

Management Issues in the Implementation of Development Projects for Employment Creation in Lesotho

Samuel N-A Mensah (Correspondence author)

Department of Economics, University of the Free State
Qwaqwa Campus, Phuthaditjhaba 9866, South Africa
Tel: +27-76-531-8319 E-mail: mensahsna@qwa.ufs.ac.za

Vannie Naidoo

School of Management, Information Technology and Governance, University of KwaZulu Natal
Westville Campus, Durban 4041, South Africa
Tel: +27-72- 256-6626 E-mail: naidoova@ukzn.ac.za

Abstract: Generating employment in Lesotho's comparative advantage areas of tourism, inland fishing and winter cropping under irrigation in the Senqu River valley has become a *sine qua non* in view of persistent migration shocks. At the peak of the migrant labour system in the early 1970, some 200,000 Basotho men were employed in the South African mines; in 1981 the number was slightly over 120,000; and by 2011 it had dropped to about 41,000. This paper quantifies the impact of these job losses on (rural) household income in Lesotho and directs attention to management issues that should be anticipated and given proactive attention for successful implementation of development projects in Lesotho's comparative advantage areas to boost job creation.

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1. Introduction

The wars with White settlers around the middle of the 19th Century and subsequent loss of the larger parts of her fertile land disrupted Lesotho's agriculture-led growth; and imposition of various taxes by the colonial authority drove many men to the farms and nascent mines in South Africa (Bardill and Cobbe, 1985: 11, 12, 19; Foulo, 1996: 13 – 17; Omer-Cooper, 1987: 60, 61, 88, 97). With time, population growth and subsequent pressure on arable land in the area that King Moshoeshoe decries as "a narrow strip of land" (Omer-Cooper, 1987: 97) – i.e. current Lesotho – the establishment of the migrant labour system was all that was required to make migration to the mines in South Africa the most important source of income for rural Basotho households (Sechaba Consultants, 1995: 100, 167; Turner, 2001: 30, 53, 55). At its peak in the early 1970, the migrant labour system provided employment for some 200,000 Basotho men in a population of less than two million. However, in the last two decades the numbers of Basotho migrant mine workers in South Africa have declined from 126,000 in 1990 to just over 41,000 in 2011 (Central Bank of Lesotho, 1991:17; 2000: 48; 2005: 75; 2010: 63; 2012: 115; Mensah 2010: 165).

Given Lesotho's already serious unemployment problem, economic sustainability requires that possible opportunities for employment generation within the country be identified and studied for

policy makers to tap into them to generate employment for the thousands of Basotho men who are being returned from the South African mines annually and others. This paper argues that, with the right policies and stimuli, Lesotho's comparative advantage areas of tourism, inland fishing and irrigation agriculture in the Senqu River Valley could provide adequate employment for Lesotho's swelling numbers of unemployed persons, but that proper management of the implementation of projects in the comparative advantage areas is crucial for success.

The rest of the paper is organized as follows: section 2 discusses the impact of dwindling opportunities for migration to the mines on the unemployment situation in Lesotho (with a focus on the rural areas that, traditionally, have provided the bulk of migrants) and its implication for household income; section 3 identifies some of Lesotho's comparative advantage areas and suggests development projects that could be implemented in these areas to improve the employment situation in the country; section 4 draws attention to management issues that should be addressed for efficient implementation of the identified projects; and section 5 provides a summary and recommendations.

2. Migration Shocks and Lesotho's Unemployment Crisis

The average real GDP growth rate for Lesotho for the period 1982-2007 of 4.2 per cent is relatively high in Sub-Saharan Africa (Bureau of Statistics, 2008); and it was 5.1 per cent in 2008, but because of the global slowdown the growth rate dipped to 2.4 per cent for 2009 and 2.5 per cent for 2010 (Central Bank of Lesotho, 2011: 16, 17). However, the economy has not succeeded in generating adequate levels of employment so a large part of the 25,000 new entrants into the labour market annually is added to the unemployed (Central Bank of Lesotho, 1998: 11). But paucity of data makes serious analysis of the employment/unemployment situation in Lesotho an uphill task, which explains the large differences in the estimates of unemployment rate from different sources¹. For example, secondary sources put estimates of the unemployment rate in the range of 10 per cent (Lundahl, McCarthy and Petersson, 2003: 87) and 63.5 per cent (Lesotho Clothing and Allied Workers' Union, 2006). The estimate from CIA (2002) is 45 per cent and the Bureau of Statistics' 2002 Household Budget Survey puts it at 23.2 per cent (Bureau of Statistics, 2006). The problems of data and measurement aside, it is commonly asserted that Lesotho's unemployment rate is high (Government of Lesotho, 1997: 93), which constrains both the level and growth rate of per capita income, and obviously a factor that has encouraged external migration to the South African mines.

One reason for the difficulty in estimating Lesotho's unemployment rate may be found in the commonly held view of work and employment. Many Basotho who provide casual labour on daily basis, herd cattle or who work on family farms view themselves as unemployed because society, especially in rural areas, does not recognise such activities as work. Paid employment is work; and for rural men, paid employment in the South African mines. There is, therefore, a big difference between individuals' claim to be unemployed (i.e. reported unemployment) and reported economic activities of individuals. This issue is explored in detail in Mensah (2010: 239 - 243), but three illustrative examples are provided here. A respondent in the survey reported in Mensah (2010) was employed as a labourer with a house construction company from 1996 to 2001 when he migrated to the mines. His reason for migrating for work in the mines was not just that the pay was better,

¹ The Labour Force Survey 1999 of the Bureau of Statistics gives "proportions" of unemployed persons by age, gender, sector, industry, education, etc., but not an unemployment rate for the country; and the Labour Statistics Report (2005) completely avoided unemployment, though it gave data on registered job seekers – a very small subset of the unemployed, by even the strict definition.

which would support neoclassical thinking, but that the work with the construction company “was no job” (Q003: 2.1I, 2.1III, 3.1II). Another respondent reports that her husband was a casual labourer from 1979 when he was 20 years old to 2000. But in her view he was not working during those twenty one years. It was not until 2001, at the age of 42, when he was recruited for the mines that she considered him to have started working. And yet her husband had built a four-room house and bought some cattle – the symbols of wealth and prosperity in (rural) Lesotho – from the piece work he was doing before he went to the mines at age 42. The view, therefore, is: mine work is work; piece work is a stopgap measure (Q042: 2.1I, 3.1I, 4.1, 4.11). Thirdly, another wife reports that her husband went to the mines at the age of 45 in 1994, and that this was his first work because he was *not earning anything* before he went to the mines. Yet, he had three farms in different locations by the time he went to the mines (Q043: 3.1II, emphasis added). These examples show that labour market surveys in Lesotho would provide better employment/unemployment statistics if they asked what people do, instead of asking whether they are working or not working, employed or not employed.

Bureau of Statistics (2006: 11) reveals another important aspect of Lesotho’s labour market: the numbers of registered job seekers who got employment between 1992 and 2005 were always much smaller than the numbers of vacancies, and so a situation of unfilled positions and unemployment has co-existed. This existence of labour shortages in the midst of unemployment is an indication of mismatch between the skills and qualifications of job seekers, on the one hand, and the requirements of employers, on the other. The Government of Lesotho (1992: 6, 64) therefore described the country’s labour market as “two tier” – at the one tier, many unskilled and semi-skilled workers are unemployed because they do not have the skills required by employers; at the other tier, skilled and professional workers are in short supply and so foreign experts are recruited.

For men who cannot be self-employed, migration to the mines in South Africa becomes the only alternative to unemployment or underemployment in their rural areas. And this is why the labour market in South Africa enters this discussion. It is fair to note, however, that, overall, Lesotho’s economy has not been creating enough jobs to be able to absorb the roughly 25,000 new entrants to the labour market each year. (Lesotho Clothing and Allied Workers’ Union, 2006: 64)

As indicated by Government of Lesotho (1997:93), underemployment is also a common feature of Lesotho’s labour market and it is visible in both the urban informal economy and the rural agricultural sector. A necessary consequence of land dispossession was rapidly declining farm size and/or number of fields per household or per person – especially as the population on “the narrow strip of land” increased. This is the kind of situation that, according to Lewis (1954) and Ranis and Fei (1961), would drive marginal productivity of labour toward zero and ensure that labour could be withdrawn from the agricultural sector without concomitant decline in output – an indication that the workers withdrawn were underemployed. And while underemployment has persisted in rural areas to some extent over the years, opportunities for migration to the mines in South Africa reduced its intensity in the past. With dwindling opportunities for external migration, underemployment has become more overt in both the rural areas and in the urban informal economy. Underemployment in the agriculture sector is the reason for the statement that “agriculture provides *part time employment* for about 80% of the population” (Ministry of Economic Planning, 1997: 77; emphasis added); many therefore combine agricultural work with off-farm employment. Furthermore, internal (rural-urban) migration has, with time, also transformed underemployment in the case of many in urban areas into full-blown open unemployment. (Government of Lesotho, 1997:93; Lundahl, McCarthy, and Petersson, 2003: 80)

Table 1 demonstrates the confusion about the labour market status of adults who are not in paid employment, and thus helps in explaining the divergent estimates of unemployment in Lesotho.

As discussed above, many in Table 1 who claimed to be ‘unemployed’ or ‘not in the labour force’ actually do engage in various forms of economic activity. Yet, by their own admission, the proportion of adult in the sample that are unemployed is 27.8 percent for the whole sample, but varies from 16.7 percent to 31.1 percent among the household types; and the unemployment rate among household types from 24 percent to 43 percent, and 37.3 percent for the whole sample.

Table 1 Labour market status of adults: By migration status of households

Status	Non-migrant households		Former mig. households		Current mig. households		Total	
	No.	%	No.	%	No.	%	No.	%
Not in labour force	45	30.0	27	30.0	42	20.4	114	25.6
Unemployed	45	30.0	15	16.7	64	31.1	124	27.8
Employed	60	40.0	48	53.3	100	48.5	208	46.6
Total	150	100.0	90	100.0	206	100.0	446	100.0
Unemployment rate	45/105	43.0	15/63	24.0	64/164	39.0	124/332	37.3

Source: Mensah (2010: 324)

It is also noted that current migrant households have the highest proportion of unemployed persons and the second highest unemployment rate in rural Lesotho. The fact that most of the persons reported as unemployed in migrant households are either wives of migrants or adult children, would suggest that remittance income may be making members of migrant households relatively less motivated to engage in income-generating activities, which will make their unemployment voluntary.

It should be clear from the foregoing that the migrant labour system had, over the years, provided opportunity for men who would otherwise have been underemployed or unemployed in Lesotho to earn salaries higher than their opportunity cost in Lesotho; that though Lesotho has a serious unemployment problem, the situation would have been much worse had it not been for the migrant labour system. However opportunities are fast drying out for work in the South African mine. Table 2 shows the annual decline in the numbers of Basotho migrant mine workers since 1990.

Since migrant remittances dominate among sources of household income, especially in rural Lesotho, making migration, not agriculture, the mainstay of Basotho households (Mensah, 2010: 308; Sechaba Consultants, 1995: 100, 167; Turner, 2001: 30, 53, 55), the persistent decline in migrant numbers should have negative impact first on migrant household income, but eventually on national income. Table 3 confirms the drop in household income with the loss of migration status. Both the z- and the t-test of difference in means show significant difference in the mean household income of the

Table 2 Annual changes in numbers of Basotho migrant mine workers

Year	No. of Migrants	Annual Change
2000	64,933	-3,671
2001	59,861	-5,072
2002	63,297	3,436
2003	61,414	-1,883
2004	58,009	-3,405
2005	52,042	-5,967
2006	54,105	2,063
2007	54,729	624
2008	50,686	-4,043
2009	45,276	-5,410
2010	41,555	-3,721
2011	41,427	-128

Source: Computed from Central Bank of Lesotho (2012: Table A8) and Mensah (2010: 168)

three household types at the 1 percent level; loss of migration status reduces migrant household income from the highest group to the lowest in rural Lesotho.

Table 3 Descriptive statistics of household income – by migration status

Household type	No.	Income ^a	Percentiles		
			25%	50%	75%
Non-migrant households	31	1,988	800	1,440	2,300
Former migrant households	32	1,643	800	1,100	1,900
Current migrant households	87	3,683	2,500	3,500	4,600

Source: December 2006-January 2007 Household Survey (Mensah, 2010: 336)

Notes: ‘a’ Mean monthly income of household type.

3. Employment Generating Capacity of Lesotho’s Comparative Advantage Sector

This section discusses Lesotho’s comparative advantage areas and their potential for creating employment to absorb ex-mine workers, many of whom would readily fit into the unskilled and semi-skilled labour positions. Though they will face competition from Lesotho’s large pool of unemployed unskilled persons, the endurance and work habits acquired in the mines may give ex-miners an edge. The more schooled ex-miners may be trained for higher labour positions.

Because of this paper’s primary concern with employment generation for ex-migrant mine workers², the discussion centres on labour positions into which they would fit. The focus on Lesotho’s comparative advantage areas for employment creation is informed by the Commission on Growth and Development’s (2008: 72) recommendation that entering the paths of higher sustainable growth, especially for a very small African country like Lesotho, “requires strategies facilitating integration with the global economy; ... and policies that encourage self-discovery of the products in which Africa can create comparative advantage, including labour-intensive and diversified exports”.

Despite the attendant measurement problems, there is an intuitive appeal in using a country’s comparative advantage for “targeting or identifying industries for special treatment” to promote economic growth and/or stimulate employment (Smith and McCarthy, 1996: 160). Common definitions of comparative advantage are usually based on differences in relative prices between countries under autarky, which, according to the Heckscher-Ohlin’s theory, derive from their factor endowments (Kreinin, 1995: 72; Smith and McCarthy, 1996:158; Pugel, 2007: 60). One problem with that approach is that relative prices under autarky are generally not known so, in practice, it is “virtually impossible to measure comparative advantage” in those terms. A second problem is the static nature of the approach (Smith and McCarthy, 1996:158). MacDougall’s (1951) suggestion of discerning comparative advantage through exports is therefore applied here.

² It is vital to give priority for training and employment to the ex-migrant mine workers in view of the contribution the miners as a group have made over the decades to the economy of Lesotho and, indeed, to the global economy by virtue of global demand for the output of South Africa’s mines.

Lesotho is relatively well endowed with unskilled labour³, like most developing countries. However, among African nations Lesotho has one of the highest rates of literacy (if mainly in Sesotho) even among persons with low levels of education (Huebler, 2008), which facilitates training. Also, Lesotho is scenery- and water-rich, but less endowed with physical and human capital and, so far, generally mineral-resource-poor. This resource-endowment profile then defines the country's comparative advantage areas. So, in the short- to medium-term, efforts at expanding employment opportunities should target labour-intensive, scenery-intensive and/or water-intensive products – especially those that would generate foreign exchange.

In line with the foregoing, Lesotho's four main export commodities are water and mine labour to South Africa, Chinese-controlled textile and clothing mainly to the US, and landscape, scenery and natural settings for international rural- and eco-tourism. The processing of water for export to South Africa is very capital intensive and so does not fit in with the focus here on the creation of employment for ex-mine workers. Export of mine workers will also not be considered because of the dwindling opportunities for mine employment. The textile industry, though labour intensive, is also excluded because it provides employment mainly for female workers. However, there may be opportunities for generating employment in the tourism and water sectors to absorb ex-mine workers.

Beautiful scenery attracts tourists because of the satisfaction it gives the human psyche; and Lesotho abounds with breath-taking sceneries – “every season has unique attractions” (Fick, 2006: 134). In addition to the scenic beauty, there are attractions like bushman paintings and dinosaur footprints around which wildlife and nature reserves and hotels may be established. Lesotho's other attraction as a tourist destination is summed up by the accolade ‘the Kingdom in the Sky’ – it the only country in the world that lies completely above 1,400 metres, with over 80 percent of its territory above 1,800 metres – which gives uniqueness to her recreational facilities.

The Malealea Lodge and Pony Trek Centre is a good example of the kinds of resorts that could be established in many rural and mountain areas of the country to stimulate growth and expand employment through cultural- and eco-tourism. Located in a remote mountainous rural area, the Lodge does not only provide the usual hospitality services of board and lodging in the sky, but also provides an ideal setting for exploring some of Lesotho's scenic attractions. Pony rentals generate income while giving tourists close-range views (through guided mountain treks that could last from one hour to six days) of the breath-taking beauty of the country's rural and remote areas and an experience of the pristine forests and the healthy high-altitude air. For the longer treks, overnight stop-over lodges are located either in remote villages or in completely isolated outposts along the route. To add to the excitements of the day-time treks, the pitch-black nights give tourists a clear view of the velvety blanket, with its myriads of teasing low-heat luminaries, that often hangs over rural Lesotho. On some nights during the week and at weekends cultural groups from near-by villages give tourists a taste of rural-style night entertainment with music, drumming and dancing by bonfires at the Lodge and at some of its outpost lodges.

³ According to Pugel (2007: 61) relative factor abundance may be defined as follows: “a country is relatively labour-abundant if it has a higher ratio of labour to other factors than does the rest of the world”.

The services provided at the Malealea Lodge and Pony-trekking Centre and at its outpost lodges along the pony trails⁴ give an indication of the potential of such establishments for employment creation in rural areas. For now Malealea Lodge enjoys a near monopoly and brisk business perhaps because of the initial invests required for setting up such an enterprise. However, with some initiative from the government, and in collaboration with the owners of Malealea Lodge, investment could be attracted to replicate the success of the Malealea Lodge establishment and the employment it provides in many parts of rural Lesotho, including locations by the lakes of the Katse and Mohale dams. Also, since most households in rural Lesotho have horses, the spread of such establishments could inspire formation of local Pony Owners Associations that provide pony riding and rental services to tourists. Furthermore, official model Basotho villages⁵ could be established to meet rural tourism needs of those who would prefer spending time in a typical rural Southern African family setup to staying in lodges that are located in rural areas but provide Western-style accommodation and facilities.

The shimmering clear waters of the Katse and Mohale lakes that rise calmly in spread-palm formations into the valleys of the undulating swells of unending mountains also offer opportunities for a unique cruising experience in the sky. The establishment of cruise enterprises will necessarily be combined with the services of a hospitality industry – much like the hotels buried in the valleys of the Maluti mountains in the Golden Gate Nature Reserve in the Eastern Free State of South Africa. The advantage of the propose resorts as compliments to the development of the cruise-boat industry in Lesotho is that, from a tourism perspective, while the scenic beauty of the mountains of the Golden Gate may rival those in Lesotho, the former does not have the added beauty and advantage of the ‘lakes in the sky’, which also provide opportunities for water sports – water skating, scuba diving, etc. The development of the hospitality industry in the mountains will also better cater for those who have already been going there in winter for skiing and other winter sports. Most of the tourism-based services mentioned here tend to be labour intensive and therefore have potential for absorbing thousands of workers in rural Lesotho, possibly including retrenched migrant mine workers.

The development of the tourism industry in rural Lesotho, in addition to the boost it will give the rural handicraft industry, will create opportunities for expanding wholesale and retail trade in the rural areas, which will add to the potential for job creation.

Lesotho’s river systems – the Senqu (or Orange) River and its tributaries, the Caledon River, etc. – and dams may also be exploited for irrigation agriculture. The country’s topography presents special challenges in channelling the waters to farms throughout the country for irrigation, but the Senqu River valley, which makes up 13 percent of the country’s arable land, provides possibilities for irrigation cropping of the more profitable winter crops⁶. But this will require considerable investment and so the design and implementation of such projects, which could breathe life back

⁴ The pony trails could be developed into long-distance running tracks for competition (the marathon in the sky) and as training facility for international long-distance runners who want to strengthen their lungs with air from the top of the world; local runners will also benefit from this facility.

⁵ The Golden Gate Nature Reserve in the Eastern Free State, just outside the northern tip of Lesotho, has a Basotho cultural village that is both a museum of Basotho history and a showcase of the traditional Basotho way of life, but it does not provide lodging for rural and/or cultural tourism.

⁶ Because winter is generally a dry season in most parts of Southern Africa, winter crops are usually scarce and therefore are expensive.

into Lesotho's ailing agriculture, should be subjected to a thorough feasibility study in which employment generation is assigned heavy weighting. (Zerbe, Jr. and Dively, 1994: 93, 94, 107) However, the implementation of such projects would require adoption of the National Irrigation Policy that is still in draft form. The rationale of the policy is to "contribute to poverty alleviation by targeting smallholder farmers for irrigation development to enhance farm income" (Bureau of Statistics and Department of Planning and Policy Analysis, 2008). If this is adhered to during implementation, the pro-poor stance of the irrigation policy would benefit many retrenched miners. Adherence is emphasized because the involvement of the private sector (sometimes as the driving force) in rural economies in many parts of Africa has often not promoted the interests of poor rural people. This is the basis of the recommendation that for the rural poor [like Lesotho's ex-miners] to benefit from improvements in rural economies [like the proposed irrigation development], "they must be given a voice through skill acquisition, productivity improvements and access to markets" (IFAD, 2008).

An in-land fishing industry could also be developed in Lesotho's reservoirs to cater for nearby markets, especially in South Africa, which are currently supplied with freshwater fish mainly from Zambia, Zimbabwe and Mozambique. The industry around Lake Malawi may be used as a model so that fishing is introduced as a viable economic activity (and not sport) that will generate employment especially for rural households. The surface area of the reservoirs formed by the Katse Dam and the Mohale Dam at full supply levels are respectively 36 and 22 square kilometres, which is small compared to Lake Malawi's 29,600 square kilometres. However, Lesotho's reservoirs are very deep. At a height of 185 metres, the Katse Dam is the tallest in Africa and the Mohale Dam is also 145 metres tall. So in terms of volume, they are big enough to support a thriving fishing industry that could accommodate a great variety of fish from the about 150 common Southern African freshwater fish species (Harrison et al. 1963: 55, 57, 58; Skelton, 2001: 72, 79, 105-108). Fishing, cold storage, processing, packing and marketing should, with some training, provide opportunities for both entrepreneurship and employment for many thousands more Basotho – both skilled and unskilled.

Finally, the remoteness of many of Lesotho's mountain areas provides comparative advantages in the production of the illegal narcotic drug, dagga or marijuana. Ethics aside, returns to land would suggest that the scarce arable lands in those "safe" remote areas be used for narcotic drug production, and then smuggled across the mountains to markets in South Africa and beyond (United National Office on Drugs and Crime, 2006: 72). The havoc that such drug production could wreak on health and labour resources inside and outside Lesotho should be an important reason for both South Africa and the international community to assist Lesotho in training and resettling returning ex-miners into viable and legal economic activities. Providing funds for such training may require much smaller resources than what would be needed to fight remote mountain-areas drug lords, once they have become established, as the experiences from the Colombian and Mexican cases show (O'Regan, 2010).

4. Management Issues in Projects for Employment Generation

According to Wallman(1969:83-93,123-130), poor management could kill, and has killed, even viable projects in Lesotho and in many developing countries. So, as indicated above, though thorough feasibility studies would be required to establish the viability of the projects discussed in section 3, management issues that may impact positively on successful implementation need to be given careful consideration and attention. Some projects related to tourism may be intrinsically viable, in view of Lesotho's unique geographic endowments and the corresponding unique tourism products they could engender – a case of suppliers' market. However, poor management could kill

even such projects. The management concern for Lesotho's tourism-related projects may be proper marketing of the opportunities to attract direct investment; and this usually comes with high management skills. Some important guidelines, though, still need to be set for the management of even such projects: for example, emphasis of the employment-generation objective and exclusion of tourism activity that degrades the environment. Here, the suggestions of Bennett (2002: 27) for environmentally friendly tourism apply: protection of local vegetation, prevention of water pollution through proper disposal of sewage, protection of wildlife, etc.

Another consideration is projects with long pay-back periods. Here road construction and other infrastructural development (e.g. irrigation), training and support for local small-scale entrepreneurs, skills development, etc. – are likely to be managed by government, and funding would have to be sought. The discussion of management issues in this section is particularly relevant in raising awareness of areas that should proactively be given attention for successful implementation of projects in which local people, especially public sector workers, will play a dominant role. Five management issues will be considered and related to the suggested projects: funding for training and support of small local operators, prevention of cultural conflicts, dealing with skill shortages, determination and monitoring of critical activities, and introducing checks and balances for uprooting corruption. The overall supervision of the development projects suggested could be assigned to the Lesotho Highlands Development Project.

Ideally, small operators should participate in the projects for realization of the employment objective in rural Lesotho. But this will be possible only if **funding** is organized for such operators. According to Dutta (2009:372) obtaining financial resources are essential for a small business because it is called the life-blood of the business. In planning the funding of small operators, attention should be given to the difficulties commercial banks face in extending credit to such businesses: their unstructured nature (De Soto, 2000: 62-67) and their poor record-keeping, their dearth of professional bookkeeping and auditing skills, and their general difficulty with appropriate collateral. Because of the overarching aim of employment generation, and collateral's significance as an obstacle for small operators in sourcing funds, this difficulty could be addressed through selection of committed participants, training, and moral suasion.

Also, for new development projects, it is important to remember that “the fund-raising game is a marathon, not a sprint” (Sherman, 2002: 36) and so the search for funding should start early – as soon as project viability reports are completed.

Conflicts are common in projects of all types, but **cultural conflicts** usually occur when projects bring local participants and foreign project managers (sent by donor organizations) together. “Projects have diverse stakeholders; they often have team members from different companies [and even different cultural backgrounds] who frequently operate in a matrix environment” (Kloppenborg, 2009:362). Each of these factors has potential for causing conflicts, which attract attention of management because they divert efforts and energy from productive endeavours to wasteful feuds. Such energy could be put to productive use if proactive actions are taken to prevent wasteful conflicts. Prevention of such conflicts would require that steps be taken to turn the known causes of such conflicts – communication failures; biases; differences in personalities, energy, and motivation; dissatisfaction with remuneration; causes of delays; etc. (Kloppenborg, 2009: 363) – into preventive measure through anticipation, setting of ground rules, and early reaction to symptoms.

Lesotho does not have the institutional capacity to produce all the skills required by the projects identified in section 3 - architects, engineers, surveyors, etc. **Shortage of certain critical skills** may therefore pose a challenge to management. Permission should therefore be obtained in advance from the authorities – including the Ministry of Interior – to use foreign skills in the short

term, while locals are being trained for the medium- to the long-term. Issuing work permits to foreign skilled workers should then not be a time-consuming drudgery that could cause delays in project implementation.

The duration of the implementation of a project is often directly linked to the overall cost of the project, making the scheduling of project activities to minimize delays through identification of those activities which, if delayed, could affect completion time and increase cost critical for successful project implementation. Determination of **critical activities** – activities with minimum floats – involves breaking the project down into its activity components, listing of resource requirements for each activity, estimating duration of each of these activity including resource procurement and resource bottlenecks, possibilities of non-critical activities being delayed beyond their allowable floats and thus becoming critical, etc. (Slack et al, 2006: 487; Kloppenborg, 2009: 228). Because of the technical nature of critical path analysis, it is imperative that experts be involved at this stage of project planning, since lapses could cause delays and inflate cost and erode viability of a project.

If defined as “the use of public office for private gains”, which would include practices like contract kickbacks in public procurement, ghost orders, bribery, nepotism, and outright embezzlement of public property by public officials (Jensen et al, 2010), then Lesotho has been grappling with **corruption** for a long time (Ministry of Trade and Industry, Cooperatives and Marketing, 2008). The impact of Corruption is that it increases the cost of projects and thus affects project viability. To overcome corruption, accountability procedures must be clearly laid out upfront to discourage diversion and use of project resources for private ends or for enrichment of certain stakeholders. It is important in this regard for those appointed as project managers to be above board; their reputation would then indicate determination for accountability procedures to be rigorously enforced. A culture of fighting corruption is also necessary for reducing its incidence.

5. Conclusion

This paper has shown how migration shocks are turning the unemployment problem in Lesotho into a crisis of income vulnerability at household level – causing significant reductions in incomes in former migrant households and pushing them into poverty. It was, however, argued that opportunities exist for employment creation in the rural areas of Lesotho that have traditionally sent out migrant workers to the mines in South Africa. Examples were given of development projects that could be implemented in the country’s comparative advantage areas of tourism and handicraft, inland fishing, and irrigation cropping in the Senqu River valley – not only to boost employment in the short term but also to increase the employment-generating capacity of the domestic economy in the long term.

Foreign direct investment that will keep to the employment objective and preserve the environment is cited as one way of implementing the projects that are identified for employment generation; and such investment usually comes with management skills. However, Lesotho’s value added would be enhanced if local entrepreneurs are encouraged into these projects. It is in the context of such local participation, especially in projects with long pay-back periods in which government may play a significant role, that the management issues discussed in the paper – securing funding, avoidance of cultural conflicts, dealing with skill shortages, determination, scheduling, and tracking of critical activities, and uprooting corruption – become most relevant. Proactive attention should be given to these and other management issues to ensure success both in the implementation of these projects and in increasing employment and reducing rural household income vulnerability to migration shocks.

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