

Emerging trends in the migration of Basotho Miners

Preface

Generation of pertinent, accurate and timely economic information is one of the prime functions of the Research Department of the Central Bank of Lesotho. Equally important is the analysis of such information particularly the analysis of the destabilising effects of changes in the economy. These functions require constant vigilance on the part of the economists to whom this important task is entrusted.

When the South African authorities announced a decision to award permanent residence status to mineworkers, including Basotho mineworkers, the potential economic consequences of this decision became the subject of intense speculation by policy-makers, analysts, and ordinary Basotho alike.

A sudden mass exodus of Basotho mineworkers and their families to take up residence in South Africa could potentially erode the gains made in the last nine years of economic stabilisation. The possibility of the country going back to more stringent stabilisation programmes such as the Enhanced Structural Adjustment Programme ((ESAP) did not seem too far-fetched. On the other hand, a gradual exodus of the families of Basotho mineworkers would provide policy-makers with breathing space to plan and implement corrective measures. The need to assess the likely reaction of Basotho mineworkers to this offer was clearly evident.

This research report which was commissioned by the Bank's management, is an attempt to provide policy-makers in Lesotho with a snap-shot of the mineworkers' attitudes in the months immediately following the announcement of this important policy decision. Other than

providing key decision-makers with accurate information on which to base decisions, the significance of this report lies in the promptness with which the results of the survey were presented to the relevant authorities. This effort is all the more noteworthy considering the fact that the announcement came in the run-up to the Christmas holidays. Although field work had to be postponed until January, the draft report was presented to the relevant authorities by mid-March.

These achievements would not have been possible without the unqualified support of the Governor and his Deputy. They were both instrumental in getting the Board to approve the funds for the project. They also provided moral, intellectual and administrative support during the trying months of the project. Many thanks are also due to members of the Research Department, particularly Ms Manneko Setsabi, who agreed to act as Deputy Survey Director despite her other official duties.

This preface would not be complete without acknowledging the continued support of The Employment Bureau of Africa (TEBA) for allowing us to mount interviews at their recruitment centres throughout the country. Special thanks are also due to the Principals of the High Schools, mentioned in the body of the report, for assisting us in the recruitment of interviewers. Quadrant Computers provided timely technical services during the data-processing stage of the survey. The efforts of numerous interviewers, interviewees and data-capturing staff are also duly noted. Needless to mention, any errors of commission or omission remain those of the author.

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Executive Summary

- (1) In October 1995 the South African authorities announced a decision to award permanent residence status to foreign mineworkers, including Basotho. This decision marked a turning-point in the history of the 125 year-old migrant labour system.
- (2) The system has historically generated substantial economic benefits to Lesotho through remittances by the mineworkers. These benefits include:
 - (i) M625.5 million in net foreign exchange earnings in 1995; and
 - (ii) increased economic activity in Lesotho as a result of expenditures by mineworkers' households. Income accruing to the domestic distributive sector as a result of these multiplier effects is estimated at 18 per cent of Gross Domestic product (GDP), while government revenues are thought to have been boosted by 10 per cent and employment to the tune of 1816 jobs.
- (3) A mass exodus of Basotho mineworkers could result in a substantial dwindling of these benefits.
- (4) Under the circumstances, the Central Bank of Lesotho embarked on a study to determine the short-term macroeconomic implications of this development. The study aimed at establishing the likely numbers of Basotho mineworkers who will migrate to the RSA with their families. It also sought to establish the intended level of remittances, if any, by departing miners. These results were to be obtained by way of a survey.
- (5) Survey results show that around 33 per cent of all Basotho mineworkers will take their families to the RSA.
- (6) The departing miners will, however, continue to remit monies to Lesotho. Their intended remittances are estimated at around 30 per cent of their monthly incomes. This is significantly below the 71 per cent currently being remitted by all Basotho mineworkers.
- (7) The mineworkers' decisions to migrate were found to be strongly related to various factors, such as age and ownership of livestock and fields. Similar relationships have been observed by other authors.
- (8) In all likelihood, departing miners will leave within the next three years up to 1999. The highest proportion will leave during 1997 in time for the new school year in the RSA.
- (9) Housing will not be a serious constraint in the timing of the departure by these workers. Miners' housing needs are varied, with most preferring to live in their own houses.
- (10) A primary difficulty associated with analysing the macroeconomic impact of these developments is that individuals do not, as a rule, stick to their original plans. Experience in other countries suggests that prospective migrants generally take between 3 and 5 years "experimenting" with various forms of migration. However, the general tendency is for mineworkers to ultimately opt for longer-term migration.
- (11) As a result, several scenarios were run, based on different assumptions regarding the number of mineworkers who will adhere to their original plans. The most likely scenario indicates that remittance will fall by 25 per cent from their current level. The multiplier effects of this drop will mainly be felt in the retail, transport and wholesale sectors. The combined income of these sectors is expected to fall by as much as 5 per cent of GDP resulting in the loss of nearly 456 jobs.

(12) In the short to medium term, fiscal and monetary policies will have to be tightened further in order to forestall the impending crisis in the external sector.

(13) The longer-term implications of these developments need to be assessed. Chief amongst these is the need to explore alternative sources of foreign exchange for Lesotho in order to fill the gap created by the fall in mineworkers' remittances.

1. Introduction

In October 1995 the south African authorities announced a decision to award permanent residence status to foreign migrant mineworkers. This decision marked a turning point in the history of the migrant labour system which had been in existence for a period of more than 125 years. Under this system, black foreign mineworkers, including Basotho men, worked in the Republic of South Africa (RSA) on the basis of one year contracts. During the term of their contracts these men lived in single-sex hostels and were forced to return to their home country upon the expiry of their contracts. Their families could only visit them after prior arrangements had been made with the mining authorities. Even then, the maximum visiting period was 14 days. As a result, a practice evolved over the years in which these men visited their homes during weekends; hence the common reference to them as weekenders.

Although the system has been severely criticized on the grounds that it disrupts the normal family life, it has nevertheless generated substantial material benefits to the Lesotho economy. These include foreign exchange earnings derived from remittances by these mineworkers, increased economic activity and employment resulting from multiplier effects of expenditures by mineworkers' households, and increased government revenues in the form of indirect taxes such as sales tax and import duties.

The move towards a more liberal system of migration will no doubt have wide-ranging economic implications for Lesotho. The benefits that the old system has generated for more than a century will be affected. It is currently estimated that each mineworker remits 71.3 per cent of his income of Lesotho every month. Under the new system of migration, some miners will opt to take their families to the RSA.

When this happens, Lesotho's foreign exchange earnings will be reduced, domestic economic activity will slow down, national income will fall, unemployment will rise and the government will find itself with reduced revenues. It is hard to imagine any aspect of Basotho life that will not be affected by this development.

Of immediate policy relevance is the need to establish the extent to which this policy decision will affect Lesotho's economy. Accordingly, the broad objective of this study is to assess the macroeconomic implications of this decision. The specific objectives of the study are to:

- i) obtain estimates of the number of Basotho mineworkers who will move to the RSA with their families;
- ii) obtain estimates of the number of Basotho mineworkers who will choose to remain as weekenders;
- iii) estimate remittances by Basotho mineworkers in (i) above and
- iv) on the basis of (i) and (iii) above assess the macro economic implications of these developments.

The immediate end-use of the results of the study will be to provide the relevant authorities with the necessary benchmark data for formulating short-term macroeconomic policies. Indeed, this was the primary motivation for undertaking the study. A sudden drop in mineworkers remittances can lead to imbalances in the external and internal sector. Macroeconomic managers need to know the extent of the impact so that fiscal and monetary policy instruments may be adjusted accordingly.

Still on the short-term use of the results, the business community will find the results of the study useful. Lower remittances have implications for sales turnover and growth prospects of the domestic market. The retail and transport sectors in particular will have a keen interest in the developments in this area. These sub-sectors derive a large part of their sales from mineworkers' household.

Long-distance bus operators, for example, provide weekend transport to these workers.

The results of the study will also be useful to long-term planners. An exodus of Basotho mineworkers with their families may lead to demographic changes. This will in turn, have implications for the demand of public services such as education and health. The results of the study will also provide the basis for further studies on political and social implications of the collapse of the migrant labour system.

There has also been immense public interest in this issue. The migrant labour system has been described as a way of life for Basotho miners. This issue was discussed twice on the local radio talk-show and once on the South African one. There was also a documentary on this subject on the RSA television broadcast. In all these programmes, there was intense speculation regarding the likely future course of events in Lesotho. The results of this study will shed some light on this issue.

Estimates of departing as well as remaining miners will be obtained by way of a survey. Remittances by the former group will be obtained in the same manner. The target population will be all Basotho mineworkers currently employed in the RSA. These mineworkers will be interviewed using a pre-tested questionnaire by trained interviewers.

The rest of the report is organized as follows: Chapters two and three are intended to give the necessary background information to the study. Chapter two motivates the subject by detailing the benefits and costs of the migrant labour system. The purpose here is to highlight the issues that are at stake, or those threatened by the ending of the migrant labour system.

The third chapter details the events that led to the decision to end the system. Chapter four is the core of the report. It is in this chapter that the findings of the study are discussed. The chapter also discusses, in some details, the future course of the Lesotho RSA mineworkers migration. Chapter five discusses policy implications of the results, with special emphasis on issues concerning macroeconomic management. The conclusion is given in the final chapter. The report also contains appendices which give details of survey design and implementation, statistical tables, questionnaire and interviewers' guidelines as well as the media release by the RSA government.

2. The Migrant Labour System, its nature, benefits and costs

In primitive economic systems where the main activity is hunting and there is virtually no trade between economic units, resource reallocation between nation states may not take place. However, as the system gradually evolves into an exchange economy brought about primarily by regional disparities in resource endowments and specialization, resource reallocation becomes an inevitable consequence. The region that offers the best returns will tend to attract these resources, while other regions will act as sources. This reallocation can take place within a nation state, for example from rural to urban areas, or between nation states.

The movement of mine labourers from Lesotho to the RSA should be seen against this background. The beginnings of the migrant labour system date as far back as the first forty years of the birth of Basotho as a nation (circa 1824). A major impetus to this process was the boom in commercial wool farming in the then Eastern Cape Colony. During this period, thousands of Basotho began working in the RSA, mainly on a seasonal basis during wool-shearing seasons. It was during this period that the Eastern Cape authorities adopted a policy of controlling the movement of these labourers into their territory. A series of regulations and proclamations were passed to give effect to this policy, the culmination of which was the passage of the Kaffir Employment Act of 1858. This act stipulated that black labourers could only work in the colony for a maximum of 5 years and a minimum of 1 year.

With the discovery of diamonds and later gold in the Witwatersrand area, the migrant labor system intensified. These new areas of economic activity called for the supply of additional labourers. These were drawn not only from within the RSA, but also from neighbouring countries including Lesotho. During the same period, there was a further tightening of influx control measures aimed primarily at controlling the movement of black persons into the then so-called "white areas". By 1968, 100 years after the discovery of diamonds, black mineworkers

were reduced to one year contract workers. The migrant labour system had fully evolved.

Before the October 1995 changes, the migrant labour system was characterised by the following features. Basotho mineworkers worked in the RSA mining industry on the basis of one-year contracts. Before renewing the contract, a miner had to produce proof that he had left the RSA and entered Lesotho upon the expiry of his contract. This forced exit out of the RSA served to prevent these workers from qualifying for permanent residence status in the RSA. The majority of these workers, mainly those in the lower job categories, live in single-sex hostels in the RSA, while their families (wives and children) live in Lesotho. Family members can only visit after prior arrangements with mining authorities. The maximum visiting period is 14 days. Under the circumstances, these workers have had to make frequent home-visits during their contract period. It has now become common practice for these men to visit home during weekends, hence the reference to them as "weekenders".

Recruiting agencies in Lesotho have been integral part of the migrant labour system. Because of the forced separation of miners from their families, these agencies have had to assume added responsibilities. Apart from their standard duties of recruiting mine labourers on behalf of the mines, these agencies now transmit messages between miners and their families.

In 1974, after consultations with the mining authorities and representatives of the mineworkers, the government of Lesotho introduced the Deferred Pay Scheme. Under this scheme, a proportion of a miner's salary is transferred to a bank in Lesotho and held in trust until he withdraws it. Miners were allowed to withdraw from the fund only at the end of their contracts. Several changes have been made to the scheme since its inception. These include the reduction of the proportion of income transferred to Lesotho from 60 per cent to around 30 per cent in 1991, as well as the introduction of the emergency clause to allow miners to withdraw monies from the fund in case of emergency.

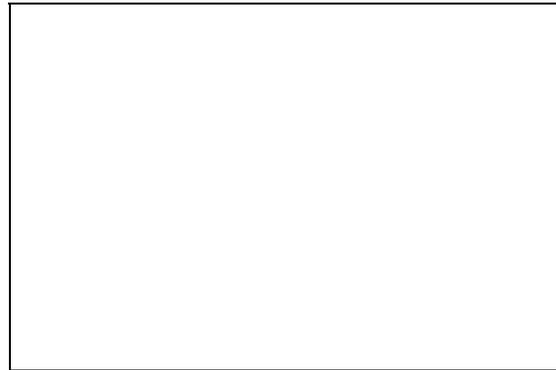
The number of Basotho mineworkers employed in the RSA has increased steadily over the years. From a mere 20 000 at the

turn of the century, the numbers of these workers increased continuously, until the mid 1970s when they peaked at a level slightly above 100 000. The 1990s ushered in a new downward trend in the numbers of these men. They have since declined to 103 744 in 1995.

From an economic point of view, an important feature of the migrant labour system is the remittances made by these workers to Lesotho. Basotho mineworkers remit monies to Lesotho to support their families. Some of these remittances are in cash, while others consist of goods such as clothing, farming implements, household equipment and building materials. A survey undertaken by the Central Bank of Lesotho between 1992 and 1993 indicated that a miner remits 71.3 per cent of his income to Lesotho every month. Of this total, 47.3 per cent is in the form of cash remittances, while the rest is in the form of remittances in kind. The monetary value of these remittances has been quite substantial over the years, ranging between 40 and 45 per cent of Lesotho's Gross National Product (GNP).

Monies transferred to Lesotho through the Deferred Pay Scheme (DPS) form part of this 47.3 per cent. At the time the survey was undertaken, 30 per cent of each miner's salary was transferred through the deferred pay scheme. This implies that the balance, or 17.3 per cent, was transferred to Lesotho through other channels. The chart below shows the channels through which monies are transferred to Lesotho. It shows that other than the DPS, there are other important channels through which monies are transferred to Lesotho. These include recruiting agencies, friends and relatives. Miners also bring monies on their person when they visit their homes.

Channels through which money is remitted to Lesotho



The Migrant Labour System vs International Migration

In discussing the benefits and costs of the migrant labour system it is important to draw a distinction between the migrant labour system and international migration. For the purposes of this report, the term migrant labour system will be used to refer to an arrangement under which Basotho mineworkers are forced by law to become one-year contract migrant workers. This arrangement is characterised by the lack of choice on the part of mineworkers in terms of which form of migration they would prefer.

By contrast, international migration will be used to refer to the process through which workers leave their country of birth to go and work in a foreign country. These workers are free to choose the form of migration that is best suited to themselves and their families. Experience shows that international migration takes four different forms. Workers may choose to be weekenders, seasonal, temporary or permanent migrants. Once this distinction is made, it becomes clear that the benefits to Lesotho under either system will be different. The following examples illustrate this point.

Example 1

The migrant labour system has been criticised on the grounds that it disrupts the normal family life by separating men from their families (wives and children) for long periods. It is argued that this forced separation causes severe emotional stress

for family members. It is important to note that this cost, for family members, is a direct result of the migrant labour system. International migration does not necessarily lead to such costs. Under international migration, families that place a premium on being together would opt for other forms of migration, e.g. permanent migration, in order to avert emotional stress.

Example 2

It is often argued that mine employment offers Basotho men higher returns than farming. This differential in returns induces Basotho men to abandon farming or to leave it to young boys and women who are ill-suited for these types of activities. As a result, agricultural output usually declines following out-migration by these men. The point being made here is that whatever opportunity costs may be associated with this out-migration they are likely to vary depending on the form of migration system in place.

Example 3

Under the migrant labour system workers are forced by law into becoming one-year contract workers, whereas under an open system they are free to choose the form of migration that they desire. Under the former system there would clearly be a higher number of one-year contract workers and hence a higher level of remittances to Lesotho. Under international migration, with no restrictions, not all miners would choose to be one year contract workers. One would therefore expect a relatively lower level of remittances under this system.

Example 4

Employment opportunities for unskilled workers are not a benefit generated by the migrant labour system. It is rather international migration that offers employment prospects for unskilled Basotho male workers. Those workers who cannot find employment in Lesotho may secure such employment in the RSA through the process of international

migration. The migrant labour system only forces these workers to keep coming to Lesotho by denying them residence privileges in the RSA.

These examples indicate that in discussing the benefits or costs of the migrant labour system, care should be taken not to confuse them with those that arise purely as a result of international migration. This report is concerned only with the pros and cons of the migrant labour system, for it is this form of migration that will be affected by the 1995 policy changes by the RSA authorities.

Benefits of the Migrant Labour System

Foreign Exchange

Mineworkers make remittances to their families on a months basis. These remittances are a direct result of the fact that miners spend their working lives in the RSA, while their dependants live in Lesotho. It is important to note that the situation would have been markedly different had the RSA authorities opted for a more open system of migration based on each miner's freedom to choose the most suitable form of migration. Under such a system, some miners would have opted to live permanently with their families in the RSA. Others would have chosen to take their families and to only return to Lesotho when they retire. Yet others would have chosen to be visited by their families for a period exceeding the current maximum of 14 days. Finally, there would still be those who would opt for the current situation of visiting home regularly. A wide range of migration forms would have evolved.

However, even under such an open system there would still be a certain amount of remittances to the Lesotho economy, primarily because some miners would still prefer to have their families residing in Lesotho. Therefore, an appropriate measure of the foreign exchange benefit to Lesotho arising out of the migrant labour system is the difference between remittance under the current system and the level of remittances

that would have prevailed under a more open system of migration.

Remittances would be smaller under a more open arrangement because not all miners would choose to be contract migrant mineworkers. Some would have preferred to live permanently in the RSA and thus not make any remittances to Lesotho. By contrast, remittances are higher under the current restrictive system because all miners are forced to be contract migrant mineworkers. This restrictive arrangement has therefore resulted in a higher than normal level of remittances. It is this "excess" level of remittances that constitutes a measure of the foreign exchange benefit of the migrant labour system.

Some observations have argued that this foreign exchange gain to Lesotho is insignificant. They argue that as soon as this foreign exchange gets to Lesotho it quickly find its way back to the RSA when miners' households buy imported items. Although this may be true, the results are somewhat overstated. Miner's households do not spend all of their foreign exchange on imported goods and services. Suppose a miners' household spends R600 on imported goods and R400 on school fees, health services and local transportation, then the net effect is that the country has gained R400 in foreign exchange. Through domestic trade R400 is distributed to other residents in the economy. It is this R400 that constitutes a foreign exchange gain to Lesotho.

Based on the marginal propensity to import to 0.5 by miners' households, the net foreign exchange gain to Lesotho during 1995 could be in the region of R627,5 million¹. This amount represents monies that mineworkers' households spend on locally produced goods and services. It provides a measure of the migrant labour system. It is this amount that Lesotho may lose if all miners, decide to reside with their families in the RSA.

¹ Foulo (1991,p.9) estimated that the marginal propensity to import in Lesotho was around 0.61. Cavendish (1989,p.7) had earlier estimated a figure of around 0.63. Given that mineworkers' house holds derive a portion of their food supplies from subsistence farming. It is quite likely that their marginal propensity to import may be somewhat below the national average.

It is useful at this point to examine the foreign exchange implications of the end to the migrant labour system. As some miners leave for the RSA with their families, the amount of foreign exchange that the economy receives will decline. Although Lesotho's imports of goods and services will also decline, they will not fall to the same degree as foreign exchange². This will give rise to an imbalance in the external sector. Lesotho's imports will rise relative to exports and the current account balance will deteriorate.

Multiplier Effects

The migrant labour system has also been led to increased economic activity in Lesotho. However, due to the open nature of Lesotho's economy, most of this impact is largely felt in the services sector of the economy. The retail sector is probably the largest beneficiary of the migrant labour system. This is evidenced by the fact that one can find small shops and cafes in even the remotest parts of the country. These enterprises derive a sizeable part of their sales from mineworkers' families. The mark-ups that these enterprises put on imported household items constitute one measure of the indirect effect of the migrant remittances. The other is the number of jobs generated by these enterprises. The observation commonly made by visitors to the country, that almost every household in the rural areas boasts modern furniture and household appliances, is another evidence of the ripple effects of the migrant labour system.

The local transport sector is another beneficiary of the migrant labour system. Due to forced separation of the mineworkers from their families, a practice has evolved over the years whereby mineworkers make home visits, particularly during weekends. Bus operators are known to reschedule their fleets in order to provide late night transport to the workers during weekends.

Government revenues are also higher than they would be in the absence of the migrant labour system. Mineworkers' families pay indirect taxes such as sales tax and

² A marginal propensity to import of less than one is a sufficient condition for this result to hold.

import duties. The latter accrue to government in the form of Customs Union revenues as a result of Lesotho's membership in the Southern African Customs Union (SACU).

If these miners who were forced to live in Lesotho against their will, take their families to the RSA, there will be a decline in domestic economic activity unless effective countermeasures are undertaken. Retail enterprises, which derive a large part of their sales from mineworkers' households, will be the hardest hit by this development. The transport sector will find itself with fewer passengers and government revenues from sales tax and import duties will suffer a set-back. The overall impact will be a **decline in the Gross Domestic Product (GDP)** driven largely by a lower than normal contribution from the retail as well as the transport sectors.

Faced with lower sales, the retail sector will have to reduce the size of its labour force. The transport sector will have to trim down its work force. The public sector, faced with lower than normal revenues, may start looking for ways to cut expenditure. If government focuses on recurrent expenditure, it may also mean a trimming down of the civil service. Overall, the country as whole may have to contend with an **increased unemployment level**.

A summary showing the benefits of the migrant labour system is given in Table 1. The information used in the compilation of this table has been pieced together from various reports, but mainly from the recent survey of Basotho mineworkers by the Central Bank of Lesotho.

Out of 7,1 cents remitted to Lesotho, only part is spent on domestically produced goods, the rest finds its way back to RSA. It is estimated that only 36 cents are actually spent on domestically produced goods. The foreign exchange benefit to Lesotho is thus only 36 per cent of a miner's income. In 1995, this net foreign exchange gain to Lesotho was estimated at some R627.5 million (column 2 in the table).

Out of the 36 cents spent on domestically produced goods and services, 9 cents go to the retail sector and one cent

goes to the transport sector. In 1995 the total amounts were estimated at M156.9 and 17.4 million respectively. Miners' households also contribute an estimated 9 cents to government coffers in the form of indirect taxes (sales tax and import duties). Some of the import duties are actually spent in the RSA when the miner buys goods to bring to Lesotho. These duties then find way to government coffers through SACU receipts. Employment opportunities created by the migrant labour system through growth of the retail and transport sectors are estimated at around 1816³ jobs.

Table 1. A breakdown of Miner's Expenditures Out of a Unit of Earnings

Expenditure Item		Amount Mill M 1995
1. Income	1.00	1734.00
2. Expenditure in the RSA	0.29	
3. Remittances	0.29	
3.1 Imports	0.35	
3.2 Expenditure on Domestic Goods and Services	0.36	627.48
3.2.1 Retail	0.09	156.87
3.2.2 Transport	0.01	17.43
3.2.3 Education, Health & Other	0.14	244.02
3.2.4 Taxes	0.09	156.87
3.3 Savings	0.03	52.29
4. Total Expenditures	1.00	
5. Employment indirectly Generated	1816	

The Costs of the Migrant Labour System

³ The methodology for arriving at the employment figures is given in Appendix D.

The Costs of the Migrant Labour System

Most of the costs attributed to the migrant labour system are in fact due to international migrant phenomenon. The alleged decline in agricultural output as Basotho men abandon farming is a case in point. Another example is the popular claim that the migrant labour system discourages young boys from attending school because it offers them alternative employment that does not require educational training beyond basic reading and writing skills. Proponents of this view point to the low male-female ratios in Lesotho's educational institutions. This cost is not a direct result of the migrant labour system. The migrant labour system only denies Basotho men residence privileges at their places of work. It is international migration that discourages young Basotho men from attending school.

When the migrant labour system comes to an end, these costs will persist. Basotho men will still abandon farming in search of mine employment. Young boys will still not feel compelled to attain higher education as long as mine employment is perceived as a viable alternative. Only a cessation of international migration will bring an end to these costs.

There are, however, certain costs that can be attributed purely to the migrant labour system. These turn out to be quite small in comparison to the benefits of the system. The costs revolve largely around public finance issues.

The Free-Rider Problem

The provision of public goods always poses problems in economies where decisions are based on market principles. Public goods are goods that the market, would not provide on its own because of their non-exclusive nature. Examples of such goods, or services are law and order, roads, education, health services and broadcasting services. Although the market does not normally provide these goods, society nevertheless values these goods and the government usually takes the responsibility of providing them. In

order to do this, the government levies taxes on its residents.

Mineworkers' households pay most of these taxes, particularly indirect taxes, just like any other household in Lesotho. However, other households pay Lesotho income taxes. Mineworkers do not pay this tax as their incomes are not taxed in the RSA.

Mineworkers' households have access to these goods just like any other household in Lesotho. Their children attend schools in Lesotho, they obtain medical services in Lesotho, enjoy the same protection under the law as any other household and they have access to national radio services. However, their contribution towards the provision of these goods is lower than that of other households in Lesotho because they do not pay this tax.

This is a direct cost of the migrant labour system because miners pay income tax to one country but enjoy the services of these taxes in another country. Had the migrant labour system not been in place, mineworkers' households would live in the RSA and thus have access to the RSA goods and services to which they have contributed through their income taxes. Because of this, households in Lesotho have put up with higher tax rates so that public goods can be provided to a wider section of society.

Mine-Related Illness

The high incidence of tuberculosis amongst mineworkers has been linked to working conditions in the mines (particularly underground work). Through the migrant labour system, victims of these illnesses have to be treated in Lesotho. Under the circumstances. Lesotho's health sector has to provide treatment to these workers who would otherwise be residing in the RSA. Had the system been more open, some of these victims would have chosen to reside in the RSA and hence would receive treatment there. After all, they acquired these as a direct result of working in the RSA. The cost to the economy is the excess burden of taxation that residents of Lesotho have to put up with so that the government can expand health services.

The net effect of Benefits and Costs

The migrant labour system has generated substantial economic benefits for Lesotho. These include foreign exchange earnings, increased economic activity as a result of multiplier effects of miner's expenditures in Lesotho and job creation resulting from these multiplier effects. The costs of the system have, on the other hand been small relative to the benefits. They include an excess taxation burden to residents of Lesotho. This arises because mineworkers pay direct taxes in the RSA, while their families enjoy public goods provided by the Lesotho government.

Given the fact that the costs of the migrant labour system have been small compared to the benefits, the basic conclusion is that Lesotho has been a net beneficiary of the migrant labour system. Unfortunately, this system is about to undergo major changes. The country is now faced with prospects of:

- i) declining national incomes.
- ii) increasing unemployment and
- iii) worsening external sector position

The extent to which these will occur will depend crucially on how many Basotho mineworkers will opt to reside in the RSA. Also important will be the remittances of these workers. Accordingly, this study will seek to establish, in quantitative terms, the answers to these questions.

3. Winds of change

The South African mining industry, like any other industry, is in a constant process of adaptation necessitated by political developments on the one hand and market-based changes on the other hand. The world supply and demand for minerals change from time to time, which usually results in prolonged swings in the prices of these commodities. A sustained upward swing in the price of gold, for example, may cause mining houses to open new mines, hire more workers and improve the general working conditions of these workers.

However, to get a clearer understanding of the events that have led to the present developments, it is equally important to take cognizance of the fact that there are four other major players in the industry. The RSA government sets general policy guidelines through legislation, taxes and other market-based incentives. Then there are the mining houses who make decisions driven largely by the profit motive. The third major player is the National Union of Mineworkers (NUM), whose overall objective is to represent the interest of the workers. During 1980 a new player, the Southern African Labour Commission (SALC), came onto the scene. The members are Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. This intergovernmental body represents a coalition of states supplying labour to the mining industry. The original objectives of this Commission were to bring about an end to the migrant labour system and to develop a joint approach aimed at the betterment of working conditions of mineworkers.

The South African mining industry has gone through three distinct phases of adaptation during the past thirty years. These were largely sparked by political developments in labour supplying states. In 1974 the Malawian government banned the recruitment of labour from within its borders following the plane crash in which 72 Malawian mineworkers were killed. Although the ban lasted for only 5 years, it served to highlight the industry's vulnerability to labour from foreign

countries. The gaining of independence by Mozambique, with its preference for socialist policies, served to increase further the industry's aversion to foreign labour. This 'internalization' policy was applied with some vigour. This is evidenced by a fall in the share of foreign workers from around 80 per cent in 1973 to 40 per cent in the 1980's.

The period of the 1980s saw an increase in the dominance of the NUM in the affairs of the industry. Demands for better wages and working conditions for black mineworkers increased. Wide-ranging reforms were proposed and subsequently embraced by the industry. One of the key pillars of these reforms was the stabilization policy, which sought to change mine jobs into career jobs. Under this policy the mines were to lengthen the working contracts of the miners, provide greater job security and reduce the intake of novices. The Job Reservations Act was repealed, thereby paving the way for black miners to occupy job categories which had hitherto been reserved for whites. The training of these workers was intensified in an effort to transfer the requisite skills to black workers. It was also under these broad policy reforms that several mining houses took an active part in providing family housing to black mineworkers in senior job categories.

These favourable reforms did not last long. As the decade of the 80s drew to a close, the price of gold started to tumble. From a high of USD 446 an ounce in 1987, it bottomed out as USD 343 in 1992. There has since been a gradual recovery, but one that does not look set to reverse the trend in a sustained manner. While the price of gold was steadily falling, the mines found themselves faced with yet another problem - that of declining ore grades. During 1980 these mines would recover 7 grams of gold per ton of milled ore. By 1990, the ore grade had declined to only 5 grams per ton. During the same period, the growth rate of wages showed no signs of abating. The end result of all these developments was that during the 90s, most mines found themselves with squeezed profit margins.

Faced with these problems, the industry entered a phase of downsizing, restructuring and wide-scale retrenchments. The number

of Basotho employed in the industry has since fallen continuously from a peak of 127 386 in 1990 to 112 722 in 1994.

1995 as the Turning Point

Policy Changes with Respect to the Migrant Labour System

The year 1995 will go down as the watershed in the history of Lesotho labour migration. It marked a definite policy change by the South African authorities with respect to the migrant labour system. The system has been described by many as the creation of the apartheid system. Black mineworkers from foreign countries were treated in the same manner as South African blacks. The former was forced to oscillate between their places of work and their home countries, whereas the latter was forced to return to the homelands.

As the new political order in the RSA unfolded, it became increasingly clear that the homeland system the homelands and other so-called self-governing territories into the RSA brought an end to the migrant labour system in so far as black South African workers were concerned. These workers could not live legitimately in any part of South Africa.

However, the fate of black workers from foreign countries remained unclear for quite some time following the birth of the new political order in the RSA. Indeed, no clear policy towards these workers was announced by the new regime. In the run up to the new order, most analysts had predicted a gradual phasing out of foreign workers from the mining industry. It was argued by many that the new regime, eager to solve its own internal unemployment problem, would look to the mining industry to provide much needed jobs. Others argued that the pressure would come from the unemployment urban middle class in the RSA. The latter prediction was somewhat vindicated judging by the events that took place in the early part of 1995. Sporadic incidents of violence broke out in some mining towns between foreign black mineworkers and black South African

residents. The latter accused the former of taking their jobs.

It was not until President Mandela's visit to Lesotho during 1995 that elements of South African policy towards Lesotho began to emerge. In a speech to the Basotho nation made at a pitso at the national stadium, the President outlined the broad parameters of that policy. It was a policy based on a regional approach to economic and political problems. A state of affairs in which there was vibrant South African economy alongside increasing poverty in neighbouring countries could not be sustained. To this end, he argued, South Africa had a role to play in ensuring that the economies of neighbouring states were not unduly disrupted by South Africa. The problem of retrenchments of Basotho mineworkers was not only a problem to Lesotho, but to ernment to provide official assistance to returning Basotho miners. Thus the president sought to reassure the people of Lesotho that Basotho's employment in the RSA mining industry was guaranteed for as long as market conditions permitted. There would be no conscious policy on the part of his government to discriminate against foreign workers in the mining industry.

In the run-up to the November local elections (the first such elections under the new dispensation), the NUM became increasingly vocal in its demand for an end to discrimination against foreign workers when it came to the issue of permanent residence. The migrant labour system had been designed to deny foreign workers residence privileges in the RSA. Foreign workers were employed on the basis of one-year contracts. Upon the expiry of these contracts workers were forced to return to Lesotho and their contracts could only be renewed upon production of proof that they left the RSA and entered Lesotho. This mechanism served to deny the workers permanent residence status. According to the Aliens Control Act, foreigners qualified for permanent residence if they had lived in the RSA for a continuous period of five years. The point made by NUM was that this law was applied in a discriminatory manner because European mineworkers had qualified under the same law and yet miners from neighboring

countries were denied residence rights even after working in the RSA for more than five years. The NUM threatened to take the issue to the constitutional court.

An agreement was finally reached after weeks of intense negotiations on this issue between the NUM and the government representatives. At a meeting held between President Nelson Mandela, NUM President James Motlatsi, Home Affairs Minister Mangosuthu Buthelezi and other government representatives, it was agreed that:

“... all persons who participated in the April 1994 elections with a temporary voters’ card and who have not yet obtained an identity document are nevertheless regarded as permanent residents of the RSA and should be afforded an opportunity to apply for such a document.

The modus operandi followed in respect of applications for temporary voters’ cards was ... that the applicant had entered the RSA before 13 June 1986,...”

The meeting which lasted virtually all weekend, continued until well after midnight on October 29, 1995. This agreement came only a day before the local government elections on November 1. Apparently, in the run-up to the April 1994 general elections some Basotho miners had already been awarded temporary identification documents thereby making them de jure permanent residents of the RSA. The problem emerged when these workers came to apply for a permanent identity document and were told they did not qualify.

The significance of the agreement lies in marking a turning-point in the history of the migrant labour system. Mineworkers from foreign countries who have worked in the RSA for a period of more than five years could now apply for permanent residence status in the RSA. In this way, the RSA – Lesotho labour migration was changed for the better. Mineworkers from Lesotho, like all other international migrants, could now exercise their **choice** to take up South African residence or continue as weekenders.

Provision of Family-Housing Units

Despite the difficult conditions faced by the mining houses, several family-housing projects gained momentum during 1995. The housing projects had been initiated during the boom period of the 1980s but was limited, at that time, to black mineworkers in senior positions. This action by the mining industry was in accordance with government’s initiative of upgrading housing conditions for the disadvantaged members of the community. In August 1995 leading mining houses entered into agreements with NUM to provide family-housing units to mineworkers. The single-sex hostel system was also to be phased out by turning these hostels into family units.

Improved Prospects in Safety Standards

The Vaal Reefs mining disaster in which some 59 Basotho were killed once again brought the issue of safety standards on the mines to the forefront. A commission of inquiry into the general safety standards in the industry was appointed and the report is expected to be a significant factor in forcing mines to view this matter more seriously than before.

Diversification to Other Parts of Africa

Declining grades and rising labour costs are forcing South African mining giants to look elsewhere for business. Indications are that these enterprises are looking at particularly Western and Central African countries owing to stable macro-economic environments in these countries and prospects of lower mining costs.

4. The findings

The results reported here were obtained by way of a survey. The survey was intended to establish Basotho mineworkers attitudes or plans following the offer of permanent residence status by the RSA authorities. Details of the survey design are given in Appendix B.

4.1 Permanent Residence Status

According to the South African Identification Act of 1986, all persons from foreign countries who wish to become permanent residents of the RSA have to apply for an Identification Document (ID). Once a person is in possession of an ID, he/she is regarded a permanent resident of the RSA. An ID entitles its holder to a wide range of privileges and benefits not normally available to persons residing in the RSA under an ordinary residence permit. Permanent residents can vote in the local, provincial and national elections. They can stand for a public office at local-government level. They qualify for a wide range of government social programmes, such as subsidised medical treatment, school fees for children and welfare programmes such as old-age pensions. They can also seek work in other industries in the RSA.

What is perhaps more important from the point of view of this study is that a miner, once in possession of an ID, can take his family to the RSA. His wife and children automatically qualify for permanent residence status. They can live in the RSA without the problems of having to apply for residence permits and the children can study in the RSA without having to apply for study permits.

Although some of the social programmes are to some extent, available in Lesotho, they are nevertheless not as lucrative as those offered in the RSA. Therefore, most Basotho mineworkers may want to get access to these social programmes by becoming South African permanent residents. However, due to cultural affinities, some miners may opt to only acquire an ID but to continue living in Lesotho.

Table 2 gives the intentions of Basotho mineworkers regarding application for permanent residence status. Nearly a quarter of the miners indicated no desire at all to apply for an ID, citing cultural affinities as reasons for not applying. Some thought that this could mean an automatic revocation of Lesotho citizenship. Others thought that they could be intimidated by Lesotho immigration officials if it was discovered that they were in possession of South African IDs. Another important group are those who were sceptical about the supposed benefits of having an ID. It is clear from the reasons cited that some miners were not fully aware of their rights and/or the implications of acquiring permanent residence status in the RSA. If this observation is valid, it can be expected that the proposition of those who do not intend to apply may change as more accurate information filters through.

Table 2. Basotho Mineworkers' Intentions On Whether they will Apply for South African IDs

Intention	Number	Percent
Already has an ID	2 856	3
Do not intend to apply for an ID	2 629	26
Intend to apply for an ID	74 159	71
Undecided	0	0
Total	103 744	100

The initial information problems notwithstanding, the majority of Basotho mineworkers, nearly 71 per cent, indicated that they intend to apply for IDs. Some, around 3 per cent, were already in possession of IDs. Respondents gave various reasons for applying for or wanting to have IDs. Typically, each respondent gave more than one reason. These ranged from the desire to be joined by the family, access to old-age pension, subsidized schooling for children and employment prospects in the RSA.

4.2 Migration Patterns

The announcement by the RSA government in October 1995 that foreign mineworkers would be granted permanent residence status, upon application effectively brought an end to the old system under which mineworkers were denied a choice. Henceforth Basotho mineworkers will exercise their choice as to which country they want their families to reside in. Experience in countries with open system of migration indicates that there are generally four types of migration patterns:

Seasonal Migrants are those who cross international borders in search of economic benefits (primarily employment) for a period not exceeding a year. Seasonal migration results from an uneven labour demand in the receiving country. For example, farmers in the host country may require additional labour during harvesting seasons.

In this survey, seasonal migrants were defined as those mineworkers who will be visited by their families in the RSA for a period not exceeding a year. Family members may predominantly be wives and/or children. Miners who would take their children for schooling in the RSA were also defined as seasonal migrants. These children could reside in the RSA for the duration of the school-term only. The children need not necessarily live with the parent under the same roof. A father may work in the Orange Free State, while his children attend school in another province.

Some miners may be joined by their wives only when circumstances permit. This may be when agricultural work at home has subsided, in the case of wives who practice subsistence farming, or when on leave in the case of employed wives. In some cases children may attend school in Lesotho, but choose to visit the father during school holidays. To be classified as a seasonal migrant, a mineworker has to be visited by dependants for a period of not less than 14 days but not exceeding a year.

Temporary Migrants. These are workers who take their families with them to a foreign country for a period exceeding a year, the primary motive being to return to the home country sometime in the future. Under this category would fall all those

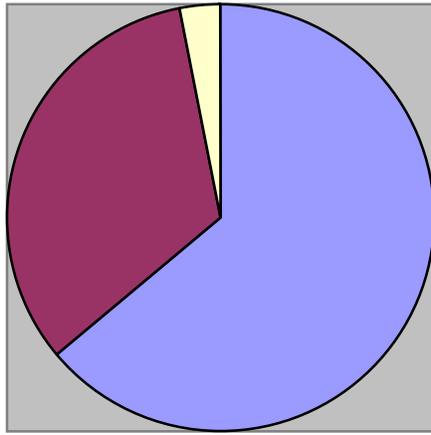
mineworkers who will take some or all of the dependants with them to the RSA.

The family will come home, together with the father, only when the latter retires or loses his job. Of course, the family members may still visit relatives in Lesotho. The rule of thumb here was that the miner should be joined by his family for a period exceeding a year, but the primary motive of the family should be to return home sometime in the future.

Permanent Migrants. For the purposes of this survey, permanent migrants were defined as mineworkers who would take their families with them to the RSA, the primary motive being to reside indefinitely in the RSA. Such migrants have no intention of returning to Lesotho at all, save perhaps for brief visits to relatives and friends.

Weekenders. This is the final group of miners who will continue as if nothing has happened. These workers do not in any way intend to take their families to the RSA. For lack of a better term, this group will be referred to as weekenders, or those who will not move to the RSA with their families. The group will include miners whose children will continue to attend school in Lesotho. Wives and/or other dependants may visit, but only for a period of **strictly** less than 14 days. For all intents and purposes, this group includes the miners who have no intention at all of breaking with the past. They want to continue as 'weekenders' – visiting home only on weekends while their wives and families reside in Lesotho.

As estimated 64 per cent of the mineworkers do not intend to break with the past – they want to continue as 'weekenders' (see the pie-chart below and Table A1 in the Statistical Appendix). Their families, wives and other dependants will continue to reside in Lesotho. The mineworkers, on the other hand, will continue to return home during weekends or when they are on leave. Included in this group are those mineworkers who indicated no desire at all to apply for IDs. A larger proportion in this group however wants to be in possession of an ID but does not intend to move to the RSA with their family, be it on a seasonal, temporary or permanent basis.



■ Will not move: 64% ■ Will move: 33%
 □ Undecided: 3%

Miners' opinion on moving to the RSA

This latter group wants IDs primarily for the economic benefits. They have no intention of residing in the RSA with their families. For this group, cultural affinities are very important. They want to maintain close ties with their home base, while at the same time availing themselves of benefits offered by being permanent residents of the RSA. These benefits include subsidised health services and school fees, old-age pension and unemployment insurance. It should be mentioned that health and educational services are also subsidised in Lesotho. The difference, however, is that these services are more subsidised in the RSA than in Lesotho. The question of **quality** of these services, particularly in the health sector, is probably another reason that serves to attract miners. Unemployment insurance is not currently available in Lesotho. Given the fact that a large number of Basotho mineworkers have lost their jobs in recent times through retrenchments and lay-offs, it is not surprising that one of the most recently stated reasons for applying for IDs was to qualify for unemployment insurance.

is surprising that such a large percentage of Basotho mineworkers attach little importance to family togetherness. These workers stated that while they want IDs, they have no plans at all to take their families with them to the RSA. They still prefer the old system where they visit home when time permits, rather than be joined by their families at their places of work. Should this be a lasting trend, it leads one to question the validity of the age-old claim that the migrant labour system was disrupting the normal family life.

Around 33 per cent of all Basotho mineworkers will take their families with them to the RSA. This group attaches great importance to family togetherness. For them, the main reason for applying for IDs was to be joined by their families at their places of work. It is this group that the claim that the migrant labour system forcefully separated families finds support. The migrant labour system denied these men an opportunity to be joined by their families at their places of work. When they did, it was only for a period of strictly less than 14 days.

The majority of mineworkers in this group prefer to be visited by their families on a seasonal basis. When asked about the specifics of these visits, most men (around 55 per cent of all intended migrants) indicated that they would prefer their wives and children to visit them during certain times of the year, such as during school holidays or when agricultural activities permitted. Also, in this group were miners who would only take

their children to the RSA primarily for schooling. For this latter group, the wife and other dependants would still reside in Lesotho while the children would attend school in the RSA. Some indicated that school fees in the RSA were lower than in Lesotho and children will also get free books. The other often cited advantage was that after schooling, these children would have better chances of find employment in the RSA than if they had been schooled in Lesotho.

The second largest group of intended migrants was that of temporary migrants. Out of a total of 34 754 intended migrants, 9555 were in this group. These men indicated that their wives, children and other dependants would join them in the RSA. The whole family would only return to Lesotho when the husband retires. Family members would come to Lesotho for brief visits only.

The final group of intended migrants were those who planned to reside in the RSA permanently. This group made up nearly 17 per cent of all intended, migrants. They would continue to reside in the RSA, even after the husband had retired.

Only 3 per cent (see Table A1 in the Statistical Appendix) of all miners were undecided as to whether they would move to the RSA with their families. They indicated that they were still weighing the pros and cons of the two options. Others indicated that they had not discussed the issue with their spouses. Some preferred to adopt a 'wait and see' strategy.

The incipient migration patterns of Basotho mineworkers are similar in some respects to those observed elsewhere. In a study of the migration of workers from the former Yugoslavia to the Federal Republic of Germany, Bohning (1975) finds that migration patterns generally adopt three forms; seasonal, temporary and permanent. He also finds that permanent migrants are usually the smallest group. In the case of Lesotho, all of the three groups will emerge. Similarly, all indications are that permanent migrants will form the smallest group of migrants.

Survey results also indicate that Basotho migration patterns are unique in some

respects. Whereas Bohning found that temporary migrants were the largest group. Lesotho looks set to be different at least in the initial stages. In Lesotho's case, temporary migrants will only be second to seasonal migrants.

What is perhaps more important is the fact that for historical reasons, Lesotho's case will continue to have, for some time to come, a large proportion of miners continuing as 'weekenders'. This system of 'weekenders' has been around for more than a century and it is unlikely that it will be undone over night. A gradual phasing out of this category can however, be expected.

4.3 Remittances

Virtually all of the economic benefits to Lesotho arising from the migrant labour system result from remittances by the mineworkers. These benefits were discussed in detail in Chapter 2 of this report. They include foreign exchange earnings and increased economic activity in Lesotho as a result of multiplier effects of expenditure by mineworkers' households. The latter can be measured by increased national income, employment and government revenues from indirect taxes.

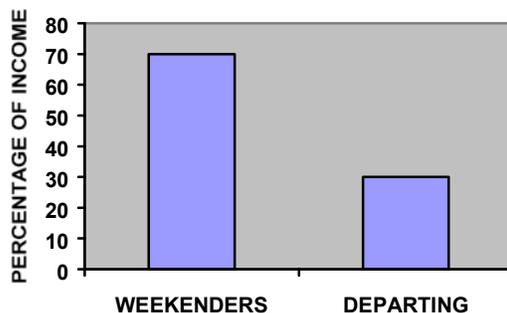
Nearly a third of the mineworkers will take their families to the RSA. How will this affect the amount of money remitted to Lesotho? How will all the other economic benefits be affected in turn? In the first instance, it is useful to recall that nearly half of all intended migrants will do so on a seasonal basis. They will only be visited by their families at certain times of the year. This in itself suggests that remittances will henceforth be seasonal. Remittances will tend to increase when family members are in Lesotho and they will fall when they go to the RSA.

Secondly, temporary migrants will continue to remit some monies. The intention of this group of miners is to return to Lesotho some time in the future. It can therefore be expected that they will continue to bring monies to Lesotho for the upkeep of their homesteads. They could also remit monies to support the dependants who will be left behind.

Survey results indicate that departing miners will continue to remit **around 30 per cent** of their monthly income. Table A2, in the Statistical Appendix shows that **intended** remittances by departing miners. Remittances are calculated as a percentage of monthly income. It is worth pointing out at this stage that non-departing miners or 'weekenders' are currently estimated to be remitting around 71.3 per cent of their monthly income⁴.

It is therefore evident that departing miners will remit less money than their counterparts, i.e. the weekenders (see bar-chart below). This is to be expected, as family members of departing miners will now be residing in the RSA. As a result, a large part of their economic activities will take place in the RSA, hence the lower percentage of remittances.

Remittances by two main groups of Mineworkers



Remittances by departing miners do not, however, drop to zero. There are several reasons for this. The first is that a large number of departing miners will do so on a seasonal basis. Family members will spend part of their time in Lesotho and part in the RSA. When they are in Lesotho, remittances will tend to increase and the reverse will happen when they visit the RSA. The second reason is that those who are departing on a

temporary basis will continue to make remittances, primarily to maintain their homesteads. Finally, it is worth noting that departing miners will not take all of their dependants with them and that some dependants will continue to reside in Lesotho. These dependants mainly include members of the extended family, such as parents and other relatives of departing miners. Mineworkers will continue to remit monies to support these dependants.

The percentage of income to be remitted appears to be inversely related to the expected duration of migration. Seasonal migrants plan to remit more money than the other two groups. Most intend to remit between 31 and 40 per cent of their monthly incomes. The majority of permanent migrants, on the other hand, intend to remit between 11 and 20 per cent of their incomes.

This inverse relationship has an intuitive appeal. Families of seasonal migrants will for all intents and purposes, spend their lives in both countries, s will be reflected in the higher level of remittances by workers in this group. The remittances of temporary migrants will mainly be used to support remaining dependants and for the up-keep of their homesteads. Their remittance level is therefore slightly lower than that of seasonal migrants, but higher than that of permanent migrants. None of the three groups plan to remit more than 60 per cent of their incomes.

4.4 Year of Departure

A sudden mass exodus of mineworkers could have serious economic and social consequences, not only for Lesotho but also for the RSA. The resulting macro-economic imbalances in Lesotho could catch policy-makers off-guard and by the time corrective measures are implemented, much damage would have been caused.

⁴ See Central Bank of Lesotho, Survey of Basotho Mineworkers April 1992-March 1993. Vol. II, Maseru, 1995

On the social front, the RSA authorities would find themselves with an unexpectedly higher influx of immigrants. Housing and other social amenities would be stretched to the full. This would probably result in the phenomenal growth of squatter camps.

On the other hand, a gradual departure of these workers would be less harmful. Policy-makers would have sufficient time to study, plan and implement necessary measures. It was therefore necessary to obtain some indications as to the likely time of departure by these workers.

This was however not entirely fruitful, as the majority of respondents were undecided on this issue. Over 75 per cent of the respondents indicated that their year of departure was not yet decided (Table A3). Only 8 per cent of the respondents indicated that they planned to leave during 1996, while a similar proportion indicated that they planned to leave during 1997.

This result notwithstanding, it can be expected that a majority will leave within the next three years. Several factors are in favour of this conclusion. Firstly, a majority taking their children for schooling in the RSA. For this group of miners, acquisition of an ID will be sufficient to allow them to leave. Indications are that most IDs will be issued during 1996. In all likelihood, this group of miners will take their children during 1997 in time for the 1997 school year in the RSA.

Secondly, for seasonal mineworkers who plan to be visited by wives and children at certain times of the year, housing is not likely to be a major problem. They could live with relatives or in rented premises in the RSA. Also, for this group of intended migrants, the necessary arrangements at home may not be as involving as those who want to leave on a temporary basis.

Thirdly, those who indicated that they already have IDs and planned to

leave on a temporary or permanent basis, said they would live in their own or rented premises. Some indicated that they had already acquired building sites, others were already in the process of building their own houses.

4.5 Housing

The availability of adequate family housing in the RSA could be a major determining factor in the timing of departure by intended migrants. If adequate housing is not available, miners who wish to depart may have to postpone their departure until they have secured suitable housing for their families. Respondents were therefore asked to indicate their preferred form of housing in the RSA.

Most respondents indicated that they planned to live in their own houses (Table A4). The second most preferred form of housing was amine house, with rented premises coming third. An insignificant number of workers indicated that they were prepared to live in shacks.

Housing needs were found to vary across the three groups of miners. Those who planned to depart on a permanent basis tended to prefer own housing to other forms of housing. This is evidenced by the fact that 63 per cent of permanent migrants plan to live in their own houses, compared to only 22 per cent of seasonal migrants. This result is consistent with what one would expect. Permanent migrants plan to live in the RSA indefinitely. They want to move their roots from Lesotho to the RSA. As such, it can be expected that the type of housing that proves security of tenure would be preferred by this group of migrants.

Temporary migrants also tended to prefer own housing, although to a lesser degree. Only 41 per cent preferred this form of housing compared to 63 per cent of permanent migrants. The security of tenure provided by own housing is again the main reason behind the preference of this form housing by temporary

migrants. The second most popular form of housing by temporary migrants was mine housing.

Housing needs of season migrants are split equally between mine house and rented housing. An estimated 27 per cent of workers in this group indicated that they would live in either a mine house or a rented house. Only 22 per cent indicated that they planned to live in their own houses.

The housing needs of departing miners are quite varied. The majority prefer to live in their own houses, while mine housing and rented premises share similar proportions. Housing needs are not concentrated on particular form of housing. It is therefore quite unlikely that housing will be a major constraint in the timing of departure intended migrants. Rented housing is usually not a problem. Own housing will depend largely on the miner's commitment to move. The more determined a miner is to move, the more likely it is that he will make the necessary sacrifices towards building his own house. Mine provided housing could be less responsive, but this accounts for only 23 per cent of required housing.

4.6 Factors in the Decision to Move

A miner's decision to move will depend on a number of factors. These include age, ownership of fields and livestock, employment status of spouse, ownership of dwellings, social amenities, costs of migration and prospects of employment. In recent years, one additional factor has received increasing emphasis, particularly in academic circles. This is the availability of information on conditions in the country of destination. In this regard, the influence of friends and relatives may bring vital information to prospective migrants about general conditions in the country of destination.

A survey by the European Coal and Steel Community (1957) highlights

most of these factors. Cultural affinities are seen as playing a very crucial role in the decision to move. The more deeply the workers are attached to their villages, friends, other family members and local music, the more unlikely it is that they will move. Those who are deeply attached to their 'roots' may decide to stay put. An additional consideration may be the expected difficulty in settling down in the new environment.

The age of prospective migrants is also important. The Community notes that migrants are usually aged between 22 and 34 years. Younger workers tend to put less emphasis on cultural affinities and are also more optimistic. As a result, they are more likely to migrate than older workers.

Ownership of a house, fields and livestock also tends to discourage workers from migrating. Workers with large herds of cattle may have considerable difficulty in moving. Conversely those with relatively fewer livestock may easily migrate. Similarly, workers who live in grate. Likewise those with no fields may be encouraged to migrate because the opportunity costs of migrating are lower for them.

The employment status of spouse is another important consideration. If employed in the country of origin, the decision to move may mean that they may have to survive on the income of only one member for some time. This could be a set-back, particularly if the family does not have sufficient savings or has long-term debt commitments. On the other hand, if only one family member has been employed, the decision to move may be encouraged by employment prospects of additional family members.

Several authors, for example (Mildred et al (1972), Herzog et al (1984) and Oberai (1977), have emphasised the importance of information and costs of migration in the decision to move. Prospective migrants are often discouraged from moving due to lack of information about the general

social and economic conditions in the country of destination. This lack of information creates uncertainties which workers hedge against by not moving. However, acquisition of such information through friends and relatives who were bold enough to move, may cause prospective migrants to move.

Relatives and friends may also provide temporary accommodation to incoming migrants. They can also provide a social atmosphere that could facilitate the settlement of incoming migrants in the new environment. As a result, there is a tendency for migrants to locate to areas which had previously attracted people from the same home area.

In previous studies, a tendency for younger workers to migrate was observed. In keeping with these results, the decision to migrate by Basotho mineworkers appears to be strongly related to the age of a mineworker. The majority of departing miners fell in the age group of 30 to 34, whereas that of remaining miners was between 35 and 39 years, (see Table A5). The age factor was more clearly visible in the temporary and permanent migrant categories. All of the workers who indicated that they planned to migrate on a permanent basis were under the age of 45. For those who planned to migrate on a temporary basis, none was over the age of 50. Miners who indicated that they would not migrate were most aged over 34.

The majority age group of Basotho miners appears to be shifting upwards. According to the 1986 Census, the majority of these workers fell in the age group of 25 to 29. In the 1992 Survey by the Central Bank of Lesotho the majority age group was 30 to 34. This survey should that a majority of Basotho mineworkers are now aged between 35 and 39. This upward shift may be a result of the stabilisation policy of the mining industry. This policy aims at transforming mining

work into a career. Accordingly the mines have sought to lengthen the working duration of miners. Labour turnover has been reduced and the recruitment of novices severely curtailed.

Previous authors have also observed a strong relationship between ownership of fields and the decision to migrate. In particular, it has been observed that those with fewer or no fields at all tend to migrate. Conversely, workers with large tracts of land find it difficult to migrate. A similar tendency was observed in the case of Basotho mineworkers (Table A6). Most of the departing miners, viz 62 per cent, reported that they have no fields. This percentage is significantly higher than the national average of 52 per cent landlessness amongst Basotho mineworkers. On the other hand, only 49 per cent of weekenders reported that they had no fields, a proportion that is 3 percentage points below the national average.

As in the case of age, the 'fields factor' is more visible amongst temporary and permanent migrants. Around 69 per cent of permanent migrants had no fields, while 66 per cent of temporary migrants were in the same position. These proportions are significantly higher than the national average of 52 per cent landlessness amongst Basotho miners.

According to the 1992 Survey by the Central Bank, nearly 49 per cent of all Basotho mineworkers were landless, i.e. they did not have fields. Almost similar results have been recorded in the present survey, where 52 per cent of the mineworkers reported that they had no fields. The similarity in the results yield by different surveys is an indication of the good quality of results in both surveys.

As in previous studies, ownership of livestock was also strongly related to the decision to move (Tables A7 and A8). The national average for Basotho mineworkers who have neither sheep nor goats was about 63 per cent. However, nearly 70 per cent of temporary migrants did not have either

sheep or goats. By contrast, 62 per cent of weekenders did not have either sheep or goats. A similar tendency was observed with respect to cattle ownership. Departing miners who did not have cattle were above the national average, whereas weekenders were below the national average.

The results of this survey were again strikingly similar to the 1992 Survey by the Central Bank. In the previous survey, 47 per cent of all Basotho mineworkers resorted that they did not have cattle. This result is extremely close to the 43 per cent returned by the current survey. This again serves to highlight the good quality of results in both surveys.

Employment status of a spouse was also expected have an influence on the decision to move. If the wife is employed in the country of origin, the family may find it difficult to move since this may mean reliance on the family may find it difficult to move since this may mean reliance on the income of only one member of the family. However, results of the present survey do not seem to support this proposition. A larger proportion of Basotho mineworkers whose wives were employed in Lesotho indicated that they would migrate to the RSA. The national average for Basotho mineworkers whose wives were employed, was 11 per cent. However, 12 per cent of Basotho workers whose wives were employed in Lesotho reported that they planned to move to the RSA. For temporary migrants, the percentage was even higher at 17 per cent.

This rather unexpected relationship actually has an intuitive explanation. Employed wives may feel that their chances of finding better paid jobs are higher in the RSA than in Lesotho. South African wages are relatively higher than those in Lesotho for comparable jobs. This wage differential probably serves as an

inducement for the wives of these workers to move to the RSA.

The relationship between educational attainment and the decision to move is not clear cut. One would expect that mineworkers with relatively higher levels of education would be more prepared to migrate. The relationship was only strong amongst workers with no formal education. No clear relationship was visible in other levels. Nearly 20 per cent of mineworkers with no formal education reported that they would not migrate. The percentage is higher than the 18 per cent national average for mineworkers with no formal education. By contrast, only 13 per cent of the mineworkers with no formal education indicated that they planned to migrate.

Ownership of a house in Lesotho appears to discourage miners from migrating. The majority of those who live in their own houses indicated that they would not move to the RSA. On the other hand, the majority of mineworkers currently living in parents' premises indicated the desire to migrate. For example, 16 per cent of mineworkers living in parents' premises indicated that they would migrate. This proportion is significantly higher than the 12 per cent national average of Basotho mineworkers who live in parents' premises. This relationship between house ownership and the decision to migrate is similar to that observed by other authors.

5. Policy implications

A major problem associated with analysing the macroeconomic impact of new migration trends is that individuals do not always stick to their original plans. Workers whose original intention was to become temporary migrants may end up as permanent migrants and vice versa. This creates a major uncertainty in the analysis because the remittance behaviour of the various categories of migrants is starkly different. As discussed in the previous chapter, permanent migrants intend to remit only up to 20 per cent of their monthly incomes while temporary migrants plan to remit up to 30 per cent of their incomes. In the event that most temporary migrants end up as permanent migrants, average remittances to Lesotho may drop significantly.

5.1 Category-Switching

In a leading article on migration issues, Bohning (1975) argues that **category-switching** is a widely observed phenomenon and as such needs to be taken into account policy formulation. He had the following to say about temporary:

“Once the (temporary migrants) are enmeshed in the pressures and rewards of consumer societies, and their social identity becomes increasingly divorced from their home setting, their temporariness is threatened” (Bohning, 1975).

By far the most predominant tendency is for temporary migrants to switch to being permanent migrants. Some permanent migrants may also switch to becoming temporary migrants, albeit to a lesser degree. It has also been observed that those in the seasonal category tend to transfer to the permanent category. In general, however, a tendency to switch from short-term to longer-term migration has been observed, rather than the reverse direction. Thus, there have been fewer incidences of people switching from permanent to temporary than from temporary to permanent status.

Given these tendencies, it is useful to distinguish between **intended migration** and **effective migration**. The former

concept refers to individuals' declared intentions. In the specific case of this survey, results shown in the statistical Appendix refer to Basotho mineworkers' intended or declared intentions. Some mineworkers will stick to these plans, while others will change. As discussed earlier, most miners will probably switch from short-term migration status to longer-term categories.

Effective migration, on the other hand, refers to the actual behaviour prospective migrants. Effective migration therefore refers to a more lasting situation, viz/ one that will prevail after mineworkers have 'experimented' with various forms of migration. It generally takes between 3 and 5 years for migrants to settle in their final category.

It can therefore be expected that some fluidity will be observed within the next 5 years, with more and more miners switching categories. The general tendency, however, will be for Basotho mineworkers to switch from weekenders and seasonal to temporary and permanent categories. Few will switch from permanent to temporary.

5.2 Impact on Remittances

Any attempt at an evaluation of the impact on mineworkers' remittances has to take category-switching into account. Tables E1 to E3 in Appendix E, show three possible scenarios on the impact on remittances as a result of incipient migration patterns. Table E1 gives a more optimistic scenario. In this scenario, all undecided mineworkers are assumed to ultimately choose to be weekenders and therefore continue to remit 71 per cent of their incomes to Lesotho. It is also assumed in this scenario that all other mineworkers stick to their original intentions. This assumption is optimistic in that it precludes the general tendency of migrants to ultimately switch to longer-term migration. There will thus be an overestimation of the level of remittances.

To keep matters simple, the impact of retrenchments and rising wages is not taken into account in all three scenarios. This decision is deliberate. It serves to bring to the fore the impact of the new migration

patterns. In reality, however, retrenchments are likely to continue and wages of mineworkers will, at the very least, keep pace with inflation. Taking these developments into account will only blur the picture. The primary motive here is to show the impact of new migration patterns. This can best be achieved by ignoring the unnecessary detail.

In all the three scenarios, it is assumed that a majority of mineworkers will leave during 1997. This assumption is in keeping with the discussion in the previous chapter. When departing mineworkers were asked to give their expected date of departure, most were undecided on this issue. However, a large proportion of those who were undecided indicated that they were waiting for their Ids to be issued. Most of these will receive their Ids during 1996, but will probably wait for the 1997 school year to commence in order to take their children for schooling in the RSA (most departing miners are seasonal migrants who indicated that they wished to take the children for schooling in the RSA). The specific assumption is that 10 per cent of departing miners will do so during 1996, 40 per cent during 1997, 25 per cent during 1998 and the rest in 1999.

In the best-case scenario the total impact of all these developments is a fall in mineworkers' remittances by 19 per cent to M1 006.52 million in 1999 (Table E1 in Appendix E). Most of the impact will be felt during 1997, reflecting a high departure rate during that year. This rather optimistic assessment is largely dependent on the fact that nearly 66 per cent of all mineworkers are expected to continue as weekenders and therefore continue remitting 71 per cent of their incomes.

Table E2 (in Appendix E) shows a median scenario. In this scenario, the assumption that all undecided mineworkers will continue as weekenders is dropped. Also, in keeping with experiences elsewhere, it is envisaged that most mineworkers will switch categories. Most will switch from being temporary to permanent, while some will switch from being seasonal to permanent and others from being seasonal to permanent and

others from weekenders to seasonal. These assumptions are shown in specific terms in Table E2 itself. For example, it is assumed that 40 per cent of all temporary migrants will switch to permanent migrants, while 10 per cent of seasonal migrants will switch to permanent migrants, while 10 per cent of seasonal migrants will switch to permanent migrants.

When all these developments are taken into account, Table E2 shows that remittances will drop by nearly 25 per cent by 1999. The effect of category-switching is to lower the level of remittances. For example, when mineworkers change from being seasonal to permanent migrant, their remittances drop from 35 per cent to only 15 per cent.

A worst-case scenario is shown in table E3. In this Table, some 30 per cent of weekenders change to being seasonal migrants. As more and more information filter through and some weekenders observe that their counterparts are after all better off, they may revise their earlier decisions. However, due to perhaps very strong attachments to their 'roots', they may choose an option category would probably be most suitable. Apart from this modification, most of the assumptions of the second scenario are retained. In this scenario, remittances fall by as much as 32 percent.

Irrespective of which scenario ultimately obtains, the general conclusion is that remittances will fall when new migration patterns take effect. This fall will be somewhat marginal during 1996, but will intensify during 1997. The last two years will probably witness some moderation in the decline.

Of immediate policy relevance, is the fact that remittances are not expected to recover (see graph below). They are expected to fall continuously until 1999. Although some miners may switch from longer-term migration to being weekenders and seasonal workers, the flow in the reverse direction is expected to be predominant. As a result, a net out migration will prevail.

Impact of new Migration patterns on remittances

(Remittances: Billion Maloti)

Year	1995	1996	1997	1998	1999
Remittances	1.24	1.22	1.07	0.96	0.93

5.3 Policies to Address External Sector Imbalances

A continuous decline in mineworkers' remittances will lead to **an unsustainable imbalance in the external sector** unless corrective measures are implemented.

The mechanisms that will bring this about work roughly as follows. As more and more miners take their families to the RSA, remittances to Lesotho will fall. Imports will also fall, primarily because more and more mineworkers' families will be taking up residence in the RSA. However, the fall in imports will not match the fall in remittances⁵. Specifically, imports will fall by less than the fall in remittances. This will lead to an external sector imbalance. Lesotho's imports of goods and services will increasingly exceed exports of goods and services. In the absence of other extraneous factors, this margin will widen as more and more miners take their families to the RSA.

Most of the imports will still be used for consumption purposes, mainly by the private sector. The imbalance would not pose a problem if an increasing proportion of these imports would be used for investment purposes. However, there is nothing to suggest that investment expenditure as a proportion of total expenditure in the economy will rise as more and more miners leave Lesotho. The resulting

⁵ A sufficient condition for this result to hold is that the marginal propensity to import be less than 1

imbalance will thus clearly be unsustainable in the long term. The perils of running an **unsustainable** imbalances cannot be over-emphasised.

There will therefore be a need for corrective measures in the short term. Fiscal and monetary policies will need to be tightened to forestall the impending unsustainable imbalance. The government will have to reduce its consumption spending through a tighter monetary policy.

The experience of the past eight years with the adjustment programme shows that fiscal policy will have to take a lead in this regard. Government consumption spending is currently around 30 per cent of total consumption spending. Without cuts in this component, little progress will be achieved. There is yet another reason why cuts in government consumption spending are likely to be more fruitful. Controlling private sector consumption is problematic. Government consumption, on the other hand, can be monitored and controlled.

5.4 Policies with Respect to Output and Employment

Expenditures by mineworkers' households lead to increased economic activity in Lesotho through multiplier effects. As argued earlier, beneficiaries of these expenditures are mainly in the services sector of the economy. The retail, wholesale and transport sectors can be singled out as the main beneficiaries. In 1995, value added in these sectors as a direct result of expenditures by mineworkers' households, is estimated at 18 per cent of Gross Domestic Product (GDP) and employment as 1 816 jobs.

A reduction in domestic expenditure as a result of more and more mineworkers' households taking up residence in the RSA will, without doubt, lead to a reduction in revenues could fall by as much as 2 per cent.

As mentioned, the main victims will be the local business community. The small business sector deserves

particular mention. Mineworkers' households are mainly cafes and retail outlets, incomes and employment in Lesotho. Gross domestic product could fall by as much as 5 per cent. Nearly 454 jobs could be in jeopardy as the process unfolds⁶. Government derives a large part of their sales from these households. Local bus operators also known to provide late-night transport services during weekends in order to ferry home-coming miners.

It may be useful to keep in mind that the fall in remittances, and hence expenditure, is not likely to be a transitory phenomenon, but rather more lasting. From this, it follows that corrective measures aimed at increasing employment and domestic incomes of affected groups will have to be sustainable. Little will be gained by implementing corrective measures that will be terminated after only a few years because they are not sustainable. What is required is a lasting solution to the problem.

The second point is that, in the absence of external financial assistance, a trade-off between external and internal sector balance cannot be avoided. Maintaining a balanced external sector position almost always leads to a deterioration of domestic economic activity. However, there is a limit to exploitation of this avenue. It has to be borne in mind that the country's ability to repay such loans, even if concessionary, could be severely eroded by a lasting, rather than transitory, fall in remittances. There is yet another caveat to this option. The task of ensuring that assistance reaches

targeted groups continues to be elusive. Suffice it to say that, this will continue to be a challenge to policy administrators.

A perhaps more viable alternative is for the authorities to focus on maintaining a balanced external environment. This will lead, indirectly, and after a time lag, to improved domestic conditions. The advantage of this option is that it offers a sustainable solution to the problem at hand. A healthy macroeconomic environment sends strong signals to foreign investors. Investment activity could increase, thereby helping to boost domestic economic activity. The only caveat is that the pay-off comes after a time lag.

5.5 The Need to Examine Long-Term Implications

In keeping with the Central Bank's immediate responsibilities, this study has focused on short-term economic implications of the problem. This does not, however, imply that the incipient migration patterns will not have long-term implications. A number of issues need to be examined in detail.

The need to explore alternative sources of foreign exchange for Lesotho cannot be over-emphasised. The challenge will be to find new foreign exchange earners that will make up for the gap created by the fall in mineworkers' households take up residency in the RSA, inward looking development strategies will not provide the required vent for surplus labour. There is therefore a need to reassess Lesotho's industrialization strategy.

The prospects for continued growth of Lesotho's import-substituting industry are bleak. Most of the giant enterprises in this industry are government-owned. They derive a large part, if not all, of their sales from the domestic market. Some of these enterprises have already been earmarked for privatization. How easy will it be to privatize them given that the domestic market from which they derive their sales is bound to shrink? Is some restructuring of these

⁶ A trivial point to be mentioned here is that as more and more miners household leave. Lesotho's Gross National Product (GNP) will also fall. However, the fall in GNP is not a useful measure of the decline in welfare because these households income will now form part of RSA's GNP. Migration only changes the country in which these incomes are consumed. For policy purposes, emphasis should instead be on multiplier effects of expenditure by mineworkers' households.

enterprises required? These are some of the issues that need further examination by the relevant authorities.

A mass exodus of mineworkers with their families will no doubt change Lesotho's population structure. Most of the departing miners are under the age of 44. Moreover, they will take their children with them to the RSA. These children will probably not come back to Lesotho after completing their training. What implications does this

have on Lesotho's labour force growth and wages? Is this likely to erode Lesotho's competitiveness as a source of cheap industrial labour? A careful examination of these issues and related ones is immediately required.

A smaller de facto population will also have implications for the demand for public services. The government will probably be under less pressure to build new schools, hospitals and other social amenities. How can the government use this 'windfall' to spearhead development?

Resource reallocation is an unavoidable consequence of modern economic systems. Region disparities in resource endowments, specialisation in particular economic activities and the constant search for the best returns, all provide fundamental pillars for the movement of persons from one region to another. Job seekers move from rural to urban areas and skilled workers from poorer countries to richer ones.

The removal of structural barriers to free movement of labour is bound to have destabilising effects on both the sending and receiving countries. For years, a sending country will have experienced an unusually buoyant level of economic activity as workers who would otherwise have settled in the second country were forced to return to their original country. Economic activity that would otherwise have taken place in the country of destination is forced to occur in the sending country. By definition, therefore, a removal of structural barriers will lead to a slowdown in economic activity in the sending country.

Lesotho and the RSA are in the emerging stages of this process. For more than a century, mineworkers from Lesotho were denied permanent residence status in the RSA. They were therefore forced to return

to Lesotho during and at the end of their working lives. When they did, they brought home with them monies they had earned. This resulted in an unusually buoyant economic activity in Lesotho.

The October 1995 decision award permanent residence status to Basotho mineworkers will normalise the Lesotho-RSA migrant patterns. This will result in a substantial slowdown in economic activity in Lesotho as more and more have settled into several years ago.

The extent of this impact is likely to be substantial as Lesotho could lose 25 per cent of its foreign exchange earnings. As mineworkers' households transfer their spending power to the RSA, several key sectors in the Lesotho economy will feel the pinch. Indications are that incomes in the retail, transport and wholesale sector will drop by as much as 5 per cent of GDP. Nearly 454 jobs will be lost in the process.

Policy-makers in Lesotho face enormous challenges. Fiscal and monetary policies will have to be tightened further. If not, there is a real danger that the successes of the past 8 years of macroeconomic adjustment will be undone by this development. There is a need to find alternative sources of foreign exchange to fill the gap created by the fall in mineworkers' remittances.

APPENDIX A – statistical tables

Table A1. Number of Basotho Mineworkers who intend to move to the RSA with family

Age	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
A.N.S.						
15-19	0	0	0	0	0	0
20-24	0	295	221	148	74	738
25-29	0	1,181	738	738	295	2,951
30-34	9,919	2,546	4,427	2,595	332	19,819
35-39	20,046	4,686	1,881	1,660	738	29,011
40-44	14,298	4,095	2,066	849	811	22,119
45-49	9,898	2,767	184	25	295	13,169
50-54	6,474	1,808	37	0	221	8,540
55-59	4,420	1,402	0	0	37	5,859
60-64	7,058	406	0	0	74	1,538
65+	0	0	0	0	0	0
Total	66,113	19,185	9,555	6,014	2,877	103,744

Table A2 Remittances by intended migrants

Percentage of income remitted	I Intended Migrants			Total
0 - 10	184	578	1,193	1,955
11 - 20	959	1,316	3,726	3,726
21 - 30	6,973	4,255	1,095	12,322
31 - 40	10,097	3,406	0	13,503
41 - 50	861	0	0	861
51 - 60	111	0	0	111
61 - 70	0	0	0	0
71 - 80	0	0	0	0
81 - 90	0	0	0	0
91 - 100	0	0	0	0
Total	19,185	9,555	6,014	34,754

Table A3. Intended Migrants by Year of departure

Year	Intended Migrants			Total
	Seasonal	Temporary	Permanent	
1996	1,623	443	517	2,583
1997	1,365	516	701	2,583
1998	221	111	148	480
1999	258	111	37	406
2000	0	0	0	0
Undecided	15,717	8,374	4,612	28,703
Total	19,185	9,555	6,014	34,754

Table A4 Intended Migrants by housing need

Type of Accommodation	Intended Migrant			Total
	Seasonal	Temporary	Seasonal	
Mine House	5,239	2,066	664	7,969
Own House	4,206	3,874	3,800	11,880
Shack	61	0	0	61
Rented	5,264	1,107	332	6,702
Undecided	4,415	2,509	1,218	8,141
Total	19,185	9,555	6,014	34,754

Table A5 Basotho Mineworkers classified by decision to move and age

Age	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
A.N.S						
15 – 19	0	0	0	0	0	0
20 – 24	0	295	221	148	74	738
25 – 29	0	1,181	738	738	295	2,951
30 – 34	9,919	2,546	4,427	2,595	332	19,819
35 – 39	20,046	4,686	1,881	1,660	738	29,011
40 – 44	14,298	4,095	2,066	849	811	22,119
45 – 49	9,898	2,767	184	25	295	13,169
50 – 54	6,474	1,808	37	0	221	8,540
55 – 59	4,420	1,402	0	0	37	5,859
60 – 64	1,058	406	0	0	74	1,538
65+	0	0	0	0	0	0
Total	66,113	19,185	9,555	6,014	2,877	103,744

Table A6. Basotho Mineworkers classifies decision to move and ownership of fields

Number of fields	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
None	32,434	10,183	6,333	4,169	1,439	54,558
1	12,949	4,058	2,287	885	480	0,659
2	13,073	3,210	873	959	627	18,742
3	5,541	1,734	61	0	258	7,594
4	1,432	0	0	0	74	1,506
5	498	0	0	0	0	498
6 or more	187	0	0	0	0	187
Total	66,113	19,185	9,555	6,014	2,877	103,744

Table A7 Basotho Mineworkers classified by decision to move and ownership of Sheep and goats

Number of Sheep and Goats	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
None	41,025	12,655	6,567	3,567	1,844	65,657
<5	4,046	2,509	1,476	1,218	72	9,322
5 – 9	4,358	1,033	480	406	111	6,387
10 – 14	4,295	701	861	517	111	6,484
15 – 19	1,494	553	111	307	111	2,576
20 – 24	3,175	812	61	0	221	4,269
25 – 29	996	148	0	0	74	1,217
30 – 34	996	627	0	0	37	1,660
35 – 39	1,121	148	0	0	0	1,268
40+	4,609	0	0	0	295	4,902
Total	66,113	19,185	9,555	6,014	2,877	103,7444

Table A8. Basotho Mineworkers classified by decision to move and ownership of cattle

Number of Cattle	Will not move to RSA with family	Will not move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
None	27,267	7,711	5,386	3,284	1,254	44,902
<5	21,477	6,567	2,140	1,587	885	32,656
5 – 9	11,330	3,357	1,365	1,144	480	17,676
10 – 14	3,237	1,070	664	0	258	5,229
15 – 19	1,681	221	0	0	0	1,902
20 – 24	623	148	0	0	0	770
25 – 29	187	111	0	0	0	297
30 – 34	125	0	0	0	0	125
35 – 39	62	0	0	0	0	62
40+	125	0	0	0	0	125
Total	66,113	19,185	9,555	6,014	2,877	103,744

Table A9 Basotho Mineworkers classified by decision to move and employment status of wife

Employ. Status of Wife	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Season	Temporary	Permanent		
Employed	7,035	1,623	1,586	701	148	11,093
Not employed	57,149	16,971	7,674	4,981	2,656	89,340
Windowed or other	1,930	590	295	332	74	3,221
Total	66,113	19,185	9,555	9,555	2,877	103,744

Table A10. Basotho Mineworkers classified by decision to move Educational attainment

Education	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
No Formal	13,426	2,865	1,586	529	590	18,997
Std 1 – 4	21,000	6,998	2,914	1,771	1,143	33,827
Std 5 – 6	11,538	3,284	1,476	959	480	17,736
Std 7/Form A	10,417	2,767	1,660	1,144	332	16,320
A	7,180	2,398	1,181	664	184	11,607
JC/LPTC/	187	74	0	74	0	334
Vocational	1,743	332	443	713	111	3,342
C.O.S.C.	125	246	184	123	0	678
Post C.O.S.C	498	221	111	37	37	904
Total	66,113	19,185	9,555	6,014	2,877	103,744

Table 11. Basotho Mineworkers classified by decision to move and ownership of housing in Lesotho

Ownership of Housing in Lesotho	Will not move to RSA with family	Will move to RSA with family			Undecided	Total
		Seasonal	Temporary	Permanent		
Own	57,896	16,861	7,895	3,911	2,213	88,775
Rented	1,058	369	369	615	37	2,448
Parents	7,157	1,955	1,291	1,488	627	12,521
Total	66,113	19,185	9,555	6,014	2,877	103,744

Appendix B – Survey Design and Implementation

Data required to obtain estimates of departing miners, and remittances by the former group were obtained by way of a survey. The target population was defined as all Basotho migrant mineworkers who were employed during the period of the survey.

At the end of 1995, approximately 103 744 Basotho mineworkers were employed in the RSA mining industry. The sample size was set at 10 per cent of this target population. Field work was scheduled to last the entire month of January 1996. Interviewed. Interviews took place in all districts in which TEBA has offices. These were Butha-Buthe, Leribe, Berea, Maseru, Mafeteng, Mohale's Hoek, Quthing, Qachasnek and Mokhotlong.

The fact that mineworkers who were interviewed were not selected by probability methods was not expected to bias the results of the survey. A detailed description of the process by which miners visit TEBA offices in any month is necessary in order to illustrate this point. Approximately 85 per cent of these mineworkers are recruited by TEBA. The duration of a miner's contract is approximately one year. At the expiry of their contracts, these miners come to Lesotho to renew their contracts after a spell of approximately two months of paid leave. Thus, a miner whose contract is renewed in January, will come to Lesotho in December of the same year and will then renew his contract during February of the following year. The process of renewing contracts continues throughout the year.

Some miners visit TEBA offices in order to bring money to their wives after making arrangements to meet the wives at TEBA offices. TEBA provides several facilities for transferring monies to Lesotho. TEBA recently set up a kind of saving account, called TEBA Cash, through which a miner deposits his money into his account at the mine and withdraws it at TEBA offices in Lesotho.

The third group of miners visit TEBA offices to acquire the necessary documentation so that they can withdraw money from the Deferred Pay Fund (DPF). Miner who participate in the scheme can

only withdraw monies from the fund at the end of their contracts or in case of emergency.

From the foregoing description, it can be seen that miners who visit TEBA offices do so for a number of reasons. As such, those who visited the offices during the survey period are likely to have views or characteristics that are fairly representative of the entire target population. There is nothing to suggest that those who visited TEBA offices during January had characteristics or opinions that were somehow unrepresentative.

The questionnaire was prepared and pilot tested during December 1995 at Maseru TEBA offices. Approximately 100 miners were interviewed for this purpose. Some parts of the questionnaire were subsequently revised. The final version of the questionnaire is shown in the appendix.

Interviewers were recruited from all districts in which TEBA has offices. The districts of Leribe, Maseru and Mohale's Hoek were allocated four interviewees each, while the rest were allocated three each. These allocations were based on the expected number of miners who visit these offices per day. There were altogether thirty interviewers

Interviewers were all high school students who had just written the 1995 C.O.S.C. examinations. These students came from the following high schools:

Mokhotlong	Seeiso High School
Butha-Buthe	Butha-Buthe
Leribe	Hlotse High School
Berea	'Mamathe High School
Maseru	'Mabathoana High School
Mohale's Hoek	St. Stephen's High School
Quthing	Mopholosi High School
Qacha's Nek	Makhaola High School

In each high school, the Head Teacher was requested to identify the six best students based on overall academic performance. Out of this total, officials from the Bank selected either three or four students, depending on the district. Students, depending on the basis of interviewing skills.

The students underwent training for three days in Maseru during the first week of

January. The purpose of the training was to: (i) improve the students' interviewing skills; (ii) explain, in detail, the purpose of the survey and (iii) to explain the contents of the questionnaire. A quiz aimed at the testing the student's interviewing skills was administered. Throughout the training session emphasis was put on (a) the need to cross-check responses from the respondent, especially on financial matters; (b) the need to avoid posing leading questions to the respondent and (c) the importance of correctly and neatly recording the responses. At the end of the training session students showed improved ability to administer the questionnaire.

Data processing commenced on the 22 January 1996. A local firm was engaged to assist in (i) the recruitment and training of computers and the necessary software, as well as (iii) the generation of tables. For the

latter aspect, the firm was given a pre-designed tabulation plan. Data capturing lasted two weeks.

Quality control

Each questionnaire was given a unique number for identification purposes. Then grouped into batches of 100 questionnaires was selected from each batch. The Supervisor would then recheck whether these were entered correctly. If an error was discovered in any of the sampled questionnaires the operator would be asked to recheck the entire batch. Fortunately, only a few batches had to be rechecked. In fact, out of a total of approximately 100 batches, only 3 had to be rechecked and reentered. Data processing, including the preparation of tables, was completed during the third week of February.

Appendix C – Questionnaire and interviewers’ Guidelines

Central Bank of Lesotho Migrant Workers’ Questionnaire No.

Sesotho Version

1. Maemo

1.1 Lilemo/Letsatsi Lilemo Letsatsi la tsoalo

1.2 Maemo a lenyalo 01 Ha u eso nyale 02 U na le mosli 03 A mang

1.3 Maemo a Thuto

01 Ha u ea kena sekolo	02 Sehlopha sa 1 – 4
03 Sehlopha sa 5 – 6	04 Sehlopha sa 7 – Foromo ea 1
05 JC/LPTC 1 kapa e lekanang le eona	06 Sekolo sa motsebetsi oa matsoho
07 Foromo ea Bohlano kapa e lekanang	08 Ho feta Foromo ea Bohlano
09 Tse ling	

1.4 Lenane la Baphelisuo Ba hau Ba bang

2. Bolulo

‘Muso oa Afrika Boroa o entse qeto ea ho fa Basotho ba sebetsang merafong bolulo Afrika Boroa. Lipotso tse latelang li reretsoe ho fumana maikutlo a hau mabapi le taba ena:

2.1 Na u na le ‘permanet’ I.D. EE 01 CHE 02

2.1.1 Haeba karabo ke CHE, na u rerile ho etsa kopo? EE 01 CHE 02

Haeba karabo ke CHE, fana ka lebaka/mabaka ao u sa batleng I.D. ka ona 01 Ha ke bone melemo ea ID

02 Ke kopa matsatsi ha ke tla Lesotho
03 A mang

2.2 Haeba u na le I.D kapa u rerile ho etsa kopo, a k'u fane ka lebaka/mabaka ao u nang/batlang I.D. ka ona

01 Ho lula RSA le ba lelapa	02 H fumana old-age pension
03 Ho fumana lits'ebeletso tsa bophelo	04 Ho fumana lithuso libankeng
05 Bana ba fumane menyetla ea likol le mesebetsi	06 Ho fumana chelete ea 'Blue Card'
07 Ho fumana menyetla ea mesebetsi	08 A mang

2.3 Na u rerile hore bana ba hau ba tla kena sekolo ka RSA?

EE 01 CHE 02 03 Ha ke eso etse qeto

2.4 Na u rerile hore u tla luka ka RSA le ba lelapa la hau?

EE 01 CHE 02 03 Ha ke eso etse qeto

2.4.1 Haeba karabo ke EE u re

01 Mosali le bana ba tla chaka ka nako e 'ngoe	02 Ke tla tsamaea le lelapa ke khutle ha ke lihela
03 Ke rerile ho batla bojaki	04 Ha ke eso etse qeto

2.4.2 U rerile hore ba lelapa ba tla tsamaea neng?

Selemo 01 02 Ha ke eso etse qeto

2.4.3 U tla tsamaea le baphelisuo ba ba kae?

2.4.4 Ho baphelisuo ba tla sala, u ikemiselitse ho romela bokae ka khoeli?

Thomello ka khoeli hona joale

2.4.5 Moputso ka khoeli

2.4.5 U se u e-na le moo u tla lula/u hopotse ho lula hokae?

01 Ntlong ea 'Maene	02 Ntlong ea ka
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03 Mek'hk'hung	04 Matlong a hirisoang
05 Ha ke eso etse geto	

3. Tsa Moruo

3.1 Moo u lulang teng

01 Ke ha hau?	02 U hirile?	03 Ke heno?
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3.2 Na u na le ts'imo/masimo

EE	01	CHE	02
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Lenane

3.3 Na u na le liphoofofo?

EE	01	CHE	02
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Likhuts'oane (lenane)

Likhomo (lenane)

3.4 Na u na le khoebo Lesotho?

EE	01	CHE	02
----	----	-----	----

3.5 Haeba u na le mosali na
Ua sebetsa Lesotho?

EE	01	CHE	02
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Interviewers' Guidelines (Sesotho Version)

1. Maemo

- 1.1 Mona u tlatsa lilemo tsa moarabeli. Haeba a sa hopole lilemo tsa hae, u tlasa selemo sa soalo.
- 1.2 Potsong ena u tsoaea e lokelang. Haeba moarabeli a hlalane le mosali ka molao, kappa a arohane le eena ka molao, kappa a hlokahallesoe ke mosali, u tsoaea lesakeng la 3.
- 1.3 Tsoaea lesakaneng le lokelang ho latela maemo a thuto a moarabeli. Haeba moarabeli a balile Form B u tsoaea lesakaneng la 5.
- 1.4 Mona tlatsa lenane la baphelisuo ba moarabeli. Lesakaneng la pele, u tlatsa bana ba moarabeli ho kenyeletsa le mosali oa hae. Lesakeng la bobeli, u tlatsa baphelisuo ba bang. Mohlala mona e ka ba batsoali ba moarabeli.

2. Bolulo

Lipotso tsena ke tsa bohlokoa ho feta tsohle. Ke tsona tseo mosebetsi ona (survey) o etsoang ka lebaka la tsona. Ka hona hoa hlokahala hore likarabo tsa tsona li nepahale. Haeba ho hlokahala, u tsoanela ho qeta nako e telele haholo lipotsong tsena u ntse u botsisisa le ho bana hore likarabo tse fanoang li na le moelelo o nepahetseng. Ela hloko hore:

- (i) Likarabo tsohle tse fanoang li nepahetse
- (ii) Lipotso tsohle li arabiloe.

Ho se be moarabeli ea sa arabeng lipotso kaofela. Haeba e 'ngoe ea lipotso tsena e sa arajoa, ha a bue ka I.D. ea nakoana (ea likhetho).

- 2.1 Mona u tsoaea hore na moarabeli o na le I.D. e felletseng. Ela hloko hore moarabeli ha u bue ka I.D. ea nakoana (ea likhetho).
 - 2.1.1 Haeba moarabeli a se na I.D., ak'u fumane hore na o rerile ho e batla na? 'Me haeba a sa e battle, a fane ka mabaka ao a sa e batleng ka ona. Tsoaea ho mabaka a fanoeng.
- 2.2 Haeba moarabeli a rerile ho etsa kopo, kappa a batliloeng. I.D. ka ona. Le hona mona, u bontsa ka ho tsoaea

masakaneng a fanoeng. Haeba moarabeli a fana ka mabaka a fetang bonngoe, hoa utloahala hore u tla tsoaea mabokose a fetag bonngoe.

- 2.3 E meng ea melemo ea ho ba le I.D. ke hore bana ba moarabeli ba ka kena likolo ka RSA 'me ba patala chelete tse tlaase ho tsa Lesotho. Fumana hore na moarabeli o rerile hore bana ba hae ba tla kena seloko RSA.
- 2.4 Mona u botsa hore na moarabeli o rerile ho tla lula RSA le lelapa la hae. Lipotso tse latelang e leng tsa 2.4.1 ho isa ho 2.4.7; u li botsa feela haeba moarabeli a batla ho lula RSA le ba lelapa la hae. Haeba moarabeli a sa battle ho lula RSA le ba lelapa u fetela karolong ea 3 (tsa moruo).
 - 2.4.1 Moarabeli a ka lula ka RSA ka mekhoha e meraro. Sehlopha sa pele ke ba ka ratang hore malapa a chake ka nako e 'ngoe: mohlala, ha likolo tsa Lesotho li koetsoe. Kappa ha mofumahali a qetile ho hlaola kappa ho lema. Sehlopha sena ke seo ka sekhoora re ka reng ke "seasonal migrants". Malapa a bona a qeta likhoelinyana feela ka RSA. Empa nako boholo ba e qeta ka Lesotho. U ka botsisisa taba ena ka ho fumana hore na ba lelapa ba tla chaka nako e kae (likhoeli tse kae). Sehlopha sa bobeli ke ba tla hle ba e'o lula ka RSA le malapa nako e fetang selemo. Ba oelang sehlopheng sena ke ba tla lula le bana 'me bana ba kena likolo ka RSA. Ba oelang sehlopheng sena ke ba tla khutla mohla mosebetsi o felileng kappa ha ba lihela.

Sehlopha sa ho qetela ke ba batlang ho lula RSA bophelo ba bona kaofela. Bana ke ba rerileng ho batla bojaki ka RSA – ho fumana 'passport' ea RSA.

Bontsa ka ho tsoaea lesakaneng le nepahetseng. Haeba moarabeli a eso etse qeto, u tsoaea lebokoseng la 4.

- 2.4.2 Mona u ngola selemo seo moarabeli a rerileng ho tsamaea ka sona.
- 2.4.3 Bontsa lenane la ba lelapa/baphelisuo a leo moarabeli a rerileng ho tsamaea le lona. Palo ena e tsoanela ho nyalana le ea lenane la baphelisuo le bontsitsoeng potsone ea 1.4. ha e-ea tsoanela ho feta lenane le fanoeng ho 1.4.
- 2.4.4 Potso ena e reretsoe ho fumana chelete eo moarabeli a ikemiselitseng ho e romela Lesotho ho phelisa baphelisuo ba tla sala Lesotho. Lebokoseng la pele u ngola chelete eo moarabeli a ikemiselitseng ho e romela. Lebokoseng la bobeli u ngola chelete eo moarabeli a ntseng a e romela ka khoeli. **Ela hloko hore potso ena e arajoa hantle. Chelete e bontsitsoeng lesakaneng la pele e tsoanela ho ba nyenyane ho e bontsitsoeng lebokiseng la bobeli.**
- 2.4.5 Bontsa mona moputso oa moarabeli ka khoeli. Mona u ngola chelete ea khoeli ho se ho ntsitsoe likhafa, lipenchene le tse ling feela pele ho

ntsoa ea 'Deferred Pay'. Ke hore moarabeli o tsoanela ho bolela moputso oa hae ho kenyelelitsoe 'Deferred Pay' feela ho ntsitsoe khafa.

- 2.4.6 Mona u tlatsa hore na moarabeli a re o se a ntse a lula ntlong ea hae, u tsoaea lebokose la 2.

3. Tsa Moruo

- 3.1 Tsoaea lesakaneng le nepahetseng. Mohlala, haeba moarabeli a lula habo, u tsoaea lesakeng la 3.
- 3.2 Haeba moarabeli a re o na le tsimo kappa masimo, ngola lenane lebokoseng le fanoeng.
- 3.3 Ho moarabeli ea nang le liphoofole, ngola lenane la likhutsoane (linku le lipoli) lebokoseng la pele 'me lenake la likhomo u le ngole lebokoseng la bobeli.
- 3.4 Mona u tsoaea EE moarabeli a re o na le khoebo. Mehlala ea likhoebo e ka ba: malaene, k'hefi, sepoto, joalo-joalo. U se ke oa tsoaea EE haeba moarabeli a re o na le liphoofole.
- 3.5 Haeba moarabeli a en-a le mosali, 'me a sebetsa Lesotho, u tsoaea lebokoseng la EE. Haeba mofumahali a sebetsa khoebong ea lelapa, le teng us tsoaea EE.

Appendix D – Methodology for estimating Employment Effects of Expenditures by Mineworkers Household.

Labour market data on Lesotho are sketchy and outdated. The latest published official source is the *Labour Force Survey 1985/86: Round 1*. This report gives labour market details for the year 1985. However, the results reported are based on only one round of field work. The survey itself was planned to have five rounds, with each round lasting approximately one month.

Ideally, the analysis of the likely employment impact of the departure of Basotho miners ought to be based on 1995 data. However, such data are not available. Despite these rather extreme weaknesses, it was decided that some indication of the employment effects would be useful. The methodology given below is an attempt to shed some light on these effects.

Naturally, some readers may feel that the approach adopted here has some shortcomings. It has to be borne in mind, however, that the analysis contained in this appendix is only meant to be indicative and does not purport to give an accurate picture of the employment effects. An accurate analysis is indeed impossible given the weaknesses in the data as explained above.

1. Employment

The 1985.86 Labour Force Survey (Round 1) gives the following information:

	1984
Total # of persons employed	716 270
of which those employed in:	
Wholesale & Retail	22 204
Transport & Communication	5 013
Other sectors, mainly	
Agriculture	689 053

2. Share of mineworkers' remittances in disposable income.

In 1984 the share of mineworkers' remittances in disposable income was around 44,7 per cent.

3. Miners' household expenditures in wholesale, retail, and transport sectors. Miners' households spent approximately 9 per cent of their income in the retail sector and another 1 per cent in the transport sector (see Table 1).

4. Employment indirectly generated by miners' expenditure in 1985.

From (1), (2) and (3) above, employment in the wholesale and retail sectors attributable to miners' expenditures can be approximated by:

$$22\ 204 * 0.447 * 0.09 = 893.$$

Similarly, employment in the transport sector can be approximated by:

$$5\ 013 * 0.447 * 0.01 = 22.$$

Employment effects in other sectors, mainly agriculture, are not included because of the subsistence nature of agriculture.

5. Employment elasticity

A percentage growth in the retail sector generates about a percentage growth in employment. A percentage growth in the transport sector generates about a percentage growth in employment.

6. Employment indirectly generated by miners' expenditure in 1996. The retail sector grew by 100 per cent between 1985 and 1995. From (5) above, employment attributable to miners' expenditures in 1996 can be approximated by: $893 * 2 = 1786$.

The transport sector grew by 38 per cent between 1985 and 1995. From (5) above, employment attributable to miners' expenditure in 1996 can be approximated by: $22 * 1.38 = 30$. Total employment is given by:

$$1786 + 30 = 1816$$

Appendix E – The impact of mineworkers’ migration on remittances: Some scenarios.

Table E 1. The impact of mineworkers’ immigration on remittances: Best-case Scenario

Year	Numbers				Remittance (Mill Malt)
	Weekend	Seasonal	Temp	Perma	
1995	103,744	0	0	0	1,242.76
1996	100,269	1,911	938	626	1,217.89
1997	86,367	9,557	4,692	3,128	1,118.39
1998	77,676	14,336	7,038	4,691	1,056.21
1999	68,990	19,185	9,555	6,014	1,006.52

ASSUMPTIONS

- 1) All undecided miners remain as weekenders.
- 2) All miners stick to their original intentions.
- 3) 10% of intended miners leave during 1996, 40% in 1997, 25% in 1998 and the rest in 1999.

NOTE

- 1) Average annual wage during 1995 was M16 801.00
- 2) Weekenders remit 71% of their income, seasonal 35%, temporary 25%, and permanent 15%.
- 3) The impact of retrenchments is not taken into account.
- 4) The impact of rising wages is not taken into account.

Table E2. The impact of mineworkers migration on remittances: Medium scenario

Year	Numbers				Remittance (Mill Malt)
	Weekend	Seasonal	Temp	Perma	
1995	103,744	0	0	0	1,242.76
1996	99,319	1,151	311	2,964	1,205.30
1997	81,622	5,752	1,550	14,821	1,055.44
1998	70,561	8,628	2,324	22,232	961.78
1999	59,501	26,755	7,237	10,251	926.33

ASSUMPTIONS

- 1) W* becomes 90% of W.
- 2) S* becomes 90% of S+10% of W+100% of U.
- 3) T* becomes 60% of T+25% of P.
- 4)
- 5)

- 6) P* becomes 75% of P+10% of S+40% in 1997, 25% in 1998 and the rest in 1999.

NOTE

- 1) Average annual wage during 1995 was M16,801.00
- 2) Weekenders remit 71% of their income, seasonal 35%, temporary 25% and permanent 15%.
- 3) The impact of retrenchments is not taken into account.
- 4) The impact of rising wages is not taken into account.
- 5) W* represents effective weekenders.
S* represents effective seasonal migrants.
T* represents effective permanent migrants.
P* represents effective temporary migrants.
U represents undecided mineworkers.
- 6) Variables without asterisk represent respective intended migrants.

Table E3. The Impact of mineworkers’ migration on remittances: Worst Case Scenario.

Year	Numbers				Remittance (Mill Malot)
	Weekend	Seasonal	Temp	Perma	
1995	103,744	0	0	0	1,242.76
1996	97,997	2,184	402	3,161	1,196.41
1997	75,012	10,918	2,011	15,803	1,011.05
1998	60,646	16,377	3,017	23,704	895.20
1999	46,280	39,976	7,237	10,251	845.70

ASSUMPTIONS

- 1) W* becomes 70% of W
- 2) S* becomes 90% of S+ 30% of W + 100% of U
- 3) T* becomes 60% of T + 25% of P.
- 4) P* becomes 75% of P + 10% of S + 40% in 1997, 25% in 1998 and the rest in 1999.

NOTE

- 1) Average annual wage during 1995 was M16,801.00
- 2) Weekend workers remit 71% of their income, seasonal 35%, temporary 25%, and permanent 15%.
- 3) The impact of retrenchments is not taken into account.
- 4) The impact of rising wages is not taken into account
- 5) W* represents effective weekenders.
S* represents effective seasonal migrants.
T* represents effective temporary migrants.
P* represents effective permanent migrants.
U represents undecided mineworkers.
- 6) Variables without asterisk represent respective intended migrants.

Appendix F – Media release by the Minister of Home Affairs: Mangosutu Buthelezi

Media release by the Minister of Home Affairs: Mangosutu Buthelezi: 31 October, 1995

EMBARGO: IMMEDIATE

Following discussions between the National Union of Mineworkers (NUM), President Mandela and the Minister of Home Affairs during the past weekend, it was decided that all persons who have participated in the April 1994 election with a temporary voters' card and who have not yet obtained an identity document are nevertheless regarded as permanent residents of the R.S.A. and should be afforded an opportunity to apply for such a document.

As far as mineworkers are concerned who fall in this category, the Department of Home Affairs will, in close cooperation with NUM, establish;

- The personal particulars of those mineworkers who had obtained temporary voters' cards for the April 1994 elections, and have not yet received an identity document under the Identification Act, 196;
- Obtain from those persons referred to above, whose applications for identity documents cannot be traced in the Department, new applications; and
- Exempt these persons from the requirements to be in possession of a permit for permanent residence in terms of section 28 (2) of the Aliens Control Act, 1991.

Those similarly affected who are not mineworkers, may approach their nearest office of the Department of Home Affairs to have their applications for identity document fully processed by the Department.

This process must be finalized by 31 March, 1996. The Department wishes to point out however, that persons who had qualified in terms of section 15 of the Electoral Act,

1993,, who had been issued with identity documents, as well as those who had been issued with temporary voters' cards and have since obtained identity documents, became fully-fledged permanent residents of the Republic of South Africa.

The *modus operandi* followed in respect of applications for temporary voters' cards was:

- To obtain an application for an identity document from the applicant; and
- To exempt the applicant from the requirements of a permit for permanent residence under the Aliens Control Act, 1991 once it has been established, as required by section 15(3)(c), of the Electoral Act, 1993, that the applicant had entered the R.S.A. before 13 June 1986, was ordinarily resident in the country since that date and is not regarded as a prohibited person, whereafter a temporary voters' card was issued. All these applications for identity documents were supposed to be forwarded to the Department of Home Affairs for processing subsequent to the April 1994 elections, in order to issue identity documents to the applicants.

Apparently a number of these applications did not reach the Department. In addition large numbers of identity documents processed as a result of these applications, have never been collected from offices of the Department of Home Affairs by the applicants.

The Department of Home Affairs will do everything within its power to facilitate the speedy finalisation of this process.

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