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The rise and fall of Liqhobong Diamond Mine Cooperative in Lesotho

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Diamond mining in the rural highlands of Lesotho has taken different forms over the past century: unregulated diamond digging by locals and "migrant" diggers in the early 1950s; regulated diamond mining by a state-sponsored diamond cooperative from 1978 onwards; and a commercial diamond mining company from 1996 onwards. The paper examines the rise and fall of the Liqhobong Diamond Mine Cooperative in Lesotho's rural highlands in the Butha-Buthe district according to the human economy approach. It is based on ethnographic research undertaken from May 2013 to January 2014. It focuses on the impact that the diamond cooperative had on social divisions and livelihood strategies within Liqhobong and how this changed when the cooperative was taken over by a multinational company. The paper argues that the fall of the cooperative was the result of government issuing private claims to investors, thus undermining artisanal diamond miners by incorporating and managing their pace and ultimately throwing them off. The paper demonstrates how the state uses and legitimises its power to mute and suppress artisanal diamond diggers.

Keywords: commercial diamond mining; cooperative; livelihood; migrant labour; small-scale miners

Introduction

Cooperatives have long played an important role in improving living conditions for their members, particularly low-income earners (Wanyama, Develtere, and Pollet 2009; Hartley 2011; ICA 2014). Not surprisingly, they are often held up as pathways for the creation of new businesses and income generation capacities among poor communities (Wanyama, Develtere, and Pollet 2009; Hartley 2011). A recent definition describes them as “autonomous, self-help organisations controlled by their members” that act in terms of “democratic control by their members” and the maintenance of “their co-operative autonomy” (International Co-operative Alliance, cited in Hartley 2011, 69). As elsewhere in Africa, it was the British colonial government that introduced cooperatives in Lesotho.

Some of the modern views on the developmental potential of cooperatives in Africa have roots in colonial-era initiatives. In the 1940s, the British colonial government introduced various mohair- and wool-product cooperatives in Lesotho to market skins and hides and to assist with production processes. By 1948, the colonial government introduced its first legislation on cooperatives, called “The Cooperative Societies Rules" (Muccobs and Jita 2009; Hartley 2011), which dealt largely with agricultural activities. It was followed up by the Cooperative Societies (Protection) Act of 1966 (Muccobs and Jita 2009). Today, there are about 850 active cooperatives registered in Lesotho with approximately 10 000 members. Like their predecessors, these cooperatives mainly focus on agricultural activities, savings and credit functions, service provision, handicrafts, and retail and industrial functions while some are explicitly multi-purpose (ILO 2009). Most cooperatives are governed by the Cooperative Societies Act of 2000, which repealed and replaced the two pieces of legislation that preceded it.

Missing from the story of cooperatives in Lesotho — and from the legislation that governs them — is the role that diamond mining cooperatives have played in the country. These cooperatives are not governed by the 2002 Cooperative Societies Act, but rather by the Mines and Mineral Act, 2005 (which repealed and replaced the Mining Rights Act, 1967), the Precious Stones Order 1970, the Land Act of 2010 (which repealed and replaced the Land Act 1979) and the Kimberley Process Certification Regulations (Mophethe 2010). Apart from their legal invisibility in the Cooperative Societies Act, diamond mining cooperatives have also long been invisible to academics and policy makers. Artisanal diamond mining began in the Lesotho Highland towns of Kao, Letšeng, Liqhobong, Kolo, Nqechane and Hololo as far back as the 1930s. Diamond digging in these parts remained a hidden livelihood — only known to locals — for many years. The practice was first brought to public attention in 1954 following the death of a woman in Kao who suffered fatal injuries following excavations in an unstable diamond pit (Thabane 2000, 2003; Maleleka

2007). The scant attention that scholars and policy makers have paid these mining activities is due not only to their small scale, but also due to the focus on labour, labour migration and remittances in a Cold War context (Gordon and Spiegel 1993). In this frame, Lesotho became known primarily as a labour reserve for South Africa and its smaller industries were overlooked in favour of larger structural concerns. This neglect has allowed political elites and international capital to get away with organising mining in their interests and to the detriment of artisanal miners.

In order to correct some of these oversights, the core of this paper examines on the formation and transformation of Liqhobong Diamond Mine Cooperative in the Butha-Buthe district in the north-eastern part of Lesotho. It details the impact that the arrival of a multinational company had on members of the cooperative and describes the resulting competition and conflict between commercial and artisanal mining, specifically over land-use and access to diamonds. The paper captures the narratives of artisanal miners on their experiences as diggers and as members of the cooperative, and compares households of cooperative members with those of non-members. The ethnographic research on which the paper is based was undertaken from May 2013 to January 2014. Archival research was conducted on the Department of Cooperatives in the Ministry of Trade and Industry, Cooperatives and Marketing (currently known as Ministry of Small Business Development, Cooperatives and Marketing). I also interviewed an official from the Liqhobong Diamond Mine Company.[1]

The first section of this paper deals with the theory on economic activities in Lesotho. The second section discusses the historical background of diamond mining in Kao and Letšeng villages during the late colonial (1948–1966) and early post-independence (1966–1978) periods. This is followed by an examination of the Liqhobong Diamond Mine Cooperative (1978–2014). The paper closes with an analysis of the implications of artisanal diamond mining for a “human economy” (Hart and Sharp 2015).

A human economy

Historically, the livelihoods of Basotho in Lesotho’s rural areas have largely depended on agricultural production and remittances from South Africa (Turner 2001; Molefe 2009; Nseera 2014; Murray 1981; Turner 2005). The so-called “mineral revolution” in the region was sparked by the discovery of diamonds and gold in South Africa in the late nineteenth century. This revolution led, amongst other things, to an increased demand for food and labour on the mines and in the secondary industries that developed alongside them. This demand had a regional dimension. On the one hand, Lesotho became a major supplier of grain to South African mining towns, what Colin Murray (1981, xi) called the “granary” of South Africa. On the other, Basotho men began to engage in wage labour on the mines and families became increasingly dependent on wages from South African mines.

The regional mining system thus created an economic system in which the regional market for labour was a striking feature. The freeing-up of labour for this market transformed social 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 1981 Spiegel 1980; Ferguson 1991). As Lesotho became more interlinked with 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 the last 20 years or so, labour on South Africa mines has shifted from being the backbone of Basotho livelihoods to being an occupation for a fortunate few. Due to widespread retrenchments on the mines, young Basotho men are no longer able to follow previous generations of men to seek employment on South African mines (Turner 2005). As a result, young men find it ever more difficult to amass the resources needed to start an independent household. With no new employment opportunities in South Africa, it is becoming clear that households must build livelihood in Lesotho itself. Yet here young people compete for a handful of work opportunities at Maseru factories with long hours and minimal wages (Turner 2005).

Retrenched miners typically embark on agricultural production upon their return to Lesotho, or take up activities in the informal economy such as artisanal diamond mining (see, for example, Makhetha 2017; Maliehe 2015). Unsurprisingly, the significance of the informal economy has increased in response to the decline of migrant labour. The concept of the informal economy was coined to describe unregistered small-scale economic activities (Hart 1973, 61–89; see also Hart and

Sharp 2015, 8; Chen 2012, 2; Motšoene 2013, 55). Being unregistered, these economic activities are largely invisible to the bureaucracy. Hence, those involved in these activities do so on their own accord through economic democracy.

In contrast to the earlier macro-economic approach, Hart, Laville and Cattani (2010) started advocate for a "human economy" approach. According to them, "dominant economic institutions and ideologies often obscured, marginalised or repressed" the ways in which regular people "insert themselves practically into economic life" (5). Instead, "people make and remake their economic lives" and scholars should trust "the people to identify and explain their own interests" (Hart and Sharp 2015, viii). This new focus on a "human economy" is both a theoretical and a political project. Politically, it aims "to promote economic democracy by helping people organise and improve their own lives" by presenting them with easily understandable findings for their own practical use (Hart 2015, 4). Theoretically, the human economy approach calls for renewed attention to everyday economic practices, documented through the ethnographic method, that should be set against, and in relation to, a global economic system and emergent world society historically understood (Hart and Sharp 2015; Hart 2015). It is an approach that informed the writing of this paper, which is why we now turn to the historical context from which the Liqhobong Diamond Mine Cooperative emerged.

History of Lesotho's diamond mining sector

In the 1830s, land became a central source of conflict between Basotho communities and European settlers (Mothibe and Ntabeni, cited in Motšoene 2013, 69; Maliehe 2015, 48; Thabane 1995). In the 1860s, when Lesotho became a British colony, European land speculators were eagerly scouring the land for mining opportunities, after a series of discoveries of mineral deposits in different parts of South Africa from the mid-1860s. Speculators were convinced that these deposits originated in, or extended to, other territories of the region and thus sought to acquire land rights in territories adjacent to South Africa, including Lesotho. Yet, due to Lesotho being a British colony, the tactic of acquiring land either by conquest or by agreement with local chiefs could not be applied. Rather, speculators had to apply for mining rights that were considered both by the chiefs in direct charge of the land and by colonial officials. Lesotho chiefs, however, routinely turned down these applications: they feared losing more land to Europeans against a background of land scarcity due to an increasing population and growing livestock numbers; and they feared losing sovereignty over land leased to Europeans. For many years, the colonial government supported them in this policy (Thabane 1995; 2010).

The early days (colonial era 1948–1966)

Artisanal diamond mining began in the Lesotho highland towns of Kao, Letšeng, Liqhobong, Kolo, Nqechane and Hololo as far back as the 1930s. The death of a female minder in 1954 “marked the end of individual diamond digging in Kao” (Thabane 1995 52). Soon thereafter, Kao became a site of contestation between international commercial mining companies and individual diggers, with the colonial government often siding with the commercial miners. This three-pronged conflict over diamond digging in Kao became a microcosm of the forces and dynamics that shaped economic life in Lesotho (Thabane 1995, 52).

In the 1950s, the colonial government pressurised regent ’Mantšebo[1] to allow the General and Mining Finance Corporation (GENCOR), a South African company then under the leadership of Colonel Jack Scott, to prospect the whole country. The permission granted by 'Mantšebo was strongly opposed by local people who considered it contrary to the traditional land tenure system and processes of decision-making as the regent had not discussed the matter with the chiefs (Thabane 2000). This decision started a conflict over land and mining rights between the villagers, the state and commercial mining companies, a conflict that has continued to the present.

Among the kimberlite pipes that GENCOR identified during its prospecting were those at Letšeng and Kao. Those at Letšeng were considered uneconomic (Thabane 2000, 106), so that GENCOR decided to focus on Kao. In 1959, the Basutoland Diamonds Corporation (BDC), a subsidiary of De Beers and GENCOR, started mining the Kao deposit (Thabane 2000, 106).

GENCOR’s exclusive prospecting and mining rights meant that individual artisanal Basotho miners had to cease their operations in Kao (Thabane 2000, 106). Faced with the possibility of other digging opportunities also being closed for them, Kao diggers and other interested parties decided to take action: they took control of

[1] After the death of Paramount Chief Seeiso in 1940 Death of Paramount Chief Seeiso, 'Mantsebo, his senior wife, appointed Paramount Chieftainess Regent (Gosselin, 2011).

the Kao deposit when the BDC employees had gone to the lowlands to escape the highland winter. In response, the BDC stationed security staff to guard the mine at all times when no employees were present. However, resentful of being dispossessed of their livelihoods, the artisanal miners reoccupied the diggings by force, removing all staff that was left behind (Ambrose 2004, 3). The colonial government responded to this occupation by persuading Paramount Chief Bereng Seeiso to declare the Letšeng's deposits, which GENCOR's prospecting had found "uneconomic," open to artisanal diamond miners. The Kao artisanal miners duly moved to the re-opened Letšeng site while the BDC was able to return to Kao (Thabane 2000, 106).

From August 1961 onwards, artisanal diamond mining in Letšeng was subjected to strict government control: individual diggers had to obtain government licences and declare their finds to a Diggers' Committee (Thabane 2000). Diggers who could not meet the requirements for a licence were forced to remain in Kao. These diggers refused to accept these restrictions: at night, they "poached" the diamondiferous Kao ores to which BDC had the concession in order to process it secretly during the day. These poaching miners became known as *Liphokojoe tsa Kao* [the foxes of Kao]. They slept in hills and caves close to the mineral deposits. Their political militancy was driven by two factors: firstly, they considered the *makhooa* [white people, by implication foreigners] who were mining Kao as having no legitimate claim to Lesotho's mineral wealth; secondly, unlike Letšeng, the Kao site was not guarded by policemen (Thabane 2000, 107). Theirs was a literal and radical interpretation of the idea that mineral wealth is invested in the Basotho nation and was not to be owned by outsiders. Liphokojoe miners and those Basotho employees of the BDC who did not escape the highland winter destroyed the mine's machines and dismantled the BDC's cabins for its foreign employees in order to build shacks for themselves (Thabane 1995, 133). The artisanal miners did not avoid violence in their actions: one European supervisor escaped an attack they had planned against him (Thabane 1995, 133).

Post-independence (1966–1978)

Shortly after Independence, in 1967, militant Liphokojoe miners managed to drive out the BDC from Kao; they re-opened the deposit for artisanal diamond mining. The government led by the Basotho National Party (BNP) attempted to regulate the mining at Kao and to force the Liphokojoe miners to apply for digging licences, but it failed when the diggers both at Kao and at Letšeng revolted. An insurgency developed that lasted from 1967 until April 1970 when the government deployed the police and military to crush the Liphokojoe miners brutally (Thabane 2000, 108; Hall 2004; Transformation Resource Centre 2004). This ruthless action came in the wake of a *coup d'état* that enabled the BNP to retain power in government despite having lost the elections. The action exacerbated the situation at the two mines and lead to a full-scale revolt, only for it to be viciously suppressed again, at a considerable loss of human life (Ambrose 2004, 4; Thabane 2000,108).

After having either killed or dispersed the Liphokojoe miners, the BNP-led government re-opened the Kao deposit in May 1970 for exclusive mining by artisanal diamond miners who possessed identification cards issued by the police (rather than the Department of Mines and Geology). But the opportunity did not last long. Less than a year later, in early 1971, the government issued a licence for commercial mining at Kao to the Maluti Diamond Corporation (MDC) (Ambrose 2004, 4). Once again, artisanal miners were displaced from the deposits.

The miners displaced from Kao, and others from Liqhobong, were given the option of moving to new deposits at Lemphane (then known to many as Phokojoe-Khoaba) with a modest resettlement grant, access to water, rotary pans and Canadian-funded houses (Ambrose 2004, 4; Maleleka 2007, 7; Thabane 1995; Hall 2004, 14). The government used the aid monies from the Canadian International Development Agency to set up a revolving loan through which artisanal miners could acquire mining equipment (Maleleka 2007, 7; Hall 2004, 14) and housing in Lemphane. In return, the state expected the diggers to work as a cooperative and to repay some of the state-supplied equipment. In 1976, about 6 000 artisanal miners were moved from Kao and Liqhobong to Lemphane (Ambrose 2004, 4; Maleleka 2007; Thabane 1995), allowing the clearing of Kao and Liqhobong for mining by two commercial companies.

In 1971/1972, the amount of money set aside in 1971/1972 for the revolving loan fund was very limited and did little to assist artisanal miners in transforming their small-scale operations into mid-level companies that would have the ability of expanding mining activities to a macro and commercial level. Yet, the fund did provide start-up capital to some artisanal miners to expand their mining activities (Maleleka 2007).

Moving miners to Lemphane was not a lasting solution. Conflict soon arose among individual diggers over the government-initiated cooperatives (Ambrose 2004, 4): many liked to work independently and refused to work in the cooperatives (Hall 2004, 14). They did not want to share their profits and to repay the government loans.

In the late 1970s, the Lesotho Government adopted a different model in Liqhobong by encouraging artisanal miners to organise themselves into cooperatives. The government hoped that this would prevent the emergence of rebel groups of miners such the as the Liphokojoe in Kao. While miners did indeed take up this option, most of the cooperatives formed in this way were established in areas with poor diamond mining prospects.

At the time, cooperatives had already become an accepted method in which Basotho organised their economic activities. Basotho quickly embraced cooperatives after the British colonial government introduced them in the 1940s because they resembled known practices. Traditionally, the Basotho engaged kinship and neighbourhood labour in the form of mutual aid and cooperative relationships, as opposed to contractual relations. Communal work parties and other forms of collective labour (Mothibe 2002, 27; Nyeko 2002; Thabane 1995; Gay and Khoboko 1982) were employed in food production and other activities such as digging for diamonds. Given such local practices, formal cooperatives spanning diverse projects and activities quickly took root throughout the country.

Cooperatives were also established by both the colonial and post-colonial governments in the agricultural sector. In the post-colonial period, this happened in parallel with the establishment of cooperatives for artisanal miners. As becomes visible in this discussion, the Lesotho government employed the cooperative structures as a means of control.

Liqhobong Diamond Mine Cooperative, 1978–2014

Founding of the cooperative

When artisanal miners were incited to move to Lemphane, not all of them followed the government's call. Those that remained at Liqhobong continued to be a headache for the authorities. In an attempt to prevent further rebellion and occupations, the BNP-led government grouped all licensed diamond diggers together in late 1978 and sponsored the formation of a cooperative. Named the Liqhobong Diamond Mine Cooperative (LDMC), it consisted of roughly 900 men and women at its inception. The state exercised tight control over the cooperative by placing government officials in the LDMC leadership structures (Hall 2004; Thabane 1995).

The formation of the LDMC did not stop unlicensed artisanal miners from continuing mining activities. Miners who preferred to work independently deserted the main deposit at Liqhobong and moved to dig on the river banks in the area. Yet even here they were pursued and pushed out by the police and by LDMC members. In turn, the formation of the LDMC attracted miners from Liqhobong and districts further afield to mine at Liqhobong's main deposit.

According to former LDMC members, the formation of the cooperative caused tensions between LDMC members and non-LDMC miners. Mrs 'Mametsi (63 years), a member who hailed from Liqhobong, recalled that in 2013 "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." Becoming part of the "project," as the cooperative was called, meant that miners had to obtain a digger's licence. They also had to share their finds and profits with other LDMC members, as provided for by the cooperative's constitution. The artisanal miners who did not want to share their profits or who could not get a licence worked along the river banks just below Liqhobong's main deposit. Their proximity to the LDMC miners and their differential access to labour and money caused much tension: unlicensed artisanal miners had better access to labour as they were able to draw on family members and friends, as these did not need licenses to work with them. Competition over diamonds was also a cause of tension, though LDMC members had the advantage of being based on what was regarded as a rich deposit.

The competing interests among miners strained relations between Liqhobong villagers, leading to the formation of two factions. LDMC miners felt entitled to mine diamonds based on licences obtained through a relationship between the cooperative and the state. Artisanal miners, on the other hand, claimed the right to mine in Liqhobong on the basis that this was their land, claims rooted in kinship (blood) rather than citizenship (papers). While LDMC miners, therefore, legitimised their activities through their contractual relationship with the government, artisanal miners legitimised theirs through membership of a local political community that owned the land that holds the diamonds.

In the literature on conflict in the context of artisanal and small-scale mining, the most-recorded conflict concerns land-use disputes, such as between commercial mining companies and artisanal miners; between artisanal miners and rebel groups; and between local and foreign artisanal miners, such as between Ghanaian and Chinese miners in Ghana (see Crawford and Botchwey 2016; De Koning 2009). The literature on this form of mining elsewhere in Africa further shows that artisanal diamond mining is often only one among many sources of income for households (Mwaipopo et al. 2004). My fieldwork suggests that the same was true for Liqhobong villagers and artisanal miners — although LDMC membership did allow families to depend more on a mining income than was the case for non-members. LDMC members indicated that households with cooperative members had a more stable income and a higher sense of security. Non-LDMC households, in contrast, were more precarious. Mr Tlou (67 years), a former artisanal miner from Liqhobong, remembered:

> I was not a member of the project. 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 [the] Liqhobong deposit and lose money in working there.

This sense of insecurity also produced discontent. Despite these insecurities, however, non-LDMC miners continued with their work "in order to improve our livelihoods," as Tlou explained. The conflict between LDMC and non-LDMC miners in Liqhobong thus extended to their families and households. LDMC members and non-members shared the opinion that the LDMC played an important role at the time in improving its members' livelihoods.

The LDMC's concession was in Liqhobong valley where artisanal miners had dug for diamonds prior to the cooperative's establishment. The state assisted the LDMC by providing security services and making large mining equipment available (Moltke-Huitfeldt 2013). Armed guards protected the deposit from other miners. Once a year an earth-moving machine extracted ore from the Liqhobong deposit to provide a supply of kimberlite that LDMC miners would then process. Rough diamonds were sorted into parcels and sent to auctions in Maseru organised by the Department of Mines and Geology (currently the Ministry of Mines). LDMC miners were paid out for their diamonds in cash by government representatives. Mrs ‘Malerato (67 years), a former Liqhobong miner, remembered that "at times, we were paid something like a 1000 Rand or less. It was not on a monthly basis. We were paid after two or three months." Other Liqhobong miners confirmed the waiting time and the kind of amounts they received, which depended on the carats of the diamonds sold. However, none of them seemed to know how many carats had been sold at auction and how much a carat had been worth. The LDMC also sold diamonds through a Fair Trade process under the sponsorship of the Ruby Fair company in the United Kingdom (Pook 2016; Jeweltree Foundation 2014).

Non-LDMC miners, in contrast, sold their diamonds to outsiders, typically to buyers from South Africa. According to some informants, the buyers sold the diamonds on to South African commercial diamond enterprises. The suspicion by many informants was that these diamonds end up on international markets with Kimberley Process certificates declaring them as “legal” diamonds or as having been mined in South Africa. Some authors, like Dietrich (2000, 332), suspect a high-level diamond trafficking ring that smuggles illegally mined diamonds out of Lesotho with the help of Maseru-registered aircraft. Discrepancies between different records of the annual amount of diamonds mined in Lesotho fuel the suspicion of illicit trading. Thus, while De Beers reported that Lesotho earned US$3 million for the sale of diamonds in 1999, Belgium alone imported diamonds to the value of US$14 713 632 from the country (Dietrich 2000, 332). There have even been allegations that the diamonds found in Lesotho have been smuggled in from elsewhere and then re-exported (Maleleka 2007, 17): Dietrich (2000, 232, 332) points towards Angola as possible source, a suspicion supported by the UN-commissioned Fowler Report of 2000 on the violation of UN sanctions against Angola.

Transformation of the cooperative

After almost 18 years in operation, the LDMC ceased its operations in 1996 with MineGem, a Canadian multinational corporation, taking over the mining operations at Liqhobong (Association for Women Rights in Development 2011; Firestone 2015; Ambrose 2004). In 2003, Kopane Diamond Developments took over from MineGem. According to former LDMC members, the collapse of the cooperative had been caused by a number of challenges that were never addressed. These included the physical security of LDMC members, the funding of their mining operations, and the ownership of the cooperative. The Department of Cooperatives itself considered the lack of funding as the main reason for the cooperative's closure, reporting that government officials representing the LDMC at one point travelled to Canada looking for financial assistance to run the mine.[2] Former LDMC members themselves, however, insisted that it was not money but issues of ownership and control of the cooperative that led to its collapse. As former members explained, LDMC miners had been employed by the state to work on the "project," so that the cooperative "belonged" to the state, evidenced by the fact that a government representative occupied a leadership position in the LDMC. Cooperative members even referred to this leader as their "former boss." Moreover, the government elected the members of the LDMC management board. Former LDMC members emphasised that the formation of the cooperative was not their initiative but that it had been imposed by the state in an effort to control artisanal miners. Former LDMC miner Mr Khahliso (73 years) from Liqhobong explained that "some of us were never elected to the board because [LDMC leaders] said … [that] we speak too much and can't keep secrets." It is possible that the issue of state control was exacerbated by educated urban government officials looking down upon rural artisanal miners: a string of interviews revealed that there was little trust between the rural miners and their 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.

On June 12, 1996, the LDMC signed an agreement LIQHOBONG MINING DEVELOPMENT C0 with the Liqhobong Mining Development Company, by which the diamond mining rights at Liqhobong were transferred to MineGem. Liqhobong Mining Development Company is a company registered according to the laws of Lesotho as stated in the agreement**.** Liqhobong Diamond mine is owned by Liqhobong Mining Development Company (Firestone 2015). According to the terms of the agreement, specifically Article I, former LDMC members were to receive 10% of the company's net profits at Liqhobong annually, though the duration of this payment was not stipulated. The agreement also provided for a pension to be paid all former members in compensation for their loss of income.

Some former LDMC miners indicated that MineGem gave them an initial payment of ZAR 10 000 and later one for ZAR 6 500. Others reported, however, that they received a single cash payment only. All insisted that these cash payments were not MineGem's promised pension, but that they were the refund of their membership fees. Mr Thabathe (57 years) of Liqhobong stated:

> The money that they [MineGem] gave us is our contributory fee; it is not a compensation for buying our cooperative mine. We [former LDMC miners] are still waiting for the compensation, because what they 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.

Most of the LDMC miners were dissatisfied with MineGem's takeover, yet many seemed to have lost hope that they would ever receive their promised compensation. They explained that this money was supposed to have been deposited into their bank accounts. While some LDMC miners waited for their money, others went back to their villages without money.

After the state disbanded the cooperative, many of the artisanal miners went home to their villages. Others began to mine diamonds illegally in order to survive financially. MineGem, in turn, began with drilling and bulk sampling. In 2001, Bateman Engineering Limited carried out a feasibility study (Firestone Diamond 2015). From 1996 to 2003, MineGem carried out several systematic exploration programmes on the Liqhobong site which comprised of: Winterized camp construction; Survey grid establishment; Ground magnetic geophysical surveys (Firestone 2015, 14). In 2003, Kopane Diamond Developments, a private company listed in the United Kingdom, bought MineGem and immediately commenced mining operations (Kopane Diamond Development 2013). It operated the site until 2010 but over the seven years it was in operation, it did not make any payments to the former LDMC members. In 2010, the mine was taken over by Firestone Diamonds, another private company listed in Great Britain (Chefa 2014, 15). When former LDMC miners publicly complained about the company's failure to pay them their rightful compensation, Firestone held a meeting with the former miner in December 2012. The understanding of former LDMC miners was that Firestone Diamonds pledged at the end of the meeting to pay them each a lump sum, instead of giving them monthly allowances as per the earlier agreement with MineGem. Firestone Diamonds even instructed the miners to ensure they had active bank accounts to receive this money. Yet, at the time of the research in April 2014, the miners had yet to receive their compensation.[3]

Mrs ‘Malerapo (55 years), a former LDMC miner, explained:

> I returned to my home village Mapholaneneng [in Mokhotlong district] after the project was taken by *makhooa*. 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* [Mr.] Khutso [the government representative on the LDMC].

Mrs ‘Malerapo considered the cooperative as her main means of earning a livelihood but in desperation was forced to turn her hand to small-scale farming in her home village. Like many other artisanal minders, she blamed the turn in her fortunes on foreign investors and associated these with commercial diamond mining, the loss of land and the loss of access to artisanal diamond mining and selling. In the view of many, their livelihoods were intimately connected to and embedded in the land. As such, they should enjoy unrestricted access to land and the diamonds lying in it. Mrs ‘Mankholi (80 years), a former miner from Kao, explained: “With the arrival of the *makhooa* some people including me stopped digging for diamonds. This is because *makhooa* took our land, yet the land belongs to us Basotho, not them.” The narrative of Mr Lesiba (55 years) from Liqhobong reveals the hardships and frustrations that artisanal miners suffered after the loss of Liqhobong mine:

> We have been waiting for the money from the mine until this day … and some of the members of the cooperative are dead without their compensation from the mine and others went to their own villages … This is painful and we don’t even know what to do anymore!

In Lesiba’s view, the international mining company merely continued an old pattern whereby the state was reluctant to police international mining companies in the same manner as they habitually policed ordinary artisanal miners. While the mining company has not availed itself for interviews, my observations during fieldwork in 2013 and 2014 suggest that an increasing number of former LDMC miners have been pushed into unlicensed diamond mining in order to deal with the financial difficulties that resulted from the delay in compensation pay-outs. With this step, former LDMC members joined the illegal artisanal miners they had previously combatted in the claim that access to land and the diamonds in it belongs to them on the basis of their kinship affiliations that rooted them within the local community. This shows, I argue, that former LDMC had lost belief in the validity of contractual obligations with the state. They felt betrayed by a state that had given their livelihoods to the *makhooa*.

Conclusion

Lesotho's colonial and post-independence governments established mining cooperatives that, by the 1970s, destroyed artisanal diamond mining, to be replaced by corporate and transnational mining. This process of limiting artisanal mining and giving more opportunities to international capital, new technology and corporate management intensified after 1978 due to intense local resistance to commercial mining. In response to the resistance, Lesotho's government developed the strategy of organising artisanal miners into cooperatives in order to prevent rebellions and mine occupations. The LDMC, an experimental cooperative of artisanal diamond miners, retained government oversight and control in its management. It was set up with external aid funds. However, while numerous artisanal miners joined the cooperative, a large number chose to mine on their own. Yet they had to put up with being tracked and chased both by the police and LDMC miners. The sense of insecurity that this caused among those who were not members of the cooperative greatly affected their productivity. It also produced discontent.

In the evaluation of LDMC members, the cooperative failed because of poor management and issues with the sharing of profits, so that the Lesotho government allowed a commercial mining company to take over the mine. In the agreement between the state and MineGem, LDMC members were promised some compensation for the loss of their livelihoods and future royalties from the mine's production. This agreement has not been honoured, by none of the three companies which have owned the mine since. Many of the LDMC's ex-members have given up hope of ever receiving any payment and have returned to their villages of origin, while others have become unlicensed artisanal diamond miners. In this new position of illegality in the eyes of the state, these former LDMC members now share the position of those artisanal miners who had always been unlicensed that access to land and the diamonds should be their right as members of the local political community.

The human economy approach permits a view into concealed livelihoods, aspects that are ignored by macro-economic planners and development specialists. It allows an understanding of what people "do on the ground, not what economics textbooks claim they are supposed to do" (Laterza 2013, 135). It is thus possible to read the Liqhobong miners' resistance to commercial mining and their understanding of access to land in terms of new forms of economic democracy, whereby artisanal miners "express their own interests" (Hart and Sharp 2015, viii) by laying claim to deposits currently outside of commercial interests. From the late 1990s onwards, former LDMC miners have joined the unlicensed miners who had fought and resisted the formation of the LDMC, thus breaking with their previous conviction that only they had lawfully access to the deposit through the power of the state. The paper thus argues that former LDMC members lost belief in the validity of contractual agreements with the state when the Lesotho government sold their stake in Liqhobong mine to *makhooa* and caused all artisanal miners to loose their jobs.

Notes

1. I was able to conduct one preliminary interview with one official from Liqhobong Diamond Mine Company but this official subsequently refused to be interviewed again. Therefore, it might seem that the paper 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.
2. I was unable to find further evidence regarding these negotiations. **I only got access of the report from the registry of the Department of Cooperatives through an official from the department. I was not allowed to photocopy or take the report out of the office. I was told to just write some important points from the report.**
3. The literature cites various examples of similar problems with the pay-out of compensation by mining companies to local miners or communities (see, for example, Andoe [2002] and Hilson and Potter [2005]).

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