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THE RISE AND FALL OF AFRICAN INDIGENOUS ENTREPRENEURS' ECONOMIC SOLIDARITY IN LESOTHO, 1966–1975

SEAN MALIEHE

ABSTRACT: This article examines the rise and fall of African indigenous entrepreneurs' economic solidarity in Lesotho between 1966 (independence) and 1975. It rebuts the historical metanarrative that the black African indigenous entrepreneurs (the Basotho) lacked adequate entrepreneurial spirit, business acumen and economic solidarity. Using historical records and oral histories, this article demonstrates that there is sufficient historical evidence to argue otherwise. Rather, Basotho traders became victims of sinister political and economic interests of the first postcolonial government, which acted to protect interests of minority European traders—a common phenomenon in postcolonial Africa. Furthermore, the article makes two significant contributions—first to the

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growing literature on the history of African business and entrepreneurship, and secondly, it uses the constructed economic history of Basotho entrepreneurs to critique the dominant nationalistic and geo-political view that Lesotho's position as landlocked by South Africa is predominantly responsible for the country's sluggish economic growth, poverty and lack of economic independence.

Introduction

Through European encounters and colonial design in the nineteenth century, like other indigenous southern African communities, Lesotho's¹ pre-colonial economic independence was undermined in order to turn it into a reservoir of cheap labor.² After independence in 1966, its historical position as the main supplier of labor to South African mines steadily declined. In the 1970s, there were approximately 130,000 Basotho employed in the mines. By the 1980s, this number had declined to 50,000. More Basotho were retrenched from the 1990s onwards, and by 2011, there were only about 40,000 employed in the mines.³ In 1966, the country's population was estimated at 976,000.⁴ Around 70% of Basotho rural households depended on migrant remittances.⁵ By the 2000s, the country's demographics had changed rapidly and the population had reached about 2 million.⁶

In the local economy, commerce was the major pillar. When job opportunities dwindled in South African mines, commerce became an economic refuge for many ordinary Basotho—the black African indigenous people of Lesotho. Unlike other African countries, agriculture could not offer much beyond subsistence and sporadic small-scale cash production. Lesotho is a highly mountainous country and its small arable lands have experienced rapid human settlement and urbanization. In the nineteenth century, the country lost its vast territories to the Afrikaner settlers. This conquered territory forms South Africa's modern Free State province.⁷ To create the territory into a “labour reserve,” colonial authorities effectively undermined Basotho's agriculture.⁸ In the nineteenth century, Lesotho emerged as the major supplier of grain to South African mines after the discovery of minerals. However, industrial labor demands forced colonial authorities to undermine Basotho's agricultural pursuits and economic independence. Colin Murray argues that by the 1920s, Lesotho could no longer be described as an agricultural society as it shifted from being a “granary” to a “labor reserve” by colonial design.⁹ No wonder postcolonial efforts to develop agriculture continuously failed. James Ferguson's *Anti-politics Machine* explored this extensively.¹⁰

Commerce, public transport business (buses and *kombis*) and the informal economy (street trading) became the people's path to economic salvation. However, commerce was monopolized by foreign traders: Europeans, Indians and East Asians—Taiwanese, Shanghainese and Fujianese who are indiscriminately referred to as the "Chinese."¹¹ This paper focuses mainly on formal business enterprises, which Basotho could not penetrate easily. The Basotho faced a myriad of challenges in local business. Predominantly, they experienced problems of access to credit, supply of stock and equipment, discriminatory laws,¹² poor business infrastructure, lack of information and poor business opportunities.¹³ Women in business suffered more. In addition to these problems, women faced challenges of gender discriminatory laws, influence of socio-cultural issues, isolation from business networks, as well as household responsibilities that culminated in the "home-work conflict" phenomenon.¹⁴

The government of Lesotho categorizes the majority of Basotho-operated businesses as small-to-medium enterprises (SMEs). Small-sized businesses employ between one and three people while medium-sized businesses employ between ten and fifty people.¹⁵ Basotho's businesses are in the following areas: retail (the largest), service, manufacturing, agro-processing, tourism, professional, financial and commercial farming sectors. These businesses comprise 85% of Lesotho's local business. As of 2008, there were an estimated 100,000 SMEs in Lesotho employing about 300,000 Basotho. Out of the percentage that Basotho occupy in local business, more prosperous Basotho constitutes only 15%.¹⁶

To insert themselves in the economy, the majority of Basotho have historically formed associations, cooperatives and other voluntary self-organized economic groups like rotating credit groups, popularly referred to as "stokvels." There is renewed energy and interest in the role of business associations in contemporary Africa, particularly due to the exclusive impact of neoliberalism. They offer support and advancement of common economic interests of the largely marginalized indigenous entrepreneurs.¹⁷ However, Basotho's entrepreneurship and business history is obscured. Little is known about their economic activities, particularly, the role of self-organized economic organization as strategies that they employ to insert themselves into and survive in the local business. This paper is significant because (a) it attempts to fill this lacuna in literature by providing the history of the rise and fall of Basotho traders' economic solidarity in the first decade after independence, and (b) it expands debates surrounding Lesotho's geopolitical position in the region that the country cannot develop an independent local economy due to South Africa's economic hegemony. Totally surrounded by South Africa, the country has a paradoxical

national economy; it also depends on revenues from the Southern African Customs Union (SACU), remittances from South African mines, foreign aid and foreign direct investment. The country virtually imports everything from South Africa. It is no surprise that the country has been labeled as the “shadow state,” a “dependent state” or a “labour reserve,” just to name a few.¹⁸

This nationalistic approach to economic independence as national self-sufficiency is limited. While not being naïve about power and hierarchies between states, economies depend on each. “Ours is an age of money. If human society has any unity at this time it is as a world ‘market.’ There is nothing wrong with people exchanging goods and services as equals. Markets are indispensable to the extension of society,” argues Keith Hart.¹⁹ Politics, on the other hand, are often trapped in locality; they are territorial. The dominant form of political organization around nation-states in the modern world is typified by staunch notions of national consciousness that often contradict economic pragmatism—as metaphorically expressed in the adage: “money knows no bounds.” There is also nothing wrong with people having a form of identity, political organization and a sense of belonging—in all its forms and extensions. However, we need to recognize that some formations, in certain conjunctures, can become barriers but not means through which societies may organize and exchange effectively.

In their respective localities, people produce and exchange goods and services amongst themselves. Various geographical regions offer different commodities that make economic interdependence indispensable.²⁰ The case of Basotho’s bulk-buying cooperative (“Thekommoho”) and the “Makro deal” chronicled in this paper will attest to that. Through these organizations, Basotho traders took advantage of South Africa’s economic position to cut the European intermediaries (middleman) and confront foreign traders’ monopoly of the local economy by importing goods directly from South African-based manufacturers and wholesalers. The history of these organizations examined in this paper demonstrates how the postcolonial state collaborated with European traders to undermine the majority of Basotho entrepreneurs. Therefore, these internal dynamics should be taken into consideration.

This paper is organized into four sections following the introduction. The first section reviews literature on African business and entrepreneurship history while the second provides a summarized background of colonial commerce in Lesotho from 1870 to 1966. The third section accounts for the rise of Basotho traders’ economic solidarity as encapsulated in the formation of the Basotho Traders Association and their bulk-buying cooperative, “Thekommoho.” The last section examines the collapse of

Basotho entrepreneurs' economic solidarity ten years after independence. The section is divided into two sub-sections; the first explores the collapse of "Thekommoho," while the second examines the failure of the "Makro Deal," which was Basotho traders' attempt to partner with a South African wholesaler (Makro Cash and Carry) after the collapse of their cooperative.

Literature Review: African Entrepreneurship and Business History Debates

This paper makes a contribution to the growing literature on African business and entrepreneurship by historians. Reviewing literature on business history in Africa, Robert Tignor observed: "In spite of the impact of business firms on the African continent, relatively little work has been done on uncovering the history of these firms or of the people who founded and ran them."²² Scholars that have worked on firms in Africa focused on European firms and less on indigenous African business.²³ For decades now, debates on African entrepreneurship and business have been hotly contested. There have been scholars who argue that African entrepreneurship has demonstrated poor performance due to a lack of adequate entrepreneurial spirit, business acumen and a spirit of solidarity (unity or mutual cooperation against common challenges). They argued that indigenous business owners lacked economic rationality; they did not perform well in business because they supported huge extended families and wanted to please family members with business resources. They also advance that indigenous business owners pursued economically imprudent "hand-to-mouth" management practices, which hindered them from saving, reinvesting and expanding their businesses. Finally, these scholars also maintained that indigenous business owners participated in business for prestige and status inflation, rather than the aim of maximizing profits.²⁴

Scholars who disagreed with these views have emphasized the difficult and complex political-economic environments in which indigenous business owners had to operate under during the colonial and postcolonial periods.²⁵ For example, in Zimbabwe, M. J. M. Sibanda used the case study of bus operators in the rural periphery of Salisbury (now Harare) to challenge colonial stereotypes and modernization perceptions of the development of African business. He demonstrates that in cases where colonial institutional constraints were less developed, African business owners displayed better economic performance.²⁶ In his study of the rise of the middle-class in Zimbabwe, Michael O. West demonstrated that African business owners experienced difficulties because of the colonial economic setup and

hostility, which prevented them from emerging as a defined economic class.²⁷ This binary comes as no surprise; Africanists and revisionist historians sought to rebut misconceptions of African entrepreneurs as well as the positioning, activities and impact of European firms as facilitators of exploitation of African economies and advancement of imperial interests.²⁸

Interest in African entrepreneurship and business increased with decolonization and postcolonial ambitions to indigenize African economies. Various African governments approached the indigenization of economies differently at independence; some became very radical like Idi Amin of Uganda, who expelled more than 70,000 Indian traders from that country in the early 1970s.²⁹ Lesotho and other governments adopted more strategic ways of ensuring that Africans would take a leadership role in their economies after independence. For example, the Nigerian government promulgated laws in 1972 and 1977 to restrict and manage foreign business activities in the country in various sectors of the economy.³⁰ Such economic indigenization strategies were “motivated by the perception that ten years of independence had not lessened the economic dominance of both Western multinational corporations and the Middle Eastern (mostly Lebanese) family companies.” As a result, “Nigerian businessmen complained they were being discriminated against and could not access bank credit to finance their expansions,” while on the other hand, “state officials worried that foreign companies were not reinvesting their profits in the economy.”³¹ As it turned out, such policies were a “little disguised grab by the political elite of profitable private companies, and the rhetoric of economic nationalism was perfunctory and superficial.”³²

In Lesotho, literature on the history of business and entrepreneurship is still in its infancy. Two books have been published about the history of the European business activities in Lesotho.³³ They trace the origins and success of Frasers Limited, which was established by two brothers—Donald and Douglas Fraser—who first arrived in Lesotho in the late 1870s. However, the history provided is one-sided as it is about European entrepreneurs. Another business group which has attracted more scholarly attention in recent years has been the Chinese business migrants in Lesotho. Mothusi Turner and Terence McNamee carried out research on the activities of the Chinese in Lesotho. Turner focused his study on Lesotho itself,³⁴ while McNamee studied Chinese economic activities in the local economies in southern Africa which included Lesotho.³⁵ Both scholars focused on how the Fujianese migrants dominated local economies in southern Africa through transnational economic networks based on kinship relations. They also explored complex dynamics, which their business activities have produced in the local economies.³⁶

Motlatsi Thabane's chapter on "Aspects of the Colonial Economy and Society, 1868–1966" in *Essays on Aspects of the Political Economy of Lesotho, 1500–2000* traces the broader economic history of colonial Lesotho. He argues that Lesotho's commerce was dominated by European traders who, together with the colonial government, strategically excluded Basotho from commerce by restricting their access to trading licenses. Those Basotho who finally broke into local business circles faced problems of access to credit and supply of stock in their businesses. As a corollary to this, Thabane argues that Basotho traders established "Thekommoho" to buy stock in bulk from South African manufacturers and wholesalers together. However, it collapsed under complex political and economic factors, together with many of Basotho's businesses.³⁷ This paper unpacks the rise and collapse of this cooperative in greater depth.

In the *International Handbook of Research on Indigenous Entrepreneurship*, published in 2007, Léo Paul Dana's chapter on Basotho's culture and entrepreneurship in Lesotho aimed to evaluate the impact of culture on entrepreneurship in the country. The author argued that culture plays a vital role in Basotho's entrepreneurial initiative. In Lesotho, business and exchange of wealth are intricately interwoven with culture. As a result, economic rationality and private property, which are prerequisites for capitalistic accumulation, are compromised. He argued that the Basotho have difficulties exchanging their property for profit because they attach more cultural values rather than exchange values to their property.³⁸

The current paper makes a contribution to the emerging field of African entrepreneurship and business history. It focuses its attention on entrepreneurship history of the black indigenous entrepreneurs in Lesotho. It explores how they attempted to insert themselves in the exclusive colonial and postcolonial local economy dominated by European firms. It also critiques the dominant misconceptions attributed to African entrepreneurs that they perform poorly in business because they lack economic rational ethic (that is, they are not *homo economicus*) and that they lack a spirit of solidarity required to mobilize and collectively advance their interests in the way Indians, Chinese and European traders do.

Background: Political Economy of Colonial Commerce

The rise and fall of Basotho traders' economic solidarity after independence has its roots in colonial commerce. As a background section, only salient aspects will be explored. By colonial design, Lesotho was the main supplier of labor to South African mines until the 1990s. Within this

twentieth century economic configuration as a “labor reserve,” led by European traders of British descent, the Frasers group, commerce emerged as the main pillar of the local economy from the 1870s. Working closely with the colonial government through their business association, the Basutoland Chamber of Commerce, European traders monopolized trade and excluded indigenous groups and Indians, who had arrived in the territory towards the end of the nineteenth century and beginning of the twentieth century. One method of exclusionary practice was the refusal to issue trading licenses. In few instances where these two groups were granted licences, it was in remote and mountainous areas where business was not lucrative, and infrastructure was less developed. The colonial government and European traders became so effective in their strategy of exclusion that there were only three Basotho and sixteen Indians with trading licenses by 1935.³⁹

Relations between Basotho, Indian and European traders remained complex and multi-layered. They were characterized by everyday economic pragmatism (alliance) and collective confrontation (resistance). Indigenous African groups had no access to capital because commercial banks would not issue them business loans. Those that ventured into business used their gratuities and savings from formal employment as teachers, civil servants, and mine-workers in South Africa, or reinvested their agricultural profits in business. Many Second World War veterans invested their gratuities in business.⁴⁰ To address their problems of access to credit, the Basotho negotiated credit and stock supply arrangements of varying sorts with European and Indian traders payable within 14 to 30 days. In various instances, they also partnered with Europeans, or Indians.⁴¹

The beginning of the twentieth century was followed by the emergence of the popular nationalistic liberation movement, which was led by the Basutoland Progressive Association (1907), and *Lekhotla la Bafo* (League of Commoners, 1919). The Progressive Association consisted mainly of mission-educated indigenous people, indigenous traders, civil servants and teachers. The League of Commoners, as the name expresses, was dominated by ordinary masses. Unlike the former, the League was radical in approach; it was openly anti-European and anti-chieftainship.⁴² Despite their varying approaches, the two groups aggressively fought for the inclusion of indigenous people in local commerce. In 1940, indigenous traders established a traders' association, Basuto Traders' Association (BTA), to advance their specific interests in local commerce. In the 1950s, political parties became vehicles of the liberation struggle, and members of these early organizations joined the first two political parties that were formed: the Basutoland

Congress Party (1952) and Basutoland National Party (1957).⁴³ A summary of the formation of these parties will follow.

The three political and business organizations confronted and put pressure on colonial authorities and European traders to open up trading opportunities for the aspiring indigenous traders. As a result, in 1951, the colonial government was forced to pass the Native Trading Proclamation to allow more indigenous traders participation in local commerce.⁴⁴ Also, it was only after the 1951 Proclamation that a wider number of women were able to open businesses of their own. Previously, they were predominantly operating as informal street traders selling traditional beer, food, vegetables, handicrafts, and other goods.⁴⁵ According to colonial laws, traders' license applicants had to be taxpayers and Basotho women were not recognized as such by Native Tax Proclamation No. 3 of 1911, which enforced and regulated the payment of tax.⁴⁶ The new law exempted them from the tax prerequisite on the basis that their husbands or fathers were taxpayers. From 1951, a number of Basotho women were issued with trading licenses. However, the 1951 law did not immediately change their economic fortunes. Even though the colonial laws permitted them to apply for such licenses, available information suggests that only a few Basotho women owned and ran such stores prior to independence. By far, the majority of Basotho traders were men. For example, in the Leribe district, there were 75 trading licenses issued to Basotho in places outside the town center in 1951. Of these, 11 trading licenses were owned by women. In April 1953, out of the 24 trading license applications in the same district, only five were issued to women.⁴⁷

Nonetheless, for the largely marginal Basotho women, the passing of the 1951 law was a major breakthrough. However, due to lack of records, the direct political involvement of women is absent. This was because the leadership of Basotho's political and business associations was dominated by men—a patriarchal heritage. Ultimately, 1951 was a significant year for Basotho in business, and even more so for women. In 1957, the Colonial Office commented that: "Although European and Indian Traders still predominate, African interest in trading is steadily increasing and Basuto-held trading licenses are likely soon to exceed those held by non-Basuto."⁴⁸ From three Basotho in 1935, there were about 2,700 businesses owned by Basotho in 1958, at the eve of independence.⁴⁹ While this section provided a historical background to Lesotho's colonial commerce and Basotho's individual and collective struggle to gain access into local commerce that was dominated by European traders, the next section will examine the rise of Basotho traders' economic solidarity after the country gained independence from Britain.

Self-organization and Economic Aspirations at Independence

After Lesotho gained independence on October 4, 1966, about ten Maseru-based Basotho traders made an attempt to form a bulk-buying organization to solve their problems of access to credit and supply of stock. In the context of Europeans' monopoly of local trade, they founded this organization as a way to pool their resources in order to buy stock in bulk from South African manufacturers and wholesalers. These firms sold stock to them at lower prices than European wholesalers did in the country. However, such efforts failed because there was no one who could manage their bulk-buying arrangement on a full-time basis, since they were all running their own businesses. Also, they did not have storage for their bulk stock. Nonetheless, these traders persisted and sought support from other Basotho traders.⁵⁰ Finally in 1968, they formed what was popularly known as the Basotho Traders' Association (BTA), which was legally registered as *Mokhatlo oa Bahoebi Lesotho*, literally an association of traders in Lesotho.⁵¹

BTA was governed by an executive committee elected annually.⁵² The committee encouraged Basotho traders to join their association by, among other activities, holding training workshops for Basotho traders around the country in business skills and assisting them to acquire "best skills in fields of commerce" and to develop ". . . proficiency in business techniques" as well as helping Basotho traders to ". . . adopt advanced business methods."⁵³ They organized public lectures and seminars, provided skills-training scholarships to Basotho traders and also published articles in the print media.⁵⁴ The association worked in collaboration with the government and international organizations to develop indigenous entrepreneurship. The first program aimed at the development of local entrepreneurship was launched in 1968. This was the Business Extension Services under the Ministry of Finance, Commerce and Industry. Business Extension Services was a United Nations' program administered by the International Labour Organisation (ILO). It was meant to cultivate the spirit of entrepreneurship and business skills in "Third World" countries in order to nurture local economic development for newly independent and other developing countries.⁵⁵ Business Extension Officers were employed to train Basotho traders around the country under supervision by Commercial Officers. Business Extension Offices were built in Maseru, which was the headquarters, and two other offices were built in the Leribe and Mohale's Hoek districts.⁵⁶ Business Extension Services was monitored by ILO Business Extension Advisors. One of the ILO representatives sent to Lesotho in this capacity was a German business consultant, B. T. Kock.⁵⁷

The government and the ILO assisted the association in training Basotho traders through the UN-sponsored "Business Extension Services." B. T. Kock, together with some civil servants and some leaders of the traders' association, traveled around the country training members of the traders' association and other Basotho traders.⁵⁸ For example, on July 13, 1968, the government of Lesotho and B. T. Kock, together with the traders' association, held a training workshop for Basotho traders in Leribe at which various courses were offered.⁵⁹ Through their association, Basotho traders took over the initiative of forming a bulk-buying arrangement in 1969, which was popularly known as "Thekommoho"—literally buying together. When it was established, however, "Thekommoho" was more than just a bulk-buying arrangement. It was registered as a cooperative under the Co-operative Societies Act of 1966, under the name: Basotho Traders' Bulk Buying Syndicate Ltd.⁶⁰ Marking Basotho business owners' attempts to forge amicable relations with the government upon its formation in October 1969, Chief Peete Peete, the Minister of Finance, Commerce and Industry at the time, was invited to deliver a speech during the meeting.⁶¹ "Thekommoho" had around 400 members, of whom 220 were shareholders.⁶² Basotho traders had hoped to establish branches in all the modern-day districts of Lesotho, and a bank. However, when the cooperative collapsed in 1970, only two branches had been established in the capital of Maseru and in the Leribe district.

Through the cooperative, Basotho traders bought stock from South African manufacturers and wholesalers on credit. A company, such as Lever Brothers, gave them stock on credit. The consignment was payable within a period of 30 days.⁶³ Pitso Mafantiri, a local Mosotho bookkeeper, was the appointed representative of South African wholesalers and manufacturers in Lesotho because of his business expertise and experience. Since Lesotho was now independent, Basotho traders felt that they could no longer buy stock from South African suppliers through European agencies, such as the Whitakers Agencies. The traders' association wanted Basotho traders to fully represent their interests.⁶⁴ From this, as well as from the efforts of Basotho traders, it can be deduced that Basotho traders held a strong sense of the need for economic independence fueled by an Afro-centric, or pan-Africanist spirit to take a lead in their newly independent country.

The cooperative grew fast and became popular within a short period of time.⁶⁵ In accounting for its successful take-off, G. G. Malahleha, one of its founding members, poetically stressed that ". . . it actually took off like a house on fire."⁶⁶ "Thekommoho" started with little capital but it was able to import a lot of stock for Basotho to sell goods in their stores at affordable prices. For example, in Maseru, it started with capital amounting to

R2,174. Its financial statements showed that, as at June 31, 1970, its purchases had amounted to R192,085.⁶⁷ In Leribe, Ramafokisi Mofokeng, one of the branch's founding members pointed out that their branch started with little capital but it was able to deposit around R50,000 to the bank daily. Soon, business became more lucrative and the cooperative could deposit about R100,000 to the bank, daily, to repay its suppliers in South Africa.⁶⁸

Not only did "Thekommoho" take off very successfully, but it also grew rapidly after its official inauguration. Its warehouses were always full with stock from South Africa. Upon its arrival in Lesotho, the stock was sold within a very short time.⁶⁹ Mofokeng remembered that, in Leribe, their warehouses "used to be full to the top . . . and [stock] got finished in a day."⁷⁰ The result was that the branch's warehouse and office were moved from Shabalala's premises in Hlotse, which could no longer accommodate the volume of its stock, to a bigger warehouse in Maputsoe, in the premises owned by Tom Mokete.⁷¹ Its rapidly growing popularity threatened to take business away from European traders inside Lesotho and in neighboring South African towns like Ladybrand, Bloemfontein, Ficksburg and Fouresburg, where Basotho traders used to buy stock for their stores. In Ficksburg, Mofokeng pointed out that Europeans complained that Basotho traders and customers no longer bought goods from them.⁷² Joe Motsoahae, also one of its founding members, pointed out that, in Maseru, the impact was similarly felt by European traders, especially Frasers, which had dominated local trade throughout the colonial period into the postcolonial period.⁷³

Factors that contributed to its growth were as follows: firstly, "Thekommoho" managed to compete effectively with the long-established European traders because it sold stock to Basotho traders at low wholesale prices—made possible by bulk purchases of stock—and, therefore, received discounts as well as extra stock, at times, for free by South African wholesalers and manufacturers.⁷⁴ As a result, Basotho traders were able to sell at lower prices than European traders and still profit. Secondly, traders used to pay a "Maize Levy" to the South African government when they imported maize and maize products into Lesotho. All traders in Lesotho had to increase their prices on maize and maize products due to the levy. The South African government used the revenue collected from the Maize Levy to compensate farmers in South Africa in times of crop failures caused by natural disasters. By the end of 1969, South African farmers were told to take insurance instead and the Maize Levy was removed.

"Thekommoho" took advantage of the removal of the Maize Levy and dropped their prices on maize and maize products. However, European

traders did not reduce their prices in order to make more money. As a result, Basotho traders were able to sell at lower prices than European traders. Maize and maize products are staple foods in Lesotho and their demand is relatively inelastic; people buy them even when their prices go up. However, a drop in their price is always good for business and profits.⁷⁵ Lastly, “Thekommoho’s” affiliation with South African firms revolutionized advertising in Lesotho. South African suppliers gave the cooperative brochures advertising “specials” and discounts. The cooperative then circulated these brochures to Basotho traders, who then distributed them among their customers. According to Motsoahae, this was a new phenomenon in Lesotho’s local business. As a result, it captured Basotho customers’ attention and attracted more customers.⁷⁶ Prior to this, advertising was done in newspapers and only those who were financially established—European traders—could afford such advertising.⁷⁷

Economic, Moral and Political War against Basotho Traders

The previous section accounted for the rise of Basotho’s economic solidarity in the first four years of independence. This section examines the collapse of their economic solidarity and the factors behind it. This section is divided into two subsections. The first subsection examines the factors behind the collapse of their bulk-buying cooperative. As a major blow, it situates its collapse as the beginning of the downfall of Basotho traders’ economic solidarity in the immediate postcolonial period. The second subsection covers a five-year period from 1970. Within a civilian dictatorship, I demonstrate how the National Party-led government undermined Basotho traders’ efforts to re-emerge.

Beginning of the Downfall: The Collapse of “Thekommoho”

Following the 1965 general elections, the Basutoland National Party (hereafter, National Party) formed Lesotho’s first independence government.⁷⁸ In the first four years after the country gained independence, relations between Basotho entrepreneurs and the government were, on the one hand, characterized by optimism and collaboration. On the other hand, tension between the two progressively brewed. Between 1969 and 1970, their relations reached their lowest ebb. The major factor behind the waning of relations between them and the government was that the majority of Basotho traders, the leaders of the Basotho Traders’ Association and “Thekommoho”, were also members of the Basutoland Congress Party (hereafter, Congress Party), the country’s major political opposition party.

Though a minority, there were members who came from other political parties—the ruling party, and the Marematlou Freedom Party.⁷⁹ As Malahleha pointed out, “. . . most of the traders were people who supported the Congress [Party].”⁸⁰ In an interview with Ntsukunyane Mphanya, Secretary General of the Congress Party at the time, he pointed out that “Thekommoho” was the Congress Party’s socio-economic initiative. Apart from confirming that its leaders and members were predominantly members of the Congress, he also pointed out that Ambrose Makhobalo, its Vice-Chairman, was, in fact, not a trader but an influential member of the Congress who had been deployed in “Thekommoho” to spread the Congress spirit among Basotho traders. In his words: “You will find that . . . Ambrose Makhobalo . . . did not have a business but he was too active in Thekommoho.” That was because “he was providing a spirit which was from BCP (Congress) . . .”⁸¹

The new government of Lesotho and the European traders cooperated to protect each other’s interests. Collaboration between these two had a long history. The National Party was founded as a conservative political party by Leabua Jonathan and Gabriel Manyeli in 1957 following a conflict with leaders of the Congress Party. The party was friendly towards Europeans (missionaries, government officials and traders) and chieftainship in Lesotho. In fact, the Roman Catholic Church played a crucial, but covert, role in the formation and support of the National Party. Before its formation, the Church had proposed to form the Christian Democratic Party. The Catholic Church had grown increasingly irritated with the radical and Afro-centric liberation struggle approach of the Congress Party, which it regarded as communist in ideology. By initiating and supporting the formation of the National Party, the Church sought to fight “communism” in any form it could appear in Lesotho.⁸² For its part, the Congress Party saw Europeans in Lesotho as intruders that only monopolized the economy and marginalized Basotho. Since its formation in 1952, as the country’s first ever political party, the Congress Party “. . . waged an anti-Christian, anti-European traders and anti-Chieftainship battle.”⁸³ Leabua Jonathan came from the chieftainship, and thus did not agree with the National Party’s approach. Suffice to say, these two dominant political parties had a longer history of hostility which continues to the present. The hostility is expressed in the popular *Ma Congress-Ma National* dichotomy, literally, those belonging to the Congress Party and the National Party.

The National Party in Lesotho had support from European traders due to its conservative attitude. Khotso Santho, the son of Thabiso Santho, the Chairman of Basotho Traders’ Association, when it was formed in 1968, argues that Frasers Company financially supported the National Party’s

1965 election campaign leading to Lesotho's independence.⁸⁴ In return, the government promised European traders continued support into the newly independent Lesotho. For instance, on November 19, 1966, at the Europeans-only Basutoland Chamber of Commerce annual dinner, a government representative declared that the government's aims and objectives were not only to provide basic conditions of law, order and security but also to develop Lesotho's local business for all members of the business community, black or white. On the same occasion, the Deputy Prime Minister, Chief Sekhonyana 'Maseribane, acknowledged the historical role played by European traders in the country's economy and assured members of the Chamber that the government would continue to support them to ensure their success. He told members of the Chamber of Commerce that:

Historically, the trading community has played a most important part in the evolution of Lesotho, and it is particularly gratifying to my Government to see the old association between Lesotho and many well-known trading families continuing from one generation to another. There could be no better assurance of confidence and stability. My Government looks forward with confidence to the long continuation of these old friendships in the new independent Lesotho.⁸⁵

Relations between European traders and the government solidified more. Signs of the strengthening of these relations can be witnessed in the European traders' philanthropic gestures towards the government's economic development initiatives. Two examples are provided in support of this. First, in October 1968, the Chamber of Commerce gave the government money to buy seeds for Basotho farmers.⁸⁶ Second, in March 1970, after the State of Emergency (full details of this are provided later in this article) when the National Party regime was in financial crisis,⁸⁷ *Lesotho News* reported a speech by Ian Fraser,⁸⁸ Baron Fraser of Lonsdale (England), in which he assured European traders' unwavering support to the government. Fraser said: "[A] friend at a time of difficulty is worth fifty fair-weather friends." He assured the government that European traders would continue to be on the National Party government's side. He reminded the government of the philanthropic activities of European traders in Lesotho and pointed out that it should not be forgotten that European traders had ". . . contributed materially to road building and other essential services. Besides, it gives scholarships and support 'many good causes.'"⁸⁹

It is in this context of mutually cordial relations between the government and European traders that the collapse of "Thekommoho" is located. The government and European traders saw the growth and popularity of

Basotho's bulk-buying cooperative as a threat. On the one hand, the government saw it as a political threat because leaders and the membership majority of indigenous traders' organizations came from the Congress Party. The government saw it as a threat, particularly because the cooperative was formed a few months before Lesotho's general elections were to be held in January 1970. So, for the Congress Party, the organization boosted its campaign. Not surprisingly, the government accused Basotho business owners of using their businesses for political reasons. Of course, at another level, this was a political campaign strategy for the Congress. The Prime Minister, Leabua Jonathan, threatened that: ". . . [B]usinessmen who allowed their business premises to be used as political platforms [would] have their trading licences suspended."⁹⁰

On the other hand, European traders saw Basotho traders as an economic threat because Basotho were threatening to shift business away from them through the cooperative. Initially, feeling the pressure from "Thekommoho", European traders requested its leader to review their prices. According to Malahleha: "They even used to come to *ntate* Phalatsi and try and beg him not to *eh*, sell at such prices . . . [But Phalatsi] was not interested."⁹¹ Depicting the changed influence of European traders, Motsoahae pointed out that, in Maseru, the impact was similarly felt by European traders, especially Frasers. He asserted that: ". . . [W]e became so powerful in such a short space of time that it made people like Frasers cry . . ." Before the establishment of the cooperative, "we used to flock at Frasers', pushing each other, going in the morning. Frasers was busy right through to four o'clock [in the afternoon]." However, when cooperative "picked up, at Frasers', it was so quiet that you could hear a mosquito fly."⁹²

European traders and the government collaborated to undermine Basotho traders' collective entrepreneurial efforts.⁹³ Lesotho held its second general elections on January 27, 1970. Observers agreed that the elections had proceeded well. On the contrary, on January 30, as the results of the elections were being announced, the state-run Radio Lesotho stopped broadcasting results and, instead, announced that Leabua Jonathan, the Prime Minister, would be addressing the nation later that day. When the time for Leabua Jonathan's speech came, he announced that there had been widespread intimidation during the elections. To ensure law and order, he declared a State of Emergency and suspended the constitution.⁹⁴ Consequently, constitutional rule collapsed and opposition parties' members, all over the country, were brutally and violently harassed and tortured. As the major opposition, the Congress Party members were selectively and

brutally harassed. The shops of those who were traders were burned.⁹⁵ Malahleha pointed out that:

During the emergency in 1970 . . . we were suspected to be . . . belonging to opposition which had won the elections at the time . . . But . . . what happened was this; [in] Thekommoho . . . most of the traders were people who supported the Congress, you see! And they were harassed very badly, very, very badly! Now, this, now I may—I might even become emotional about it. My own brother was beaten there at Ha 'Maseribane for two nights in succession, non-stop! From ten o'clock to four o'clock in the morning. You get it? That was terrible because he was a businessman in Mafeteng and he naturally . . . did support *eh* the—the [Congress].⁹⁶

Malahleha also recalled how government burned down the property of one rich Mosotho businessman in Mafeteng, called Dabambe. He had shops, animals and property, which included automobiles. Malahleha remembered that the government burned down his businesses, trucks and chickens. He said that Dabambe's property “. . . burnt for something like two weeks, still burning! That man left that place on a bicycle, a man who had cars . . .”⁹⁷ Additionally, members of the Basotho Traders' Association and leaders of the bulk-buying cooperative were imprisoned, together with various opposition members. The cooperative was forcefully closed down. Basotho traders' stock was raided by the Police Mobile Unit.⁹⁸ The government alleged that they had uncovered a Congress Party plan of violence across the country. The police claimed that they had found 21 inflammable bombs, a rifle and ammunition, swords, axes and knives in some leaders of the Traders' Association and other Basotho traders' shops.⁹⁹

In the aftermath of the State of Emergency, its members, who were not imprisoned, resuscitated the cooperative. One of the steps that they took toward this end was to move its warehouse from Thabiso Santho's premises to Buta Phalatsi's store (another founding member), since they could not afford rent. Just as “Thekommoho” was starting to take shape again, the government of Lesotho sued it for not paying the “Maize Levy.” “Thekommoho” operated from October 1969 to about June 1970. As shown, toward the end of 1969, the South African government removed the Maize Levy and South African farmers were told to take insurance on their crops. That made it possible for the cooperative to reduce its prices on maize and maize products imported into Lesotho. As an attempt to undermine the cooperative, European traders approached the government of Lesotho to introduce tax on maize and maize products imported into Lesotho.

Chief Leabua Jonathan's regime agreed because it was in financial crisis due to the State of Emergency.¹⁰⁰ “Thekommoho” did not comply with that

law and continued trading without collecting the Maize Levy. However, European traders collected the Maize Levy. Motsoahae confirmed that the High Court found the cooperative guilty of not collecting the Maize Levy. As a result, it was instructed to pay the government approximately R90,000. However, it could not pay such an amount of money at the time. The result was that the cooperative's stock and property were auctioned by the High Court to repay the tax. According to Motsoahae, trucks belonging to the Deputy Prime Minister, Sekhonyana 'Maseribane, took all its stock to his businesses. Motsoahae recalled that after the court case "Thekomo-moho was closed. Our properties . . . everything was sold. The High Court sold them there—our properties, which were still new . . . you understand that was an organisation of about six months . . ." He lamented: "My heart was so painful . . . everything was still new. People bought them and I was watching."¹⁰¹ Thus, the verdict of the High Court put an end to "Thekomo-moho". Though Motsoahae had forgotten the details of the court case, he could still remember that ". . . truly that case was worked in such a way that we would be defeated."¹⁰²

The Last Nail in the Coffin: The Collapse of the "Makro Deal"

The collapse of "Thekomo-moho" left many Basotho in local business disgruntled. Meanwhile, commerce continued to be dominated by European traders. It also continued to be one of the major pillars of the local economy after independence. In terms of GDP contribution, it came third after agriculture and government services. In the 1974–75 financial year, agriculture contributed 32% to GDP. Government services accounted for 13.6%. Commerce contributed 9.7%. The government of Lesotho observed that: "Of this trade, by far the greater part is in the hands of a few expatriate firms . . . expatriate businesses were on average substantially larger than local businesses." Furthermore, "their share of the trade was far greater than these figures would suggest. Of the Basotho retailers recorded, over 80% had a monthly turnover of under R1, 200" while that of European traders was "estimated to range between R10,000 and R15,000 per month." The government noted further that the "disparities are even greater in the wholesale trade, which is virtually entirely in expatriate hands. The foregoing figures cover only Maseru, but the general picture applies to the country as a whole."¹⁰³ Martyn A. R. Ngwenya, an Economist and Lecturer at the National University of Lesotho in the late 1970s, supported that:

. . . [W]holesale and retail trade in Lesotho is dominated by Frasers a foreign company which has branches in South Africa and that this is a serious obstacle to the establishment of indigenous enterprises . . . [As a result,

Basotho] felt that the government should pass a law that prohibits any wholesaler from owning retail trade outlets . . . [since] retail shops belonging to Frasers sold some goods at wholesale prices.¹⁰⁴

Having declared the State of Emergency, suspended the constitution and violently harassed members of the opposition, the National Party government maintained a tight grip on Lesotho's economy and ruled by decree. In 1973, the government of Lesotho passed the Trade Ordinance (Order No. 20 of 1973) designed to expand the powers of the Minister of Commerce in business licensing matters, by giving him authority to ". . . amend or make additions to the [law, arbitrarily,] by notice to be published in the Gazette."¹⁰⁵ Additionally, the law gave the Minister control over the appointment of the Appeal Board.¹⁰⁶ The function of the Board was to ". . . consider appeals under this Order and thereafter make such recommendations to the Minister as it may deem just."¹⁰⁷ The Minister was given authority to prescribe forms to be used and fees to be paid, provide conditions under which licenses were to be issued, and prescribe hours and days of business as well as various other issues. The Minister was even given the power to "prescribe standards of morality . . . to be served by holders of trading licenses."¹⁰⁸ In short, the Ordinance centralized power around the Minister of Commerce and made it possible for him to exercise arbitrary control and discretion.

After the collapse of "Thekommoho", however, some Basotho did not give up on their efforts to take control of the local economy; they persisted though it was more difficult within a civilian dictatorship context. Most notably, two groups of Basotho traders successfully opened wholesale businesses of their own. These were *Metla-khola* Cash and Carry, in the Maseru District and *Bana-ba-Khoele* Cash and Carry in the Mafeteng District. To expand their business activities and efficiency in Lesotho, these two groups of Basotho wholesalers successfully negotiated with *Makro* Cash and Carry, South African-based wholesaler, to open a branch in Lesotho. Central to their agreements was that Basotho traders would be the major shareholders.¹⁰⁹ 1975 was a significant year in Lesotho's business history in the immediate postcolonial period; the government became actively involved in efforts to set up a wholesale business for Basotho retailers. However, this was a strategy to counter Basotho traders' entrepreneurial efforts and subordinate them. Accordingly, the government negotiated with *Metro* Cash and Carry, another South African-based wholesaler, to establish a branch in Maseru.¹¹⁰ As they had not approved the earlier Basotho traders' bulk-buying cooperative, both European traders and the government were also not satisfied with the latest Basotho's pursuits to merge with *Makro* Cash

and Carry since the deal could ensure the success of Basotho traders. In return, that would threaten economic interests of the European traders and political interests of the ruling party.

Consequently, European traders attempted to sabotage the *Makro* deal but failed. A local newspaper, *Lehlaahlela*, carried an interview with G. A. Wiehamn, representative of *Makro* Cash and Carry, M. T. Ramakatane, chairman of *Metla-Khola* Cash & Carry and also S. B. Monyake, chairman of *Bana-ba-Khoale* Cash and Carry in November 1975. The interview provided indications of European traders' attempts to sabotage the *Makro* deal. In that interview, Ramakatane stated that European traders had unsuccessfully tried to divide the two Basotho wholesalers in their joint pursuit to invest in Lesotho with *Makro* Cash and Carry.¹¹¹ Nonetheless, the joint Basotho wholesalers' attempts to open a wholesale in collaboration with *Makro* Cash and Carry came to an abrupt end when the government gave *Metro* Cash and Carry a building that was promised to Basotho traders and *Makro* Cash and Carry for their joint operation.¹¹² This undermined Basotho traders' initiative since they did not have an alternative site to carry out their joint business venture.

The Minister of Commerce and Industry at the time, Joel Moitse, supported indigenously-owned business. He encouraged Basotho to take control of the local economy in the postcolonial period. Moitse had been a Pro-Vice Chancellor at the National University of Lesotho and a poultry businessman.¹¹³ Amongst others, these two former activities were important in his approach to Lesotho's economic development and empowerment of indigenous traders in the postcolonial period. Not only was he a Mosotho businessman but he was also a highly educated visionary at the time of Africa's independence. In January 1975, Moitse held a training workshop for 107 Basotho traders in the district of Mafeteng. At the end of the workshop, he delivered a controversial closing speech informing traders that it was the government's policy to make sure that business in Lesotho was finally put into the hands of Basotho traders and that foreign business owners should only operate in big firms in the country. The Minister added: "Our enemies [European traders and the government] are scared of what we stand for and who we are."¹¹⁴ The *Lehlaahlela*, a local newspaper at the time, described the mood of the workshop's participants and Minister as revolutionary.¹¹⁵

Consistent with Moitse's view that Basotho traders should take a lead in the country's economy, he gave an interview on Radio Lesotho and also spoke to a local newspaper, *Mochochonono*, in January 1975 demonstrating his staunch Afro-centrism. First, he publicly accused the European Vice-Chancellor of the National University of Lesotho, Cyril Rogers, of being an

agent of neo-colonialism. He stated, “When you have a white Vice-Chancellor who is also white in heart, and is not pro-Africans, he will try to preserve the University for the employment of his fellow neo-colonialists all over.”¹¹⁶ Second, on his return from a United Nations Industrial Development Organization (UNIDO) conference in Senegal in March 1975, Moitse is quoted by *Mochochonono* newspaper as having said, “. . . [T]he Conference is of great significance for the developing countries, as it will decide on the prevailing imbalance in industries’ domination by the developed countries.”¹¹⁷

Many Basotho business owners appreciated Moitse for his Afro-centric vision and radical economic approach. They hailed him for his efforts to cultivate conditions conducive to their emergence as a significant business group in Lesotho’s economy. For instance, on May 30, 1975, Basotho business owners in the Mhale’s Hoek District met with Moitse and were reportedly satisfied with his devotion to encouraging Basotho traders’ development, and welcomed his statement at that meeting that “political independence was useless if the country could not be economically independent.”¹¹⁸ These developments heightened tensions between Basotho traders, who were supported by Moitse, the Minister of Commerce and Industry, and the Prime Minister who supported European traders. Moitse’s Afro-centric vision and radical economic approach directly conflicted with the Prime Minister’s cordial relationship with European traders.

Consequently, the Prime Minister unceremoniously removed Moitse from his position as the Minister of Commerce and Industry in June 1975, without the courtesy of informing him why he was being expelled.¹¹⁹ Commenting on Moitse’s dismissal, *Lehlaahlela* suggested that he had been sacked because of his Afro-centric views, adding, “. . . [W]e should not forget how much he was devoted to making sure that business in Lesotho was finally put into the hands of Basotho.”¹²⁰ According to David Ambrose, “Not everyone was certain of cause and effect [of Moitse’s dismissal]. It was pointed out that at the time the Prime Minister had suffered . . . other embarrassments from his Minister of Commerce and Industry.” Among those had been a speech that had implied that General Dealers owned by European traders in Lesotho were “about to be nationalized . . .” while the “second problem had arisen when the liquor licence of the Maseru Club,” with a European-majority membership, “had not been renewed because Moitse had considered it to be a racist institution . . .”¹²¹

Conclusion

This article chronicled the economic history of African indigenous entrepreneurs in Lesotho in the first ten years after independence. It accounted

for the rise and fall of their economic solidarity between 1966 and 1975. It demonstrated how Basotho used self-organized economic organizations to insert themselves into the economy. Throughout this period, they united against the postcolonial government, which persistently acted only to protect the economic interests of the white minority traders instead of propagating favorable conditions for the black majority to change their own economic fortunes in the local economy. Using state institutions, legal apparatus, political influence and violence, the National Party government of Lesotho successfully suppressed and marginalized Basotho in business. It was not the perceived lack of unity and capacity that hindered Basotho's entrepreneurial success but the government that acted to protect the interests of European traders. This is by no means particular to Lesotho; it is applicable to many countries in postcolonial Africa. In the case of Lesotho, the activities and success of Basotho also demonstrated that although geographically dependent on South Africa, indigenous entrepreneurs were able to take advantage of this geo-political and economic positionality for their advancement. As a result, the idea that Lesotho could ever develop independently of South Africa is utopian; how Lesotho positions itself strategically matters and Basotho's economic activities open up possibilities for realizing this.

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Notes

1. The name Lesotho was made official in 1966 to refer to the territory known as the Basutoland Protectorate in the colonial era. In this paper, Lesotho is used to refer to the territory throughout the colonial period. The name Basutoland appears in quotations and is used as a descriptive term for laws, institutions, and so on.

2. The history of Lesotho as a "labor reserve" in the southern African mining economy has been explored widely. See for example, Collin Murray, "From Granary to Labor Reserve: An Economic History of Lesotho," *South African Labour Bulletin* 6, no. 4 (1980): 3–20; Charles H. Feinstein, *An Economic History of South Africa: Conquest, Discrimination, and Development* (Cambridge: Cambridge University Press, 2005).

3. "Central Bank of Lesotho Annual Report 2011," Central Bank of Lesotho, accessed March 3, 2014, http://www.centralbank.org.ls/publications/AnnualReports/Annual_Report_2011_draft.pdf, 18.

4. Michael Ward, "Economic Independence for Lesotho?" *The Journal of African Studies* 5, no. 3 (1967): 356.

5. Paul Wellings, "The 'Relative Autonomy' of the Basotho State: Internal and External Determinants of Lesotho's Political Economy," *Political Geography Quarterly* 4, no. 3 (1985): 267–352.

6. "Lesotho Population Clock," Lesotho Population, accessed December 9, 2016, <http://countrymeters.info/en/Lesotho>.

7. See Tefetso Mothibe and Maria Ntabeni, "The Role of the Missionaries, Boers and British in Social and Territorial Changes, 1833–1868," in *Essays on Aspects of the Political Economy of Lesotho, 1500–2000*, eds. Neville W. Pule and Motlatsi Thabane (Roma: Department of History, National University of Lesotho, 2002), 35–57.

8. See Murray, "From Granary to Labor Reserve," 3–20.

9. Murray, "From Granary to Labor Reserve," 3–20.

10. James Ferguson, *The Anti-Politics Machine: "Development," Depoliticisation, and Bureaucratic Power in Lesotho* (London: University of Minnesota Press, 1994).

11. See Sean Maliehe, "An Obscured Narrative in the Political Economy of Colonial Commerce, 1870–1966," *HISTORIA* 59:2 (2014): 28–45; Motlatsi Thabane, "Aspects of Colonial Economy and Society, 1868–1966," in *Aspects of the Political Economy of Lesotho*, eds. Pule and Thabane, 112–115; Mothusi Tuner, "Rethinking the Peripheral: Chinese Migrants in Lesotho" (MA diss., University of Cambridge, 2010), accessed July 25, 2014, <http://www.slideshare.net/eolander/rethinking-the-peripheral-a-study-of-chinese-migrants-in-lesotho>.

12. Maliehe, "Political Economy of Colonial Commerce," 28–45; Thabane, "Aspects of Colonial Economy and Society," 112–115.

13. Ministry of Trade and Industry, Cooperatives and Marketing, *The State of Small Enterprise in Lesotho* (Maseru: Lesotho Government Printers, 2009).

14. Maxine Langwena, Barbara Mabuza and Doris Tshabalala, "An Assessment of the Enabling Environment for Women's Enterprises in Lesotho," International Labour Organisation, accessed October 22, 2012, http://www.ilo.org/wcmsp5/groups/public/—ed_emp/—emp_ent/—ifp_seed/documents/publication/wcms_184776.pdf; Stéphan P van der Merwe and Mampoi Lebakeng, "An Empirical Investigation of Women Entrepreneurship in Lesotho," *Anti Essays*, accessed October 22, 2012, <http://www.docubase.com/STEPHAN-M.doc>; Sean Maliehe, "Survival in Post-mining Communities in southern Africa: Women and Entrepreneurship in Lesotho," in *Hope for the Future: Efforts and Ideas to Improve the Current Economic Predicament*, eds. T. Salverda, A. Hollington, S. Klob, N. Scheinder and O. Tappe, accessed August 15, 2016, <http://gssc.uni-koeln.de/node/1190>.

15. Ministry of Finance and Development Planning, *Lesotho Poverty Reduction Strategy 2012* (Maseru: Lesotho Government Printers, 2012), 107–110; Ministry of Trade, *Small Enterprise in Lesotho* 2009), 1–2; Ministry of Trade and Industry, Cooperatives and Marketing, *White Paper on the Development and Promotion of Small Business in Lesotho 2002*, Government of Lesotho, accessed November 2, 2012, http://www.sbp.org.za/uploads/media/Lesotho_White_Paper_6-2.pdf.

16. Ministry of Trade, *Small Enterprise in Lesotho*, 1–2; Ministry of Trade, *White Paper on Small Business*; Ministry of Planning, *Poverty Reduction Strategies*, 107–110.

17. Jon Kraus, "Capital, Power and Business Associations in the African Political Economy: A Tale of Two Countries, Ghana and Nigeria," *Journal of Modern African Studies* 40, no. 3 (2002): 395–436.

18. Murray, "From Granary to Labor Reserve," 3–20; Mats Lundahl, Colin McCarthy and Lennart Peterson, *In the Shadow of South Africa: Lesotho's Economic Future* (Ashgate: Aldershot, 2003); Wellings, "Relative Autonomy," 267–352; Ward, "Economic Independence for Lesotho?," 355–368.

19. Keith Hart, "Money is Always Personal and Impersonal," *Anthropology Today* 23, no. 5 (2007): 12–16.

20. See Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Edinburgh: William Strahan, 1776); Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Times* (Boston, MA: Beacon Press, [1944]2001).

21. I have dealt with the history of colonial commerce at length elsewhere: see Maliehe, "Political Economy of Colonial Commerce," 28–45.

22. Robert L. Tignor, "Literature Review: The Business Firm in Africa," *Business History Review* 81, no. 1 (2007): 87–110.

23. See Tignor, "Literature Review," 87–110.

24. Volker Wild, *Profit not for Profit's Sake: History and Business Culture of African Entrepreneurs in Zimbabwe* (Harare: Baobab Books, 1997); Theodore Geiger and Winifred Armstrong, *Development of African Private Enterprises* (Washington: National Planning Association, 1964); Peter Marris and Anthony Somerset, *African Businessmen: A Study of Entrepreneurship and Development in Kenya* (Nairobi: Routledge, 1971), 13–19; Bruce Dinwiddy, *Promoting African Enterprise* (London: Croom Helm, 1974).

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26. M. J. M. Sibanda, "Internal Dependency and African Economic Performance in Colonial Rhodesia: The Case of Bus Operators in the Rural Periphery of Salisbury, 1938–1970," *Mohloni, Journal of Southern African Historical Studies* 3, no. 4 (1981): 1–11.

27. Michael O. West, *The Rise of an African Middle Class: Colonial Zimbabwe, 1898–1965* (Bloomington: Indiana University Press, 2002).

28. See Tignor, "Literature Review," 87–110.

29. See Anneeth Kaur Hundle, "The Politics of (In)security: Reconstructing African-Asian Relations, Citizenship and Community in Post-Expulsion Uganda" (PhD diss., University of Michigan, 2013).

30. Nicolas Van De Walle, *African Economies and the Politics of Permanent Crisis, 1979–1999* (Cambridge: Cambridge University Press, 2001), 113.

31. van De Walle, *African Economies*, 113.

32. van De Walle, *African Economies*, 113–114. See also Stefan Andreasson, "Confronting the Settler Legacy: Indigenisation and Transformation in South Africa and Zimbabwe," *Political Geography* 29 (2010): 424–433.

33. James Walton, *Father of Kindness and Father of Horses—Ramosa le Ralipere: A History of Frasers Limited* (Morija: Morija Printing Works, 1958); Christopher Danziger, *A Traders' Century—The Fortunes of Frasers* (Cape Town: Purnell, 1979).

34. Tuner, "Chinese Migrants in Lesotho."
35. Terence McNamee, "Africa in their Words: A Study of Chinese Traders in South Africa, Lesotho, Botswana, Zambia and Angola," Brenthurst Foundation Discussion Paper 2012/03, accessed November 22, 2014, http://www.thebrenthurstfoundation.org/files/brenthurst_commissioned_reports/Brenthurst-paper-201203-Africa-in-their-Words-A-Study-of-Chinese-Traders.pdf.
36. McNamee, "Africa in their Words," 33–35.
37. Thabane, "Aspects of Colonial Economy and Society," 114–115.
38. Léo Paul Dana, "Basuto Culture and Entrepreneurship," in *International Handbook of Research on indigenous Entrepreneurship*, eds. Léo Paul Dana and Robert B. Anderson (Cheltenham: Edward Elgar Publishing Limited, 2007).
39. Thabane, "Aspects of Colonial Economy and Society," 113.
40. Thabane, "Aspects of Colonial Economy and Society," 113–114.
41. See Maliehe, "Political Economy of Colonial Commerce," 28–45.
42. Balam Nyeko, "Resistance to Colonial Rule and the Emergence of Anti-Colonial Movements," in *Aspects of the Political Economy of Lesotho*, eds. Pule and Thabane, 112–115, 130–151.
43. Nyeko, "Resistance to Colonial Rule," 130–133.
44. See Maliehe, "Political Economy of Colonial Commerce," 28–45.
45. Maliehe, "Women and Entrepreneurship in Lesotho".
46. Government of Basutoland, *Basutoland Proclamations and Notices 1911* (Cape Town: Cape Times Limited, 1912), 4.
47. "Office of the District Commissioner in Leribe to the Government Secretary in Maseru on April 15, 1953," Trade, LC 23/1 (National University of Lesotho Archives, Roma).
48. British Colonial Office, *An Economic Survey of the Colonial Territories (1951) Volume I: The Central African and High Commission Territories—Northern Rhodesia, Nyasaland, Basutoland, Bechunaland, and Swaziland* (London: His Majesty's Stationery Office, 1952), 70.
49. Government of Basutoland, *Basutoland Colonial Annual Reports of 1958* (London: Her Majesty's Stationary Office, 1959), 45.
50. Government of Lesotho, "Seminar for Basotho Traders," *Lesotho Times*, April 26, 1968, 6; Editor, "Traders' Course at Ficksburg Bridge," *Lesotho News*, July 23, 1968, 3; Editor, "Traders' Association Holds Successful Seminar," *Lesotho News*, March 4, 1969, 1; Pitso Mafantiri, Interview with Author, Borokhoaneng, July 18, 2009.
51. "Constitution of Mokhatlo oa Bahoebi Lesotho," No. 68/4 (Lesotho Law Office, Maseru).
52. "Mokhatlo oa Bahoebi Lesotho to Registrar General in Maseru on June 19, 1968," No. 68/4 (Lesotho Law Office, Maseru).
53. "Constitution of Mokhatlo oa Bahoebi Lesotho," No. 68/4 (Lesotho Law Office, Maseru).
54. Editor, "Traders' Course at Ficksburg Bridge," 3.

55. "Business Service Magazine published once by the Lesotho Business Extension Services in 1969," David Ambrose Collection (House9 Publications, Ladybrand), 3; Editor, "Traders' Course at Ficksburg Bridge," 3.

56. *Business Service*, 3; Editor, "Business Extension Service to Open Office in Mohale's Hoek," *Lesotho News*, October 28, 1969, 1.

57. Government of Lesotho, "Seminar for Basotho Traders," 6; *Business Service*, 6.

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62. Editor, "Lesotho Traders' Union Show Good Profit," *Lesotho News*, October 2, 1970, 3.

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64. Pitso Mafantiri, Interview with Author, Borokhoaneng, July 18, 2009.

65. Thabane, "Aspects of Colonial Economy and Society," 115.

66. G. G. Malahleha, Interview with Author, Maseru, August 9, 2009.

67. Editor, "Lesotho Traders' Union Show Good Profit," 3.

68. Ramafokisi Mofokeng, Interview with Author, Leribe, September 10, 2009.

69. Pitso Mafantiri, Interview with Borokhoaneng, July 18, 2009.

70. Ramafokisi Mofokeng, Interview with Author, Leribe, September 10, 2009.

71. Ramafokisi Mofokeng, Interview with Author, Leribe, September 10, 2009.

72. Ramafokisi Mofokeng, Interview with Author, Leribe, September 10, 2009.

73. Joe Motsoahae, Interview with Author, Bloemfontein, August 5, 2010.

74. Pitso Mafantiri, Interview with Author, Borokhoaneng, July 18, 2009; Ramafokisi Mofokeng, Interview with Author, Leribe, September 10, 2009.

75. Joe Motsoahae, Interview with Author, Bloemfontein, August 5, 2010.

76. Joe Motsoahae, Interview with Author, Bloemfontein, August 5, 2010.

77. See Molefi Mokuku, "The Native Customers of Today is More Intelligent than the Native Customer of a Few Years Ago': Reading the Early Twentieth Century Press in Colonial Lesotho," *Pretexts: Literary and Cultural Studies* 9, no. 1 (2000): 51–62.

78. For the history and controversies surrounding how the National Party ascended to power, see Pule, "Politics since Independence," 173–174.

79. Due to lack of records, it is not easy to establish, quantitatively, the number of members who belonged to various political parties.

80. G. G. Malahleha, Interview with Author, Maseru, August 9, 2009.

81. Ntsukunyane Mphanya, Interview with Author, Mapoteng, August 30, 2009.

82. L. B. B. J. Machobane, *Government and Change in Lesotho, 1800–1966: A Study of Political Institutions* (London: Macmillan Press LTD, 1990), 285–287; Nyeko, “The Independence Movement, 1952–1966,” in *Aspects of the Political Economy of Lesotho*, eds. Pule and Thabane, 160–164.

83. Nyeko, “The Independence Movement,” 170; The party has its roots in the activities and membership of *Lekhotla la Bafo* and Basutoland Progressive Association, early Basotho political organisations.

84. Khotso Santho, “Rise and Fall of Thekommoho—The Untold Story (A Re-visit, Part 3),” *The Lesotho Monitor*, May 28–June 4, 2008, 8.

85. Government of Lesotho, “Big Role for Commerce in Lesotho Development,” *Lesotho Times*, November 25, 1966, 2.

86. Editor, “Chamber of Commerce Responds to P. M.’s Appeal,” *Lesotho News*, October 22, 1968, 1.

87. See Pule, “Politics since Independence,” 176.

88. Ian Fraser (1897–1974) was a British Conservative Party politician, former Member of the British Parliament (1924–1931), Governor of the British Broadcasting Corporation (BBC), 1936, and businessman in southern Africa. After the death of Douglas Fraser in 1956, he was elected as the Chair of Frasers Limited. Fraser’s summarized biographical information from Westminster Abbey Website, accessed January 12, 2015, <http://www.westminster-abbey.org/our-history/people/ian-fraser-lord-fraser-of-lonsdale>.

89. Editor, “Frasers Contribution to Lesotho Development,” *Lesotho News*, March 3, 1970, 4.

90. Editor, “Politicking Businesses to be Suspended,” *Lesotho News*, October 14, 1969, 3.

91. G. G. Malahleha, Interview with Author, Maseru, August 9, 2009.

92. Joe Motsoahae, Interview with Author, Bloemfontein, August 30, 2010.

93. Thabane, “Aspects of Colonial Economy and Society,” 115; Joe Motsoahae, Interview with Author, Bloemfontein, August 30, 2010.

94. B. M. Khaketla, *Lesotho 1970: An African Coup under the Microscope* (London: C. Hurst & Co., 1971), 208; Pule, “Politics since Independence,” in *Aspects of the Political Economy of Lesotho*, eds. Pule and Thabane, 175.

95. Mphanya, *My Life in the Basutoland Congress Party*, 85–89.

96. G. G. Malahleha, Interview with Author, Maseru, August 9, 2009.

97. G. G. Malahleha, Interview with Author, Maseru, August 9, 2009.

98. Khotso Santho, “Rise and Fall of Thekommoho—The Untold Story (A Re-visit),” *The Lesotho Monitor*, June 6, 2008, 10.

99. Editor, “Arms Found at Buta Stores,” *Lesotho News*, April 14, 1970, 1; Jane Anne Marie Poulter (ed.), *The Lesotho Law Reports: Decisions of the Court of Appeal and the High Court of Lesotho, 1971–1973* (Maseru: The High Court, 1979), 92.

100. Joe Motsoahae, Interview with Author, Bloemfontein, August 5, 2010; Pule, “Politics since Independence,” 176.

101. Joe Motsoahae, Interview with Author, Bloemfontein, August 5, 2010.

102. Joe Motsoahae, Interview with Author, Bloemfontein, August 5, 2010.

103. Lesotho Central Planning and Development Office, *Lesotho First Five-Year Development Plan, 1970/1-1974/5* (Maseru: Lesotho Government Printers, 1970), 22.

104. Martyn A. R. Ngwenya, "The Nature of Basotho Owned and Managed Enterprises: A Survey of Their Constraints and Possible Promotional Measures," (Unpublished study commissioned by Ministry of Commerce and Industry, Maseru, 1977), 19.

105. Government of Lesotho, *The Laws of Lesotho: Orders, Acts, and Subsidiary Legislation Made and Enacted During 1973–Volume XVIII* (Maseru: The Government Printers, 1978), 34.

106. Government of Lesotho, *The Laws of Lesotho*, 34.

107. Government of Lesotho, *The Laws of Lesotho*, 34.

108. Government of Lesotho, *The Laws of Lesotho*, 34.

109. M. Moshabesha, "Truth about Cash and Carry," *Lehlaahlela*, November, 1975, 2. Translated from Sesotho by author.

110. Joe Molefi, "Cash and Carry," *Mochochonono*, November 6, 1975, 4.

111. Moshabesha, "Truth about Cash and Carry," 2.

112. Moshabesha, "Truth about Cash and Carry," 2.

113. P. Bereng, "Joe Moitse," *Lehlaahlela*, December 1975, 3.

114. Moshabesha, "Truth about Cash and Carry," 2.

115. Moshabesha, "Truth about Cash and Carry," 2.

116. As cited in David Ambrose, *How the UBLS at Roma became NUL: A Turbulent Chapter of University History* (Roma: House 9 Publications, 2006), 7. This comment was sparked by what had transpired before in the Mathematics Department. In 1974, the position of Head of Department was advertised. One Dirk Hofsommer, a Dutch Mathematics Professor, was chosen by the Vice-Chancellor, Cyril Rogers, over one Ismail Mohamed, an African Mathematics Professor. Joel Moitse, in his capacity as Pro-Vice Chancellor, supported the appointment of Mohamed. He deemed the Rogers' move to appoint Hofsommer as racist.

117. Joe Molefi, "Moitse in Peru," *Mochochonono*, March 20, 1975, 3.

118. Joe Molefi, "Government says Business should be in the Hands of Basotho—Moitse," *Mochochonono*, June 20, 1975, 4. Translated from Sesotho by author.

119. Bereng, "Joe Moitse," 3.

120. Bereng, "Joe Moitse," 3.

121. Ambrose, *How the UBLS at Roma became NUL*, 12.