Labour Migration From Lesotho To South Africa: Changing Patterns And Policy Implications

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INTRODUCTION

International migration has historically played a significant role in many economies across the globe. According to the United Nations (2002), the beginning of the 21st century saw an estimated 3 percent of the world population living and working outside their country of birth. As a result, remittances by the migrants to their families back home have been an important source of income for migrant-sending households. The World Bank (2004) indicates that official international remittances are the second important source of external financing for many developing countries. These are estimated to be twice as large as aid-related flows to developing countries. Hence, the role of international migration in developing countries is crucial.

Lesotho has been a historical sender of labour to South Africa (SA). The labour income earned by these migrants has been crucial to the economy of Lesotho. For example, between 1985 and 1990, the labour income averaged 46 percent of the Gross National Product (GNP) and financed approximately 64 percent of merchandise imports (Foulo, 1991). Gustafsson and Makonnen (1993:50) investigated the implications of the cessation of the remittances for welfare and poverty in Lesotho and found that:

"If remittances were set to zero, ...average per capita household consumption would fall by 32%. Moreover, if the remittances were set to zero, the poverty head count index in Lesotho would increase by 26%."

Owing to the dire implications of the decline of labour migration (hence labour income) from Lesotho to SA, for the Lesotho economy, this paper attempts to examine this issue by focusing mainly on the changing patterns of this phenomenon over the years, and its implications for policy-making in Lesotho. This in no way makes an analysis of internal migration patterns less important.

MIGRATION AND THE ROLE OF REMITTANCES: A BRIEF REVIEW OF THEORY AND EVIDENCE

The pioneering work of Todaro, which shaped much of the neoclassical thinking on migration categorizes the causes of migration into push (supply) and pull (demand) factors (Athukorala, 2006). On the supply side, the factors that influence individuals' decision to migrate involves the expected improvement in income, cost of migration, and the probability of being employed (Todaro, 1969). That is, if the wage differential between home and destination countries exceeds migration costs, and the likelihood of getting a job is high, a person would be pushed to migrate. In this case, migration is seen as an improvement in the allocation of labour by channelling it towards its highest social

Table 1: Evolution Of Migration Research And Policies

Phase	Theory	Policy
Prior to 1973	Neo-classical view	Pollination of knowledge and capital by migrants would boost development.
1973-1990	Structuralist view	Growing concerns about brain drain; return migration policies focused on integration in receiving countries.
1990-2001	Pluralist view	Tightening of immigration policies.
Post 2001	Mixed, but generally positive view	Concerns on brain gain, remittances and diaspora participation; further tightening of migration policies with a tolerance for high-skill migration.
Source: De Haas (2007)		

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value. The demand-side factors relate to factors in the destination country such as immigration policies, which may induce or deter an individual from migrating.

The issue of whether migration contributes positively to the development of a sending country has received sizeable attention in the last four decades. The time line can be broken into four eras as given in the Table 1. However, three strands emerge from this literature, namely; the neo-classical, structuralist and pluralist theories (de Haas, 2007).

De Haas (2007:3-6) groups the discussion of the migration into *"migration optimists, pessimists and pluralists"*. Before 1973, the optimists perceived return-migrants as instruments of change because over and above their remittances, they gained experience, skills and knowledge in the host country, which they would employ at home to drive economic development. This positive view characterizes the neoclassical theory, which views migration as a process of factor price equalization, leading to optimal allocation of such factors of production (Todaro, 1969: 139). Thus, free labour mobility results in labour scarcity in migrant sending countries, forcing labour productivity to increase and thereby, improve wage levels.

The oil crisis of 1973 brought a turning point in the positive perception of migration. This lead to the so-called migration pessimists (1973-1990), who reason that migration drains human capital from sending communities. Consequently, the traditional, stable village social and moral fibre decays over time (King and Vullnetari, 2006). Moreover, due to moral hazards, the remaining communities develop a remittance dependency syndrome and become unproductive (De Haas, 2007: 5). This is in line with Azam and Gubert (2005a), who investigated the possibility that remittances in Western Mali affected technical efficiency negatively in agriculture and found that indeed families with a reliable remittance flow lie below the efficiency frontier compared to those without it. Lipton (1980) indicates that migration changes the tastes in favor of foreign goods, and increases demand for imports. Pessimists perceive migration as a cause for the vulnerability of many de facto female-headed households in rural SA. For example, abandoned by their husbands who migrated, women have recently started to migrate in rural Limpopo as a survival strategy (Sienaert, 2007). Moreover, Adams (1969) identifies brain drain as one of the major costs of migration to a sending country.

The policy formulation during 1990-2001 was shaped by the new economics of labour migration[1], which is a more integrated approach that deems migration as a component of a wider household livelihood strategy intended to overcome social, economic and institutional constraints at home through diversification (de Haas, 2007: 6). This approach tilts the focus, from an individual as a decision-making unit, to a household (Taylor, 1999). Instead of modelling migration as a process of individual income maximization, emphasis is placed on risk-sharing by households. According to Azam and Gubert (2005b:5), the household calculus is one of a strategic views of sending a migrant in order to build a network, in which members have uncorrelated incomes to provide insurance services. This theory takes into account the fact that the household incurs an opportunity cost of labour for sending the migrant away.

The empirical literature on migration emphasizes remittances as an importance channel through which migration impacts on development. A key cause for migration common to Sub-Saharan Africa is political instability (Lucas, 2006). However, in many situations, households make a risk-spreading attempt by sending a migrant away. The evidence points to two motives why the migrant would remit, namely altruism and self-interest (Agunias 2006:21). Kurosaki (2006) collected household data in rural Pakistan and found evidence that households which received remittances regularly were better able to cope with adverse shocks than those that did not. Similar results were obtained from an assessment in Turkey, which revealed consumption smoothing as a short-run motive for sending remittances (Alper and Neyapti, 2006). Additionally, Lindley (2006) noticed that Somalian migrants also remit to assist their families that loose assets during a crisis to help them cope with the adverse effects of the shock.

De Haas (2007:8) draws attention to another salient observation from the empirical literature, that remittances have a positive contribution to *"household welfare, nutrition, food, health, and living conditions in places and regions of origin"* . Adams (2006) concurs with this position. His argument is based on a summary of five studies: the first by Adam and Page (2004) analyzed household surveys of 71 developing countries, the second one by Gustafsson and Makonnen (1993) surveyed 7,680 households in 1986/87 in Lesotho, the third by Taylor et al (2005) used a survey of 1,782 households in Mexico, the fourth by Hildebrandt and Mckenzie (2004) was still on Mexico and used a 1997 demographic survey, while the last one utilized a 2003 survey of 7,276 households in Guatemala. These studies show

[1] Associated with Stark, O and Bloom, E.D (1985).

that remittances tend to have a poverty reducing effect in recipient countries. Further evidence on this aspect is provided by the empirical studies that are summarized in the Table 2.

Table 2: Additional Empirical Evidence On The Welfare Enhancing Effect Of Remittances		
Study	**Country**	**Finding**
Lindley (2006)	Somalia	½ of the households relied on remittances.
De Haas (2006)	Morocco	40% of the households received remittances.
Bendixen and Onge (2005)	Ecuador	Remittances accounted for 18% of the household income.
Bendixen and Onge (2005)	Brazil	Remittances accounted for 43% of the household income.
Seddon (2004)	Bangladesh and Nepal	Remittances accounted for nearly 50 % of the household income.
Nwajiuba (2005)	Nigeria	50% of the household expenditure was financed from remittances from overseas migrants.
Source: De Haas (2007)		

As de Haan (2000) observes, migration increases the social capital of a migrant through networking, knowledge and experience obtained from abroad. This knowledge is crucial in augmenting the social capital of the sending community, and can boost its productivity through the knowledge cycling or when the migrant returns . Lucas (2008: 11) corroborates this position by simply stating that:

"knowledge of the diaspora about trade and investment opportunities, combined with the ability of the highly skilled abroad to enforce contracts at home through network links offers a potential for enhanced commerce."

THE LESOTHO-SOUTH AFRICA MIGRATION: TRENDS AND PATTERNS

There is some anecdotal evidence that there have been many Basotho women who migrated to SA and worked as domestic workers. However, they were seen as an insignificant component of the migrant labour, and no records on them were kept. Furthermore, there are also migrants, mainly women, who seasonally migrated to SA to work on the farms, predominantly at the border towns. Data on these migrants too are not available. Consequently, the following analysis focuses on the evolution of the migrant labour on which data are available-the mine-migrant labour.

One view of the causes of migration in Southern Africa points out that labour migration emerged as a response to the needs imposed by the economic system (Palmer and Parsons, 1977). Taylor (1982:213) applied the *"concept of an industrial core and a surrounding labour market"* to understand the role of the regional economic system in Southern Africa from 1886 to 1978 and discovered that:

"The penetration of capitalism and consequent incorporation of southern African societies into the world economy established a predetermined framework for migrant decision-making dominated by White mining interests."

He refers to Lye and Murray (1980: 183), who provide an example of discriminatory grain tariffs, which were levied to deter Basotho farmers from competing with white farmers. This worsened the impact of drought on the Basotho farmers and likely forced them to migrate.

Foulo (1991) traces the history of the migrant labour system between Lesotho and SA to as early as 1824. However, the advent of mining as an activity followed the discovery of diamonds in 1867, and subsequently, gold in around 1886. This was the genesis of the migrant labour system driven by the mining activity, which is at the heart of this paper. The period from 1870 to 1969 saw three major events, which shaped the migration landscape of the time. In the 1870s, labour relations were quite discretionary, and the emergence of mining employment introduced competition between farming and infrastructural construction, which pushed wages up. The 1865-1868 war between Basotho and the Afrikaners of the Orange Free State forced Basotho to work at the mines with a main motive of obtaining guns. Furthermore, the introduction of the hut tax based on the number of huts in each family compound, following the political incorporation in 1870 to finance the cost of administering the territory, forced many Basotho to seek employment in SA mines to pay the tax (Murray, 1981).

The period following the 1870s were marked by severe droughts, the Gun war of 1880/81, the Anglo-boer war of 1899-1902, and the ban imposed on Basotho grain exports, which led to the abandonment of farming by many

Basotho in favour of mine migrant labour in SA. In 1896, the Chamber of Mines started consolidation of recruitment and wage determination, which led to a system that suppressed black wages. The Black Urban Areas Act of 1923 was enacted with the aim of forcing black workers to shuttle between their rural homes and their places of work in the so-called *"white areas"*. In 1968, one-year contracts were introduced for black foreign workers (Foulo, 1991).

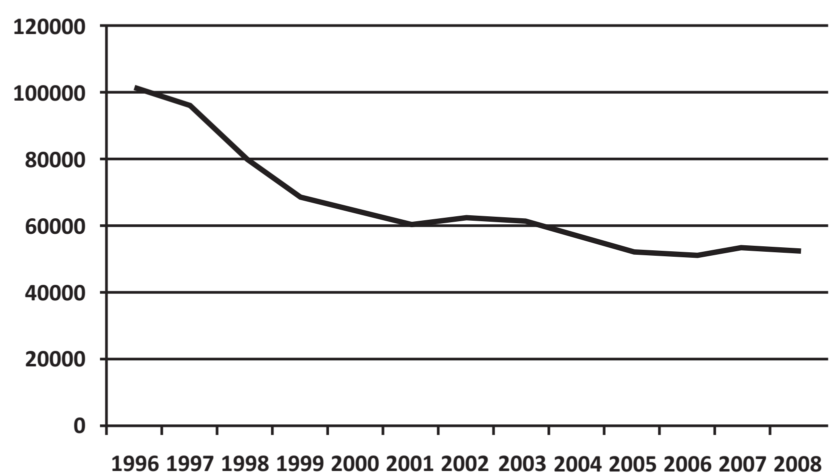
The developments discussed in the foregoing shaped migration patterns during the period as seen in Figure 1. First, the rise in employment from 1875 to 1886 is related to the *'gun fever'* , and the need for money to pay the hut tax. Second, the outbreak of the rinderpest around 1896, which led to the introduction of quarantine regulations, culminated into the huge deportation of miners resulting in the decline of employment figures during the same period. Third, the series of droughts, the two wars, and South Africa's protectionist policies that characterized the dawn of the 20th century led to increased labour migration during 1911 to 1956. The slump in 1966 could be related to the attainment of independence in Lesotho, which could have induced many miners to associate it with employment opportunities at home. From 1967 to date, migrant labour has provided many households with an alternative source of income, and many Basotho became miners in SA, purely in search for wage income.

Table 3 : Lesotho Mine Migrant Workers In SA (1875-1990)

	No. employed
1875	15000
1885	30000
1890	20000
1911	21000
1921	37827
1936	78604
1946	95697
1956	112790
1966	96350
1976	129103
1986	121450
1990	127385

Source: Foulo (1991)

Figure 1: Lesotho Mine Migrant Workers In SA (1996-2008)



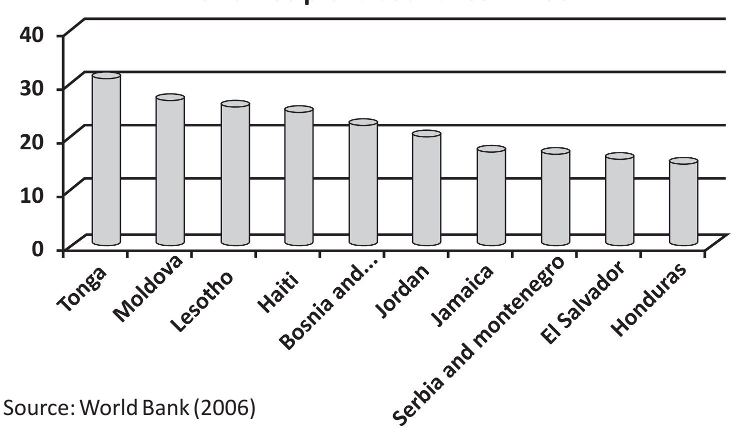
Source: Lesotho Bureau of Statistics (2009)

The downward trend observed in Figure 1 arises from the persistent retrenchments of miners by mines due to the capital intensive nature of production modes, and the cost efficiency measures adopted in response to fluctuating prices of the output. Consequently, remittance flows mimic this trend and hurt the well being of many households, forcing the recent migration of women to SA farms in search of work (Coplan and Thoalane, 1995). According to Crush and Ulicki (2007), since these women lack high formal training, their chances are generally limited to domestic work in the towns or labour on the farms in the Free State. Thus, the drying up of remittances and the retrenchments, which cut-off households from the labour market recently, present a major policy challenge to the government of Lesotho.

IMPLICATIONS FOR POLICY MAKING

According to the World Bank (2006), remittances form a significant part of external financing accounting for a share of about 25.8 percent of GDP in Lesotho.[2] Figure 2 demonstrates the importance of remittances to the economy because in 2004, the country ranked third in the list of top ten remittance recipient countries in the world. Thus, any cessation of the remittance flows, which are not accompanied by an alternative source of financing, would have dire implications for the economy of Lesotho.

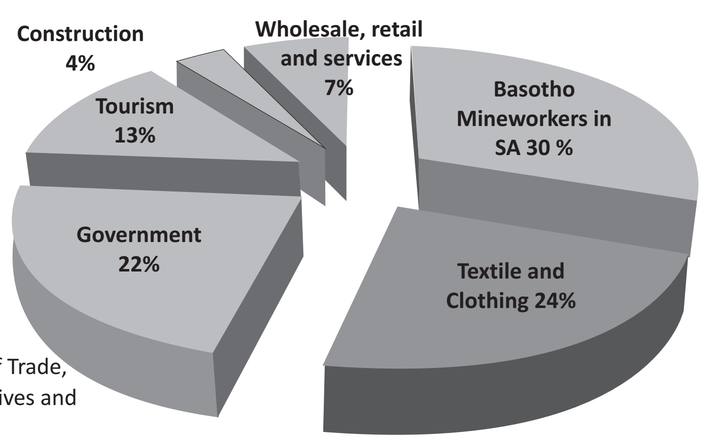
Figure 2: Share Of Remittances In GDP For The Top 10 World Recipient Countries In 2004



Source: World Bank (2006)

Lipton (1980) argues that it is not necessarily the poor that migrate the most, the remittances tend to favour the rich and

Figure 3: Estimates Of Shares Of Formal Employment-2006



Source: Ministry of Trade, Industry, Cooperatives and Marketing (2006)

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[2] Ghosh (2006) uses an average of remittances for the period 1990-2003 for the top 20 recipient countries as a share of GDP for the period and Lesotho leads the list with a 40 percent share of GDP.

worsen inequality. This argument hinges on the fact that the cost of migration may be too high for the poor and only the rich, who can afford it, manage to send out a migrant. The resulting remittance receipts would tend to favour the rich and worsen the inequality status. Moreover, the rich can afford to invest in high-quality education and thereby, manage to send more educated migrants, who are able to secure good jobs in destination countries. This may also enable the already rich sending households to receive relatively good remittances, and perpetuate inequality in the sending country. In Lesotho, the majority of the mine migrants are unskilled and come from families that are mostly poor (Foulo, 1991). Hence, in this case, the poor stand to benefit the most from migration and remittances may help narrow the inequality in the country, as observed in Table 4. However, this may have a drawback in the sense that it may give young males an incentive not to get higher education because they have seen their fathers get employed in SA mines with just the ability to read and write. Overtime, when the opportunity to work in SA mines dries up and these young men are forced to compete for jobs domestically, they may face a skills constraint and fail to access the labour market successfully. Figure 1 shows a downward trend in the number of miners employed in SA as more and more get retrenched, indicating that such a possibility is imminent. Another important implication of the recent downward trend in migrant labour is the exacerbation of unemployment in the country. Figure 3 indicates that the share of Basotho mineworkers in SA account for 30 percent of formal employment of Basotho. This means that unemployment would worsen in Lesotho if this channel of employment is closed. The authorities should continue to diversify the economy as a way of reducing the dependence on migrant labour in SA and look for activities, which can utilize the portable skills that the miners have attained, which can be used in other sectors. Gustafsson and Makonnen (1993) argue that cessation of remittances would have serious negative implications for Lesotho. They estimate that if this were to occur, average consumption would shrink by 32 percent, the poverty headcount index would rise by 26 percent, and the poverty gap index would increase by 52 percent. Table 4 shows that, although the percentage of households that depended on remittances fell from 17.8 percent in 1994/95 to 10.9 percent in 2002/03, poverty declined during the same period. This may reflect the structural shift in the economy as increasingly more of the poor, especially women, gained employment in the domestic textile and clothing manufacturing firms (Hall and Wason, 2003: i). Hence, the dependence on remittances from international migration could possibly have shifted to reliance on remittances from internal migration.

Table 4 : Poverty And Inequality

	1994/95	2002/2003
Gini coefficient	0.57	0.52
Poverty headcount	62.1	50.2
Poverty depth	37.9	29.0
Percentage of the poor who depend on remittances	17.8	10.9

Source: Lesotho Household Budget Survey 2002/03

Adams (1969) identifies brain drain as a major problem associated with migration. This problem mainly plagues specific sectors, for example, the World Bank (2006) states that only about a third of medical school graduates remain in Ghana and a half of graduates from medical schools in SA emigrate abroad. In Lesotho, the agricultural sector is the most hit by the migration of unskilled labour to SA mines - this is *"muscle drain"*. Lesotho may suffer adversely from what Penninx (1982) calls *"brawn-drain"* , which refers to the significant exodus of young able-bodied men and women. This is argued to cause a labour deficit in the sending countries and adversely affects the technical efficiency of the sector concerned. However, Mochebelele and Winter-Nelson (2000) find that in Lesotho, remittances tend to facilitate agricultural production and improve its technical efficiency rather than substitute for it. Nonetheless, for long-term gains, Government policy should be aimed at overcoming the information poverty associated with the mind-set that higher education is not necessary to gain access to the labour market. Households should increasingly be encouraged to invest in education, so that the brain drain can be counteracted, where mass training ensures that the country would have enough labour even after others have migrated. Furthermore, investment in entrepreneurial activities should be encouraged and supported as a short-term measure.

CONCLUSION

This article attempted to analyze the changing patterns of the Lesotho-SA labour migration and adduce its policy implications. Many factors emerge to have influenced migration from Lesotho largely by males who sought work at the mines in SA; namely persistent droughts, gun fever, wars, and protectionist policies embraced by SA. The decline observed in the trend of migrant mine workers in recent years, as a result of increasing retrenchments from the mines, threatens the remittances which have been a major source of household income. This detaches many families from the labour markets, as many more get unemployed and would likely worsen poverty in Lesotho. This presents an enormous policy challenge for the authorities in Lesotho to look for alternative employment opportunities. Investment in education and entrepreneurial activities are suggested in this article as long-term solution to the skills constraint, and a short-term solution to absorb post-schooling-age population, respectively. Although this paper has focused on the migration of unskilled Basotho men (muscle drain), it is important to quantify the migration of skilled labour (brain drain) and unskilled Basotho women (feminization of the migrant labour system) which have emerged strongly in recent years. Women have been forced to migrate to SA due to dwindling remittances in search of work, and the high graduate unemployment in Lesotho has led many graduates to consider international migration as a viable option. Perhaps these two recent developments may help explain why a slump in mineworker remittances has not worsened poverty in Lesotho. This is an area for future research.

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