
Mia Granvik

CSSR Working Paper No. 357

Legislating and Implementing Welfare Policy Reforms

July 2015
About the author:

Mia Granvik has a BA in Sociology and Social Anthropology from the University of Basel, Switzerland, and a MPhil in Development Studies from the University of Cape Town. Since March 2014 she has been working as a Social Researcher on the ‘Legislating and Implementing Welfare Policy Reforms’ project at the CSSR, covering Lesotho, Swaziland and Kenya.

Acknowledgements:

I would like to express my gratitude to Prof. Jeremy Seekings as well as Liz Welsh, Nondumiso Hlwele and Marius Coqui from the CSSR for all their academic, administrative and logistical support.

This case study would not have been realisable without the valuable time and kindness of the key informants in Lesotho. Your contribution is most appreciated!

Last but not least I would like to thank Litsoanelo Mapulane Phohlei Tsikoane who very generously connected me with (former) Prime Minister Mosisili. Thank you for your friendship and hospitality!

Abstract

Lesotho is one of a small number of countries in Africa to have introduced one national cash transfer programme (the Old Age Pension, OAP) and to be in the process of establishing another (the Child Grant Programme, CGP). Although Lesotho has followed what has been called the ‘Southern African model’, the introduction of the OAP was not the result of an explicit process of cross-national policy diffusion. The CGP was initially driven by international organisations, but the dynamics were not Southern African, and the Lesotho Government quickly took ownership of the initiative. Unlike in many other parts of Africa, these reforms were not resisted by domestic political elites. The OAP, especially, was championed by the Prime Minister, with support from the Minister of Finance. The reforms were rooted in both socio-economic changes, with the AIDS pandemic highlighting the inadequacy of extended familial responsibility for the poor, and political change, with the (possibly short-lived) restoration of stable democratic competition in the early 2000s opening the political space for programmatic reform.

Towards a ‘welfarist’ approach

In the 2000s interest in the use of cash transfer programmes grew across much of Sub-Saharan Africa (Garcia and Moore, 2012; Niño-Zarazúa et al., 2012). Food aid began to be replaced by unconditional cash transfers as the dominant form of social transfers in many African countries. Cash was seen as more flexible, less paternalistic and meeting more diverse needs than food aid (Devereux, 2012). According to Devereux (2013a: 17) the displacement of food aid by cash transfers was not just a technical choice between alternative modalities, but also signified a move away from a humanitarian approach towards a ‘welfarist’ approach.¹ Hanlon, Barrientos and Hulme (2010) have described this as a paradigmatic shift in thinking about development.

¹ Although the label ‘welfarist’ has different connotations across much of Southern Africa, referring to a perceived need for help, especially from social workers.
The conventional wisdom about reforms in Africa is that there have been two models: a ‘Southern African’ or ‘middle-income country’ model (present in South Africa, Namibia, Botswana, Lesotho, Swaziland, and the Indian Ocean island states of Mauritius and the Seychelles) and a ‘Middle Africa’ or ‘low-income country’ model (present in, for example, Zambia and Kenya) (Niño-Zarazúa et al., 2012; Garcia and Moore, 2012). Both models are assumed to be driven, in part, by policy diffusion, i.e. by the replication and sometimes adaptation of policies from one country to another. In this analysis, reforms in the middle African/low-income countries were donor-driven, often in the face of resistance from domestic political elites. In the Southern African/middle-income countries, South African policies were supposedly diffused to its neighbours. Niño-Zarazúa et al. write explicitly that the South African model was (‘to some extent’) ‘transposed within the region’ (to Lesotho, for example). The influence of the South Africa social pension programme has been fundamental in the diffusion of social pensions to the neighbouring countries of Botswana, Namibia, Lesotho, and Swaziland, through a “demonstration effect” in policy diffusion’ (2012: 169; although they do add immediately that ‘local politics are also important’).

Policy diffusion in the field of welfare policy reform has been extensively documented and analysed. At the beginning of the twentieth century, British policy-makers were well aware of Germany’s experience with social insurance (Hennock, 1987). From the 1920s the International Labour Organisation (ILO) served as the vehicle for policy diffusion from north-west Europe – especially Germany, in the field of social insurance – to the rest of the world (Seekings, 2010a; Kott, 2010). During the Second World War the British Beveridge Report served to popularise a particular vision of reform across much of the world, prompting interest even in different parts of Southern Africa (Seekings, 2005, 2010b). More recently, the World Bank served as the agent of diffusion for the Chilean model of contributory pension reform (Weyland, 2004; Orenstein, 2005; Brooks, 2007). In a recent review, Obinger et al. (2013: 112) concluded that ‘nation-states do not act independently of each other’ and that ‘interdependencies exist between countries which, in conjunction with domestic factors, account for policy outcomes. Countries strategically respond to policies adopted by other countries, emulate policies that turned out successful abroad or react to external pressure to adopt a particular policy.’

Lesotho, a small lower middle-income country characterised by poverty, deprivation and extreme vulnerability, appears to be a strong candidate for this narrative of policy diffusion. In 2004 Lesotho implemented an Old Age Pension programme. Whilst the details of the programme were not the same as for South Africa’s old age pensions, the introduction of pensions in Lesotho is widely seen as part of a general diffusion of the South African model to its neighbours (with
Botswana introducing pensions in 1996 and Swaziland in 2005). In 2009, a pilot Child Grant Programme was initiated, financed by the European Union and with technical support from UNICEF. Whilst the details of the programme were not the same as for South Africa’s Child Support Grant (CSG), they had the same basic ‘categorical’ design. In Lesotho, as in South Africa, the elderly and children were the foci of the social protection system.

Diffusion is more likely to work through policy-makers. International agencies (such as UNICEF, the ILO and World Bank) and donor organisations (such as the British Department for International Development, DfID) have a broad arsenal of ‘weapons’ to use in their deployment of ‘soft’ power, i.e. the power of persuasion over national policy-makers. They distribute documents and reports on reforms elsewhere in the world. They fly politicians and officials to international workshops and arrange study tours to other countries to learn from their experiences. They establish consultative bodies to facilitate regular interaction between international organisations, local civil society organisations and government personnel. They provide technical assistance (including advisors) to government departments, and sponsor and assist with drafting ‘social protection strategy’ documents. They also sponsor ‘pilot’ programmes, organise evaluations of these to demonstrate success in reducing poverty, and arrange for politicians and government officials to visit the pilot sites to see these for themselves (see, for example, Hickey et al., 2009).

The global literature on policy diffusion emphasises, however, that external ideas rarely resonate locally in the absence of favourable local conditions (including perhaps political incentives for local policy-makers). In the early twentieth century, British reformers did not replicate the German model. The ILO enjoyed uneven success in marketing the same model in the interwar period. Under pressure from the British Colonial Office, colonial governments generally declined to follow the reforms proposed by Beveridge. In the 1990s and 2000s, the Chilean model was variously adapted and rejected in different countries in Latin America and elsewhere. Donor pressure on the Zambian government in the 2000s failed to convince the latter that the donor-driven pilot programmes should be rolled out nationally (Kabandula and Seekings, 2014). In Uganda, also, a donor-driven initiative ran aground in the 2000s (Grebe and Mubiru, 2014).

In the case of Lesotho, existing studies emphasise that the introduction of the Old Age Pension was a response to domestic factors as well as an example of policy diffusion. Pelham (2007) notes the absence of any donor involvement,

---

2 Lesotho is completely surrounded by South Africa, with a population of approximately 2 million.
and points to the unusual support for reform from the Ministry of Finance. Moreover, social assistance programmes were introduced in Lesotho (and in Swaziland) ‘without a clear national social protection policy or strategy behind them’ (Devereux, 2013b). These studies also note, however, the lack of clear evidence on the importance of domestic factors. Barrientos (2009: 9), for example, points to the absence of evidence of any underlying popular demand for a social pension scheme. Given this, studies resort to a vague diffusion narrative. Barrientos further concludes that the pension resulted primarily from ‘a regional “domino effect”’ (Barrientos, 2009: 10).

This paper re-examines the introduction of the old-age pension in Lesotho, and also considers the introduction of the Child Grant Programme. These were the two major social reforms under the Lesotho Congress of Democracy (LCD) government headed by B.P. (Pakalitha) Mosisili who was Prime Minister. Mosisili became Prime Minister after elections in 1998, won two further elections in 2002 and 2007, but was unseated by a coalition of opposition parties after elections in 2012. The Old Age Pension was introduced in large part because of the strong personal support of Mosisili himself. There is no evidence of any ‘diffusion’ effects either from South Africa or through international organisations (although the absence of evidence is not evidence of absence, especially with regard to a weak regional demonstration effect). The introduction of the pension was a domestic response to socio-economic change (especially the effects of AIDS and enduring poverty) and democratic political competition. The Child Grant Programme, in contrast, was donor-initiated, although even here the Lesotho Government quickly took control (and assumed financial responsibility).

The paper begins with an examination of the economic, social and political context of Lesotho in 1998, when Mosisili became Prime Minister. The second section examines shifts in anti-poverty strategy and policy between 1998 and 2004. The paper then turns to the introduction of the Old Age Pension in 1994, before examining the consequences of pensions. The fifth section examines the initiation of the Child Grant Programme in 2009, and its development up to 2012, when the elections led to the end of Mosisili’s Prime Ministership. The conclusion includes some discussion of social protection policies in Lesotho since 2012.
By the early 2000s it had become evident that Lesotho had been highly inefficient in terms of turning economic growth into improvements in the well-being of the poor, despite the fact that official development assistance (ODA) to Lesotho averaged US$104.7 million a year between 1990 and 1993 according to the World Bank (May et al., 2002: 6). Based on the 1986/7 and 1994/5 Lesotho Household Budget Surveys, the overall incidence of poverty had not altered significantly by the mid-1990s. The poverty gap had even increased between the two periods, implying that those that were considered ‘poor’ were on average further below the poverty line in 1994/95 than was the case in 1986/87. Approximately 58 percent of the population were still poor by 1994/5 (virtually unchanged from the previous period), and the percentage of extremely poor people had even increased from 34.7 to 38.6 percent since 1986/7. This data further conveyed that the incidence and severity of poverty in the 1990s was greater among a number of social groups: female headed households, people living in rural areas (especially in the mountainous parts of Lesotho), the elderly, children, and those who rely upon agricultural production and agricultural assets. The economic crisis in South Africa during the 1980’s and the subsequent retrenchments in the mining sector may have been one of the most important reasons for the weak ‘trickle down’ of the benefits of economic growth in the late 1980s and early 1990s. Although this period was one of high economic growth in Lesotho, the South African economy was experiencing low and even negative growth rates that would have affected both employment opportunities and wages for Basotho migrants (May et al., 2002: 9). The fall in the number of migrant mineworkers translated into a fall in income for the majority of households in Lesotho. Urban migration, a further threat which emerged from the decline in remittances, presented a real threat to growth, maintenance and development of the agricultural sector. This left the already declining agricultural sector in a state of severe weakness and lack of sustainability (Maleleka, 2009).

Lesotho has been a beneficiary of international food aid since the 1930s, but only began to receive large quantities in 1966 to cope with serious drought. The trend has persisted due to droughts and other factors such as inflexible response to price incentives, continued soil erosion and declining incentives for local food production (Makenete et al., 1998). There have been a number of food-for-work programmes in the more recent past that were used to distribute food aid, mostly financed by the World Food Programme (WFP) and predominantly directed to particular areas in response to drought or floods (World Bank, 2013), for instance during the severe droughts of 1992 and 2001/2. The WFP has continued
to provide this kind of support during droughts, but also in the form of disaster risk reduction and support to Lesotho’s school feeding programme (World Food Programme, 2014). Yet, Lesotho is unusual in not having any large-scale public works programmes to provide temporary employment opportunities for the poor (World Bank, 2013). Such programmes have been used in many other sub-Saharan African countries, especially during periods of drought. Instead, cash transfers have become major tools of social protection in Lesotho (Olivier, 2013), as this paper will reveal. Lesotho’s first cash-transfer, the Public Assistance Grant, was introduced in the 1970s to provide support in cash or in kind (for example, as medical exemptions and food packages) to the ‘destitute’, although with very limited coverage and benefit levels (World Bank, 2013).

In 1975 Lesotho’s Human Development Index\(^3\) ranking was significantly above the overall average of sub-Saharan Africa. Its scores continued to rise throughout the 1980s and 1990s, until 1995, when a downturn began. This downward trend has largely been due to falling life expectancy; life expectancy at birth has declined drastically in Lesotho from 60 years in 1991 to 48 in 2011. Under-five mortality rate (per 1,000 live births) was estimated to be as high as 86 deaths per 1,000 live births in 2011 - almost unchanged from 1992. Much of this decline has been attributed to the critical AIDS epidemic that has plagued Lesotho since the early 1990s (World Bank, 2013).

The number of people living with HIV in Lesotho rose rapidly after the first case was diagnosed in 1986 (Owusu-Ampomah \textit{et al}., 2009). In 1991 the first round of sentinel surveillance in Lesotho took place in five sites, all of which tested the prevalence of HIV in women attending urban-based antenatal clinics. Surveys in these clinics were also conducted in 1992, 1993, 1994 and 1996 (in 1995, and again from 1997-1999, human and financial constraints limited sentinel surveillance). Following the 1992 sentinel survey, prevalence in all test sites was above the 1\% base-measure necessary for declaring a generalised epidemic. In 1993 HIV prevalence in the adult population was roughly 4\%. Prevalence rose to approximately 25\% in 1999, and is believed to have peaked at over 31\% in 2001. Lesotho has remained a hyper-endemic country ever since (Owusu-Ampomah \textit{et al}., 2009).

Lesotho’s generalised epidemic has impacted every sector of Basotho society. Piot \textit{et al}. (2007) have reported that “the economic impacts of AIDS are

\footnote{The Human Development Index (HDI) is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living, based on international data from the United Nations Population Division, the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics (UIS) and the World Bank.}
proportionately greater for poor households, and AIDS can be expected to increase both poverty and income inequality”. Owusu-Ampomah et al. (2009) have noted that conditions of desperation make individuals more susceptible to disease, and the combined effects of poverty and inequality underscore the reality of the social and economic impact of HIV and AIDS in Lesotho. The New Variant Famine hypothesis of de Waal and Whiteside (2003) have suggested that HIV and AIDS may create chronically insecure households that are unable to regain their livelihoods even after immediate food shocks have subsided. Further, high rates of prevalence and mortality among women of reproductive age has serious implications for the health and wellbeing of other vulnerable population groups, as women are the primary care providers of children, the elderly and the destitute. When women die, coping mechanisms are stressed and vulnerable populations becoming increasingly susceptible to livelihood failure and infection. Since the 1990s the high prevalence of HIV and AIDS, coupled with price hikes in staple goods, falling income and drought, has led many thousands of families in Lesotho to almost certain livelihood failure. International food aid has attempted to ease the effects of falling agricultural output (Owusu-Ampomah et al., 2009). Yet, as Owusu-Ampomah et al. (2009) emphasise, food aid does not address long-term structural causes that lead to food insecurity and increased vulnerability. Thus, questions regarding dependency on food aid and the wider political incentives driving food distribution must remain at the forefront of interventions to ensure systemic and sustainable access to food.

By the early 2000s, the majority of the Basotho still struggled to secure their livelihoods. Agricultural assets and job opportunities outside of Lesotho were limited, with insufficient growth taking place in the South African economy, and while opportunities within Lesotho were beginning to emerge through niche export markets, these were not adequate in the light of the overwhelming poverty incidence and severity (May et al., 2000, 42). Consequently, the South African researchers May, Roberts, Moqasa and Woolard concluded that poverty in Lesotho could only be significantly reduced by some form of direct social cash transfer. By referring to the South African social pension, they recommended that Lesotho should implement a similar pension to the Basotho who are above the age of 64 years old, that would not only benefit the immediate beneficiaries, but also “permit investment in a micro-enterprise or the well-being of children, facilitate mobility for job-search, and provide a source of steady income thereby releasing households from risk-constrained behavior” (May et al., 2002: 42). In the light of the recently introduced South African Child Support Grant, May et al. further proposed that Lesotho could introduce a ‘child support grant’ for poor children under the age of six, and an ‘education incentive grant’ for older children in poor households. The authors assessed such poverty programmes as ‘feasible’. At the same time they cautioned that “perfect
targeting is virtually impossible, and it would be an exceptionally difficult task to identify poor households and develop policy interventions that directly transfer the specified amounts to these households” (May et al., 2002: 6). Such concerns were indeed to become reality during the implementation of the OAP and the Child Grant Programme, as the subsequent sections will demonstrate.

Lesotho is a ‘parliamentary representative democratic constitutional monarchy’, with the King as formal Head of State and an elected Prime Minister as ‘Head of Government’. Since Lesotho’s independence, a number of post-election crises have arisen, due to the inadequacy of the First-Past-The Post system (FPTP) in reflecting the number of popular votes secured by political parties in the allocation of parliamentary seats. Following the unrest and political crisis after the 1998 Parliamentary Elections, the Commonwealth, South African Development Community (SADC), and other partners, agreed to provide support to Lesotho in exploring the possibility of creating a new system which would ensure the representation of all political groups in the political process (Commonwealth Secretariat, 2012). In 2002 the country introduced a mixed member proportional (MMP) electoral model to limit post-electoral contestations and make parliament more inclusive. Unlike the country’s previous first-past-the-post model, MMP is premised on proportionality by allocating compensatory seats to weak performers and often to smaller parties. The legal precept of the model is that electoral victory no longer goes to the party with the largest number of votes but to the party that secures more than 50 per cent of the seats in the National Assembly (Institute for Security Studies, 2012).

The time period between 1993 and the early 2000s was marked by political instability. Political parties had been introduced in Lesotho and the first national elections had taken place in 1965. The democratic government ruled since then until 1986 when the military seized power, ostensibly to stabilise a rather precarious democracy. Several opposition political leaders fled the country. The promised restoration of power to an elected government promoted Exiled BCP politicians to return from Botswana and Zambia. The three main contestants of the ensuing 1993 elections were the Basotholand Congress Party (BCP), the Basotholand National Party (BNP), and the Marema-Tlou Party, along with several smaller parties. However, only the BCP and the BNP provided candidates in all 65 constituencies (Matlosa, 1997). Matlosa (1997) has explained the dominance of the BCP and BNP with the fact that the two parties had traditionally controlled Lesotho’s political landscape, that they were both well-organised and had deep-rooted structures throughout the country, and thus had a considerable political appeal among the Basotho people. Unlike the other contestants they also had substantial resources to run nation-wide election campaigns. Although the other parties played an important role in the election,
not least because they challenged the political monopoly of the established political parties, the actual contest for power was between BCP and BNP (Matlosa, 1997).

The conservative BNP had been in government prior to the beginning of military rule, and felt that they enjoyed a monopoly of experience of how to run the country (Southall, 1994). Yet, according to Southall (1994), most Basotho associated the BNP’s record with authoritarianism, abuse of human rights, and widespread corruption and incompetence. The party had also engaged in battles with the King over constitutional prerogatives (Southall, 1994). The BCP had mobilised around a radical nationalist platform since its foundation in 1952, which had alienated conservative forces, notably the influential Roman Catholic hierarchy and the majority of chiefs. While the BCP had historically been more closely connected to the Pan-Africanist Congress, the leadership had become increasingly more acceptant of an ANC led government in South Africa, eager to establish cooperative relations (Southall, 1994). The elections were won by the BCP and Ntsu Mokhehle became Prime Minister. According to Matlosa (1997) the BCP victory vindicated its nation-wide popularity as the oldest nationalist movement; its commanding mass base which could not be challenged by the other protagonists, its Pan-Africanist ideology which was then a strong force in the liberation politics of the movement, and its strong and deep-rooted network of local structures of village and constituency branches.

The BNP were not represented in parliament despite receiving almost 25% of the vote, and consequently rejected the legitimacy of the results (although independent monitors deemed the elections free and fair). During the years of its rule, the BNP had staffed the military with its supporters. Thus the BCP faced a largely hostile army after its victory in 1993⁴ (Southall, 1998). Together with other minor parties and allies in the military and police, the BNP promoted public protests and strikes, intending to overthrow the new government. South African president Nelson Mandela and other regional leaders intervened, and King Letsie III had to put the elected government back in power. Thus, the hoped-for positive outcomes of a restoration of the independence constitution were severely undermined by this political unrest and uncertainty (Rosenberg and Weisfelder, 2013: 12).

---

⁴ According to Southall (1998) this hostility was confirmed when the military backed a brief dismissal of the BCP government by King Letsie in August 1994. This episode had only ended when, acting on behalf of SADC, the newly elected, post-apartheid, ANC-led government in South Africa acted in concert with Botswana and Zimbabwe to insist that democracy be restored, resulting in the return of the BCP government to office in mid-September 1994.
While the country was still recovering from the 1993 crisis, the next elections in 1998 turned into a “national catastrophe”, despite once again having been assessed as ‘free and fair’ (Rosenberg and Weisfelder, 2013: 13). After the 1993 elections, the BCP had split between those who wanted Prime Minister Mokhehle to remain as leader and those who didn’t, and Mokhehle had formed the breakaway party Lesotho Congress for Democracy (LCD). The key question for the 1998 election revolved around whether or not Mokhehle would be able to carry the popular vote (Southall, 1998). Yet, the LCD won all but 1 of the 80 parliamentary seats, due to the winner-take-all system and the division of opposition votes among several candidates. Once again denied representation, the opposition parties launched continuing demonstrations that brought the country to a standstill. Mokhehle was immediately succeeded as party leader and Premier by Bethuel Pakalitha Mosisili, who, according to Southall (1998), proved very indecisive, failing to make a vocal response to the opposition allegations. Underlying his uncertainty was his realisation that his government, due to its history with the BCP, was completely unable to rely upon the support of the security forces (Southall, 1998). As a result, SADC was called to intervene to prevent anarchy and the overthrow of the elected government. However, the poorly planned and implemented intervention by South Africa and Botswana (on behalf of SADC) led to greater violence and the destruction of the business districts of Maseru and several other towns. An Interim Political Authority was subsequently created by SADC, to restructure the electoral system to foster greater inclusiveness. A new mixed member system emerged, combining both proportional representation and voting in constituencies (Rosenberg and Weisfelder, 2013: 13). This negotiated outcome permitted Lesotho relief from political violence and conflict.

**The Mosisili government’s initiatives, 1998-2004**

Lesotho has developed several sectoral policies in areas such as health, education, and OVC (orphaned and vulnerable children). The majority of these policies were developed with the support of international organisations and donor agencies. Nonetheless, as Olivier (2013) acknowledges, considering the current socioeconomic conditions and its fiscal ability, Lesotho has made substantial progress towards developing social protection initiatives to provide minimum levels of protection and introducing social assistance measures targeting the impoverished and vulnerable. Lesotho’s ‘National Vision 2020’

---

5 According to Marius Olivier (2013) a national social security policy was formulated in 2002, yet the author has been unable to access this document (neither has Olivier based on correspondence with him)
(Government of Lesotho, 2004; although the document was based on a National Dialogue held in the year 2000) presented the foundation of development in the country, and several Poverty Reduction Strategy Papers and National Strategic Development Plans have subsequently been released. The ambitious aims captured in Lesotho’s Vision 2020 are that, by the target year,

“Lesotho shall be a stable democracy, a united and prosperous nation at peace with itself and its neighbours. It shall have a healthy and well-developed human resource base, a strong economy, a well-managed environment and an established technological base” (Lesotho Vision 2020).

These objectives were translated into a Poverty Reduction Strategy through a participatory formulation process in 2004 (Government of Lesotho, 2005). Eight “priority areas of action” were identified and grouped under three key “pillars” of policy objectives.

Mosisili, who had become Prime Minister after the 1998 elections, came to play a leading role in the poverty reduction strategies that were introduced following the National Dialogue that led to the Vision 2020. Mosisili, popularly known as “the Prof” (Rosenberg and Weisfelder, 2013) was born in 1945 in the Qacha’s Nek District of Lesotho, a rural and mountainous area that had the highest incidence of poverty in 1987/87 (May et al., 2002). He obtained a B.A. degree from the University of Botswana, Lesotho and Swaziland (UBLS), a M.A. from the University of Wisconsin (USA) as well as a M.Ed. Degree from Simon Fraser University, Canada. In the 1970s, Mosisili was a lecturer in African languages at the National University of Lesotho. He worked as a senior lecturer at the University of Fort Hare, University of Transkei and University of Zululand in South Africa between 1983 and 1992. In 1993 he became a Member of Parliament, representing his home constituency Qacha’s Nek, and became appointed Minister of training, sports, culture and youth affairs (Rosenberg and Weisfelder, 2013).

Early on, Mosisili’s LCD had begun to demonstrate a willingness to implement social policies that aimed to alleviate poverty. In the preamble to the Vision 2020, Mosisili advocates for ‘action’:

“I should point out, however, that this document by itself will not feed us; it will not create prosperity; it will not educate our children; it will not preserve our environment; nor will it see to the advancement of our technology. It is only a planning tool that is intended to guide our development efforts. We need to go out and implement it” (B.P. Mosisili, Lesotho Vision 2020).
Consistent with this statement, the government began to take steps towards one of the objectives mentioned in the Vision 2020, improved education. In the year 2000 a free primary education policy was introduced, which was “implemented gradually, year by year, according to resources available” (Dr. Tim Thahane, former Minister of Finance). The full seven years of primary school had been covered by the free primary education programme by the end of 2006, and 2007 was the start of fee subsidisation for pupils entering or already enrolled in secondary schooling (Maleleka, 2009). As Thahane explained, “the government began to look at poverty differently.” Along with the abolition of primary school fees, the Ministry of Education introduced a school feeding programme, with the support from the World Food Programme. Further, in 2001 Lesotho introduced the OVC Bursary Scheme, with financing from the government and the Global Fund. The purpose of the scheme was to provide bursaries to secondary students identifies as OVCs.

With the adoption of the new electoral system for the National Assembly in 2002, multiparty competition and democratic stability seemed to have emerged in Lesotho (Rich et al., 2013). In the 2002 elections, Mosisili led the LCD to a substantial victory with his party capturing almost 55% of the vote and 79 of the 80 constituency seats under the new mixed member system (Rosenberg and Weisfelder, 2013: 383). This time there were no significant protests about the results, and, in the words of Rosenberg and Weisfelder (2013: 13), Mosisili’s government “had a real opportunity to pursue promised reform by rooting out corruption and regularising public sector finances”. As the former Minister of Finance expressed, “this was a window of opportunity to plan and to educate people about the costs of instability.” Following the 2002 election, Mosisili arranged Tim Thahane’s appointment to the Senate, so that he would be qualified, as a Member of Parliament, to become minister of finance and development planning in the LCD government. Mosisili thereby acquired the skills of an internationally renowned financial expert, who could “drastically improve the performance of a ministry that had long been tainted by mismanagement and lack of proper financial control” (Rosenberg and Weisfelder, 2013: 513). According to Rosenberg and Weisfelder (2013: 514), “the stability and predictability he brought to financial management clearly helped Lesotho qualify for the Millennium Challenge Compact and remain in good standing with its foreign development partners”.

---

6 Interview with Dr. T. Thahane, former Minister of Finance (August 2014)
7 Interview with Dr. T. Thahane, former Minister of Finance (August 2014)
The Old Age Pension – another “Mosisili”?

The strong positive impacts of social protection have brought the expansion of old-age pensions to the forefront of the development agenda (ILO, 2014). As a result, the provision of so-called ‘social pensions’ has become an encouraged social protection strategy in southern Africa. Unlike private or public sector pensions, social pensions are not related to contributions by employers and employees or generated by retirement from formal employment (Devereux and White, 2010). Lesotho’s powerful neighbour South Africa had implemented social pensions in the 1920s (although divided along racial lines until 1944, and with benefits based on ‘race’ until the end of apartheid) and they had been introduced in Namibia (then under South African administration) in the 1970s. However, unlike the start of the pension in South Africa, a country with a long history of being a ‘welfare state’, the Lesotho pension was a one-off reform at the time, and not part of a coherent social agenda (Pelham, 2007). Further, the age threshold of the Lesotho pension was set higher than the South African one (70 years compared to 65 for men and 60 for women in South Africa), and with significantly lower benefit levels (M150 - US$20 - per month). In the year 2000 the South African social pension had delivered ZAR500 (US$80) per month to its pensioners, compared Pula110 (US$23) per month in Botswana and N$160 (US$26) in Namibia.

Until 2004, the only government direct support that impoverished elderly citizens could possibly qualify for in Lesotho was the Public Assistance Grant. Around 2012, approximately 9,500 beneficiaries were registered for this grant, costing around 16 million Maloti (M) or US$2.2 million annually, but coverage was limited by budget availability (World Bank, 2013). As a result, only few elderly Basotho without explicit disabilities were able to benefit from this social protection scheme, while there was and still is a pressing need for support to this vulnerable population group. The proportion of elderly is higher in Lesotho than in other Sub-Saharan African countries, reflecting the outmigration of young people and the beginning of a demographic transition towards an older society. Based on a 2013 World Bank report, 8.3% of the population (about 165,000 people) were over the age of 65, and 4.1%, or some 82,000 people, were over the age of 70. Since consumption is measured at the household level, it is difficult to say whether the elderly are on average poorer than the population as a whole. In many countries, the better-off tend to live longer than the poor, which would imply that a smaller portion of the elderly are from poor households, but this may not be true in Lesotho due to the impact of the AIDS epidemic (World Bank, 2013: 38). Today, approximately 83 000 Basotho over the age of 70 years receive the pension, which currently consists of M500 (US$46) per month. The programme is administered by the Pension Division of the Ministry of Finance, and benefits are paid in cash on a monthly basis.
According to the World Bank, Lesotho spends approximately M371 million (US$34.7 million) on the OAP annually, which represents about 3.3% of total public expenditure (World Bank, 2013) and 1.8% of GDP (Pension Watch Database, 2013).

The evidence from the literature regarding the roots of the Lesotho OAP is inconclusive (Pelham, 2007; Barrientos, 2009; Devereux and Cipryk, 2009; Niño-Zarazúa et al., 2012). Scholars seem to agree that the Prime Minister at the time was the driving force behind the OAP, although this social protection scheme was not assessed as having presented a critical election issue. Yet it has not been uncovered where the initial idea of a social pension originated, and what policy processes led up to its announcement in 2004. According to Pelham (2007) a social pension had been on the political agenda since 1993, but it has not been documented why the pension was only finalised eleven years later, and what eventually prompted its very sudden introduction. Further, authors such as Pelham (2007: 11), Barrientos (2009: 4) and Niño-Zarazúa et al. (2012: 20) all suggest (or at least speculate) that the existence of a social pension in South Africa played a role in the formation of a universal pension in Lesotho. While this may be likely, none of the scholars who have examined this cash-transfer are able to present any strong evidence for this link, and the pension does appear to be ‘home-grown’ in many respects. Thus, it is yet to be understood to what extent this support to the elderly in Lesotho was in fact inspired by the South African social pension. Also, the matter of the pension as an election issue is noteworthy, as this may after all have had certain implications for the Prime Minister’s motivation to implement a social pension at that particular time.

While a universal pension appeared on the manifesto of the ruling Basotholand Congress Party (BCP) as early as 1993, it was not put into practice until 2004. Conversations with key informants were not able to unambiguously provide an explanation for this gap or uncover why a social pension was added to the political agenda in Lesotho in the first place. Yet, considering the political instability that shaped the 1990s in Lesotho, the delay of the pension may essentially not be very surprising. When asked about the much-suspended implementation of the OAP, several key informants referred to the political challenges that the incumbent government(s) were faced with between 1993 and 2002, without any instigation by the interviewer. Even if this justification is possibly somewhat simplistic, the fact that this was the first and most strongly emphasised answer provided by several interviewees nonetheless gives this theory some weight. For example, former Principal Secretary of Public Service very straightforwardly clarified that “there was political instability, so it was difficult to focus on development programmes”8. Unsurprisingly very finance

---

8 Interview with T. Au, former Principal Secretary of Public Service (August 2014).
conscious, Dr. Thahane, the Minister of Finance at the time, recalled that “…the budget moved to security matters. We had to think about survival first!”

Former Prime Minister Mosisili himself admitted that “In the 90s we were not able to implement many things we had planned.”

Mosisili became Prime Minister at a time when poverty was rising on the international policy agenda. While the elderly as a particularly vulnerable group or the prospect of a pension was not explicitly mentioned in Lesotho’s National Vision 2020, this document may nonetheless have set the tone for a social protection-friendly environment, along with the Millennium Development Goals that the government had committed to based on this National Vision. As the former Principal Secretary of Public Service emphasised, “policies introduced under Mosisili are linked to UN principles of old age, and the Millennium Development Goals.” In fact, according to the Department of Pensions (under the Ministry of Finance), the OAP never “gained momentum” before the Vision 2020 was decided on in 2000 through a National Dialogue.

Lesotho’s Interim Poverty Reduction Strategy Paper (PRSP) of the year 2000 states that:

“social welfare services are provided through public assistance to individuals, families and communities who are unable to meet basic needs. These include social security schemes for the elderly, child welfare services and education for the disabled and the destitute. However, these interventions are implemented on a limited scale due to lack of resources. The health vision of the Government of Lesotho is to enable every citizen to have access to essential health care and social welfare services under a system characterised by social justice and equity” (Interim PRSP, 2000).

The 2000 Interim PRSP asserts that the ‘social sector’ is to ensure that “protective and rehabilitative welfare services are provided to all vulnerable groups without discrimination” and to establish “social assistance packages for

---

9 Interview with Dr. T. Thahane, former Minister of Finance (August 2014).
10 Interview with B.P. Mosisili, former Prime Minister (August 2014).
11 Interview with T. Au, former Principal Secretary of Public Service (August 2014).
12 Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
13 Prepared by a Technical Working Group with representatives from government, private sector, non-governmental organisations, the National University of Lesotho, and the donor community.
14 Referring to Lesotho’s Public Assistance Grant, the only social assistance (cash or in kind) that was available to ‘the destitute’ in 2000 (coverage was and still is limited by budget availability, according to the World Bank).
all vulnerable groups” (Interim PRSP, 2000). The 2004/5-2006/7 Poverty Reduction Strategy includes “provision of the nutrition food packages and micro-nutrient supplies to vulnerable groups”, “improvement of access to Social Welfare Services” and “increased provision of services to orphaned and vulnerable children”.

While neither of these poverty strategy documents specifically mention ‘cash transfers’ or ‘grants’, the rhetoric of “welfare services” is nonetheless in line with May et al.’s recommendations presented in 2002, as discussed above. Referring to these documents, the subsequent Old Age Act of 2005 proclaims the following:

“The scheme aims at improving the living standards and reduction of poverty, in line with the development strategies of Lesotho as outlined in the National Vision 2020 and the Poverty Reduction Strategy Programmes” (Old Age Pensions Act, 2005).

Pelham (2007) has described the Lesotho Old Age Pension as part of an egalitarian, redistributive philosophy of the government, as well as part of an ongoing development strategy. The universal pension was further justified by the Lesotho government as a “helping hand and a token of thanks to reward the elderly in the country”, who are increasingly marginalised (Pelham, 2007). In Pelham’s 2007 article, the right to a pension is highlighted, indicating that the elderly in Lesotho are a vulnerable group that is strongly respected and thus deserving of ‘appreciation’. This sentiment was confirmed during the interview with the former Commissioner of Pensions, who repeatedly referred to the pension as a “right”.15 According to the former Principal Secretary of Finance, “the Basotho hold a powerful view that society has a responsibility for the weak and indigent.”16 The Minister of Finance at the time, Dr. Tim Thahane, suggests that the Lesotho government shared this perception: “We felt that the elderly are a legitimate target. We wouldn’t be where we are if it hadn’t been for them. The pension gives them dignity.”17 The rights-argument was also strongly emphasised by former Prime Minister Mosisili, who has been described as a ‘driver’ of the pension. When asked to compare the Lesotho OAP to the Swaziland Old Age Grant, Mosisili explained that “a pension is something that one qualifies for on the basis of age. Anybody can get a grant. Also, a pension is something one deserves. We are not doing them a favour.”18 Yet, it is unclear if

15 Interview with T. Thulo, former Commissioner of Pensions (currently CEO of the Lesotho Pension Fund) (August 2014).
16 Correspondence with M. Majoro, former PS of Finance (current Minister of Planning) (August 2014).
17 Interview with Dr. T. Thahane, former Minister of Finance (August 2014).
18 Interview with B.P. Mosisili, former Prime Minister (August 2014).
Mosisili expanded on a discourse that had already been created by the BCP in 1993, or if Mosisili himself decided to present the pension as ‘a right’ of the Basotho.

Based on the literature and interviews with key informants, the demographic impact of HIV/AIDS appears to have been an additional critical motivation for the government to (re-)consider a cash-transfer scheme for the elderly. As Casey and McKinnon (2009: 83) have described, while older people are supposedly the principal beneficiaries of social pensions, there are also secondary beneficiaries – orphans and vulnerable children. The pension’s potential to alleviate poverty among grandparents who are caring for their orphaned grandchildren has also been discussed by Pelham (2007). During the time that the OAP was implemented, Lesotho was confronted with an HIV prevalence rate of 31% (UNAIDS, 2004). In a period of ten years, the percentage of people living with HIV in Lesotho had increased by 2000 percent and life expectancy had fallen from nearly 60 for all Basotho to 44 for women and 39 for men (Rosenberg and Weisfelder, 2013: 20). In 1999 it was estimated that 80% of those affected by HIV/AIDS were between 20 and 39 years. This resulted in a “high occurrence of skip-generation families with the burden of responsibility as household heads laying on the older generation” (Pelham, 2007). Furthermore, denial, stigma and ignorance about the epidemic were rife and were undermining the urgently needed response to this crisis (UNAIDS, 2004). Acknowledging the severity of the situation, the Vision 2020 document continually refers to the HIV/AIDS epidemic:

“The Government of Lesotho recognises that HIV and AIDS is not only a health problem but a multi-sectoral development issue that has social, economic and cultural implications” (Lesotho Vision 2020).

The Department of Pensions highlighted that the OAP is foremost meant to “uplift” the elderly, and that it was the vulnerability of the elderly themselves that was decisive when it came to the establishment of the pension. However, the fact that the elderly are increasingly “forced to take care of their grandchildren” as people of reproductive age pass away due to HIV/AIDS, was supposedly a “point that was raised throughout the conversation [in 2004]”19, as the Pension Manager emphasised. Accordingly, the former Principal Secretary of Public Service stated that “the original thought behind the pension was to reward the elderly”, but as the AIDS epidemic became more acute, “the government itself felt that it was important to provide an income for grannies who were taking care of orphans”20. The significance of the OVC crisis in the decision to finally introduce a pension was also confirmed by former Prime

19 Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
20 Interview with T. Au, former Principal Secretary of Public Service (August 2014).
Minister Mosisili: “In the 90s, the HIV/AIDS epidemic had started, but it was not yet well-known. The [AIDS] epidemic played a pivotal role in influencing the decision [in 2004]. We were generally looking at vulnerable groups, and the OAP was combining the two [the elderly and OVC].”

While the idea of a pension still appeared to be ‘on the table’ in the late 1990s, a 1998 government commissioned consultancy study had determined that granting a pension to all those 70 years and older in Lesotho would be too costly (Hagen, 2007). However, according to Dr. Thahane, “in the early 2000s, stability returned. This was fundamental in terms of planning.” Prior to the 2002 elections, the plan for a pension reappeared on some political programmes, most clearly on the Manifesto of the winning LCD. Yet it appears that all parties standing for election supported the pension (Hagen, 2008: 13). The incumbent LCD had thus promised a pension, but with the condition that financial resources of the government were sufficient to implement a universal scheme. According to Thahane, the government knew that “a pension would be possible if we found scope in the budget without threatening the microeconomic stability”. This generally affirmative attitude towards a universal pension was confirmed by the Principal Secretary of Finance at the time: “In my view the principle of an old age pension was always broadly accepted [by the political parties]. Concern had always been financial; that is whether such a scheme could be affordable and fiscally sustainable.”

During the first two years following the 2002 elections, a pension scheme did not seem feasible (Pelham, 2007). The Department of Pensions explained that at the time, “the budget could not sustain a pension due to the aftermath of the 1998 turbulence”. Subsequently, according to Pelham (2007) the ‘Maseru Women Senior Citizens Association’, the only organisation in Lesotho that advocates for the rights of older citizens, began to put pressure on the Prime Minister to implement a pension scheme. In Mosisili’s own words: “It had to be implemented! In 2002, for the first time, there was post-election peace. Now we could focus on development, not just extinguishing fires.”

---

21 Interview with B.P. Mosisili, former Prime Minister (August 2014).
22 This study has been mentioned by Hagen (2007) and was also confirmed by David Croome during a August 2014 meeting, but no further evidence regarding the timing of this study (i.e. whether it took place before or after the 1998 elections has been identified).
23 This study was also mentioned by Dr. David Croome during a meeting with the CSSR in August 2014. Neither the CSSR nor Dr. Croome have been able to find any further evidence or documentation about this study.
24 Interview with Dr. T. Thahane, former Minister of Finance (August 2014).
25 Correspondence with M. Majoro, former Principal Secretary of Finance (August 2014).
26 Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
27 Interview with B.P. Mosisili, former Prime Minister (August 2014).
2004 that directed that we test the affordability and sustainability again … when government’s fiscal position seemed quite strong. Playing around with unit pay-out and age produced several options from which an affordable and sustainable one was found, presented to Cabinet and approved within two days.”

The Pension Manager at the Department of Pensions conveyed that “Mosisili sold the idea [of a pension] to parliament.” All key informants consistently stated that there was no resistance from the small opposition, apart from certain criticism regarding the small value of the pension (M150 per pensioner/month). Finally, in his 2004/5 Budget speech, Lesotho’s Minister of Finance (Thahane) announced the introduction of a social pension for all citizens aged 70 and older. Parliamentary debates of the pension were held shortly before registration began. As the former Commissioner of Pensions underlined, “it was implemented purely on the budget statement, without any policy document as a foundation.”

Following a month-long registration process, the first pensions were delivered in November 2004 (Pelham 2007), without a pilot phase. According to Croome et al. (2007), “the national level interviews showed that the pension had been delivered on time (to the great surprise of many in Lesotho, accustomed to delays in the implementation of policy initiatives) and exactly eight months after it was first announced in the April 2004 Budget. This was even more remarkable since officials confirmed that the announcement of the pension had only been inserted in the Budget speech a few days before it was delivered. No pre-planning or pilot testing was done”.

Thus, based on the evidence from the literature and testimonies from key stakeholders above, the political instability in the 1990s appears to have been a major obstacle to the realisation of the promised pension. However, the former Minister of Finance indicated that the initial proposal of a pension in 1993 had also been poorly thought-through. “The BCP had a vision for a universal pension. Political manifestos outline what parties would like to have. It [a pension] is easy to conceive, but difficult to finance and administer. That is where it got stuck.”

According to Thahane, it was only later (implicitly when he became Minister of Finance in 2002) that the practicalities of a pension were genuinely considered: “One needs to ask: what is a universal pension? How do you finance it? Who contributes to it?” It is indeed possible that Mosisili’s appointment of the very experienced economist Thahane as Minister of Finance provided for strong teamwork with Mosisili and thus enabled a professional and credible assessment of a pension to be carried out. Also, the capacity of Thabo

28 Correspondence with M. Majoro, former Principal Secretary of Finance (August 2014).
29 Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
30 Interview with T. Thulo, former Commissioner of Pensions (August 2014).
31 Interview with Dr. T. Thahane, former Minister of Finance (August 2014).
Thulo, the Commissioner of Pensions at the time, may have played a role. Described by Dr. David Croome, Lecturer at the National University of Lesotho, as “an excellent young man”, Thulo undeniably succeeded in the demanding task of designing a pension scheme, registering beneficiaries and ensuring that the first payments were made only eight months after the pension had been announced. Thulo himself admitted that he was caught off guard by the announcement of the OAP in 2004: “I was surprised! I thought, ‘my office will have to oversee it’.”  

Thulo further recalled: “Thahane called me into his office about a month later [after the 2004/5 Budget speech and the parliamentary discussion] to hear my thoughts about this programme. To his surprise, I was already far ahead with the preparations. I had called in all the Ministries that could assist and formed a task team.”  

The confidence of both the Lesotho parliament and the Ministry of Finance’s in Thulo’s ability to administer a universal pension as Commissioner of Pensions may thus have contributed to the relatively straightforward policy process behind the pension, and its rapid completion.

According to the key informants who were interviewed for this case study, there seems to have been no doubt that the Ministry of Finance was to be responsible for the OAP. However, if one considers the pension as a ‘social protection tool’, one might conclude that the former Ministry of Health and Social Welfare, which already housed existing social protection programmes such as the Public Assistance Grant (PAG), should have been appointed to administer this new cash-grant. Pelham (2007: 25) noted that the OAP “did not benefit from the experience gained through the other government cash transfer welfare programme, the Public Assistance … the Pension has failed to capitalise on the experience of Social Welfare in food and cash distributions.” According to Pelham (2007: 26) there was limited interest from the Department of Social Welfare to take on the OAP and to integrate the two programmes, and overcome the problems that Social Welfare officers were facing, particularly in transferring elderly recipients of the PAG onto the pension. According to the current Ministry of Social Development, “health issues were prioritised” within the Ministry of Health and Social Welfare. Apparently, the Department of Social Welfare was rather weak: “Everything was a hassle. The Department could not spread its wings as much as it wanted to”  

Both the comparative weakness of the Department of Social Welfare and the fact that the pension may not necessarily have been conceived as a typical ‘social protection’ scheme (but rather as a “right”, as discussed above), may thus explain the decision to place

---

32 Interview with T. Thulo, former Commissioner of Pensions (August 2014).
33 Conversation with T. Thulo, former Commissioner of Pensions (October 2014).
34 Which has since been divided into Ministry of Health and Ministry of Social Development.
35 Interview with L. Kampong, CCT-SSN Manager, Ministry of Social Development (May 2014).
the OAP under the custody of the Commissioner of Pensions and the Ministry of Finance. As the Principal Secretary of Finance at the time explained, “the Ministry of Finance was already running war veterans pensions and civil servants pensions, and this was by law. It was natural extension of service. There was not even any debate about the role of the Department of Social Welfare. It was not even thought to be ready for the child care programme [Child Grant], hence the involvement of UNICEF.” This suggested lack of capacity is likely to have finalised the decision regarding the responsibility for the OAP (if there was any debate about it at all), even if there may also have been political motives behind letting the powerful Ministry of Finance take over the administration of this universal pension (several key informants pointed out that “corruption” is rife in the context of the OAP, and that there must be certain individuals who “benefit” from the relative lack of transparency surrounding the pension).

As previously mentioned, existing literature describes the pension as a ‘presidential initiative’, indicating that Mosisili was the main driver and thus ‘the champion’ of the OAP, as there was only ‘symbolic’ consultation by Parliament after it had already been announced, and there was no significant pressure from civil society to provide a universal pension (Pelham, 2007; Devereux and White, 2008; Barrientos, 2009; Olivier, 2013). Mosisili is said to have enjoyed a “personal style of government” made possible partly by the small size of the country (Pelham, 2007). Pelham (2007: 12) suggests that this may have “afforded him the ability to make decisions and have them acted upon without the political turbulence or lengthy administrative procedures that may hinder other democracies”, which seems to apply to the policy process that preceded the OAP. Mosisili’s “personal style of government” is also evident in the continuous association of social welfare with his name. Children who have attended Lesotho’s free primary school (i.e. after the abolition of primary school fees) are called ‘bana ba Mosisili’ (‘Mosisili’s children’) and the elderly who receive the OAP are said to ‘collect their Mosisili’. Other key informants described Mosisili as “very charismatic”, with the former Commissioner of Pensions explaining that “people tended to listen to him”, and also highlighting his characteristic “deep tone of voice”, which was also mentioned by the former Principal Secretary of Public Service. Not unexpectedly, Mosisili himself approached this topic very diplomatically during the interview for this case study: “I have been very humbled by people’s attitudes towards both programmes. The policy emanates from individual’s thoughts, but once it has

36 For example, the Department of Pensions is struggling to identify so called ‘ghost beneficiaries’, partly due to a insufficient computerised system and the disconnection from other databases
37 Interviews with T. Thulo, former Commissioner of Pensions and T. Au, former PS of Public Service (August 2014).
been developed, it is government policy. Individuals no longer matter.”38 This personalisation of social assistance is noteworthy as this is a phenomenon that has also been observed in other African countries39.

Mosisili’s strong association with such social policies could evidently imply that the implementation of the OAP benefited the incumbent government’s position. However, according to Pelham, the introduction of the OAP in 2004 cannot be considered a political ‘crisis response’ to win votes given the political stability of the LCD government at the time (Pelham, 2007). Correspondingly, the initial proposal of a social pension is unlikely to have affected the election outcome of the 1993 election. According to Matlosa (1997), the BCP won the 1993 elections “not so much on the strength of any alternative policy initiatives which it had proposed in its election manifesto”, but rather because the election was driven more by voters’ negative sentiments about the previously incumbent Basotho National Party (BNP) and the party’s “unconstitutional as well as undemocratic actions during its tenure of office” (Matlosa, 1997: 147). Matlosa further asserts that the 1993 elections were “devoid of any national debate on the challenges confronting the Lesotho nation.” Southall (2004: 114) draws a similar conclusion regarding the BCP’s 1993 triumph, explaining that “the large body of voters accepted that Mokhele [who became prime minister following the elections] had been unjustly denied in 1970, and that the BNP should be punished for that injustice as well as for its blatant and brutal abuse of power over the 20 year period of its rule.” However, while the promise of a social pension in 1993 appears to have been rather inconsequential for the election outcome, the OAP appears to have presented an election issue in Lesotho once the pension had been introduced (Devereux and White, 2008).

The 2007 elections were highly controversial, with the newly formed All Basotho Convention (ABC) party accusing the LCD of manipulating the allocation of seats. National strikes ensued, and several ministers were allegedly attacked by gunmen. Further there was an assassination attempt on the leader of the All Basotho Convention party (ABC), Tom Thabane. Prior to the 2007 elections the LCD’s main opposition party ABC had pledged to raise the monthly pension payment from M150 (US$25) to M500 (US$83), if they were elected. The governing party (LCD) had responded by promising to reconsider the pension payment level if they were re-elected. Croome et al. (2007) also concluded that the level of benefits and the qualifying age for the pension were important topics in the political debates during the 2007 election campaign. After the LCD’s victory, the Finance Minister announced a 33% increase in the

---

38 Interview with B.P. Mosisili, former Prime Minister (August 2014).
39 In Swaziland, the Old Age Grant is considered “a gift from the Throne” (according to the Swaziland Department of Welfare)
monthly pension, from M150 to M200, in the first budget speech after the elections, adhering to the LCD’s election promise. Evidently, there appears to have been some ‘politicisation’ of the OAP. Speaking at a national social protection workshop in June 2007, the Ministry of Finance acknowledged that “it would now be politically impossible to stop the Old Age Pension” (Devereux and White, 2008). Lesotho’s Old Age Pension thus exemplifies the idea of “positive politicisation” (Devereux and White, 2008), as the popularity of this programme forced the government to respond positively to opposition campaign pledges to raise the payment level. Swaziland experienced a similar situation in 2006, as there was a public outcry when pension payments were delayed, which prompted Parliament to react, resulting in payments being restored (Devereux and White, 2008). This suggests that even though there may not have been any mobilisation from the public prior to the initiation of the pension, or even an expectation of a universal grant for the elderly, the Basotho soon came to perceive the pension as a right.

Casey and McKinnon believe that the delivery of social pensions “encourages governments to recognise both that providing social welfare is a moral duty and something that can enhance their legitimacy. Moreover, to the extent that they can be seen as effectively delivering benefits to current pensioners, governments can strengthen the credibility of the promises made to future pensioners” (2009: 84).

The introduction of a pension may indeed have worked in the favour of Mosisili and his party. The LCD was in fact re-elected in 2007, although with a reduced majority. According to Devereux and Cipryk (2009: 21) the introduction of the social pension scheme in Lesotho was a determinant factor in the final result of the 2007 elections. Based on a Regional Hunger Vulnerability Programme report (Croome et al., 200740), a post-election survey revealed that many voters had chosen which party to support based on their commitment to the Old Age Pension. Evidence from post-election surveys of why electors claimed to have voted for the various parties showed that the introduction of the OAP and, to a lesser extent, the decision to make primary education free, was the overwhelming reason that was given for voting for the governing party (Croome et al., 2007). Croome et al. even suggest that this factor may have been the most important reason for the governing party retaining power in the election. Thus, in the 2007 elections, reciprocity could potentially have played a role, where voters support politicians who helped them (i.e. vulnerable groups such as the elderly) in the past (Baez et al., 2012). The only informant who directly

40 A Case-study from the Mountain Zone of Lesotho prepared for the Regional Hunger Vulnerability Programme.
commented on the political ‘motives’ behind the OAP was the former Commissioner of Pensions:

“…it was a game of politics. One motive of the pension was to gain the support from the Basotho, especially in the mountain areas, where many old people live” (T. Thulo, former Commissioner of Pensions).

At the same time, Thulo emphasised that since the next election was three years away, the realisation of the pension was not about winning an election *per se*. Rather, he asserted that “it was to implement what had been promised.”

Pelham argues that even if the pension may have encouraged political support among the electorate, it was not a critical vote-winner. According to Pelham (2007) there is no evidence that the Lesotho pension was instituted to achieve social control. The country is culturally, ethnically and linguistically rather homogenous, partly a factor of its small population of two million people. According to Rich *et al.* (2013), lineage (for example, Bakoena or Bafokeng) as well as religious divisions (e.g. Catholicism, Anglican, or Lesotho Evangelical) still remain an under-current in Lesotho politics, but do not appear as deep as cleavages traditionally associated with ethnicity that are present in many African countries. The lack of ethnic divergence is key to understanding the evolution of Lesotho party politics in subsequent decades, as voters have made decisions based on factors other than ethnic identification (Rich *et al.*, 2013). Further, the pension was brought in by a democratically elected government, not a protectorate, nor a racially discriminating power. “If a pension can be used as an instrument to meet socio-political objectives, then it would seem likely that the greater the social homogeneity, the lower the incentive to use a distinguishing policy such as a pension as a manipulative social instrument” (Pelham, 2007: 16). It is thus not clear to what extent the intentions behind the OAP were political, but based on the general popularity of the OAP in Lesotho it is likely that their decision to “thank” the elderly may have benefited Mosisili and the LCD party, at least in the short-term. The Prime Minister may have been aware of the potential ‘reciprocity’ effect of introducing a cash-transfer to a vulnerable population group, thus the OAP may, at least to some extent, have been part of a political strategy.

There had been some publicity of the pension by radio, billboards and government officials travelling between communities prior to the registration process, but there was no public consultation, nor wide-scale open debate and at least one LCD MP “raised concerns over the lack of participation by the elderly” (Pelham, 2007). Pelham (2007), who conducted interviews with government officers, policy-makers and pensioners in three locations within the country on

---

41 Conversation with T. Thulo, former Commissioner of Pensions (October 2014).
behalf of the World Bank in 2005\textsuperscript{42}, notes that the lack of public reaction to the pension suggests a perhaps surprising absence of a widespread pressure group campaigning for its implementation, apart from the advocacy of the ‘Maseru Women’s Senior Citizens Association’ (MWSCA). According to the founder of the Association\textsuperscript{43}, Mosisili had continuously mentioned the prospect of a pension, and the MWSCA tried to push for the pension to finally be implemented by writing letters and even meeting with the Prime Minister himself (who had supported the Association by providing them with a house for their activities). The Association was also in touch with the Commissioner of Pensions during this time, and he asserted that the MWSCA “did have an influence.”\textsuperscript{44} Mosisili admits that “it was useful, but they were preaching to the converted.” Thus, while this lobbying may not have been decisive per se, it may have accelerated the process.

Pelham’s study found that while all pensioners clearly valued the pension, they had been promised a pension for a number of years and when it finally arrived there was no evidence that it was received with a sense of “triumph of a policy won with the government” (Pelham, 2007: 9). According to Pelham, this gives further impetus to the argument that the Lesotho pension was not instituted on the back of pressure from pro-elderly interest groups. The process through which the pension came into existence, in particular the lack of any significant mobilisation or the inclusion of the elderly suggests that it was indeed a process driven by the government (Pelham, 2007). The current Pension Manager in the Department of Pensions explained that “unlike South Africans”, who had been “promised services” by the ANC, there had been no “demand” from the Basotho for a pension\textsuperscript{45}. Correspondingly, an interviewee from the Ministry of Social Development insisted that “the Basotho don’t demand services and benefits like South Africans”\textsuperscript{46}. According to the former Principal Secretary of Finance, “the announcement was welcomed, in as much as it was a surprise to many. After many years of non-fulfilment there had not been any expectations.”

While the political will to provide a pension was clearly unchallenged in Lesotho, its ability to finance the pension was nonetheless not self-evident, as established by Thahane above. Indeed, financing social pensions can present a

\textsuperscript{42} Pelham’s research was part of a case study for ‘Making Cash Count’ a review of cash transfers in eastern and southern Africa by \textit{Save the Children, HelpAge International} and the \textit{Institute of Development Studies}. Pelham interviewed government officers, policy-makers and pensioners in three locations within Lesotho.

\textsuperscript{43} Interview with M. Hlalele, Founder of MWSCA (April 2014).

\textsuperscript{44} Interview with T. Thulo, former Commissioner of Pensions (August 2014).

\textsuperscript{45} Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).

\textsuperscript{46} Interview with L. Kampong, CCT-SSN Manager, Ministry of Social Development (May 2014).
significant challenge for low-income countries, and according to Hagen (2008) this is likely to be one factor that explains why there are not more low-income countries that have instituted them. Yet, Lesotho was ultimately willing and managed to implement a social pension, albeit with a very high age threshold, despite its status as a lower middle-income country and its rather volatile economic situation. As other case studies have shown, the attitude of the Ministry of Finance may ultimately decide whether social protection programmes get prioritised or not. In Zambia, for example, a donor-driven attempt to provide cash-transfers to poor households failed to become “owned” by government. Ten years after the first pilot scheme was initiated, the programme has not gone beyond the initial pilot programme, partly due to strong opposition from the Ministry of Finance and partly to general disinterest within the governing party (Kbandula and Seekings, 2014). In Lesotho, on the other hand, the Ministry of Finance did not present an obstacle to the OAP (or, later, CGP).

The Finance Minister at the time, Dr. Timothy Thahane, has a reputation as a “highly competent and honest technocrat” (Rosenberg and Weisfelder, 2013: 514). Thahane, born in 1940, completed his Bachelor’s degree in economics at Memorial University in Newfoundland, Canada, and later received his M.Sc. in economics at the University of Toronto. Later he was awarded a LL.D. Degree from Memorial University. In 1969 he became active in the Lesotho public service, including as Director of Planning. In 1972 he was appointed Lesotho’s ambassador to the European Community, and in 1975 he joined the World Bank as executive director for Africa. Three years later he became Lesotho’s ambassador to the US, and proceeded to take on the role of vice president of the World Bank in 1980, where he would remain for the next 16 years, before he became Minister of Finance and Development Planning in Lesotho.

The fact that Thahane was recruited by Mosisili himself and said to have worked closely together with the Prime Minister may have shaped his attitude towards social policies such as the OAP, and thus motivated him to cooperate with Mosisili’s plans. The former Finance Minister did thus not represent a ‘barrier’ in the context of the Lesotho OAP, as appears to have been the case in Zambia, for example. On the contrary, the views that Thahane expressed towards “welfare” during his interview indeed corresponded with Mosisili’s and the LCD’s: “Welfare can keep you alive, so that you can do something sustainable. We felt that the elderly are a legitimate target.” Further, according to Rosenberg and Weisfelder (2013), Thahane’s financial management experience encouraged trust in the Ministry of Finance. As the former Principal Secretary of the Ministry of Finance confirmed, “…Cabinet tended to accept the lead of the professionals in the Finance ministry.” Considering his vast experience, it is also possible that his ability to improve the performance of the ministry did in fact
finally make a universal pension feasible. Yet, certain fiscal reprioritisation has
taken place to enable government to shoulder the burden of expenditure. The
OAP is largely funded from SACU revenues received by Lesotho, which
indicates government’s willingness to find and increase fiscal space (Hagen,
2008), even during times of global economic crisis.

In Lesotho, the main reason for the fiscal feasibility of the social pension is the
late age of entitlement (Barrientos, 2009). Relative to its immediate neighbours,
Lesotho pays out smaller benefits with a much higher age for qualification,
although the monthly value has increased from 150M to 500M over ten years. In
South Africa, for example, the age at which one is entitled to social pension is
substantially lower - 60 years - and the level of the benefit is around 1200ZAR
(US$154). Further, entitlement to the ‘older person’s grant’ in South Africa is
subject to a means-test which excludes the wealthy elderly, whereas all citizens
over 70 in Lesotho are eligible for the pension. Indeed, according to the World
Bank (2013), lowering the threshold from 70 to 65 would currently double the
number of beneficiaries. Thahane motivated the pension threshold and value as
follows: “With 65 as the age threshold, a pension would not be financially
sustainable. Thus there was an agreement on 70 years. We could only afford
150M per person [per month]. It was a start. As the economy improves, benefits
will be increased.” Similarly, Mosisili emphasised that “we were careful not to
bite more than we could chew …We will grow it with time.” As time passed, the
former Commissioner of Pensions explained that “the government had to
consider whether to lower the qualifying age, or to increase the benefit rates.
Also, increasing the benefits will benefit children. It is better to give more to
fewer people.” This ‘quality before quantity’ approach is rather interesting, as it
may have implications for the ‘developmental’ motives of the pension. On the
one hand, higher benefits can be expected to have higher developmental
benefits, but on the other hand, the exclusion of the elderly below 70 years and
the lack of a means test does not correspond with a ‘classic’ poverty-reduction
strategy.

The opposition had argued that the size of the pension was too small to make a
marked difference upon the lives of the recipient and viewed the pension as a
redistributive step towards helping the elderly out of poverty. As the former
Commissioner of Pensions recalled, “the elites and the opposition were quite
negative, saying that 150 Maloti per month ‘ridicules’ the elderly, comparing the
pension with the South African one.” Pelham (2007) believes that this is an
“idealised approach” to the pension that doesn’t consider that the pension is
likely to be pooled within a poor household, rather than benefit the pensioner
individually. It would be “impractical” to design a cash transfer large enough to

47 Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
cause a redistributive effect (Pelham, 2007). Croome et al. (2007) agree: “When the government announced the start of the pension it was made clear that its objective was to take pensioners above the poverty line, and no more. It was not expected to take the pensioner and the entire pensioner’s household out of poverty”. Furthermore, they argue that

“the basic needs for almost all the elderly in terms of having accommodation that would be considered adequate by others in the community is largely already met. In normal (i.e. non-famine) situations the amount of the pension appears to be sufficient to provide the basic level of nutrition required by an elderly and mainly sedentary person who is also receiving assistance with daily living tasks from members of the family living near-bye” (Croome et al., 2007: 47).

While the positive impact of this monthly support should not be underestimated, the ability of a pensioner who lacks other means to support one or several orphaned grandchildren with the pension value is questionable, however.

Due to fact that Lesotho is a low-income country, the financial cost of the pension was rather significant. As a proportion of GDP, the social pension in Lesotho absorbed 1.43 percent of GDP in 2009, the same share of GDP as the more generous social pension in South Africa (Barrientos, 2009). However, the reliance on SACU revenues means that the amount of pension that elderly citizens get paid may end up depending on the economic situation of Lesotho. It is vulnerable to income changes of the Lesotho Government, and potentially other “more important” demands on the National Budget (Hagen, 2008: 17). Further, there is an absence of any legal arrangements within the Old Age Pension Act about what happens with the pension in times of severe inflation. A strong inflation over several years would thus lead the OAP to have a decreasing effect on poverty levels (Hagen, 2008).

One of the most striking aspects of the Lesotho pension is the absence of the international arena, which also stands in contrast to the origins of the Child Grant that will be discussed below. For much of the twentieth century ideas about social security were largely, but not exclusively, defined and driven by the hegemonic influence of the International Labour Organisation (ILO). The ILO has been described as a key source of diffusion for a specific welfare regime and the organisation has paid substantial attention to the development of a “Global Social Floor” that could provide a minimum level of social protection not only to the elderly but also to the sick and disabled and to those caring for children (Casey and McKinnon, 2009: 85). Further, the United Nations’ publication of the Millennium Development Goals placed poverty alleviation at the forefront of
the international agenda and gave the ILO, as the secretariat of a major United Nations specialised agency, the task of seeking ways for their realisation (Casey and McKinnon, 2009: 86).

The process behind the OAP in Lesotho has certainly gone against the predictions of Bonnerje in an article for the World Bank about pensions in sub-Saharan Africa:

“It is quite likely, that in the initial stages of setting up such arrangements in other countries of the region, major international donors would have to play a lead role in terms of financing these programs and breaking through the administrative bottle necks and information problems that work against efficient service delivery” (Bonnerje, 2003: 29).

The deliberate intention to remain independent of donor assistance was expressed by the Minister of Finance in parliament at the time, Timothy Thahane: “We cannot depend on getting foreign aid to pay pensions, we must do it ourselves” (quoted in Pelham, 2007). Thahane’s unwillingness to involve international actors is particularly interesting in light of his past in the World Bank (or perhaps it is precisely his international experience that has shaped this attitude). There was no consultation with, or announcement to, donors and although one donor agency recalled some brief communication from the International Monetary Fund (IMF) a few months previously (Pelham, 2007), the donor community was only officially informed of the pension when it was announced to the public, during the registration process in 2004. This is another indication of how little reaction the pension caused in Lesotho. The IMF had expressed a standard cautionary opinion over the sustainability of the pension, given that this is to be funded by the government alone (Pelham, 2007). According to Mosisili, the government purposefully did not involve foreign donors: “We were very clear that this was an initiative that we were coming up with as government, to have a positive impact on the lives of vulnerable people. We will start this on our own, with limited resources. … We will not make it a foreign aid-driven initiative.”48 He also acknowledged international donor’s scepticism: “The IMF and the World Bank appreciated the problem that we were grappling with, but they were worried about sustainability.” Of course it may have been a refusal by the World Bank to support the government’s endeavour of installing a universal pension that ignited government’s later emphasis on donor independence, but there is no indication that the government had actively pursued external funding for the OAP. According to Pelham, donor agencies generally expressed interest and overwhelming support for the pension, but they

48 Interview with B.P. Mosisili, former Prime Minister (August 2014).
had very little knowledge about it (Pelham, 2007). Regardless, the absence of external assistance contributes to the uniqueness of the policy process behind the OAP, which further supports the argument that this initiative was mostly ‘home-grown’.

While the objectives of the pension appear to have been uncovered, a remaining question mark surrounding the pension concerns the roots of the idea for a universal cash-transfer for the elderly. Mosisili explained that “the idea for an OAP stemmed from the BCP’s ideology, it was very people-oriented. It was clear that people in the private sector and subsistence farmers were vulnerable once they reached old age. The majority of people can no longer fend for themselves … they are dependent on their children. With time, it became clear that we can no longer rely on that”. Yet, where did the BCP look for inspiration to build such a pension scheme, even if it hadn’t yet been, or wasn’t very well ‘conceived’ in 1993? Barrientos (2009: 79) has asserted that the presence of social pension schemes as the dominant form of welfare provision in neighbouring countries exerted an influence on Lesotho. Pelham has presented a similar argument. While the author admits that there is no substantiated evidence that the South African government directly influenced the pension (Pelham 2007: 11) she suggests that the introduction of a social pension in Lesotho in 2004 was “a product of regional geopolitics and a concern for equity” - to provide ethnic Basotho living in Lesotho with an equivalent to the pension received by Basotho families living in neighbouring South Africa:

“With such fluid borders between the two countries, as the South African pension rises, the disparity between the Lesotho elderly and their ethnically identical South African neighbours is increasingly evident. This may be a factor that compels the government to treat its own citizens similarly (albeit providing less than one quarter of the value of the benefit in South Africa). As one pensioner remarked, ‘We should set our standards by what happens in South Africa’. This may be an influence in helping to foster a social contract” (Pelham, 2007: 11).

Pelham’s study emphasises the lack of advocacy for a social pension from the side of civil society, and the nonexistence of a public reaction to the introduction of the OAP. This evidence could possibly indicate that the Basotho did not expect their government to provide such a grant for the elderly, which would discredit Pelham’s argument that the Basotho felt that universal pensions were a “right” of the elderly based on the South African example, before the universal pension was introduced in Lesotho.

---

49 based on Pelham’s interviews with donor agencies during fieldwork.
The account of the Department of Pensions regarding the reaction of the elderly during the initial registration for the pension in 2004 would support this notion. According to the Pension Manager, who has been involved with the OAP since its commencement, “they [the government] had been saying it over and over again [that there would be a pension]”\(^{50}\). Upon registration, many elderly “did not believe” that a pension would actually be paid – apparently there was even some “resistance” at first, as some people assumed that it was a “trick for the next elections”. Once the first round of pensions had been distributed, this disbelief was overcome and the elderly Basotho increasingly began to register for the pension.\(^{51}\) This response was confirmed by Mosisili: “We had talked about introducing a pension since 1993, but nothing had happened. So when we announced it in 2004, there was a lot of doubt as to whether we would really carry it through.”\(^{52}\) Yet, once the OAP had been established, it appears that a sense of the pension as “a right” was developed among the Basotho, which was demonstrated during the debates prior to the 2007 elections, as well as the suggested reciprocal voting behaviour (Croome \textit{et al.}, 2007; Baez \textit{et al.}, 2012). The former Principal Secretary of Finance also raised this matter:

“There had not been any pressure or advocacy from civil society. They along with the rest of the population had been taken by surprise when the announcement was made. They were however energized afterwards now to fight the quantum of the pay-out, arguing it was too little, again failing to grasp the importance of affordability and sustainability considerations.”

Correspondingly, the Department of Pensions claimed that “now people expect a pension”, and that “people will make noise” if the pensions were not paid. This phenomenon has also been described by Casey and McKinnon (2009: 84):

“The receipt of pensions builds up expectations amongst the population about what the state can do for the elderly.” These authors suggest that “the process of having learnt to expect … may help explain the resilience of social pension programmes, in southern Africa and elsewhere” (Casey and McKinnon, 2009: 84).

Considering that both Mosisili and Thahane had lived and worked extensively in South Africa, they must have been very aware of the social pension scheme that their neighbouring country was operating. Yet, perhaps not too unexpectedly,

\(^{50}\) Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
\(^{51}\) Interview with M. Rasethuntsa, Pension Manager, Department of Pensions (May 2014).
\(^{52}\) Interview with B.P. Mosisili, former Prime Minister (August 2014).
none of the key stakeholders interviewed affirmed any ‘connection’ between the Lesotho OAP and the South African social pension. Some appeared rather surprised by this idea, such as the former Principal Secretary of Public Service: “It’s like saying there is a poverty alleviation programme in one country, and another country is also implementing a poverty alleviation programme.” Mosisili very firmly stated that “I would not attribute it to the example of South Africa in any way”. Thahane reacted rather strongly to the question regarding a possible diffusion effect. “They think we have no brains! The pension is home-grown, like the free primary education. It’s like saying that Sweden invented Volvo only because there were cars in other countries.” This statement by the former Minister of Finance may indicate a weariness of being perceived as ‘inferior’ by its powerful neighbour and as ‘incapable’ by international actors. For a small, poverty-stricken country like Lesotho that is highly dependent on South Africa, programmes such as the OAP may thus be highly symbolic of the country’s increasing ability to “help itself”. Obviously, Lesotho did not discover the concept of a ‘social pension’, but the insinuation that Lesotho may have simply ‘copied’ the pension from South Africa could still be perceived as offensive by its implementers, who consider their pension scheme “unique”.

Prior to the implementation of the Lesotho pension Bonnerje (2003: 27) had argued that “because these schemes are financed directly by the government treasury, these schemes are run and managed directly by the government. In contrast to the colonial heritages of provident fund and defined benefit schemes, the development of non-contributory schemes in southern Africa seems to be completely endogenous and independent of each other” (referring to the universal pensions in Botswana, Namibia and Mauritius). With regards to the Lesotho OAP, Bonnerje’s prediction may thus be partly correct. The motivation for the OAP that has been discussed above may also provide certain evidence that confirms this notion.

Further, as mentioned above, the small benefit and the high age of qualification makes the Lesotho pension considerably different from the South African social pension. As Pelham (2007) and Croome et al. (2007) have asserted, the small amount of the pension is insufficient to sustain an entire household, and as Pelham (2007) suggests, it is likely to be “pooled” with other sources of income in a household. Especially as today’s benefit level is about two-and-a-half times the estimated food poverty line (World Bank, 2013), this does not necessarily discredit the developmental purpose of the pension, but it is questionable whether it is able to make a significant difference to the livelihood of an elderly person who is caring for a grandchild (or several grandchildren). Assuming that many of the elderly poor live in households of four adult equivalents (about the national average), the pension would only represent about half of the food poverty line income for a family (World Bank, 2013). Thus, if the pension was
indeed meant as a “token of thanks” to the elderly, its purpose may be more complementary and symbolic than “developmental” – particularly considering that only an estimated six percent of the poor in Lesotho are over the age of 64 (World Bank, 2013).

Even if the OAP in Lesotho was indeed an effect of regional ‘diffusion’, Barrientos concludes that “it is hard to see the example of Lesotho […] as indicative of more general trends[…] in low-income countries” (2009: 79). Thus, while the pension is likely to have been prompted by the South African (and possibly other countries’) welfare model(s) to some extent, Lesotho seems to have created its own version of a social pension, possibly with a somewhat different objective in mind. It is also interesting that the social pension in Lesotho is in fact called ‘pension’, although it is non-contributory. The equivalent cash transfer in Swaziland is called the ‘Old Age Grant’53, and the South African social pension is now officially called the ‘Older Person’s Grant’54. This choice of word may reflect the idea that the Lesotho OAP was indeed a gesture of appreciation and respect towards the elderly from the Lesotho government, and less an imitation of the existing South African set-up. As the former Minister of Finance highlighted, “The pension is an entitlement. You deserve something, you have worked for the country. A grant you can stop at anytime.”55

The package of support available to assist Lesotho’s poorest groups a few years after the introduction of the OAP suggests a basic acceptance of the state as the primary welfare provider (Pelham, 2007). The Old Age Pension proved to be an efficient and well-targeted instrument for relieving the vulnerability of some population groups. However, according to Croome et al. (2007), transferring income in this way will not encourage the growth of income needed to end poverty in Lesotho; it is low on the agenda of development tools. Nonetheless, it is high on the list of attributes that reflect a society that attempts to “care for all its people”, especially those who because of their age are among the most vulnerable (Croome et al., 2007). In Lesotho, it appears that the OAP may have been the first step toward developing a ‘social contract’ (Pelham, 2007)

---

53 In Swaziland, the difference between a ‘pension’ and a ‘grant’ was explained by emphasising that a pension is something that “one has worked for” while a grant “is something that one is given”, implying that the Old Age Grant in Swaziland is generally perceived as ‘charity’ that citizens must be grateful for (based on an interview with the Department of Social Welfare in Swaziland, in charge of the Old Age Grant, in May 2014).

54 According to the South African Social Assistance Act of 2004 (although it is colloquially referred to as the ‘Old Age Grant’ or ‘pension’).

55 Interview with T. Thahane, former Minister of Finance (August 2014).
The Child Grant – an African success story?

The Lesotho Child Grant is an example of an initially donor-funded ‘pilot’ cash grant programme that gradually expanded and became ‘government-owned’. In 2013 this programme provided a quarterly transfer of between M360 and M750 (depending on a household’s vulnerability and number of children per household) to poor households with children selected through a combination of ‘Proxy Means Testing’ (PMT) and community validation. The programme is registered in the National Information System for Social Assistance (NISSA) that has been developed in partnership with UNICEF.

According to the World Bank (2013), the Child Grant is “one of the few programmes [in Lesotho] that make a systematic effort to identify the most vulnerable.” Unlike the Old Age Pension, the Child Grant is means-tested, attempting to target the poorest households. Further, contrary to the OAP, the CGP was launched on a pilot-basis in 2009, and is still in the process of being scaled up. Initially it was financed by the European Union (EU), with technical support by UNICEF Lesotho and was originally implemented by the Department of Social Welfare (within the former Ministry of Health and Social Welfare). This set-up stands in strong contrast to the independence from donors emphasised during the announcement of the OAP in 2004. Today the programme is run by the Ministry of Social Development that was established after the 2012 elections. Since October 2013 all the benefit costs of the grant have been government funded (with 70% of the operational costs also covered by the national budget). Currently the grant supports 20,000 households and 50,000 children and was estimated to have cost 50-58 million Maloti in 2014 (Pellerano et al., 2014).

The Child Grant followed a very different policy process compared to the Old Age Pension, although it was initiated only three years later and under the same government. The existing literature focuses on the design and evaluations of this programme, and there is not much substantiation regarding the (political) process that lead up to the initial pilot, or the expansion of the grant (including the take-over by the government in late 2013).

The Child Grant is part of the European Union project, “Support to Lesotho HIV and AIDS Response: Empowerment of Orphans and Vulnerable Children”, which was originally considered in 2005. At this time, a specific OVC

---

56 Today the Child Grant is managed by the Ministry of Social Development (formed in 2012).
57 Interview with O. Niang, Chief of Social Policy, UNICEF Lesotho (May 2014).
Framework had been developed by UNICEF at an international level\textsuperscript{58}. There was a perception that, although there was considerable support being given to the Government of Lesotho to provide appropriate health interventions to address the HIV/AIDS pandemic in the country\textsuperscript{59}, there was less attention being paid to the development of effective support systems for OVCs. The number of children orphaned by AIDS in Lesotho increased rapidly in the early 2000s as the epidemic worsened. Out of all countries with an HIV prevalence greater than 1 percent, Lesotho has the largest percentage of children who have lost one or both parents. A large section of Lesotho’s younger generation face growing up without parental support (UNICEF, 2009). As the National OVC Strategy highlights, the traditional practice in the rural communities’ vis-à-vis orphaned children has been a joint responsibility of every adult in the community; additionally, the chief was clearly obliged to care for the marginalised groups, including orphans. “These mechanisms are today overstretched as a consequence of the magnitude of the problem, but it is important to root the proposed action in traditional values – the onus of the support actions to be provided to OVCs is for the communities to deliver, with external aid.”\textsuperscript{60} Since there are many non-poor orphans and many other children who are not orphans but are nonetheless living in extreme poverty and vulnerability, Lesotho has adopted the concept of “orphans and vulnerable children” (OVCs). Vulnerable children are defined as being an orphan (having lost one or both parents), or being HIV positive, or living without adequate adult support. However, this categorisation still includes many children who do not necessarily come from poor households (World Bank, 2013).

While the OAP that has been discussed above does to some extent benefit OVCs, as many vulnerable children are in fact being taken care of by their elderly grandparents, there are several circumstances that may explain the need of a separate cash-grant for this vulnerable group. Most obviously, as only citizens who are 70 years or older receive the OAP, children who are being taken care of by younger grandparents are excluded from this support. The World Bank (2013) has also shown\textsuperscript{61} that since the poverty rate among the elderly in 2010 was estimated to be the same as among the population as a

\textsuperscript{58} Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation to Lesotho (August 2014).

\textsuperscript{59} The main prevention activities supported by the international community have been the Know Your Status (KYS) campaign, ongoing distribution of condoms, prevention of mother to child transmission (PMTCT), and support for the Life Skills curriculum implemented by the Ministry of Education. In 2004, the national ART programme was launched by the Government of Lesotho.

\textsuperscript{60} Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation to Lesotho (August 2014).

\textsuperscript{61} According to the 2010 Lesotho Household Survey Data.
whole, almost two-thirds of the OAP payments ultimately go to non-poor households. Thus it can be assumed that a large number of OVCs do not live with a recipient of the OAP, but perhaps with one or two parents who are affected by HIV/AIDS, or even in a child-headed household. Further, as mentioned above, although the benefit levels have increased over the years, it is doubtful whether M$500 per month can in fact effectively contribute to the livelihood of a pensioner and one or several grandchildren. Consequently, there was a need for a means-tested grant scheme that specifically targets poor households with vulnerable children.

A Consultancy Mission was fielded by the European Commission at the end of 2005. According to the EU,

“The mission identified OVC support as one of the HIV/AIDS-related fields where the government’s answer was most wanting. It was agreed that the Government's response had been slow and relatively ineffective. The fight against the HIV/AIDS had not benefitted the specific group of the orphan and vulnerable children”.

The EC-led mission proposed that the project should focus on either building a cadre of volunteers trained in psycho-social support to encourage OVCs to stay at school, or to promote income generating activities for youth, including conservation agriculture in rural areas, or some combination of the two (Thomson and Kardan, 2012: 12).

A financing agreement was eventually signed between the EU and Lesotho in December 2006 for €11 million with the project purpose “to enable OVCs to cope with their trauma and loss and to assist them in accessing services; acquiring life skills; formal and vocational skills; and to move on and grow into age-appropriate roles and enjoy food security” (Thomson and Kardan, 2012: 12). The project started in April 2007 and, after receiving a no cost extension, finished in December 2011. The EU agreed with the Government of Lesotho to fund a second phase of the project to run from 2012 to 2014.

By far the largest part of the initial project budget - €5 million - was allocated to the Child Grants Programme. This programme was supposed to provide a regular and unconditional quarterly cash payment of about $15.9 million between 2007 and 2011. The aim of the programme was to make financial resources available to households with OVCs, in order to ensure that vulnerable children can gain access to essential services (Olivier, 2013: 102). Thus the CGP is to enhance the living standards of OVCs by reducing malnutrition, improving

62 According to the 2010 Lesotho Household Survey Data.
health status, and increasing school enrolment among OVCs. A second objective of the programme was to eventually strengthen the capacity of the MoHSW to deliver cash grants to households with children (Blank, 2008). As mentioned earlier, the Department of Social Welfare was rather weak and it lacked the capacity to administer a rather sophisticated means-tested social protection programme. UNICEF was selected to take on the role of delivering technical assistance to the government in order for it build the Ministry’s capacity to independently run the CGP (World Bank, 2013). “UNICEF had engaged with the Ministry of Health, and more particularly with the Department of Social Welfare. It was decided to entrust the implementation of the action to UNICEF through a contribution agreement.”

A substantial on-going program of technical assistance aims to build the capacity of the new Ministry of Social Development to develop and test the tools and systems necessary for successfully running the CGP and other social protection interventions (World Bank, 2013).

In the second half of 2008, a community-based targeting system had been developed in order to enable the start of operations in one community council, Mathula, which was easily accessible. There was also a collaborative effort to inform key stakeholders of the complexity that was involved in implementing the CG. Furthermore, studies were commissioned on appropriate delivery mechanisms. First, payments were made to households in the Mathula district in April 2009, after which, in October 2009, the programme was rolled out to two further pilot districts. By January 2010 the programme had reached 1,000 households caring for over 2,700 OVCs with quarterly payments of M360 (Thomson and Kardan, 2012). By early 2010, the CGP pilot was well-established, and was expanded to an additional three community councils, making a total of six, two each in Mafeteng, Maseru and Qacha’s Nek. An external consultancy company that specialises in social protection projects, Ayala Consulting (based in Ecuador), was brought in to complete the technical design and to develop technical guidelines and computer models. A National Information System for Social Assistance (NISSA) was created to register information on all households and used for selection of the CGP beneficiaries. Data collection for this began in late 2010. World Vision Lesotho, a global Christian organisation, was brought in to assist in the data collection and mobilisation process of the CGP, including the formation and training of Village Assistance Committees (VAC).

Although the information provided by the EU Delegation to Lesotho and by Thomson and Kardan (2012) strongly indicates that the EU was the principal driver of the CGP, the role of the Lesotho Government in this process has not

---

63 Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation to Lesotho (August 2014)
been adequately explored and documented. World Vision claim that voices regarding the need for assistance to orphans and vulnerable children were first raised at the community level, through government social workers. Although certain child-focused projects were already being carried out in Lesotho, they tended to be temporary and usually in the context of emergency relief. The chronic vulnerability of OVC remained, and there was a need for “something more sustainable”. 64 Similarly, the Ministry of Social Development stated that “the government went looking for funding” after concerns regarding OVC had been identified on community level. According to former Principal Secretary of the former Department of Social Welfare the Child Grant was the “government’s idea in the context of HIV. There was a need for the Department of Social Welfare to come up with a programme to assist OVC”. 65

Mosisili later expressed uncertainty regarding the roots of the CGP: “I cannot quite say whose idea it was”. However, he emphasised that “it was something we saw the need for.” Mosisili explained the involvement of external stakeholders as follows: “We didn’t have the resources … We were being assisted”. Further, he disclosed that “the availability of funding came at a time when we were still grappling with teething problems with the OAP.” 66 Although the universal OAP is less complicated to develop and administer than the means-tested Child Grant, it appears that challenges faced with the OAP may have discouraged the Government from attempting to initiate another (more advanced) social protection programme. According to key stakeholders who were interviewed for this study, such challenges include general issues with fraud, the difficulty of the overlap with the civil servants’ pension (due to the absence of an efficient database that covers all pensions), the lack of capacity to deliver cash to remote areas, as well as corruption and the lack of transparency.

Mosisili recalls that his Government was in agreement with the EU and UNICEF about the need for support to households with vulnerable children. Mosisili says that he responded positively when the matter of the Child Grant was raised: “I never had any doubt that it was a good thing to do. We could see in studies that stunting was a problem. Whichever way you looked at it, it made sense.” Overall, Mosisili’s personal attitude towards the state as a provider of social protection appeared very affirmative: “It [state support to vulnerable groups] makes sense, it is the right thing to do, to make sure that children have a chance. The more we invest in our people, the better chance we have to break the cycle [of poverty]. The government will have to make provision for it.” The

64 Interview with E. Palula, Grants and Acquisition Manager, World Vision Lesotho (May 2014).
65 Interview with S. Qhobela, former PS of the former Department of Social Welfare (August 2014).
66 Interview with B.P. Mosisili, former Prime Minister (August 2014).
former Prime Minister also spoke very enthusiastically about Lesotho’s school feeding programme that had been developed in the context of his free primary school initiative:

“We felt that there was a crying need. We had free primary school, but we were aware that many were hungry. At least we would make sure that the children would have one nutritious meal a day …We strongly believe that education is a strong tool. Education will allow people to be innovative, to create jobs through entrepreneurship, and to become self-reliant. We were trying to create a holistic programme” (Mosisili, interview, August 2014).

Based on these statements, Mosisili appeared to understand social protection as a necessary ‘stepping stone’ to economic and social development. Yet, it must be kept in mind that it is not very surprising that a former Prime Minister would want to take ‘credit’ for poverty-reduction programmes that his government implemented during an interview about social protection. While it is undeniably easier to make claims about the state’s responsibility when the opposition is in charge, Mosisili’s accounts should not be disregarded. Even if the former Prime Minister’s rhetoric about social protection may be driven by political interests to some extent, it may have had an impact on the policies and programmes that were introduced under his rule. Considering his ‘personal style of government’ that was discussed above, it is possible that Mosisili’s beliefs regarding the assistance of vulnerable groups shaped the government’s willingness to commit to programmes such as the Child Grant, even if accompanied with imminent financial obligations for the government. Conversely, Mosisili does not appear to have been as closely associated with, nor perceived by the Basotho as being as responsible for, the Child Grant as he was with free primary school education and the OAP that were implemented a few years earlier. It is likely that the much more limited and ‘targeted’ coverage of the CGP has affected the general population’s level of awareness about this cash-transfer, thus not allowing for the same ‘personalisation’ of this programme. Also, the fact that the grant was initiated and initially funded by a foreign donor may have prevented Mosisili and other politicians from ‘claiming’ this programme and using it to their advantage in the same way as the state-funded OAP. Perhaps the example of the Lesotho OAP and CGP can be explained by a general tendency of governments to take credit and promote universal pensions rather than social protection programmes for other vulnerable groups such as OVC, possibly because the political benefits of pushing for pensions are considered higher.

The Lesotho Child Grant Programme stands out among other similar programmes in Africa as it was initially a pilot donor-funded social cash-transfer initiative but has managed to gradually become ‘owned’ by the government,
both in terms of implementation and financing. According to the EU Delegation to Lesotho,

“the Lesotho Child Grant is different in as such that it has been directly implemented by the Government, with strong technical support from UNICEF. The Ministry of Health and Social Welfare has had a strong involvement from the beginning and this has certainly facilitated the transition from a fully donor-funded project to a national programme, a unique success story of this magnitude in the Sub-Saharan continent” (Homayoun, August 2014: personal correspondence).

Certainly, as the Zambian case demonstrates (see Kabandula and Seekings, 2014), such an outcome is not inevitable. Mosisili recounted: “To begin with, it was totally donor-funded, but the understanding has always been there that the government would take over.” The successful cooperation between the funder and the government is confirmed by the EU: “The Government of Lesotho has been praised for the commitment shown up to now and for having allocated the required financial resources for the Child Grant Programme in its 2013/2014 and 2014/2015 budgets.”

However, the global economic recession that began in 2008 created vast uncertainties for Lesotho’s rulers that undermined effective planning and problem solving. Transfers from the Southern African Customs Union (SACU) declined abruptly after the economic implosion, and the LCD government lacked viable options for combating the resulting financial crisis (Rosenberg and Weisfelder, 2013: 17). Nevertheless, the government has been committed to and been able to take gradual ownership of the CGP, both with regards to the implementation and the financing. The willingness of the government and the rather powerful Ministry of Finance, led by Dr. Thahane, to agree to taking on the Child Grant during such a volatile time is significant, especially considering the reluctance to involve foreign donors in the creation of the OAP. Mosisili claims that the Ministry of Finance was on board: “We discussed these matters, and they had no problems relating to this.” The EU has praised the Ministry: “The collaboration with the Ministry of Finance has been positive, thanks to the strong dialogue between the EU Delegation and the Ministry who is also the National Authorising Officer in charge of the European Development Fund funds.”

---

67 Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation to Lesotho (August 2014).
68 Correspondence with M. Homayoun (August 2014).
Yet, Dr. Thahane himself, now a Member of Parliament (for the LCD) expressed significantly more caution regarding the Child Grant than regarding the OAP: “The Ministry of Finance reacted cautiously. We had not yet built up a model that would support it. Money was needed for such an investments – can we sustain it? Also, how do you administer it? The Ministry of Finance had to put its foot down – we needed to make sure that the systems are in place”. Interestingly, the scepticism about donor involvement that he had demonstrated prior to the implementation of the OAP is still evident: “UNICEF, FAO [Food and Agriculture Organisation of the UN], and the World Bank, they do their separate thing. We need investments that lead to long-term results, and that will increase the tax-base. The Ministry of Finance looks at the total needs of the country.”

Thahane even implied a certain feeling of resentment towards UNICEF and the strong focus on the newly created Ministry of Social Development: “Often, the Ministry of Finance is not consulted. UNICEF assumes that the Ministry of Social Development has the power.” The former Principal Secretary of Finance who worked with Thahane at the time also implied that the Ministry felt somewhat ‘run over’ by donors:

> “Assuming the responsibility for the child grant was inevitable and known in advance. Donors tend to catalyse policies that would otherwise not receive attention based on single year fiscal considerations. On the other hand, they can elevate donor priorities to be assumed into the budget without much fiscal analysis.”

Similar to Mosisili, the former Minister of Finance had not only expressed concern about the financial sustainability of such a social protection programme, but also about the government’s administrative capacity. The difficulties associated with the OAP and the weakness of the Department of Social Welfare may thus have contributed to the realisation that the external technical support was indispensable, even if the funding would be provided by the EU. Yet, it is rather remarkable that the Ministry of Finance agreed to an externally driven programme like the Child Grant, considering the country’s continuous fragile financial situation, and the Minister of Finance’s current stance. It is difficult to know whether Thahane was equally doubtful about the idea of such a cash-transfer in 2006 when the financing contract with the EU was signed, particularly since this agreement was made before the onset of the global economic recession. Perhaps the gradual realisation of the programme, the government’s struggles during the recession, the experience of dealing with foreign donors, the creation of the new Ministry of Social Development (that is currently being strongly uplifted by UNICEF and other stakeholders) and Thahane’s perception that the Ministry of Finance was ‘disregarded’ by actors

---

69 Interview with Dr. T. Thahane, former Minister of Finance (August 2014).
such as UNICEF has shaped his current attitude towards this social protection programme. At the end of the interview he expressed doubt (and cynicism) regarding the new government’s ‘ambitious’ plans: “The new government has promised more social welfare programmes. It will be a test of reality.”

According to the EU, significant efforts were invested in convincing the Lesotho government about the importance and feasibility of the Child Grant:

“The EU and UNICEF worked in very closed partnership with the Government. Regular dialogue at technical level, but also at Ministerial level prior maintained the pressure on the Government's commitment. The EU Ambassador regularly raised the issue in his meeting with the Minister of Social Development and with the Minister of Finance. Finally, the importance of having carried out a baseline survey and two impact evaluation studies cannot be forgotten. The research conducted has shown very positive evidences of the CGP on the improvement of food consumption of beneficiaries, the multiplying effect in the local economy: each loti invested generates a multiplying effect of 2.3 in the local economy and the significant impact on education. So, it is easy to sell to the Government who understands the potential for political support” (Homayoun, August 2014: personal correspondence).

Thus, it may possibly have been a combination of the increasingly acute situation created by the AIDS epidemic in the country, Mosisili’s favourable attitude towards the protection of the vulnerable, and the EU’s ability to put “pressure” on the Government that enabled the creation of the CGP.

Social welfare vs. social development

The implementation of the CGP and the establishment of the Ministry of Social Development appear to have created a certain ‘momentum’ for social protection in Lesotho. As a representative of the EU Delegation to Lesotho recalls:

“The importance of social protection and the innovative design of NISSA and the CGP grew over the years and especially in 2011 – 2012, just before the national election of May 2012. In 2011, a new Principal Secretary was put in place in the Department of Social Welfare. And it was expected that a new Ministry would be created after the election to cater for the growing responsibility of the Department [of Social Welfare]” (Homayoun, August 2014: personal correspondence).
The former Commissioner of Pensions, who was part of a task team run by the Regional Hunger and Vulnerability Programme confirms that the idea for a separate Ministry emerged before the 2012 elections and the change of government: “It was difficult to coordinate social protection programmes. I am proud to say that it was the task team coordinated by RHVP that advocated for the Ministry of Social Development. I was impressed when the new government created the Ministry of Social Development.”

Considering the limitations of the Department of Social Welfare and its new responsibility as implementer of the CGP, the creation of a Ministry that would be responsible for Social Development seems rather logical. The Director of Planning in the Ministry of Social Development described that, “as a Department, Social Welfare was “side-lined”. The EU Delegation emphasises that “the Ministry is still weak but much better prepared to manage, lead and coordinate social protection interventions in Lesotho.” The EU and UNICEF, together with Ayala Consulting, are still working on strengthening the Ministry. According to UNICEF,

> “Capacity development of government ministries is a necessary evil. The governments and donors must understand that social protection is a long-term commitment that will not necessarily show any results short-term. That’s why government ownership is key! It’s important to build the capacity of existing government staff, as opposed to bringing in external staff. There is also a psychological effect – the government staff will genuinely support the programme and advocate for it. Also, as a result of this strategy, “people’s perception is that the grant comes from the government [as opposed to from the EU or UNICEF].”

Based on accounts by key informants, many government officials in other Ministries are still rather ignorant or misinformed about social protection, and social protection programmes are still very much associated with ‘welfare’. “There is still a limited understanding of social protection, especially outside of the Ministry of Social Development”, as Ayala Consulting described. The current Director of Planning in the Ministry of Social Development revealed his former attitude towards social protection: “While I was in the Ministry of Finance, I did not understand the concept of social protection. I thought that it was a ‘transfer with no returns’. Now I feel that it is a good investment, if

---

70 Interview with T. Thulo, former Commissioner of Pensions (August 2014).
71 Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation (August 2014).
72 Interview with M. Knight, UNICEF, working as a consultant with the Ministry of Social Development (August 2014).
complemented with other programmes.” Yet, the Ministry of Social Development is still very new, and to some extent battling to establish itself next to the powerful Ministry of Health. The two Ministries are located within the same building (called ‘The Ministry of Health Building’), and the entrance to the offices of the Ministry of Social Development is still labelled ‘Department of Social Welfare’. As the former Principal Secretary of Public Service disclosed, “to some extent, social welfare is still being practiced. There is still no official Social Protection Strategy.” UNICEF conveyed that although social protection is “taken more seriously” since the Ministry of Social Development was formed, the Ministry still shares accountants, vehicles and other resources with the Ministry of Health, indicating that the new Ministry is still working towards standing on its own feet.

Conclusion

In 2012, prior to the elections, Mosisili split from the LCD to found the new party Democratic Congress (DC), while Thahane aligned himself with the group remaining in the LCD⁷³. After the 2012 elections, Thomas Thabane⁷⁴ succeeded Mosisili as the Prime Minister of the Kingdom of Lesotho. His party, All Basotho Convention (ABC) came into power not by clearly defeating the incumbent party LCD but by building a coalition government with the support of two opposition parties. Mosisili, who led the newly created Democratic Congress to a significant win of 48 parliamentary seats (218 366 votes out of a total of 551 726) fell short of winning an outright parliamentary majority, leading to his defeat. This was a direct result of the country’s mixed member proportional (MMP) electoral model introduced in 2002 to limit post-electoral contestations and make parliament more inclusive. Unlike the country’s previous first-past-the-post model, MMP is based on proportionality by allocating compensatory seats to weak performers and often to smaller parties. The legal version of the model dictates that electoral victory no longer goes to the party with the largest number of votes but to the party that secures more than 50 per cent of the seats in the National Assembly (Institute for Security Studies, 2012).

The coalition, which unseated and relegated the ruling DC to opposition status, was produced by opposition parties in the minority. According to the Institute

---

⁷³ He was later appointed Minister of energy, meteorology and water affairs, and has continued to serve as an MP.
⁷⁴ Not to be confused with Tim Thahane, the former Minister of Finance. Thabane served as minister under three administrations from 1990 and during the LCD’s tenure under Mosisili, before transferring to the ABC in 2006.
for Security Studies (2012) Mosisili’s Democratic Congress was not pro-active enough in its efforts to form alliances. On the eve of the announcement of poll results by the Lesotho Independent Electoral Commission on Tuesday 29 May, it was clear that no party had amassed the requisite 61 out of 120 seats in the National Assembly to form a government. The ABC, led by Thabane, opened negotiations for the establishment of a coalition on the same day, and by the following day the ABC had sealed a coalition deal with the LCD under Mothejoa Metsing, now serving as deputy Prime Minister, and the Basotho National Party (BNP).

According to the former Commissioner of Pensions Thabo Thulo, Mosisili is strongly remembered for the introduction of free primary school and the Old Age Pension in Lesotho. Yet, the former Prime Minister does not seem to be associated with the Child Grant that was also introduced while he was in office. While the OAP and the CGP certainly differ in terms of their origins, both cash-transfers aim to provide assistance to exposed and dependent groups, the elderly as well as vulnerable and orphaned children. It can be concluded that both programmes have primarily come about and grown as a result of political will to invest in such programmes. As examples from other African countries show, even donor-driven programmes such as cash-grants for OVC require political commitment from the national government in order to succeed and become nationalised. In the case of Lesotho, it is indeed likely that the former Prime Minister was very influential in enforcing social policies. His personal views about the value of protecting vulnerable groups appear to have shaped both the straightforward implementation of the OAP and the government’s agreement to enter into a partnership with the EU and UNICEF to develop a grant scheme for households with OVC. Further, based on the interviews for this case study, the AIDS epidemic seems to have played a larger role as a driver of the OAP than previous literature has suggested. Although the role of the Ministry of Finance is nevertheless not completely demonstrable, it is at least obvious that the Ministry did not directly oppose such programmes. Whether this has been a result of the Prime Minister’s authority over the Ministry (after all Mosisili personally recruited Thahane), a general lack of direct power of the Ministry or a genuine conviction of Thahane and his staff that social protection measures are (financially) beneficial in the long-term is unclear.

Further, the evidence regarding the diffusion effect indicates that while Lesotho certainly did not invent the concept of a social pension and politicians were well aware of the social policies of its powerful neighbour, the Lesotho OAP demonstrates several characteristics that nonetheless accentuate its ‘home-grown’ roots. Firstly, Lesotho’s social pension is distinctive as it is universal,

---

75 Meeting with T. Thulo (October 2014).
not means-tested like the South African pension, and the age threshold of 70 years is higher than in the other sub-Saharan countries that provide social pensions. Also, the fact that the OAP was not suggested or driven by donors but rather realised by the government *despite* international actors’ scepticism provides further evidence for the exceptionality of this social protection initiative. Perhaps even more importantly, the insistence on defining the pension as a *right* of the elderly and something that one “deserves” (as both Mosisili and Thahane expressed during interviews for this study) signals that the Lesotho social pension is not simply perceived as a typical ‘social welfare’ or poverty reduction initiative. Thus, the strong association of the OAP with former Prime Minister Mosisili completes the image of a consciously home-grown initiative, particularly since the process behind it deviates significantly from the subsequent donor-driven initiation of the Child Grant that lacks such ‘champions’. Nonetheless, the alleged positive impact of the OAP, as presented in the study conducted by Croome *et al.* (2007), and the programme’s popularity among the Basotho may have affected the Lesotho government’s affirming attitude towards cash-grants for other vulnerable population groups and thus paved the way for the rather smooth introduction of the Child Grant.

Casey and McKinnon (2009: 97) have noted that social pensions have often been introduced as an *emotional* response rather than as a *strategic* response to the situations in the countries concerned. Considering the evidence presented in this paper and the fact that almost two-thirds of the OAP go to non-poor households (World Bank, 2013), this may also apply to Lesotho. Casey and McKinnon emphasise that this is not to suggest that policy-makers in countries which choose to introduce social pensions are more opportunistic than those elsewhere, or that social pensions are necessarily less effective than other policies directed to other situations that have been introduced under such circumstances (Casey and McKinnon, 2009: 97). Nevertheless, where resources are severely constrained, it is crucial to use them effectively (Casey and McKinnon, 2009: 97).

Finally, the case of Lesotho may point towards a broader preference of African governments to focus on social protection for the elderly as opposed to similar programmes that target other vulnerable groups such as OVC, even if donors tend to push for the latter. Swaziland is another sub-Saharan African country that has independently introduced a state-funded universal social pension (the Old Age Grant), while donor’s plans of implementing a child grant similar to Lesotho’s has been met with more scepticism by the Swazi government, and the pilot for the programme is progressing slowly. Government officials have

---

76 Intriguingly, some stakeholders even appear to resist the integration of this programme with other social cash-transfers.
expressed doubts regarding the government’s ability to take ownership of the grant by 2017, suggesting that there is a lack of political will to support such a programme, as opposed to the rather strong commitment to the Old Age Grant, particularly by the royal family (Granvik, 2014).

There may be several explanations for the attractiveness of social pensions. On one level, the elderly may be perceived as a distinctively ‘deserving’ group compared to other demographics, both by politicians and the general population, possibly due to cultural factors. Also, the elderly tend to be a rather small demographic in most sub-Saharan African countries, limiting the number of potential beneficiaries and thus the bill resulting from such programmes. Costs can also be more easily managed by simply increasing the threshold of a social pension (as the Lesotho case demonstrates). Universal (or near-universal) programmes are likely to arouse more enthusiasm among the general population than targeted ones, and means-tested programmes can even be considered rather controversial in some contexts, making politicians hesitant to suggest such initiatives. In addition, many governments may not have the administrative and technical capacity that is required to carry out complex means-testing. Examples such as Lesotho, Swaziland, and Uganda may thus suggest that African governments are more willing to introduce universal pensions to alleviate poverty than to allocate state funds to poverty-alleviation programmes that are more typically associated with ‘welfare’, such as support to OVC or poor households in general. Such cases may thus provide valuable guidelines for foreign donors attempting to collaborate with sub-Saharan African governments in implementing social protection programmes. Unless supporters of social protection manage to “get the politics rights” in a particular country, as Niño-Zarazúa et al. (2012: 32) have emphasised, it is doubtful whether a proposed social cash-transfer programme will be sustainable or obtain government ownership. As a result, foreign donors may be advised to more carefully adapt their social protection strategies to the local political and cultural context in order to avoid channelling funds into pilot programmes that lack government support and thus long-term sustainability.

Post-script

Lesotho’s Human Development Index score for 2012 was 0.461, placing it in the ‘low human development’ category, ranked at a lowly 158 out of 187 countries and territories. Although the country’s HDI score increased from 0.422 to 0.461

---

77 Similarly, in Uganda: donor’s attempt failed, and second round attempt by bureaucrats might be successful (Grebe, 2014).
between 1980 and 2012, it remains below the average for countries in the low human development group and also below the average for countries in sub-Saharan Africa (UNDP, 2013). In 2012, 57 percent of Lesotho households found themselves below the ‘Basic Needs poverty line’ and 34 percent lived below the food poverty line (World Bank, 2013). Food insecurity is rampant, with the poor spending almost half of their income on food. Twenty-five percent of the population are malnourished, and the severe 2007/08 drought affected 352,000 people (especially children) and required emergency interventions, mainly by international agencies (Olivier, 2013). HIV/AIDS is endemic in Lesotho; the HIV prevalence rate is estimated to be 23 percent, and approximately 150,000 children have been orphaned due to AIDS (UNAIDS, 2012).

Lesotho remains a fragile economy. Economic growth in Lesotho has long depended on agriculture and remittances from migrant workers in the South African mining industry, making the majority of the population dependent on low-wage labour and subsistence farming (Rich et al., 2013). According to the UNDP, agriculture in Lesotho is still rather volatile, however, leaving many Basotho unable to live off their land, due to factors such as land erosion and climate change. Currently, less than 10 percent of the land is suitable for cultivation (World Bank, 2013), and thus almost two-thirds of food consumed in Lesotho is imported from South Africa. On the one hand, this means that supply is reliable and grain is almost always available. On the other hand, people have to have the cash to be able to buy it, and this is a particular challenge for the poor (World Bank, 2013).

Furthermore, the Basotho are regularly exposed to climate ‘shocks’ such as drought and flooding. For example, floods in 2010 resulted in estimated declines in crop output of 25 to 80 percent, fuelling further consumption drops and food price increases. This was exacerbated by further poor rains and harvest in the 2011/12 season, resulting in a short-term food production crisis. The number of people in need of seasonal humanitarian assistance as a result of either drought or flood is estimated to have fluctuated between 200,000 and 500,000 over the last few years. In 2010, for instance, Lesotho faced heavy rains, followed by a drought in 2011/12 (World Bank, 2013). The WFP’s current Lesotho Country Programme has been designed to assist 447,600 beneficiaries with 124,500 beneficiaries targeted in 2013. The programme is made up of three components, through which WFP aims to improve the food security of 10,000 beneficiaries through Disaster Risk Reduction, support human development and increase enrolment of 50,000 pre-school children, improve socio-economic capacities by investing in peoples physical well-being and improve the nutritional status of 64,500 people. The WFP also runs a School Meals Programme that aims to increase enrolment, stabilise attendance and reduce dropout rates of primary school
children, whilst improving the Governments capacity to manage the School Meals Programme (World Food Programme).

Considering that Lesotho is one of the poorest countries in the world, its recent track record of providing social assistance to the most vulnerable is unquestionably rather remarkable. The Government of Lesotho has demonstrated deliberate budget reorientation and reprioritisation in the context of social protection. In 2011/12, during a period of constricted economic performance due to the global economic crisis and reduced revenue income (from, among others, Southern African Customs Union payments) there was a seven percent increase of total social benefit payments, which further points to government’s apparent commitment to maintaining social protection as a key area of social and human investment. In 2012 Lesotho was spending approximately US$197 million per year on social transfers, which represents about 16 percent of public spending or 9 percent of GDP (World Bank, 2013). Olivier states that these governmental initiatives can be considered as constituting a social contract, “with the state expected to deliver on its end of the contract by providing a minimum level of protection to its citizens” (2013: 108). Currently, there are four major cash transfer programmes in place that are today all government-funded: the Old Age Pension, the Public Assistance Programme, the Child Grant (previously funded by the European Union), and the OVC Bursary Programme (previously partly financed by the Global Fund). The fact that such cash-transfer programmes are now self-funded and not highly dependent on donor support has made Lesotho’s achievements in the area of social protection significant. The latest National Strategic Development Plan for 2012/13 to 2016/2017 (published in 2012) identifies the importance of increasing the efficiency and coverage of sustainable Social Protection programmes, improving institutional coordination, harmonising legal frameworks, and strengthening existing Social Security Nets as priorities. According to the Ministry of Social Development, a National Social Protection Policy has been developed to address the precarious situation that many Basotho face and to improve coherence among the various existing programmes. The document is currently awaiting approval by Cabinet.

Since 2013, there has been reflection about the integration of existing social assistance programmes, a project which according to UNICEF is considered a “high priority” by the Ministry of Social Development. The Ministry is currently presented with the task of improving targeting\textsuperscript{78}, which is also an objective of the ISSN. An initial pilot is to assess the possibility to combine the Child Grant Programme, the Old Age Pension, the Public Assistance and the OVC Bursary

\textsuperscript{78} A pilot programme for a conditional Child Grant is currently being conducted (as the current CGP is unconditional).
programmes. Currently these programmes are managed by different ministries with little inter-agency communications. Each programme uses different definitions of vulnerable population (destitute, orphans and vulnerable, and poverty by proxy means tested levels of consumption, for example), relies on different assessment methods, and often carries out similar tasks in parallel with other programs (for example, monitoring and evaluation visits, and case management). This situation implies that beneficiaries are given uneven access to benefits and there is duplicate spending on certain tasks. Thus there is a lost opportunity to maximise impacts (Ayala Consulting, 2013). As the former Commissioner of Pensions explained, “the integration is the reason for the new Ministry (of Social Development). This was a recommendation of the task team, as it would save costs”. Ayala Consulting also pointed out that “there are many opportunities to save”.

In 2014, Lesotho is facing various challenges with regards to social protection. The on-going political crisis has prevented the new Social Protection Strategy from being considered and passed by Cabinet, and at the time of writing it is not known when Parliament will be reinstated. Further, according to the World Bank (2013), the present package of programmes is not counter-cyclical, in other words, it is not capable of being scaled up or down in response to changing economic conditions or to shocks such as drought. National spending on transfers should allow for expansion when times are bad and contracted when times are good (for example, as textiles employment in the country expands), as well as in response to shocks (such as droughts) and changing fiscal conditions. Further, a national strategy should focus on addressing seasonal poverty during the four or five month pre-harvest lean season (World Bank, 2013). Another pressing concern relates to the ISSN. This on-going integration attempt will not be complete without the integration of the country’s largest cash-transfer, the OAP. The fact that the reluctance to unite this programme with the schemes administered by the Ministry of Social Development could possibly be politically motivated is concerning. The impact on poverty reduction is another matter that needs to be considered. While evaluations of the Child Grant have shown that the programme has had a positive impact and has reasonably good targeting, the World Bank has assessed that only 50 percent of benefits go to the extreme poor (World Bank, 2013). Similarly, as mentioned above, almost two-thirds of the OAP payments ultimately go to non-poor households (World Bank, 2013). The World Bank summarises that while a universal pension is an extremely useful social intervention, the M371 million spent annually on the OAP in Lesotho only has a limited impact in terms of reducing extreme poverty.

79 World Vision claims that this number may have been distorted as a result of a ‘misinterpretation’ of the Child Grant’s targeting criteria (i.e. how one defines ‘poor’ and ‘extreme poor’).
Thus, in evaluating it as part of a unified programme to address extreme poverty, policymakers need to recognise that most of the transfers are going to the non-poor (World Bank, 2013). Correspondingly, Barrientos has asserted that a social pension, on its own, would be of limited use in reducing poverty in most sub-Saharan African countries (2009: 11). He claims that social pensions are more likely to be effective in combination with interventions targeting other impoverished groups. Thus a stronger impact on poverty could be achieved by focusing on establishing social assistance programmes to cover those in poverty, instead of focusing mainly on pensions.

The financial sustainability of current programmes and the feasibility of their expansion are also ambiguous. Particularly the costly OAP may be compromised in the future. According to the United Nations, older persons will constitute 12 percent of Lesotho’s population by 2050 (an increase from 6 percent in 2009), which indicates that the need for pensions will in fact increase. Although stakeholders such as UNICEF and Ayala Consulting are confident that “the government can afford it [social protection]” 80, Lesotho faces serious fiscal challenges as a result of very high public expenditure (which had reached an unsustainable 67 percent of GDP in 2009/10). In addition, the country is still very dependent on SACU contributions, which may decrease again in the future. This insecurity makes budget management challenging (World Bank, 2013). The future of social protection in Lesotho will most likely continue to depend on political commitment to such programmes.

At the same time, Lesotho’s financial situation appears to be improving. According to Rosenberg and Weisfelder, the recovery of customs revenues in 2012 and their likely augmentation, resulting from dam construction, enabled Lesotho to start combating its financial crisis (2013: 17). However, financial sustainability is nonetheless likely to remain a concern, particularly in light of the recent political turmoil. Critics such as the former Principal Secretary of Finance (currently the Minister of Planning) still advocate for caution: “I do not see much room for expansion of social protection, particularly with the considerable fiscal risks facing Lesotho from loss of SACU.” Irrespective of Lesotho’s own financial capacity, there does not seem to be a withdrawal by foreign actors: The EU will now focus on supporting the establishment and consolidation of a system of social protection, including continuing our capacity building efforts, of the Ministry of Social Development, but also of the local structures 81. UNICEF also mentioned that a potential new universal social

---

80 Interview with M. Knight, Consultant with the Ministry of Social Development, UNICEF and Sherazade Rais, Project Manager at Ayala Consulting (August 2014).
81 Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation Lesotho (August 2014).
protection programme targeting all Basotho children during their first 1000 days is on the agenda.\textsuperscript{82}

Ayala Consulting has reviewed the Social Protection Strategy document (that has not yet been released), and cautiously expressed that it is “very theoretical, and difficult to translate on the ground”. Thus it remains to be seen if this Strategy will enable Lesotho to unify its existing social protection programmes and expand them. Olivier (2013) has raised concerns about the “fragmented and disjointed nature of social security policy-making, provisioning and service delivery in Lesotho”. Similarly, the former Principal Secretary of Finance stated that “the Lesotho social protection programmes remain disjointed and difficult to analyse in the broader financial landscape.”

According to UNICEF, the new Social Protection Strategy hence focuses on building systems to improve co-ordination. Thus, the exclusion of the OAP from the ISSN is rather intriguing. As a part of the Integrative Social Safety Net (ISSN) project, the OAP was supposed to relocate from the Ministry of Finance to the Ministry of Social Development. Yet, as of June, the plans of including the OAP in the integration pilot have been put on hold. Ayala attributes this sudden decision to the leaving of the former Principal Secretary of the Ministry of Finance. “Ayala was working closely with the previous PS regarding the inclusion of the Old Age Pension in the integration pilot, but it had not yet been finalised. Now the process has to be started from scratch.”\textsuperscript{83} An official from the Ministry of Finance insinuated that the new Principal Secretary is reluctant to make any decision, as he is only appointed temporarily as an ‘interim PS’. Ayala Consulting explained that “we perceive the OAP as social protection, but many stakeholders have a limited understanding of social protection. The Ministry of Finance might perceive it as the Ministry of Social Development wanting to ‘take it away from them‘.”\textsuperscript{84} Accordingly, there may be political motives behind the reluctance to hand over the OAP to the Ministry of Social Development. Further, although the OAP joined the “wider country development strategy” which already provided social assistance through free primary education, subsidised medical treatment, a re-instated veteran’s pension, and a Public Assistance Grant (Pelham, 2007) it is still not necessarily considered ‘social protection’, \textit{per se}, by everyone. One key informant who expressed certain doubt about the transfer from the Ministry of Finance was the Director of Planning in the Ministry of Social Development. While he claimed that “the key mechanism to coordinate social protection will include the Old Age Pension” he admitted that he was “yet to be convinced that the OAP should be classified as

\textsuperscript{82} Interview with M. Knight, UNICEF, working as a consultant with the Ministry of Social Development (August 2014).

\textsuperscript{83} Interview with S. Rais, Project Manager at Ayala Consulting Lesotho.

\textsuperscript{84} Interview with S. Rais, Project Manager at Ayala Consulting Lesotho.
social assistance. It is a right, it is a pension.” Furthermore, the former Ministry of Finance seemed convinced that “the OAP will not move [from the Ministry of Finance], the Ministry of Social Development does not have the capacity”.

Such opinions may reflect a limited understanding of social protection, but also indicate that the corruption associated with the universal pension (based on accounts from several key informants) may stand in the way of an integration of social protection in Lesotho. As one informant suggested, “some are benefiting from the current lack of transparency of the OAP [within the Ministry of Finance]”. If the ISSN eventually manages to take off, it would indicate that Lesotho is indeed committed to providing social protection to vulnerable groups on a very professional level that could become a model for other African nations. The EU is confident: “The current pilot of a unified social safety net financially supported by the EU, will be, if implemented at a larger scale, the first of its kind in the Southern African Region.”

Lesotho’s new integrative approach to social protection may, if successful, turn out to become a model for other African countries. Lesotho may also provide other valuable lessons about donor-driven social protection initiatives, such as the importance of immediate government involvement, the costly but crucial emphasis on capacity building of government ministries (including the existence of a separate ministry for social development) and the impact of a strong and continuous cooperation between the government and external stakeholders. As the representative of the EU Delegation stated, “… there is no doubt that the excellent collaboration between UNICEF, the Ministry of Social Development and other stakeholders, and the move towards a unified assistance scheme and a more equitable social protection system, have been key in the extraordinary success of this programme.”

Overall, the coalition government that was elected in 2012 (with the formerly incumbent party LCD as part of the coalition) does not appear to have altered Lesotho’s social protection agenda. As highlighted by the EU Delegation, “the change of Government has not affected the sustainability and the buy-in towards national commitment [to social protection].” A UNICEF representative even suggested that “since the last election, even more weight is placed on social protection.” Yet, as the former Commissioner of Pensions stressed, “what is missing is a proper policy”. A Social Development Policy as well as the National Social Protection Strategy have been formulated and informally presented to the Cabinet. The EU is optimistic: “The EU has been supporting the

85 Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation (August 2014).
86 Correspondence with M. Homayoun, Programme Manager Governance, EU Delegation to Lesotho (August 2014).
drafting of the Social Protection Strategy and we imagine that once it is approved it will be progressively implemented by the Government”. The document will now have to go through formal Cabinet, a process that has been paused due to the suspension of Parliament that was ordered by the current Prime Minister in June 2014.

Politically, Lesotho once again finds itself in the middle of a crisis by the end of 2014. Two years after the 2012 elections, the coalition government has not managed to find common ground. According to the Institute for Security Studies, the LDC (specifically its leader, Deputy Prime Minister Mothejoa Metsing) has been vocal in expressing dissatisfaction with what is perceived as Prime Minister Thabane’s “unilateral decision making” in government, which he says is contrary to the June 2012 Coalition Agreement’s provisions and spirit. In June 2014 the opposition attempted to pass a motion of no confidence on the coalition, and interparty talks were initiated. This resulted in the ABC’s suspension of Parliament for nine months, and ABC’s coalition partners were accused of courting the main opposition, the DC, with a plan to form a new government (Institute for Security Studies, 2014).

The power struggle among the coalition parties is believed to have polarised Lesotho’s security forces (BBC, 2014). In August 2014, in an attempted coup by renegade general Tlali Kamoli, the military assaulted several police stations, inciting Prime Minister Tom Thabane to flee the country for several days. South African Deputy President Cyril Ramaphosa has mediated in the crisis and has brokered an agreement called the Maseru Facilitation Declaration (MFD). In order to restore political stability, Lesotho plans to hold early elections in February 2015 (instead of 2017).

At the moment Lesotho’s political future seems uncertain, and it is thus difficult to predict what direction a potential new government (under a new Prime Minister, possibly Mosisili or one of his fellow DC party officials) would take, and how the current crisis will affect the Kingdom’s economy. Undoubtedly, the outcome of the ISSN pilot will be decisive for the future of social protection in Lesotho. Further, while the (soon to be finalised) National Social Protection Policy will present a much-needed guideline for the ‘way forward’ for social protection in the country, its effect will be highly dependent on its actual implementation within the Ministry of Social Development and on the ground. Yet, as long as programmes that aim to relieve poverty and create a foundation for long-term development are overshadowed by inter-party conflicts, the odds of the prioritisation of social protection initiatives seem ominous.
Appendix

Lesotho Chronology

1965/6 - Lesotho achieves Independence from the United Kingdom and first national elections take place.

1986 - Military rule takes over as a way to stabilise a rather precarious democracy.

1991 - The military lifts the ban on political activities and preparations for democratic elections begin.

1993 - Plans for a universal social pension first appear on the Basutoland Congress Party’s (BCP) election manifesto.

1993 - The BCP wins democratic elections and Ntsu Mokhele is appointed prime minister.

1993/4 - The Basotho National Party (BNP) works with allies in the military and the police to promote public protests and strikes intended to topple the new government. Nelson Mandela and other regional leaders intervene and King Letsie III places the elected government back in power.

1997 - Basutoland Congress Party (BCP) dismisses Ntsu Mokhehle as leader. He forms the Lesotho Congress of Democrats (LCD).


2000 - Mosisili’s government introduces free primary school education.

2002 - Plan for a pension reappears on some political programmes prior to 2002 elections.

2002 - Ruling Lesotho Congress for Democracy (LCD) wins parliamentary elections. Prime Minister Mosisili is sworn-in for a second five-year term.

2004 - Lesotho’s Minister of Finance announces the introduction of a social pension for all citizens aged 70 and older.

2004 - Prime Minister Mosisili declares state of emergency, appeals for food aid.

2005 - Old Age Pension Act is passed.

2007 - Ruling LCD wins early parliamentary elections (Mosisili is still prime minister), taking 61 of 80 constituencies. Leader of the opposition party ABC challenges the outcome.

2007 - The Child Grant Programme pilot is initiated by the EU and UNICEF.

2007 - State of emergency is declared as Lesotho experiences its most severe drought in 30 years.

2012 - Thomas Thabane (ABC) becomes prime minister following elections and forms a coalition government together with the LCD and the BNP.

2012 - Second phase of Child Grant begins.

2013 - The Lesotho government takes over the funding of Child Grant benefits.

2014 - In June, Parliament is suspended after on-going conflicts in the coalition, and in August an attempted military coup prompts Prime Minister Thabane to temporarily flee the country. Early elections are announced for February 2015.
Table A1: Lesotho National Assembly Elections, 26 May 2012: Results for major political parties

<table>
<thead>
<tr>
<th>Party Name</th>
<th>Total Party Votes (TPV)</th>
<th>Seats won</th>
<th>Seats won (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Basotho Convention (ABC)</td>
<td>138917</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Basotho National Party (BNP)</td>
<td>23788</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Lesotho Congress for Democracy (LCD)</td>
<td>121076</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Democratic Congress (DC)</td>
<td>218366</td>
<td>48</td>
<td>40</td>
</tr>
</tbody>
</table>
References


