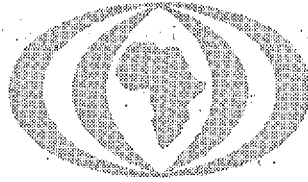


DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS



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LESOTHO AND THE SOUTHERN AFRICAN DILEMMA

As the early December raid by South African security forces on Maseru demonstrated, the Government of Lesotho - South Africa's closest neighbour - has to tread a line between hostility and compromise with Pretoria.

This Brief Report, prepared by the Research Staff at Jan Smuts House, discusses the following :

1. Background Information and Statistics;
2. History and Recent Political Developments;
3. Recent Economic Developments; and
4. Foreign Policy.

1. BACKGROUND INFORMATION AND STATISTICS

Political Status : Formerly the British Protectorate of Basutoland and one of three High Commission Territories. Gained Independence from Britain as a Monarchy on October 4, 1966.

Head of State : King Moshoeshoe II, a constitutional monarch.

Form of Government : Executive authority rests with the Cabinet led by the Prime Minister. A nominated 93-member National Assembly is composed of members of the Basotho National Party (BNP), opposition parties, principal chiefs and a number of distinguished nominated citizens.

Defence : In the early Seventies a para-military Police Mobile Unit was established to deal with the unsettled political situation. In 1980 the force numbered about 1 550, mainly BNP party supporters. While this force has gradually been seen as a national army, its role is still essentially domestic.

Population : 1,3 million (1980 estimate).

Languages : Sesotho and English are both official.

Literacy : 65% (1979 estimate).

Currency and Exchange Rates : Lesotho currency : 100 Lisente = 1 Loti
(Plural : Maloti = M)
M1,09 = \$1; M1,93 = £1 (June 1982)
Lesotho used South African currency until December 1979. The Maloti is at par with the Rand and is interchangeable; both currencies are accepted as legal tender. Lesotho remains within the Rand Monetary Area.

Trading (Trend):* (M-Million)

	1975	1976	1977	1978	1979
Exports	10,3	14,7	12,2	30,3	33,5
Imports	117,8	179,6	201,2	241,0	339,0
Balance	-107,5	-164,9	-189,0	-210,7	-305,5

* Comprehensive Balance of Payment statistics not available.

Budget Estimates (Trend): (M-Million)

	1977/78	1978/79	1979/80	1980/81	1981/82
Recurrent Revenue	69,7	77,4	96,7	109,5	105,4
of which :					
Customs Union Receipts	32,8	56,1	71,5	71,4	72,8
Recurrent expenditure	40,0	56,7	68,6	102,4	130,0
Development expenditure	19,7	66,4	70,0	83,6	135,7

Consumer Price Index (Trend): (1975 = 100)

	1976	1977	1978	1979	1980	1981
	114,4	130,0	140,8	163,3	188,9	217,0

Other:

GNP : \$390 per capita (1980)

GDP : \$520-million (1980)

GDB : \$ 74 per capita (1970-71) rose to \$318 per capita (1979-80)

Exports : Diamonds, wool, mohair.
Remittance from adult male workers (as many as 50% are employed on South African mines).

Imports : Food (including maize) and livestock, clothing and textiles, machinery and transport equipment, petroleum products, chemicals, footwear, etc.

2. HISTORY AND RECENT POLITICAL DEVELOPMENTS

Lesotho's progress towards independence was initiated by the Constitution of 1959, which established representative government; the Territory became internally self-governing in 1965. In the elections held in April 1965, the Basutoland National Party (BNP) - a moderate conservative party led by Leabua Jonathan, who entered the Assembly to become Prime Minister in July 1965 - won 31 seats; the Basutoland Congress Party (BCP), a left-leaning Party led by Ntsu Mokhehle won 25 seats; and the Marena Tlou Freedom Party, led by B.M. Katketla, won 4 seats.

In the general election of 1970, the opposition BCP won a majority of seats, but the Prime Minister declared a state of emergency, suspended the constitution and arrested Mokhehle and other leaders of the BCP (who were released in late 1971). King Moshoeshoe II was placed under house arrest and later exiled; he returned in the same year, after submitting to government pressure which prohibited the Monarchy from direct involvement in politics.

Violence erupted again in January 1974, when five police stations were attacked by armed bands, said to be followers of Mokhehle. Jonathan swiftly dealt with the situation by introducing new security laws and the BCP leadership, including Mokhehle, fled the country. The Mobile Police Unit pursued the attackers and an unknown number of people were killed and some 200 detained. At the time, Jonathan hinted that a foreign power - thought by some to mean Pretoria - had helped the rebels: in February a new bill "to fight terrorism" was introduced in the Parliament.

Between 1974 and 1978, there were moves towards political reconciliation but these were not successful because of a hardline attitude towards the opposition. In 1979, a resurgence of violence occurred with scores of refugees fleeing over the borders into the Orange Free State and, by this conduit, to Botswana.

These pressures caused the BCP to split into two factions; internal and external. In an effort to draw support away from the external wing - backed by the Lesotho Liberation Army (LLA) - Jonathan announced an amnesty for political exiles which ran in September 1980 and May 1981. Despite this reconciliation, the LLA has continued its campaign to force Jonathan to call internationally supervised elections. In spectacular developments, the LLA has claimed responsibility for bomb attacks in Lesotho in 1981 and 1982.

In a parallel development some fairly prominent members of the BCP returned to Lesotho in 1981 and participated in Jonathan's government. Although Jonathan has promised to call an election since 1975, it is clear that a lack of confidence in his own support may account for the continuing delay. On the surface the LLA's activities have provided Jonathan with an excuse and the security situation is quite clearly too fragile for a national election which would be internationally acceptable.

3. RECENT ECONOMIC DEVELOPMENTS

Lesotho is one of the world's least developed countries, with few national assets, except diamonds and the hydro-electric potential of its rivers. As little as 13% of the land is arable and population pressure and

over-grazing have resulted in extensive soil erosion. The economy is primarily agricultural with this sector accounting for 30% of the GDP, and employing about 85% of the resident labour force.

Prior to independence there was no planned economic development, but since 1969 Lesotho has completed two 5-year development programmes and entered a third in 1980. The first 5-year plan (1970 - 1975) was largely exploratory, establishing the planning capability and completing a survey of minerals. During the second 5-year plan, significant progress was made in the construction of a national road network and other infrastructural development.

A change in emphasis occurred after 1976 when tension rose with South Africa on the question of Transkeian recognition. Lesotho sought to reduce links with South Africa, in areas such as employment opportunities, trade, marketing, energy and transport.

Real incomes grew rapidly in Lesotho during the 1970s, due mainly to the increase in wages earned by Basotho migrant workers; a large proportion of this income is remitted to Lesotho.

The domestic economy grew at an average of 4% in the period 1970 - 1979, with mining and construction making the major contributions.

The Letseng-La-Terai diamond mine in which the government has a 25% share and which began production in 1977 was thought to offer some relief in export earnings. However, due to falling profits as a result of rising production costs and a sluggish world market the mine is due to close down before the end of 1982.

Lesotho is a member of the Southern African Customs Union and this generates approximately 65% of the national revenue. Lesotho's dependence on South Africa, despite the strained political relations between the two countries, together with the poor employment situation in Lesotho, led the UN to declare in 1977 an emergency scheme to cover road and air transport and food distribution costing R57,1 million, and an accelerated development programme costing R40,7 million. In the period 1981 to 1985, only 11 000 jobs are expected to be created while the labour force over the same period will grow to 92 000.

4. FOREIGN RELATIONS

Lesotho's relations with other Black Southern African states are good. Despite an initially cool relationship with the OAU, Lesotho has participated increasingly in African activities.

Nevertheless, Lesotho's cardinal relationship is with South Africa, and Jonathan owed some of his original success in maintaining power to South African support, with Pretoria viewing Jonathan as a useful bastion against the "socialist" and "Africanist" policies of the BCP.

Jonathan accepted advice, assistance and support from South Africa and South Africans were placed in key government positions after the BNP won the 1965 pre-independence elections. In the early years of independence, the BNP government followed a pro-South African and strongly anti-Communist line. Jonathan's government even co-operated closely with South

Africa's Police and bowed to South African commercial opposition to the establishment of certain industries in Lesotho that would have competed with those in the Republic.

Apart from a very short period of strained relations between Lesotho and the United Kingdom, due to Jonathan's action after the 1970 election, the Western World has supported the Pretoria - Lesotho connection. In recent years the government of Lesotho has exploited international hostility towards South Africa in order to increase direct western economic and political support.

Anti-South African denunciations increased after the 1976 Soweto insurrection and the independence of the Transkei in the same year. Lesotho has refused to recognise the Transkei, and in November 1976 accused South Africa of unilaterally closing the border between South Africa and Lesotho as a means of forcing Lesotho to recognise the Transkei. A UN Special Mission reported in April 1977, that the border was effectively closed due to the insistence of the Transkeian authorities that border permits be produced before Lesotho nationals were allowed to cross into the Republic at those points.

The effects on Lesotho of the border closure were disastrous, especially in the Qacha's Nek district adjoining the Transkei, because this district relied heavily on goods and services obtained from or through the Transkei, there being no alternative road link. The Security Council immediately instituted an aid package, and since 1978 rapid progress has been made in providing internal road links with the affected districts and in establishing emergency food stocks.

Relations with South Africa deteriorated further during 1979 and 1980 with Lesotho accusing Pretoria of harbouring BCP members, and of complicity in a wave of bomb attacks. The South African government denied these accusations, but many feel that Pretoria was content to see Jonathan embroiled in domestic problems, thus deflecting his increasingly anti-South African stance.

For its part, the South African government was alarmed by the visit of a Cuban delegation to Lesotho in May 1978, and the establishment of diplomatic relations between Maseru and Havana in 1979. This development led to a strong public warning from the South African Prime Minister that Lesotho should "not go too far".

Quite clearly South Africa has long held the fear that ANC terrorists would use Lesotho as a springboard for operations in South Africa. The Maseru raid should be seen as an attempt by the South African government to graphically demonstrate the conditions attached to normal relations with Lesotho. This proverbial line in the sand - similar to that which South Africa achieved with the Matola raid of 1981 - indicates that under no circumstances will South Africa tolerate active ANC bases in its neighbouring states.

Since August 1980, a reversal of policy towards South Africa has occurred following a meeting between Prime Ministers at the Peka Bridge borderpost. It is thought that these talks led to a South African commitment to co-operate with the Lesotho Government in overcoming the insurgency problem in return for Lesotho adopting a less vociferous anti-South African position.

Agreement was also reached on the need for closer economic co-operation and a decision was taken on principle to proceed with a massive water and power project in the Maloti Mountains as the Lesotho Highlands Water Scheme.

Two years after the Peka Bridge talks, Lesotho's political problems have not disappeared; the BCP has continued its insurgency activities and South Africa has denied charges of complicity. Relations between South Africa and Lesotho have consequently continued to fluctuate.

The most important and lasting aspect of the Peka Bridge talks was, however, the water scheme, for it is of interest to and of consequence for all in Southern Africa. The completion of the project will depend entirely on the state of political relations between Lesotho and South Africa in the next two years. The scheme envisages the export of millions of cubic metres of water by the mid-1990s, to a South Africa desperately short of water. The cost of the project is conservatively put at \$1,3 billion, and estimates of its earning potential equal the entire present revenue of the Lesotho government.

The plan is eventually to sell 35 million cubic metres of water per annum, with a probable export earning of \$99 million; and planned electrical capacity will save an estimated \$22 million in imported energy costs per annum.

Although the idea has been propagated for 20 years or more, it was only last year that a basic agreement between Maseru and Pretoria was reached.

The EEC will provide \$5 million for a full feasibility study to run from 1982 to 1984. Construction is planned to begin in 1987, and the whole project is expected to be completed by 2006. Financing will be provided by the EEC, World Bank and South Africa, which has insisted on full participation at every phase of implementation.

The project has put Lesotho in an odd position for it is also a member of the Southern African Development Co-ordination Conference (SAPCC), together with eight other Southern African countries which are seeking ways to lessen their dependence, especially in trade and transport, on South Africa.

Yet the Lesotho Highlands Water Scheme will increase Lesotho's dependence on Pretoria rather than the opposite. Its economy will be firmly tied to South Africa for decades to come and will add more unknowns to an already highly complicated political equation. There is no doubt that for Lesotho, struggling in its path towards development, all roads seem first to go through Pretoria.

This attempt at functional co-operation between South Africa and Lesotho has obviously been threatened by the Maseru raid. Paradoxically, however, given the fragility of the Jonathan government, the Maseru raid may yet drive it closer into South Africa's arms.

JAN SMUTS HOUSE
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