' for South Africa.

In formulating the research questions that shaped this project, I was inspired by the emergent human economy approach as developed by Hart, Laville and Cattani (2010), Hart and Sharp (2014) and Hart (2015). Hart and Sharp (2014) argue that

economic democracy (human economy) means nothing if not trusting the people to identify and explain their own interests. People insert themselves practically into the economic life on their own account but this is often hidden and concealed by economic models (Hart, Laville & Cattani, 2010: 5). Writing in this emergent field of human economy means taking seriously how people insert themselves into economic life (ethnography), how economy and society is structured over time (history), and how we can understand the possibilities opened up by social change (development studies). Taking my cue from the human economy approach, this study focused on what unlicensed artisanal miners have been doing for themselves and their households, despite challenges they faced in relation to the Lesotho state and international commercial mining companies. While a few others have written about diamond mining in Lesotho, and artisanal diamond mining in particular, this study breaks new ground empirically and theoretically.

This thesis follows the lead of scholars such as Thabane (1995, 2000a, 2002, and 2003), Maleleka (2007), Hall (2004), Ambrose (2004) and Chefa (2014), who analysed diamond mining in Lesotho from the perspective of either the commercial or artisanal mining sectors or both. The artisanal diamond mining sector remains under-researched. This thesis makes an important contribution to the academic literature while asking new questions that relate to economic development of Lesotho at this moment. Taking my lead from those scholars who have written within the emergent field of the human economy (Krige 2014; Sutton-Brown 2014; Rakopoulos 2014; Saiag forthcoming; Maliehe forthcoming), my research discusses the main findings and arguments under the following headings: the historical and contemporary context of diamond mining in Lesotho, considerations regarding distinctive moral economy of miners, the political economy of mining, land and environmental change, institutional and regulatory frameworks.

8.2 Historical and contemporary context of diamond mining in Lesotho

Artisanal diamond mining is not a new work activity in Lesotho, even if it has been concealed and hidden from public view and consideration. According to Thabane (1995), it was first reported in the 1930s. The official declaration of the presence of diamonds in Lesotho occurred only in 1954 following the death of a woman in Kao. She had suffered fatal injuries after falling into an unstable pit while digging for

diamonds. Her death brought diamond digging into the public domain (Thabane, 2003: 148, 153; Maleleka, 2007: 5). Prior to that, it was a concealed livelihood only known by the locals in the highlands of Lesotho. Thabane argues that the death of this woman “marked the end of individual diamond digging in Kao” (Thabane, 1995: 52).

Thereafter, Kao became a site of contestation between international commercial mining companies and individual diggers, with the state opting to side with the commercial mining companies most of the time. In other words, it became a microcosm of the forces and dynamics that shape economic life in Lesotho, and elsewhere. The contestation morphed into a three-pronged conflict between commercial mining companies, individual diggers, and the government (Thabane, 1995: 52). This contestation over land and access to natural resources between rural artisanal diamond miners, an urban-based state in Maseru, and international mining companies continued until early 2000 when the Lesotho state used an international treaty that sought to make the international trade in diamond more transparent as a means of shutting down artisanal diamond mining. It ceased issuing diamond diggers’ licences to individual diggers from the highlands, and offered international mining companies exclusive rights to extract its diamonds. This is the current state of affairs.

The situation in Lesotho with regard to the mining of natural resources is both similar to and different from other post-independence societies in Africa and the Global South. Since the colonial period, mining was construed as a capital-intensive industry governed by the state (or state-owned enterprises), or private companies, through the processes of owning, controlling, producing, regulating and marketing mineral wealth. Since the winds of change that brought independence in the second half of the twentieth century, mining has increasingly been taken over by multinational companies, and also small-scale artisanal miners. In this context the state acted as regulator and facilitator of the industry’s activities and growth (Rukonge, 2006: 9). Since the early 1980s, with what has become known as the Washington Consensus, developing countries have had little choice but to liberalise their economies and create political and economic conditions that will attract capital investment from developed and rich countries. In response to this pressure, dressed

up as global consensus, developing countries have adjusted their macro-economic policy and regulatory frameworks (Rukonge, 2006: 9). The changed macro-economic policy environment has created the conditions for multinational mining companies with access to capital to invest in mineral extraction in developing countries, with the promise of good returns. The Washington Consensus held that natural resources, and minerals in particular, offered developing countries an unprecedented opportunity for micro- and macro-economic growth and sustainable development (Rukonge, 2006: 9). The resulting influx of multinational corporations into the extractive industries of developing countries since the 1980s has had uneven social and economic effects on those countries, with mixed reactions at the community level. Lesotho has not been an exception (Rukonge, 2006). Even as the Washington Consensus falls apart, and in the absence of clear global alternatives, developing countries continue to embrace macro-economic policies.

I argue in this thesis that the current state of affairs do not serve the interests of Lesotho and certainly do not serve the interests of artisanal diamond miners, their households, and the communities where diamonds are found. It is important that new models for mining, marketing, regulating and processing diamonds in Lesotho are considered, and that it should develop from existing practices shared by artisanal diamond miners. Diamonds in Lesotho can be viewed as a curse only for as long as it does not support the emergence of greater economic democracy. It also represents a promise. Commercial diamond mining and the quarry industry contributed 6.6 per cent to the GDP of Lesotho in 2012, whereas in 2011 the sector contributed 9.3 per cent (SACU, 2014). Kao is reported to have reserves of 147 million tonnes, at a grade of 6.9 cphr for diamonds worth US\$ 240/ct and a remaining lifespan of 23 years; whereas in Liqhobong the 15-year life of the mine is calculated on an opencast mine going 393m deep (Maleleka, 2007). Nonetheless, there is considerable depth to the kimberlite that has yet to be explored (Maleleka, 2007; Read & Janse, 2009; Seccombe, 2016). The Liqhobong main pipe is being developed on its western higher grade portion. The value per tonne is lower than in the Satellite pipe, but the value per carat is higher (Read & Janse, 2009). Diamonds have increased Lesotho's export earnings since commercial production began just over a decade ago, helping boost foreign exchange reserves (Maleleka, 2007; Commonwealth of Nations, 2016). But Dietrich (2000: 332) argued that illegal

diamonds are smuggled from Lesotho into South Africa for sale. In 2011, diamonds accounted for 31 per cent of the country's total exports, as opposed to just 0.1 per cent in 2002 (Commonwealth of Nations, 2016). The major players in Lesotho's mining industry are the foreign companies Gem Diamonds and Firestone Diamonds, both headquartered in London. Gem Diamonds operates the Letšeng mine under the brand Letšeng Diamonds, in which the Lesotho government owns a 30 per cent stake. The government has retained a 25 per cent stake in Liphobong mine, with Firestone Diamonds owning the remaining 75 per cent (Commonwealth of Nations, 2016).

Since 2000, China has started to play an important role in the mineral extractive industries in Africa (Grynberg & Sekakela, 2015; Bryceson & Johnson, 2014) Lesotho is not an exception. It was reported by Chefa (2014) that the former Mining Minister from the ABC-led coalition government in 2013 awarded a mining license to Nan Jiang Africa Investments (PTY) Ltd, a company based in China, to mine at Kolo in the Mafeteng southern district in Lesotho. Reports suggest that this company was not duly registered in Lesotho which if true means the Minister acted unlawfully and in breach of the Mines and Minerals Act of 2005. This prompted an investigation by the Police Commercial Counter Crime Unit and as a result mining did not commence (Chefa, 2014). Part of the debate about the future of diamond mining in Lesotho should concern not only clamping down on corruption, but also the form that international investment in the industry should take. A consideration of the future of mining, and of artisanal diamond mining, should be based on empirical knowledge of those actors who operate in the sector, and on how this sector could contribute to strengthening economic democracy in Lesotho. According to Buxton (2013), ASM generates up to five times the income of other rural poverty-driven activities in agriculture and forestry (Buxton, 2013). The sector "employs" ten times more people than the commercial mining sector, and stimulates considerable local economic development around ASM sites (Buxton, 2013). These numbers should point to the importance of rethinking the role of ASM in Lesotho.

There is an apparent thriftiness of ASM miners' consumption of proceeds from artisanal mining. For instance, the proceeds from artisanal mining are not always invested in crop production; Cuvelier (2011), in his ethnographic study conducted in

Katanga (Democratic Republic of Congo), found that artisanal miners spend their proceeds extravagantly. My data suggests that Basotho artisanal miners are careful and cautious about how they spend their income. This is in part because of the economic hardships that rural households face and because of the difficulties involved in diamond mining as well as the amount of income they earn. Artisanal diamond miners in Lesotho prioritise the sustenance of their households over the lavish consumption that is mentioned in the ASM literature (see Geenen, 2015; Van Bockstael & Vlassenroot, 2008). Furthermore, artisanal diamond miners in Lesotho spend portions of the income derived from diamond sales by investing it in home brewing and wood vending ventures. Their thriftiness is exemplified by women who prefer to buy grocery stock from lowland towns, such as Maputsoe or Hlotse in the Leribe District, where it is much cheaper than in neighbouring towns such as Mokhotlong. Women combine such thriftiness with entrepreneurialism when they travel to Durban or Johannesburg to purchase grocery stock or cheap clothes in bulk and travel back home to sell such stock, for profit.

8.3 A Distinctive Moral Economy among Artisanal Miners?

Culture and development debates

How should those scholars writing in development studies research and think about culture? This has been a question that has repeatedly confronted qualitative researchers who have done participant observation research and who have approached development with people in mind (Schech & Haggis, 2000; Gardner & Lewis, 1996). In the literature it has been discussed in relation to culture and development: Is culture a hindrance to development? Can development take culture into consideration? The human economy approach has allowed me to surface what has been a concealed livelihood among rural households in Liqhobong and Kao villages. It has prompted me to ask a set of questions concerning the developmental potential of artisanal diamond mining in Lesotho, while suggesting that we need to change the dominant representation of Lesotho as merely a labour reserve for South Africa. At the same time, the human economy approach has demanded that we take seriously the practice and voices of artisanal miners as they insert themselves into the economy and as they give voice to their own interests and claims. I discovered in the course of fieldwork a set of shared practices, a distinctive vocabulary and dress

style, and shared interests that bind together the artisanal miners in each of the locations where I conducted field research. I was unable to write about this using the concepts of individual miner, household and village community but did not want to theorise this using the word culture. Instead I opted for the concept of moral economy. Before returning to this concept, let me summarise what I found.

In the villages of Kao and Liphobong in the highlands of Lesotho, artisanal diamond mining has taken place for most of the previous century. The contest I described in the thesis between miners (locals and internal migrants), the state and international mining concerns, has resulted in close ties being forged between artisanal diamond miners. In Kao in the 1970s, miners defended themselves by forming a rebel group. In both Kao and Liphobong, miners developed a series of methods to defend, protect and enhance artisanal diamond mining as part of their livelihoods. The forms of resistance the Liphokojoe group deployed when the state forced them to abandon their mining activities in Kao in order to make way for Basutoland Diamonds, included poaching Basutoland Diamond's diamondiferous ore at night and washing and cleaning it for diamonds during the day. Using force, they occupied the Kao deposit and, even if temporarily, expelled the Basutoland Diamond mining company from Kao (Thabane, 2000a: 107). On the other hand, contemporary artisanal miners engaged in legal battles in Maseru while engaging in deception and passive non-compliance.

The study suggests that in both eras artisanal miners have experimented with forms of social mobilisation which miners have used to defend and protect their livelihood against commercial and capital-intensive mining. The Liphokojoe group managed to mobilise miners from outside of Kao internal economic migrants in order to form a rebel group. As Thabane (2000a, 107) wrote; the Foxes "started off living in the caves, foraging for food, because were answerable to no chief and were periodically harassed by the police, that these people called themselves Liphokojoe". I have used Scott's concept of weapons of the weak (Scott, 1985) to theorise this response, but also indicated that the miners have responded by challenging the government in court and in forming alliances with international non-governmental organisations and local intellectuals. Contemporary miners mobilise through NGOs such as TRC and have found support from intellectuals such as Advocate Kananelo Mosito – who was

promoted to President of the Court of Appeal by the ABC-led government – and who represented the miners during their court action against the Department of Mines and Geology. As a peasant rebel group, Liphokojoe’s response and mobilisation was characterised by force, whereas the contemporary miners rely on organised mobilisation through civil society. These points to changing aspects of the distinctive moral economy among artisanal miners across two eras, but both concern a sustained effort by artisanal miners to defend and protect their diamond mining activities as part of their livelihood.

In the more recent court action, artisanal miners wanted to continue mining at the Kao deposit and argued for the renewal of their diggers’ licences; in other words, that the state restores their livelihood by granting them access to diamonds. As mentioned, the miners lost the 2000 case against the Department of Mines and Geology. In my analysis of the case, I suggested that the Government of Lesotho was disingenuous in their argument. They argued that it is in the interests of the country to keep intact its existing geopolitical relations with South Africa by prioritising the Lesotho Highland Water Project Treaty over artisanal diamond mining by the local Basotho. Moreover, council to the Minister argued that the Ministry was unable to afford the costs associated with building slime dams that would allow artisanal mining to continue without polluting the Katse Dam. Geopolitical alliances were used as an excuse to favour commercial mining companies over ASM miners, as the very Kao deposit that was supposed to threaten to the Katse Dam was later occupied and mined by a commercial mining company (see Chapter 7). Following this court case, the Lesotho state used an international process and protocol that was meant to make the international trade in diamonds more transparent as a cover to try and stamp out artisanal diamond mining. Once again we see how the Lesotho state used international agreements to suppress and criminalise local livelihoods. This adds to the existing literature that points to the negative developmental impact of the LHWP (Braun, 2010).

Despite losing the legal battle to secure their right to mine in Kao, and despite the state using the Kimberley Process and the Mines and Minerals Act of 2005 to halt the issuing of individual diggers’ licenses, artisanal miners stubbornly persisted with their mining activities by digging for diamonds along the river banks and the dumping

sites of the commercial diamond mining companies. But now the state regarded them as illegal scavengers rather than as recognised diggers. Miners use rudimentary equipment passed down from generation to generation. They invoked mutual aid among kin and neighbours and they worked both individually and collectively. Artisanal miners forged code words or language innovations which set them apart from local communities and state officials. In a sense then the artisanal miners can be likened to a subcultural group which has its own practices, norms and moral values. ASM miners from Kao and Liqhobong created their own subculture by defining themselves and their mining activities as separate from other villagers who did not share their livelihood interests. The Kao and Liqhobong mining subcultures presented themselves as distinctive groups of people living together and sharing a wide range of ideas, experiences and practices derived from their shared engagement in artisanal mining. This is also visible in their distinctive attire consisting of grey blankets with gumboots and hat. From the wider literature, we know that distinctive dress is one of the defining characteristics of a subculture; the subculture of Basotho mine labourers called *Marashea* that emerged in the mining fields of South Africa also had a distinctive style of dress (Kynoch 2000; Bonner 1993; Guy & Thabane, 1987). This study contributes to the literature on mining communities by discussing the linguistic terms, attire and the connection of miners with land and natural resources, as well as the methods by which they defended their livelihood.

I found however that the term subculture did not adequately capture what I observed and did not provide me with a way to write about culture in relation to development. I was interested in how artisanal miners legitimise their relation to land and how they express their mutual interests that derive from their shared engagement in artisanal mining. I found in the concept moral economy a way to describe this shared set of practices and interests and a common history resulting from the failure of the state and the market to meet their needs. Their moral economy, a shared set of claims that consists in part to legitimise their practices of digging and selling diamonds as moral, developed as a result of the state and the market not serving their needs and offering them little protection from impoverishment and economic vulnerability. That is why they insist that the land and mineral wealth belong to them rather than to outsiders. The emergence of the linguistic codes and distinctive dress is reflective of

the existence of a partially separate moral economy among miners that forges group identity while it also offers them secrecy in relation to the government officials and police. This moral economy speaks not only to miners' claims to ownership of land and mineral wealth, but also to their relationship to public authorities that seek to criminalise their economic activities and their necessary engagement with an unofficial market in diamonds. The trade of diamonds outside of official channels implicates the moral economy of miners which includes remedial actions. The picture that is emerging is that artisanal diamond miners continue to access mineral resources in whichever way, even if it is heavily regulated by the state and the odds are stacked in favour of the state, the owners of capital and local elites in Maseru. The moral economy of ownership and connection to land that is shared by miners is articulated through claims to having discovered diamonds in Lesotho and that the land on which these diamonds are found belong to a local political community. No wonder diggers were concerned that the loss of their land would either reduce them to employees of foreign companies 'or Basotho would be reduced to eating one another and thus descend to the lowest level to which human beings can sink, that of cannibal' (Thabane, 2000a: 121). Artisanal miners were thus faced with limited choices that include cannibalism or working for the company. No wonder then that the moral economy of artisanal miners makes the state and foreign commercial mining companies take on the appearance of the enemy; an enemy that hinders them from accessing their livelihood. It would be incorrect, however, to read into this shared moral economy a deep instance of solidarity economy. Rakopoulos (2014: 199) argues that there is a relationship between solidarity and the moral economy in the context of economic crisis in Greece as "access to food via distribution channels reminds us of the relationship between the solidarity and the moral economy.....". In his research on the solidarity economy in Greece, Rakopoulos (2014) argues that solidarity between agrarian producers, the coalition against middlemen and ordinary Greeks came about as a result of sovereign debt crisis in Greece: ordinary Greeks participated in the solidarity economy through anti-middleman distribution organisations such as RA.ME (Rakopoulos, 2014: 203). For him, solidarity economy, lies at the heart of the relationship between economy and democracy (Rakopoulos, 2015: 176). Rakopoulos theorises the solidarity he observed in Greece in a processual way as the recent outcome of the mobilisation of a movement (Rakopoulos, 2014: 203). In the context of Lesotho, I would not

consider artisanal diamond miners as involved in the solidary economy; rather I witnessed the existence of “networks of solidarity and mutual support” (Edelman, 2005: 334) among miners and the villagers which I illustrated in chapter five.

In his recent work on moral economy, Edelman (2005) argues that there are on the one hand universally old moral economic discourses and on the other new ones. The old ones include just prices, access to land, unfair markets, and the new ones include the struggle against global trade liberalisation, the World Bank’s market-based agrarian reform programs, and corporate efforts to gain greater control of the food supply and plant germplasm (Edelman, 2005). The similarity between the older and newer moral economic discourses is that the state and market still threaten peasant livelihoods. The rise of transactional peasant activism (such as Brazilian Landless Movement) draws on a deep, historical reservoir of moral economic sensibilities as well as on old protest repertoires and agrarian discourses. For the activists discussed by Edelman, however, the pressures of globalised markets and the demands of transactional collective action have required new degrees of political sophistication, new alliances, and movement through strikingly different geographical and institutional spaces. These leaps in the space of politics may occur over the course of a lifetime but, at times, they happen in a single week (Edelman, 2005: 341). Such leaps reflect both the density of cross-border networking and the increasingly global and complex character of agriculture itself. Asserting moral economic demands in new political spaces has given participants in the transnational peasant and farmer networks an unprecedented and dynamic sense of themselves as political actors (Edelman, 2005: 341). Empowered with new knowledge and conceptions of solidarity and tools of struggle, they are passionate about moral economic sensibilities; however, in most other respects, they are as dissimilar as can be imagined from the unsophisticated rustics that urban elites and academics still often imagine them to be (Edelman, 2005: 341). In the context of Lesotho, the concept of moral economy of the artisanal diamond mining deployed in this study demonstrates how miners resisted the state, and commercial diamond mining companies to preserve their livelihood. The concept of moral economy is described through artisanal diamond miners shared set of practices and interests. These include old discourses and practices of access to land, unfair markets and mutual aid. It also involves new discourses and alliances in the field of all society.

8.4 Political Environment and Economic Reform

Mining laws in Lesotho and Southern Africa generally favour commercial mining interests over those of artisanal miners. For instance, in South Africa the Mineral and Petroleum Resources Development Act of 2002 and in Zimbabwe the regulation of Exclusive Prospecting Orders favour commercial mining over and against local artisanal miners as well (Tibbett; 2009; Mutemeri & Petersen, 2002: 286; Dreschler, 2001, Chefa, 2014). So why do governments favour commercial mining over artisanal mining? The literature suggests that governments form alliances with international capital because of the rent-extracting opportunities this presents since it is much more difficult to extract money from small-scale miners than it is from commercial mines. Moreover, regulation entails complex bureaucratic procedures which in turn create opportunities for government officials on different levels to carry out corrupt practices (Auty, 2006: 142). Regulating commercial mining enterprises listed in urban areas results in more profitable rental opportunities than regulating artisanal mining operations based in rural areas. Tibbert (2009) argues that governments often favour commercial mining over artisanal mining because of the increased opportunities for foreign exchange earnings, and the substantial tax and royalties it presents to the state. Nonetheless, ASM also makes a valuable contribution to foreign exchange earnings in countries where the minerals are exported (ILO, 1999). Moreover ineffective regulation or no regulation effectively results in smuggling that does not contribute to foreign exchange earnings.

Lesotho began implementing structural adjustments policies in the late 1980s. As a result, the country went through an economic reform phase wherein state owned enterprises were privatised. Ordinary Basotho did not benefit from this process. How was ASM affected in this economic reform? For one, the Government of Lesotho privatised Liqhobong Diamond Cooperative and Mine Gem took over the mining operations. Members of the Cooperative lost their livelihood and some members became unlicensed diamond miners, others went back to their respective villages and districts. In the public sector many people lost jobs as they were retrenched and the number of unemployed people in the country increased.

It is in this era where Lesotho saw also declining development aid, little foreign direct investment, decreasing SACU revenues and remittances from South Africa; instead

the state promoted agriculture and manufacturing. One can argue that the LCD-government failed to promote other industries (that include artisanal diamond mining, tourism, communication, and wholesale and retail trade). Therefore, in the context of declining development aid, little foreign direct investment, decreasing SACU revenues and remittances from South Africa, the Government of Lesotho has to look for alternative ways to grow the economy. Many Basotho lost jobs due to the decline of migrant labour, implementation of SAP, failure of developmental policies and decline in agriculture. They joined an informal sector that includes ASM to support their households in the midst of the economic crisis in Lesotho.

Furthermore, in different historical eras such as the Basotho National Party rule (1966-1986), military dictatorship (1986-1993), and multi-party 'democracy' (1993-2012); the Government of Lesotho failed to develop an inclusive economy for all the citizens of Lesotho. Economic democracy attempts to bring to the fore practices that have been obscured by dominant ideologies and that demonstrate an inclusive economy. This may be understood in the economic democracy sense, whereby artisanal miners 'express their own interests' (Hart & Sharp, 2015: viii). As a result, the aim of the human economy is 'to promote economic democracy by helping people organize and improve their own lives' (Hart, 2015: 4). Economic democracy does not necessarily end with diamond mining, but include other economic spheres and marginalised groups (women, children, and youth) within the country. As such, this thesis tells a story of conflict, violence and resistance; a story that remains pertinent, given the current debates about economic democracy in contexts of natural resource wealth.

8.5 Land and Environmental Change

As it has been noted in chapters three and five, some of the artisanal miners from Kao and Liqhobong dig for diamonds seasonally alongside the agricultural cycle. This is a common feature of mining communities in developing countries. Miners in Kao and Liqhobong join agricultural activities normally during hoeing and harvesting seasons. Nonetheless, there are also miners who are involved in the ASM activities for the entire year without joining agricultural activities. According to Hentschel et al (2003), seasonal ASM activities within an agricultural cycle are the most common ASM activity and normally stable communities are involved in such activities.

Agricultural production in the two villages I studied is reported to have decreased due to loss of land by some households due to the expansion of commercial mining companies, as some villagers lost their fields and yards (see Chapters 4, 5 and 7).

Land is an important asset that can cushion the poor against poverty (Motšoene, 2013: 216). It serves to generate livelihood in terms of agricultural productivity and sometimes through income generation from leasing it out for other productive activities (Motšoene, 2013: 216). But, where there is insecurity of tenure along with the lack of land communal ownership (for instance fields, pasture), this increases the vulnerability of poor households. In this case, lack of land communal ownership could be as a result of the presence of the commercial diamond mining companies in these two villages which expanded their mining operations to the fields and yards of the villagers of Kao and Liqhobong. This is common, as elsewhere (for example in Ghana see Owen & Kemp, 2015) where villagers are displaced to make way for commercial mining companies. In most cases, mining-induced displacement causes conflict between commercial mining companies, artisanal miners and villagers. For instance, the Government of Lesotho displaced artisanal diamond miners on several occasions to make way for commercial mining companies to work in Letšeng, Kao, and Liqhobong. The same phenomenon caused conflict between the state and Liphokojoe group in the 1970s (see Chapter 7). Recently, the Government of Lesotho introduced several pieces of legislation including the Land Act of 2010, to give special treatment to international capital. A new concept introduced by this Act was the entitlement of land by foreign companies with a local shareholding of about 20 per cent. Prior to this Act, no foreigner or foreign company could own land in Lesotho (Lesotho: Land Act 2010, No.8 of 2010, 2010: s4; Daemane, 2012: 168). It is not clear what the outcome of this will be.

People from the rural areas also migrate to the urban areas, especially in Maseru. Maseru has had considerable internal migration into its poor peri-urban and rural areas. The peri-urban continually absorbs immigrants who buy and settle on land formerly used for agriculture, exacerbating hunger (Motšoene, 2013).

8.6 Institutional and Regulatory Framework

The Ministry of Mining, LNDC and the Mines and Minerals Act of 2005 play key roles in the diamond mining sector and their main focus is to promote commercial diamond mining (see Chapter 6). This is also reflected in the country's adoption of Kimberley Process (KP) and the recent drafting of the Mining Policy. Both the implementation of the Mines and Minerals Act of 2005 and Kimberley Process led to the further criminalisation of artisanal diamond mining. With this, I concur with Chefa (2014: 47) that the introduction of KP in the Lesotho diamond mining industry criminalised ASM, diamond cutting and polishing. The implementation of the KP in Lesotho has resulted in the licences of small-scale miners being revoked. As a result, many of the local miners protested against the government because the diamond mining industry seems to have been taken out of their hands and given to wealthy foreign investors whose latest scheme takes the form of a worldwide regulatory process (Chefa, 2010: 47). Those miners who had their licences suspended have not had their licenses renewed. Miners who applied for new licenses with its strict requirements have not been successful. There are currently no licensed diamond dealers operating in Lesotho, and this poses a huge challenge to people who have relied on diamond dealing and digging for their livelihoods. That is why, in the course of my fieldwork, I did not encounter licensed diamond dealers and why artisanal diamond miners were dealing only with 'illegal' buyers. This situation also does not encourage the development of the local processing of rough diamonds into cut or polishing diamond which would be a way of optimising benefits from the industry (Chefa, 2010: 47).

Decentralisation of the mining sector administration could act as a tool to guarantee proximity of services to the miners. In order to integrate ASM sector further into rural development and avoid conflicts of interests, the mining authorities are to coordinate activities with the local administrations and communities, as has been argued by Hentschel et al (2000: 44). Decentralisation broadly entails the shifting of responsibility for decision-making from central to local institutions (Hirons, 2014: 22). Proponents of decentralisation argue that re-distributing decision-making authority leads to more responsive, transparent and efficient natural resource management (Hirons, 2014: 22). Furthermore, decentralisation is alleged to have potential to

mitigate or even prevent conflict (Verbrugge, 2015: 449 citing Lijphart, 1977). Nonetheless, weak decentralisation seemed to have exacerbated the complex, conflictual and clandestine nature of local resource politics surrounding ASM in Ghana (Hirons, 2014: 22). Decentralisation of mining activities in Lesotho is as yet not part of any development programme; there is a need to include ASM in the programme and also for it to be reflected in the legislation and policies. At the moment, diamond mining is centralised and run by the elites, foreign commercial mining companies and the state.

The Mines and Mineral Act of 2005 is focused on the presence and promotion of commercial diamond mining and thus underplays the role of ASM. Section 3 of the Mines and Mineral Act of 2005 vested the ownership of minerals in the Basotho nation. Accordingly, mineral rights and titles were not to be awarded to “an individual who is not a citizen of Lesotho” or to “a company which has not been established and registered in Lesotho” (Mines and Mineral Act, No. 4 of 2005, 2005: s3 and s5). Mineral rights and titles could be granted only to citizens of Lesotho and companies that have been registered in Lesotho. While Basotho are free to start mining companies the reality is that the set requirements by the law to acquire a mining licence and/or to start a company is beyond the reach of most ordinary Basotho (Chefa, 2014). Despite its rhetoric that ownership of minerals is vested in the Basotho nation, this Act failed to remove the barriers to entry of many Basotho to the diamond mining business.

The Mines and Mineral Act of 2005 also holds that only an individual Mosotho may hold a mineral permit for artisanal mining in a deposit that is about 100 square metres. However, the permit will not be issued for mining of diamonds as “a person who wishes to conduct small-scale mining operations may apply for a mineral permit to conduct operations for any mineral other than diamonds over an area not exceeding 100 square metres” (Mines and Mineral Act, No.4 of 2005, 2005: s46; Mophethe, 2010). The issuing of individual diamond diggers’ licences in Lesotho ended in 2004 on the eve of the establishment of the Mines and Mineral Act, No.4 of 2005. So, anyone involved in artisanal diamond mining is regarded as an illegal diamond miner by the state. Licensed diamond mining is only for commercial diamond mining. However, as I discussed earlier (see Chapter 5), artisanal diamond

miners do not consider themselves as illegal miners. Further work needs to be done in developing an institutional and regulatory framework for ASM that would enhance economic democracy.

8.7 Issues of Further Research and Recommendation

The study suggests that given adequate attention by the government through policy, land and funding, ASM could become a viable economic activity that will invigorate some rural livelihoods and improve the economic status of the country. This could be done through developing meaningful regulatory frameworks and infrastructure. In my view, the GOL could draw inspiration from countries such as Ghana, Tanzania, Botswana and Zambia and set up legislation that would allow artisanal diamond mining. This could be done through legalising individual digging and encourage cooperatives (micro levels) to work hand in glove with commercial diamond mining (macro level) as is the case in Botswana and Zambia. I concur with Hentschel et al (2003) who argue for the encouragement and support for the formation of cooperatives, associations or enterprises to support communication, cooperation and coordination between miners, villagers and the state. Women should play a central role in these efforts.

I also agree with Chefa (2014) and SAWR (2010) that Basotho be allowed to make a living out of alluvial diamonds and hence be given access to land to mine. Additionally, the GOL could also set land aside for artisanal mining as is the case in other Southern African countries such as Mozambique and Tanzania. Contrary to the fears of some in the ruling circles, this recommendation would not hamper commercial mining, rather it would complement it.

In his study investigating ownership of extractive operations in Lesotho, Chefa (2014) argued that the Government of Lesotho should remove the ban on small-scale mining of diamonds. If this ban is lifted, he contends, the Basotho will have ample opportunity to dig and sell diamonds on the market. The potential of alluvial mining in Lesotho means that the Basotho have an opportunity to create wealth without having to look for wage employment outside of Lesotho. Artisanal mining has the potential to create further income opportunities.

This study also unearths some further research question; for example it would be worthwhile investigating the destination of artisanal diamonds after crossing into South Africa. In this process, unlicensed artisanal diamond miners from Lesotho inject diamonds into Kimberly Process (KP) pipeline through neighbouring South Africa and onto the international market. It will be interesting to find out how the buyers get connected to the unlicensed artisanal miners in the rural of Lesotho? How do foreign traders pass borders with an illicit commodity? How do these diamonds get into KP pipe through neighbouring South Africa? What is the role of money in the transactions and networks of diamond trade? How do rural people shape policies? How do we change a rentier state into a state that insists on economic democracy for all?

In summary, what do the research findings in this thesis suggest in relation to artisanal diamond mining as a rural livelihood? Decriminalising artisanal diamond mining in Lesotho is dependent on the political will and commitment to prioritise the ordinary Basotho's livelihood such as artisanal diamond mining. ASM has to be decriminalised. There must be specific policies speaking to artisanal diamond mining as part of poverty alleviation. The effective regulation and formalisation of ASM in Lesotho is crucial. Siegel and Veiga (2009: 51) argue that 'formalisation is the means of absorbing existing customary practices – developed informally by miners – into the mainstream of a country's legal and economic affairs'. In the case of Lesotho, the state has to take into consideration what artisanal diamond miners are already doing in respect of their mining activities. I'm aware that decentralisation and community participation in artisanal diamond mining can be used improperly by the politicians and elites to retain political control, as was the case with development projects that seemed to increase the anti-democratic tendencies of the state (see Ferguson, 1990). Nonetheless, an economy that is more democratic and inclusive and that can address poverty more effectively needs the involvement of ordinary Basotho with their already existing practices and institutions. This is not to fall into the trap of romanticising Basotho miners, but to see in their existing practices and institutions elements that could potentially be scaled up and formalised in a manner that would increase their access to markets and wealth.

There must be necessary structures or institutions to implement the policies and legislation on ASM. The establishment of a department of small-scale mining within the Ministry of Mining could be beneficial for artisanal diamond mining, as the department can liaise with the miners, chiefs, community councillors as well as mining communities about ASM and development in respective villages and regions. This can also assist marketing and trading of diamonds at the community council level without been done at the central level in Maseru. Proximity of the structures or institutions to the mining area can maximise the production and ease in decision making for actors such as miners, NGOs, state, villagers.

Last but not least, access to information of diamond mining to any ordinary Mosotho is needed. I concur with Wolf (2000: 35) and Daemane (2011) that citizens need to be in the light about budgets, planning documents and minutes of council meetings for them to form their opinion in their local affairs and be able to make informed decisions. Public hearings on huge projects generate much public interest and the properly representative electoral models need to be adopted if decentralization is to be inclusive. Such information need to be easily accessible to the public. This is not the case in Lesotho and I experienced this first hand when a government official in the Ministry of Mining denied me access to information. He wanted to organise some legal forms that I should sign and bind myself that my study would not be published because according to him their information was confidential and is not for public use.

The study demonstrated the resistance of artisanal diamond miners against the state and commercial mining companies in preserving in their concealed livelihood, which is artisanal diamond mining.

Taken together, a reconsideration of policy based on the empirical findings presented in this thesis, could see ASM as an important avenue through which to achieve livelihood diversification and step towards economic democracy.

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