ARTICLE

DEVELOPMENT ASSISTANCE IN LESOTHO: IS IT A NATIONAL STRATEGY FOR POVERTY REDUCTION AND SUSTAINABLE DEVELOPMENT?

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ABSTRACT

This article argues that Lesotho's increasing reliance on aid leads to economic decline, worsening living standards and eventually poverty, thus obstructing sustainable development. Studies done in the country are silent about the effect of aid on poverty reduction and sustainable development. The study fills this missing link in the literature. Aid as a resource must help a country to enable its citizens to live beyond consumption by creating other activities that will in the long-run, reduce vulnerability and poverty; thus promoting sustainable development, which is contrary to what has been prevailing in Lesotho. The worst scenario in Lesotho is the post-independence period, where almost all aid combined failed to bring the desired changes in the lives of the majority and instead, increased vulnerability and poverty, and resulted in unsustainable development.

Keywords: aid dependence; economic decline; poverty; sustainable development; vulnerability

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INTRODUCTION

This article mainly argues that Lesotho's increased dependency on aid does not impact on poverty reduction and sustainable development in a positive way. Lesotho's trajectory of the declining economy and increasing levels of poverty has been an adverse to the inflows of aid since independence. The country has been receiving aid from abroad; mainly from Britain, the United States of America (USA) and Ireland. However, poverty is steadily increasing. One wonders why this aid does not have an impact on poverty reduction, through the social and economic empowerment of individuals and transformation of society for sustainable development? Sustainable development is about the economic empowerment of people to help them realise their potential in their own communities, by enabling them to bring about a positive change in their lives and enhance efforts to fight poverty (Eade and Williams 1995). This study is important in assessing the impact of aid on the lives of the people so that they can act in their own capacity to determine their own choices in reducing their vulnerability to poverty.

The article is divided into four sections: the introduction, literature review, findings and discussion, as well as conclusion and recommendations.

LITERATURE REVIEW

Understanding Sustainable Development

There are many definitions of sustainable development. The Brundtland Commission (1987, 16) defines sustainable development as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." According to the Interfaith Centre on Corporate Responsibility (2014), sustainable development is the process of building equitable, productive and participatory structures to increase the economic empowerment of communities and their surrounding regions. This article draws on the latter definition in examining the impact of aid in Lesotho in empowering local communities through the equitable distribution of resources; mainly aid, and whether this has reduced poverty and enhanced Lesotho's sustainable development. This article aims to establish whether development aid is indeed a national strategy for poverty reduction and sustainable development in post-colonial Lesotho.

Moreover, many international development agencies have shown that there exist a relationship between sustainable development and poverty reduction. Oxfam believes that all people have a right to an equitable share in the world's resources as the drivers of their own development. Strengthening their capacity makes them determine their own values and priorities and to act on these, which is core to sustainable development. As such, it is important to invest in people and their organisations and processes that can better shape the forces that affect their lives. Sustainable development therefore, is about bringing positive changes in the lives of people and enhancing processes on fighting poverty. It is about realising human potential through social and economic justice and transforming society. Therefore, sustainable development promotes the socio-economic well-being of individuals and their communities (Eade and Williams 1995); thus reducing poverty, which is an essential step towards realising sustainable development. The debate in this article draws from these perspectives to account for the impact of development aid on poverty reduction and sustainable development in Lesotho. However, tracing what has been a trend in Africa towards sustainable development is key as it exposes the intricacies associated with this process that might also be the experiences of Lesotho as part of the continent.

Sustainable Development in Africa

Africa is endowed with rich and diverse renewable and non-renewable natural resources; and yet its people remain among the poorest in the world, and are dependent on aid. The continent faces multiple challenges to development; which have necessitated the international community to consider different paradigms of development; including economic, social and environmental dimensions; which are given due consideration for long-term sustainable development. The use of this holistic approach to Africa's sustainable development generates new knowledge, policies and actions (United Nations Economic Commission for Africa 2002). This article only analyses the economic and social impact of aid with regard to poverty reduction and sustainable development in Lesotho.

The need to address the issue of sustainable development was highlighted in the Brundtland Report of 1987, at the Stockholm Conference in 1992; and at the World Summit on Sustainable Development (WSSD) in 2002. Similarly, in Africa a number of commitments, which provide guidance to efforts to attain sustainable development have been adopted. For instance, at regional level the African Union Summit adopted the New Partnership for Africa's Development (NEPAD) in 2001 to provide a regional framework for the holistic development approach in Africa. The achievement of the NEPAD vision is also premised on concerted efforts to attain the Millennium Development Goals (MDGs) by 2015. The main objective of NEPAD is to better understand and deal with the intricacies of Africa's development and make informed choices regarding policies, programmes and strategies to move the continent towards a brighter future. The fundamental need is to improve the welfare of the people as well as achieve sustainable development. Africa therefore, requires improved human, institutional and organisational capacities, supported with peace and stability in order to address the immediate challenges; including poverty (United Nations Economic Commission for Africa 2002). This article examines whether aid; which is considered a national strategy; empowered the nation to be able to alleviate poverty in post-colonial Lesotho.

The overriding obstacle to sustainable development in Africa is poverty. The African Ministerial Statement to WSSD in 2002 identified poverty eradication as an indispensable requirement for sustainable development. Africa is the only region in the world where poverty has increased both in absolute and relative terms (United Nations Economic Commission for Africa 2002). Apart from being the poorest region in the world, Africa remains the least developed, the most technologically backward, the most indebted, the most food-insecure and the most marginalised. Furthermore, malnutrition, disease, environmental degradation, natural resource depletion, poor and inadequate infrastructure, unemployment and weak institutional capacities continue to pose serious development challenges for the continent. This state of affairs is exacerbated by recurring natural disasters and the AIDS pandemic, which is reversing decades of economic gains and imposing costs on Africa, thus undermining sustainable development (United Nations Economic Commission for Africa 2002). Other challenges, such as the lack of, or inadequate human capital development, corruption and mismanagement, lack of infrastructural development and good governance among others, have enormous implications for sustainable development in the continent. Since the United Nations Conference on Environment and Development (UNCED) in 1987, sustainable development has remained elusive for many African countries (2002, 1). Aid flows to Africa have also been observably high in the past decades, while poverty remains on the increase. One would wonder how much of the aid received has been directed to eradicating poverty, which is the main challenge to sustainable development. This article focuses mainly on Lesotho's dependency on development aid, which is perceived to be a national strategy for improving people's lives and reducing poverty, whether it is promoting sustainable development.

Dependency on Aid and Poverty: Experiences in sub-Saharan Africa

The nature of aid and the role of foreign donors in the developing world; including Africa, has not been a static one. In the African context the nature of this aid ranged from supporting the transition of the former colonies into independent states – guaranteeing a certain degree of influence within them by the former colonial master – to structural adjustment and conditionalities in the 1980s. The latter was implemented mainly through the international financial institutions of the Bretton Woods system, such as the International Monetary Fund (IMF) and the World Bank, in the face of a striking debt crisis. Although the World Bank is convinced that Structural Adjustment Programmes (SAPs) have produced positive results, they admit that most countries have experienced little or no growth after undergoing structural adjustment (World Bank 2001). The belief is that the market alone will not enhance economic and social development. As such, proponents of the market approach led to development advocate for debt cancellation and more foreign aid (Andrews as quoted in Gordon and Gordon 2007). It has been noted however, that in recent years aid to Africa has declined, relative to the Gross National Product (GNP) of donor countries (World Bank 2001). For instance, in the

1990s the United States of America (US) development assistance to Africa dropped from US$826 million to US$689 million in 1997, and to a further US$305 million in 2000 (World Bank 2001, 236–237). However, the question still remains as to whether aid will be redirected towards developmental ends as opposed to political ends as was the case in the past, as this is critical to Africa's future (Gordon and Gordon 2007). Nonetheless, there has been a gradual shift towards an agenda defined by poverty reduction, debt relief and good governance (Groves and Hinton 2004). While these are important agendas, this article focuses only on the relationship between development aid and poverty reduction, as well as sustainable development in Lesotho.

The approach taken to solving Africa's problems has been to rely on charity organisations and aid from international donors. Aid support from donors has done a lot of good for millions of people in terms of food security, healthcare, emergency response and education; however, the results have not been sustainable. Africa finds itself continually relying on donor aid simply to maintain the status quo (Elumelu 2013). Lesotho is no exception in this case, from the rest of other African countries. Several donor countries support different programmes, including agriculture, the mainstay of the nation. This article however, assesses the impact of increased aid flows in Lesotho on poverty reduction – whether such aid flows into the country in the post-independence epoch have served as a strategy in eradicating poverty among the people; and whether the people are able to act on their choices and priorities that can better their lives for sustainable development.

DISCUSSION

Impact of Donor Aid in Lesotho

The increased dependence of Lesotho on foreign aid has weakened its economy and escalated its poverty levels. By the early 1990s, donors had acknowledged that "bad governments" had turned many states into a "source of man-made economic decline." Aid flows were on the increase, but were often used to support inefficient state projects; which were based on inappropriate capital-intensive technology, and were used for political clienteles (Brett 2008). Lesotho's state of underdevelopment and poverty levels became evident since the colonial rule by Britain in 1868. Britain did very little to develop Lesotho, and seemed to be guided, for a long time, by the idea that Lesotho would be incorporated into South Africa (Spence 1964; Weisfelder 1967 and Pule 2002).

At independence in 1966, Lesotho's dependence on the migrant labour system became evident, as shown in Tables 1 and 2). The bulk of the migrants worked in South African mines, while the rest worked as farm labourers, domestic workers and industrial workers; providing cash income to numerous rural households. This order has not been reversed so far, and Lesotho is still the recipient of aid from abroad. Thus, migration provided revenue in the form of deferred pay for the state (Leys 1979). With the decline in mining activities; women also formed part of these migrants.

Table 1: Contract labour migration to RSA mines, 1920 – 1990

Year	Lesotho	Total labour force
1920	10,439	99,950
1930	22,306	99,355
1940	52,044	168,058
1950	34,467	172,816
1960	48,842	233,808
1970	63,988	265,143
1980	96,309	182,449
1990	108,780	192,044

Source: Crush, Williams and Peberdy 2005

Table 2: Distribution of mine migrant workers (1996–2005) in R0.00

Year	Average number employed	Deferred pay	Remittances payments
1996	101,262	264,624	174,676
1997	95,913	169,418	127,386
1998	80,445	131'263	894,470
1999	68,604	136,911	887,172
2000	64,907	38,334	47,320
2001	61,412	152,877	102,797
2002	62,158	182,479	112,496
2003	61,416	208,450	118,333
2004	56,357	293,334	131.793
2005	52,450	169,229	167,386

Sources: Bureau of Statistics Lesotho Statistical Report No. 19 2007 and FAO 2009.

Lesotho became a member of the Southern African Customs Union Agreement (SACU) in 1910. According to the provisions of this agreement, members would share revenue from trade, after South Africa has compensated the smaller countries for the skewed trading relationship. At independence, Lesotho was already dependent on amounts accrued to it (Lundahl and Petersson 1991). Moreover, the country's precarious condition worsened due to the fact that commerce was largely in the hands of traders and industry was non-existent. Agriculture contributed half of the GDP (Lundahl and Petersson 1991), and Lesotho already depended on maize imports to cater for its food shortage. A further constraint to Lesotho's sustainable development was that the British government insisted that any locally-collected revenue be used for reducing indebtedness from grants; further preventing the government from expanding social services. Lesotho continued to acquire different types of aid (Grants in Aid, Colonial Development and Welfare Fund and Overseas Aid Scheme). All aid combined exceeded locally-raised revenue (Pule 2002), but without visible results of any improved economy and living conditions.

The bulk of aid from Britain was in the form of grants (Weisfelder 1974; Jones 1977 and Wellings 1982). The government's major bargaining tools for aid were the country's small size, impoverishment and landlockedness. These were reinforced by donors' belief that aid would be a temporary remedy to set Lesotho on a growth path; and would be terminated once this was achieved. Economic assistance from Britain during the early days of Lesotho's post-colonial history was earmarked primarily for recurrent expenditure (budgetary aid) and capital expenditure (development aid). Budgetary aid, however, did not have a long lifespan. Estimated at around M0.8 million for the years 1960–61, it rose to a sharp M5.5 million for the years 1965–66. Over the same period, development aid totalled only M2.3 million (Jones 1977, 171). The total British aid rose to a peak of M8.6 million for the years 1966–67, and dropped to its lowest ebb between 1970 and 1971; when aid was suspended for a brief period in response to the political coup in the country over elections. The suspension was lifted later on, but aid received reached only M3.8 million between 1972 and 1973. Most of the assistance from Britain was in the form of budgetary aid, but the proportion devoted to this decreased gradually, especially after the redistribution terms of the Customs Union were made more favourable to Botswana, Lesotho and Swaziland in 1969, and was eventually phased out between 1970 and 1971 (Wellings 1982, 268). From 1970 to 1984 aid was provided mostly for agricultural development backed by various donors, as illustrated in Table 3, but this led to economic decline and eventually poverty.

Table 3: Major agricultural area and rural development projects since 1970

Name	Duration	Foreign backers	Target groups/areas
Leribe Pilot Agricultural Scheme	1970–1975	UNDO/FAO	Small experimental effort for Khomokhoana Project
Khomokhoana Rural Development Project	1975–1980	SIDA/USAID	8000 farming households 26 000 ha
Thaba-Bosiu Rural Development Project	1973–1977	IDA/ USAID	17 500 farming households 121 000 ha
Senqu River Agricultural Extension Project	1974–977	UNDP/FAO	Seven areas, each 20 000 ha
Thaba-Tseka Mountain Development Project	1975–1984	CIDA	46 000 ha

Source: Wellings (1986)

Other area-based rural development projects were those at Thaba-Phatsoa in Leribe and Ts'akholo in Mafeteng (Ngqaleni 1991). The basic feature that characterised all these projects has been their collapse, which has been linked to corruption in public offices, misuse of donor funds, as well as mismanagement. Over 200 rural development schemes in Lesotho; nine of which were large-scale, capital intensive area-based projects, which focused on agricultural development, failed to achieve their objectives. No matter how many projects failed, it appeared to have become the norm to keep on investing funds into yet another project. At the end, these projects did not bring the envisaged development in Lesotho (Murray 1981 and Ferguson 1990), but left local communities with no prospects for sustainable development.

Some of the projects used the "top-down" approach during the execution and alienated local communities. Thus, local farmers were not included in the decision-making process about crucial matters related to production, distribution and marketing. Furthermore, there seems to have been no plan in place to develop the skills of the local farmers, or other members of the community, who formed an integral part to the broader agricultural economy. Instead, skilled people were recruited from other countries to run these enterprises (Ngqaleni 1991, 132). The traditional land tenure system inhibited the efficacy of other projects in that the responsibility of allocating land was left entirely in the hands of chiefs, who were not involved in these projects. Therefore, in most instances, chiefs did not provide the necessary administrative support/community leadership and security for the community projects' activities, property and land allocation. Projects catered mainly for the needs of the peasantry, alienating chiefs from the developments in their areas. As a result, it became difficult for the government to enter into negotiations with the chiefs, who were the custodians of the land, regarding the allocation of such land. In addition, the efficacy of these projects was reduced in the sense that women assumed a "triple role" that encompassed reproduction, production and community management roles, where they concentrated more of their effort and time on the reproductive than productive role (Wellings 1986, 227–228). The other main reason why these projects failed was that the Basotho National Party (BNP) regime used most of these projects as a means to achieve its political ends, rather than for genuine developmental purposes (1986, 6); that is for them donor aid did not serve as a national capacity-building strategy that would empower people to enable them to eradicate poverty. Thus, the ideal of a sustainable development remained elusive.

Some aid-funded projects (e.g. Khomokhoana Rural development project) served to consolidate local political constituencies and increase political power of the ruling class, causing donors to become disillusioned in the process. According to Matlosa (1996), overwhelming state involvement in these projects was also part of the primitive accumulation; aimed at creating an economic base for the ruling class in the name of developmentalism. Although undertaken in the guise of national development, state intervention in the entire economy led to the accumulation of wealth by the ruling class, without advancing community development and individual capabilities among

Basotho people. This also strengthened the political power of the ruling BNP (Matlosa 1996, 32). This situation resonates with the situation in Africa as a whole, where state intervention has often advanced the interests of the elite and their political supporters as well as state functionaries (Gordon and Gordon 2007; Brett 2008). The Basotho elite did not have any meaningful economic base. Economic power was (and still is) vested predominantly in the hands of foreign donors, which means that after independence, this new elite attempted to use the newly-found political freedom to create and expand its base of accumulation (Mengisteab and Logan 1995, 5). Lesotho's continual dependence on aid prevented the government from expanding social services (Pule 2002, 217). To this day, Lesotho continues to receive different types of aid from other countries, but even with all aid combined there are no visible results of any improved economy and living conditions. The country is unable to achieve sustainable development. The main donor countries to Lesotho are currently Ireland and the United States of America.

Ireland's donations to Lesotho have been the longest running aid programme, since 1975. On 14 February 2005, Lesotho announced that Ireland was the largest bilateral donor with financial support in excess of M70 million during the previous three years. Ireland also supports Lesotho's Flying Doctor service, education, sanitation, water and various health initiatives such as the fight against AIDS with the Clinton Foundation (Government of Lesotho Report 2016).

The United States was one of the first four countries to establish an embassy in Maseru after Lesotho gained its independence from Great Britain in 1966. Since that time, Lesotho and the United States have consistently maintained warm bilateral relations. The Southern African regional office of the US Agency for International Development (USAID) in Gaborone, Botswana administered most of the US assistance to Lesotho, of approximately US$2 million in the 2004 financial year. The total US aid to Lesotho in 2016 was over US$10 million, including humanitarian food assistance. The Peace Corps has operated in Lesotho since 1966. About 100 Peace Corps volunteers confine themselves to the health, agriculture, education, rural community development and environment sectors. The Government of Lesotho encourages greater American participation in commercial life and welcomes interest from potential US investors and suppliers. In 2007 the Government of Lesotho signed a compact with the Millennium Challenge Corporation to provide US$362.5 million to develop Lesotho's water, healthcare infrastructure and private sectors (Government of Lesotho Report 2016). Nonetheless, no significant impact has been realised so far in the local communities. The water supply is destined for the capital city, Maseru, without providing access to several communities before Maseru. People's lives remain unchanged, with poverty increasingly making sustainable development imaginary.

There was also a high inflow of the total Overseas Development Aid (ODA) in the early 1990s because of Lesotho's position as a frontline state during the apartheid era in South Africa, but this has declined steadily since 1994. However, Lesotho received an additional net International Bank for Reconstruction and Development (IBRD) disbursements per capita (for the Lesotho Highlands Water Project (LHWP)) averaging US$10.4 per year over the period 1990–97, indicating its high level of dependence on Bank aid resources. External assistance to Lesotho has been delivered in a setting of political uncertainty, which continues to weaken the effectiveness of assistance programmes on the lives of Basotho. There are also considerable differences among donors in terms of assistance strategies because of different readings of the political environment, resulting in different levels of commitment (World Bank and African Development Bank 2002). This phenomenon illustrates that Lesotho's prospects in achieving sustainable development in the near future are bleak. The results of a donor-driven economy can further be illustrated by Lesotho's experiences with Structural Adjustment policies (SAPs).

After a decade of financial stability and a relatively higher growth in GDP and GNP during the 1970s, the performance of Lesotho's economy began to decline with low growth, rapidly rising fiscal deficits and substantial deterioration in the external current account and the overall balance of payments. Financial imbalances of the economy were caused by the sluggish growth of migrant remittances and customs union revenue in combination with an expansive fiscal and monetary policy. As a result, real net income from abroad increased until 1982 and subsequently fell. The period 1980 to 1986 was characterised by uneven economic growth. On average, the growth rate of real GDP and GNP were 1.2 and 2.1 per cent respectively. With a population growth of about 2.6 per cent, this meant a declining per capita income. After 1986 the growth rate of GDP recovered significantly to about eight per cent during 1986–1989, while the GNP growth rate recovered to about five per cent. Subsequent to this, Lesotho undertook a large project, the Lesotho Highlands Water Project (LHWP) (GOL Economic Review Report 2005), with the aim of exporting surplus water resources to South Africa, and generating power for local use. The LHWP-related activities and the increased exports of manufacturing products were the source of growth for the economy. However, the overall government deficit, from 1979 to 1980, reached a peak at 9.8 per cent of the GNP between 1981 and 1982. It rose again to the second peak at 10.4 per cent of the GNP between 1987 and 1988 (GOL Economic Review Report 2005). At the same time, the external current account had deteriorated, where the large overall government deficit has had a direct influence. The domestic credit market was also expanding during this decade. Increased credit to the private sector went to consumption rather than investments, and this created demand for imports rather than domestic production. The current account was in deficit every year during the 1980s. The highest deficit of 8.8 per cent as a proportion of the GNP was witnessed in 1988 (Lundahl and Petersson 1991, 4). Against this background, Lesotho was faced with a number of constraints in pursuing its economic policy. The government of Lesotho first adopted and implemented a set of IMF policy prescriptions on structural adjustment in 1987, the second in 1993, and the last in 2000. The objectives of the SAPs were to restore and maintain a reasonable economic growth, expansion of employment opportunities, as well as improved living standards by strengthening fiscal and current account balances. This article analyses data from 2000 to reflect the economic progress of the country in relation to poverty reduction, and to determine whether sustainable development could be achieved in the donor-driven economy.

In March 2000, the government of Lesotho entered into a three-year agreement with the IMF. The agreement required the government to commit to adopting prudent economic policies, aimed at addressing problems associated with the recession caused by the collapse of the business sector; due to the political turmoil of 1998. The agreement also guaranteed the IMF and other development partners of the support in respect of the country's efforts to improve social and economic welfare. As a result, technical and financial support has steadily been flowing into Lesotho from various sources. During 2001/2002 the IMF disbursed more than M70 million as part of a concessional loan (GOL Economic Review Report 2005, 1).

As part of these policy prescriptions, the government also developed the Poverty Reduction and Growth Strategy (PRS) in 2003, aimed at addressing poverty-related problems. The aim was to confront poverty from various angles, including employment of labour intensive strategies such as building infrastructure, creating an enabling environment for self-employment, supporting and encouraging local enterprises (PRS 2003, 8). This strategy has not been implemented; owing to the lack of capacity and funding; as the funding, which was provided by the IMF was utilised during the first phase of this initiative – the Feasibility study. The government has, however, adopted alternative measures of using part of the revenue generated locally from the Lesotho Highlands Water Project to create temporary employment across the country, using labour intensive strategies in community development projects (*fato-fato*). In addition, the government provided funding for small projects, such as the manufacturing of petroleum jelly, using medicinal plants growing in the country, which is sold in the local market. But even with these measures in place, the nation continues to be plagued by poverty, as these projects only employ a small proportion of the population, leaving the majority without jobs.

Lesotho's economy picked up during 2001 due to structural reforms in the financial, telecommunications and electricity subsectors. The manufacturing sector also performed well, in spite of the global economic downturn, with real GDP rising by 3.5 per cent (Figure 1). A sharp decrease was however, observed between 1996 and 1998, when the remittances from mining companies in South Africa, which comprised a significant proportion of the country's income began to decline. This decline reached its peak in 1998 when the business sector was looted and burned down when the opposition was contesting the outcome of the elections and the SADC forces entered the country to intervene. The economy registered a -4.2 per cent of the GDP in 1998. Though the growth rates fluctuated in the years later, Lesotho further achieved a higher growth of 8.1 per cent in 2006, due to the benefits from the SACU agreement, where Lesotho derived more revenue as an outturn (Ministry of Finance and Economic Planning

National Accounts 2010). The growth rate was not sustainable after 2006, showing a downturn to 2.0 per cent in 2009 (Table 4). This is however, far below the five per cent annual growth needed to reverse the present trend of increasing poverty among Basotho (GOL Economic Review Reports 2005; 2009).

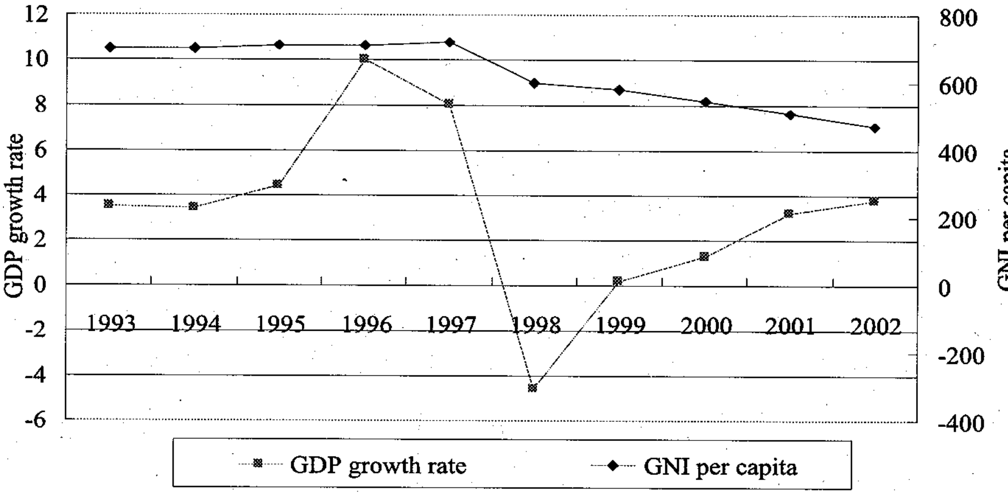

Figure 1: GDP growth rates in Lesotho, 1980–2003

Source: IMF Country Report, 2004

Table 4: GDP growth rates in Lesotho, 2000–2009

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Growth (%)	4.5	3.5	1.5	3.9	4.6	0.7	8.1	5.1	3.2	2.0

Source: Ministry of Finance and Economic Planning 2010

SAPs impacted negatively on agriculture by failing to promote food security in rural households. The country also engaged in the privatisation and market liberalisation policies of SAPs. In pursuit of agricultural policy goals aimed at poverty alleviation, attainment of household food security and creation of employment, SAPs allowed private crop production and liberalised the market to allow competition. However, the structure and practices of the private crop production sector continued to reflect a regime of manipulated prices rather than one that allowed the influence of market forces affecting the producers. The SAPs also recommended subsidy removal in the agricultural sector, which impaired the economy further. It affected crop diversification in the sense that producers had to engage in inappropriate production practices as production costs had gone higher when subsidies were removed; for example, every year maize production degraded soils; seriously affecting the economy. SAPs exacerbated poverty among the majority of maize consumers in favour of the minority of producers, by not promoting food security.

The state also became a non-delivering entity as the SAPs forced some conditions on it. Most notably, the privatisation policy transferred resources to inefficient state enterprises, which simultaneously impaired the ability of the private sector to compete; thereby delaying the development of the economy further (GOL Economic Review Report 2005, 1). The effects of SAPs were also felt in the public sector when there was a decline in the employment of civil servants. The labour force keeps on increasing, with graduates (about 12,000 each year) who cannot be absorbed by the labour market, further worsening the position of the economy, which has contributed to the increasing poverty among the people (GOL Economic Review Reports 2005; 2012). The declining agricultural productivity and high rates of unemployment have drawn many people to the urban areas to engage in the informal sector to avert poverty; an observable fact in many African countries.

CONCLUSION AND RECOMMENDATIONS

The experiences of Lesotho do not reflect any positive relationship between aid flows and poverty reduction; instead, the opposite is the case—Lesotho's dependency on donor aid has had a far-reaching impact on people's lives by worsening poverty. The country received, and continues to receive all forms of aid—from development assistance to SAPs; including poverty reduction strategy—yet aid that flows into the country do not tally with the level of poverty. Most people and their communities are continually faced with exclusion and marginalisation in development processes, which are donor-driven, but fail to effect a positive change essential for sustainable development. The main characteristic of these aid flows is that they are politically motivated by the rulers of the time. This therefore, means that only political clientele affiliated to such rulers reap the benefits. This is indicated by a few community-based agricultural projects (Table 3) undertaken in the post-independence epoch; which drastically failed to improve the lives of the Basotho by imparting life-long skills to maintain agricultural output to transform and sustain their households; more so when 80 per cent of Lesotho's population depends on agriculture. As indicated, donor aid is purported to be a national development strategy; but yet only a few benefit from it. This means that the majority of the nation remains in poverty; as they do not have choices to deal with their situation. This renders sustainable development an unattainable dream.

A better strategy would be for donor countries to work directly with local communities to determine how best resource aid can be utilised in enhancing their development; with a view to eradicating poverty. These countries need to engage with communities themselves, through their liaison officers, who are currently dependent on government to help identify their needs. In this way, people themselves determine their own priorities and choices to better their lives. Thus, poverty reduction can be achieved both at household and national levels, making sustainable development easily attainable. There is a need for the government to stop asking for aid in the guise of "developmentalism", as purported by Matlosa (1996), which is often diverted to achieve political ends. Brett (2008) also reiterates that this has been a problem of many states in Africa.

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