# SURVIVAL IN POST-MINING COMMUNITIES IN SOUTHERN AFRICA: WOMEN AND ENTREPRENEURSHIP IN LESOTHO

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**Background**

The world's dominant economic rationality, *homo economicus*, is narrow and individualistic. It has benefited those with money while marginalising those without. It has cultivated staggering inequality, violent oppression of the majority of the people, and the suppression of their human rights, most profoundly in the Global South. The trickle-down benefits have never reached the majority of the people, but the rich have become richer and richer. Emphasis on GDP increase and growth has been nothing but an illusion of hope to legitimise the neglect and marginalisation of the masses. The scientific and computational economic approaches used by experts, particularly economists, have divorced the study of the economy from the rest of the people. It is time to reclaim and release the economy to the people, both theoretically and practically speaking. This involves expanding our knowledge and methods of studying what the people do for themselves.[12] The exercise also involves critically examining the dominant post-WWII economic development model that sought to standardise world societies according to the image of the West. Communities in the Global South were shepherded to fit into a mould created in the West – modernity in its different shades. Those that never fitted were vilified and treated as uncivilised, while the Westernised moulding attempts never stopped.

The Human Economy programme is a research group based at the University of Pretoria, South Africa, which I joined in 2012 as a PhD student. We are an interdisciplinary programme devoted to studying what the people do to help themselves in the economy, and how what they do can be amplified for the rest for the world. We believe that people are not passive in the economy. They are active actors with a certain sense of agency that might not necessarily fit with the economic mainstream.[13] The history of women in Lesotho's business in the context of the decline of the southern African regional mining complex is pregnant with a myriad lessons. Their entrepreneurial pursuits of credit-rotating schemes (*stokvels*), cooperatives, and associations, and their often-deemed 'unorthodox' informal-to-formal routes make the plurality of economies and economic motives more apparent. Beyond the market economy rationality (*homo economicus*), they demonstrate mutuality, solidarity, trust, loyalty, and other obscured economic motives. These principles can be important for creating more inclusive economic models in the Global South.

The discovery of minerals in South Africa in the nineteenth century changed the history of the African indigenous people, and the region as a whole. By colonial design, southern African indigenous communities emerged as suppliers of labour to South African mines and industries. As a result, since then, almost 75% of rural households depended on remittances in Lesotho. In popular southern African historiography the country is referred to as a 'labour reserve'. However, little is known about economic activities that the Basotho, the people of Lesotho – particularly the indigenous people – engaged in for survival within the country and how they linked this emergent regional economic space with domestic survival activity. Apart from agriculture and informal business, commerce (retailing and wholesaling) was the main economic activity. Even more marginal in the economy were, and still are, the women entrepreneurs. Their activities are significant because when men left to go and work in South Africa, they had to take care of the household. Instead of resisting this, they took advantage of what the domestic economy had to offer. For their part, they emerged as economic frontier explorers of the country, albeit obscured due to patriarchy.

Remittances were never reliably adequate for the survival of the household back home. Worse, there were widespread cases of *makholoa*. These were men who left their families and married new wives in South Africa, or squandered their money in promiscuity abroad. Some came back after years while others never did. Some men supported multiple families. These stories are familiar to us and were commonly heard as we grew up. My own father was a

[12] Keith Hart and John Sharp, *People, Money and Power in the Economic Crisis: Perspectives from the Global South* (Oxford: Berghahn, 2015).

[13] Keith Hart, Jean-Louis Laville and Antonio David Cattani, "Building the Human Economy Together" in Keith Hart, Jean-Louis Laville and Antonio David Cattani (eds), *The Human Economy: A Citizen's Guide* (Cambridge: Polity Press, 2010).

miner at one point, having taken over his father's position after his death in 1975. Back home, women had to find alternative means of survival. A lot of women found economic refuge in the informal economy, which allowed them easier access. They sold traditionally brewed beer, food, fruits, vegetables, handicrafts and other items. Many women started making significant inroads into the formal business after the 1950s onwards.

Basotho women's entrepreneurial efforts and emergent economic solidarity has become far too important a force to ignore, especially since the 1990s, as the southern African mining economic complex started to show clearer signs of decline. Many indigenous groups were retrenched while employment opportunities closed up for the men. Remittances that supported households dried up immediately. The result was twofold; on the one hand, poverty and inequality increased. On the other, this forced the Basotho to find alternative economic means of survival. Many retrenched miners invested their gratuities in property (locally known as *malaene*), transport businesses, retail business, agro-business, and other enterprises, to support their families. As men came back, the economic dynamics had shifted dramatically, and women were far ahead of the game (and they are getting stronger every day).

This change has also altered the traditional patriarchal nature of gender roles and relations that had previously marginalised and left women with no meaningful economic say or participation. They use money and markets to transform their traditional space of the 'kitchen', which housed groceries, pigs, and chickens. To the rest of the people, their businesses in the form of grocery stores, poultry, restaurants, sheebens, piggery, etc. were immediately identifiable with the space patriarchy accorded them. This became a recipe that silently and non-aggressively changed gender roles and relations. The story of women in Lesotho's economy gives us an opportunity to draw some lessons that may assist economies in the current regional and global economic crisis.

**Women in Colonial Commerce**

The story of women in local business falls within the history of indigenously-owned business. However, their involvement in local business as enterprise owners dates back to the 1940s and 1950s. Women in colonial commerce were in the periphery of the periphery. Commerce – retailing and wholesaling – was the dominant form of business. It was monopolised by European traders that mostly arrived in the late nineteenth century after Lesotho became a British Protectorate in 1868. Through the European-only Basutoland Chamber of Commerce, they collaborated with the colonial government to exclude and marginalise Basotho and Indian traders. It was not until 1906 that the first Mosotho opened a business. However, Basotho's licences restricted them from operating in the town centres. The colonial government strategically placed them in remote rural and mountainous areas that lacked infrastructure (especially roads and bridges) and adequate customers.

Until the 1920s, there were less than 10 Basotho licence holders; all men. Due to the recession of the 1920s and 1930s, their businesses collapsed. The Basotho pressured the colonial government through their political and business associations. The most prominent were the Basutoland Progressive Association, the League of Commoners, and the Basuto Traders' Associations, which had been formed in 1907, 1919, and 1940 respectively. As a result, a significant increase in the number of Basotho traders occurred after 1951, following the government's announcement of Proclamation No. 72. The Proclamation provided for what was called a Basuto Restricted Traders Licence, which was specifically intended for Basotho. The number of businesses owned by Basotho increased from three in 1935 to about 2,700 in 1958.[14]

It was only after 1951 that a larger number of women were able to open businesses of their own. According to colonial laws, traders' licence applicants had to be taxpayers. Basotho women were not recognised as such by the Native Tax Proclamation No. 3 of 1911, which enforced and regulated the payment of tax.[15] The new law exempted them from the tax prerequisite, on condition that their husbands or fathers were taxpayers. From 1951, a number of Basotho women were issued with trading licences. Even though the colonial laws permitted them to apply for such licences, available information suggests that only very few Basotho women owned and ran such stores prior to independence. Nonetheless, for the largely marginal Basotho women, this was a major breakthrough. Essentially, 1951 was a significant year for Basotho in business, and even more importantly for women.

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[14] *Basutoland Colonial Annual Reports, 1958,* p. 45.
[15] *Basutoland Proclamations and Notices, 1911.*

### How they made it

After independence, the number of indigenously-owned businesses increased further, and so did the numbers of women in business. Statistically speaking, they presently constitute almost 80% of Lesotho's local business. Many women started from the informal economy and worked their way into formal businesses. Others used remittances to start their businesses. In some cases, businesses were started by both partners. In this scenario, the husband would be employed in South Africa, or even locally, as a teacher or civil servant. The wife would then manage the business on a daily basis. Though there are some men who started their businesses from the informal economy, this has predominately been a women's route.

Women have acquired various derogatory names, including *bo 'mathoto* and *bo 'm'e baseterateng*, literally, 'luggage women' and 'street women', respectively. Alicia Motšoane is a single mother who owns and manages two medium-sized businesses: a furniture shop (Prestige Furniture, which has branches in three districts of Lesotho), and a funeral parlour (*Sentebale* Gap Funeral Services) with two branches in the country, one in Mafeteng and the other in the Berea district. In 1993, she started stocking clothes and blankets from South Africa, where she bought them at cheaper wholesale prices to resell in Lesotho.[16] She started selling her merchandise at the time when she was working as a secretary for a law firm in Maseru. In our interview, she said:

I started my business where every typical Mosotho woman starts. This is where we start off as hawkers. Well, I would go to the Republic of South Africa to get merchandise, which I would later sell to other Basotho . . . on part-time basis because by then I was permanently employed. I used to do my business during lunch break.

Some women moved from the informal sector into the formal sector by entering into various credit arrangements with more European traders who were able to start them off. Of course, this was widespread and not limited only to women. Though such arrangements aided some indigenous entrepreneurs in starting off, such deals also reproduced the monopoly of the Europeans. As a result, some Basotho resorted to the alternative of importing stock from South Africa. 'Mamatheala Shale was a business woman in her late 60s when I interviewed her. She started her businesses from her tailoring background. Before she passed away in 2013, a month after the interview, she owned and managed a number of businesses, namely a petrol filling station, a business complex which she rented out to other business people, a retail store, and a tailoring company.

Shale got into business in 1973 after she completed a diploma in clothing design in England. However, when she returned to Lesotho, she could not get a job. She started designing and repairing people's clothes informally, working from her home. With her savings, she then rented a business premises and started a retail and restaurant business. She approached Frasers' wholesale branch in Maseru and successfully negotiated with its manager to give her stock on credit to start. However, gradually, she realised that the arrangement hindered her from making significant profits. As a result, she started buying her stock in South Africa. It was after importing stock from outside the country that she was able to realise better returns. Shale recollected that:

When I started, it wasn't easy. ['Mampolokeng, a friend] introduced me to Frasers wholesalers whom she was dealing with and I got supplies from Frasers to build my business. The deal I had with Frasers was pulling me back ... I started buying supplies in Bloemfontein from such wholesalers as Metro, Trailer and so on. That helped me a lot.

By far, women in Lesotho have also been known to use collective credit-rotating schemes such as *stokvels* to start and support their businesses. They are locally known as *mekholisano* or *mpate-sheleng* (though the latter is more specific to burial societies). Though some men have increasingly become part of such credit schemes, they have largely been known and referred to as a 'women's thing' – *ntho-ea-basali*. 'Mamahlapane Rakuoane, President and founding member of the Women's Federation in Lesotho, testified that:

We made clusters of businesses; meaning some owned pigs, some greenhouses, some fabrics, and so on . . . we started by forming *stokvels* . . . Our *stokvels* work this way; we contribute money and divide ourselves in groups according to our capabilities, and some contribute R1,500 every month, others R15,000 . . . some contribute R200, some R500, R100,

[16] Interview with Alicia Motšoane, Mafeteng, October, 2013.

some even R50. We accommodate everybody. Some cannot even afford R30 monthly but [may have] a site where we can rear chickens. So, we put that site on the plate while others put money. [Then] . . . we give to one person to start or [expand] their business. [And on a monthly basis] we go to [one member's place where] she is supposed to have cooked food [to feed members of the *stokvel* at the day's gathering] and each of us is expected to pay R300 . . . We give her the money.

During my fieldwork in 2013, the Federation appeared to be the most vibrant and popular association with broad membership around the country. Its inclusive approach helped it to draw wider membership. On top of that, its economic strategy, anchored in *stokvels,* has been effective in helping many women to start and expand their businesses. There were also a number of other women-only business associations that had erupted in recent years, such as Women in Small Businesses, the Exporters Association of Lesotho, and others. Members of these associations were conscious of the fact that they constituted a majority in business as well as in other big business associations like the Lesotho Chamber of Commerce and Industry, *Mohloli* Business Chamber and Private Sector Foundation of Lesotho, but the leadership of these continues to be dominated by men – a patriarchal heritage.

**Hopes and Reflections**

Economic aspirations are typically pregnant with hopes for better outcomes than current circumstances can offer. The majority of the people in the Global South struggle to realise such a futurist ambition. People on the ground may be aware of their immediate conditions, but not of the economic reality beyond their reach. Neither capitalism nor communism has been able to deliver better outcomes for them. Instead, there has been ever-increasing inequality and poverty. The story of women in Lesotho demonstrates that they did not remain submissive and passive in the economy. They organised themselves through associations, cooperatives, and rotating-credit schemes. This is one of our missions in the Human Economy Programme – to study and make sense of what people do for themselves, with the bigger mission to examine how such approaches can help in the creation of a more inclusive society where the majority of the people have a meaningful say and participation in economic matters that affect their lives. One can tease out more specific and salient lessons that can be drawn from the economic history of the Basotho women entrepreneurs. For one, they make the reality of economic pluralism apparent. Beyond rational economic motivations, their activities are embedded in solidarity, trust, mutuality, and loyalty. Of course, these are volatile motives that cannot be taken at face value, but they expand our understanding of economic motives. These principles emphasise a far more inclusive economic arrangement and philosophy than neoliberalism currently offers. They also substantiate the fact that there are alternatives to major ideologies of production (capitalism and socialism) that are not resistant to money and markets.

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