Lesotho

Country Overview

Politics

Lesotho is a parliamentary constitutional monarchy in Southern Africa. In May 2012, Prime Minister Motsoahae Thomas Thabane replaced the 14-year incumbent, Pakalitha Mosisili, in the country’s first coalition government. Mosisili returned to power in 2015. Human rights groups note a high level of political instability.

Economy

Lesotho is classified by the World Bank as a low-income country. GDP growth decreased from 3.5 percent in 2014 to 1.7 percent in 2015. The decline was mainly attributed to lower growth in South Africa, lower global growth prospects and the drought. GDP growth is expected to remain low at 2.4 percent in 2016 - 2017.

Diamond mining has grown in recent years and accounted for more than eight percent of GDP in 2015. Lesotho mostly depends on an economic base of textile manufacturing, agriculture, remittances and regional customs revenue. The country exported USD 367.3 million worth of textiles in 2012. The Government of Lesotho is the country’s largest employer and government consumption contributed to 37 percent of GDP in 2014. The largest private employer is the textile and garment industry where approximately 40,000 women work in factories producing for export.

Social/Human Development

Lesotho is a small country with a population of two million people, 99.7 of whom are part of the Sotho ethnic group. More than half of Lesotho’s people live below the poverty line and the prevalence of HIV/AIDS is the second highest in the world. Between 1990 and 2005, life expectancy at birth declined from almost 60 years to 47 years, and currently stands at 49 years. HIV incidence is still high at 1.9 new infections per 100 person-years of exposure.

Amnesty International describes an on-going health-care crisis in Lesotho’s public health care system primarily as a result of healthcare debts.

U.S. Department of State TIP Ranking: Tier 2

According to the Trafficking in Persons Report, trafficking and trafficking risk was noted in potentially exported supply chains including animal herding.

Read the full TIP Report at: https://www.state.gov/j/tip/rls/tiprpt/countries/2017/271226.htm

Migrant and Other Vulnerable Populations

Lesotho has net negative migration. Most migrants residing in Lesotho come from South Africa, with a population of around 2,600 people, whereas 350,611 Basotho migrants live in South Africa. Historically, many households have depended on remittances from their family members employed in South Africa. The United Nations High Commissioner for Refugees (UNHCR) reports that Lesotho had a minimal population of persons of concern in 2016.
Migrants to Lesotho

- South Africa: 2610
- India: 228
- Pakistan: 228
- Uganda: 137
- China: 121
- Botswana: 108

Legend:
- South Africa
- India
- Pakistan
- Uganda
- China
- Botswana
Migrants from Lesotho

- Mozambique: 7,840
- Botswana: 3,258
- United Kingdom: 851
- Swaziland: 221
Exports and Trade

The top exported products by value from Lesotho in 2016 were apparel, diamonds, machinery and wool.¹¹

### Top Commodity Exports (USD/Thousands)

<table>
<thead>
<tr>
<th>Product</th>
<th>Value (USD Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wool</td>
<td>46,995</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>253,260</td>
</tr>
<tr>
<td>Knitted Apparel</td>
<td>259,864</td>
</tr>
<tr>
<td>Non-Knitted Apparel</td>
<td>170,302</td>
</tr>
</tbody>
</table>

In 2016, the top importers of goods from Lesotho were the United States, Belgium and South Africa.¹²
Lesotho exported a significant amount of apparel to the United States and was the 101st largest supplier of goods to the United States in 2013. Apparel amounted to 90 percent of Lesotho’s exports to the U.S.\textsuperscript{13}
Trafficking in Persons Risk Factors Analysis

Legal/Policy Risk Factors

Level of Legal Protection for Civil Liberties and Workers’ Rights

Freedom of Association

According to the U.S. Department of State, Lesotho’s constitution and law allow private sector employees to join and form trade unions of their own choosing without prior authorization, although they must register with the Registrar of Unions. Civil servants and police are prohibited from joining unions but are permitted to form staff associations to facilitate collective bargaining.\(^{14}\)

Employers generally supported freedom of association and collective bargaining, but most workers were limited in their efforts to collectively bargain due to a law that requires unions entering negotiations with management to represent 50 percent of workers. Only a few textile factories met this condition.\(^{15}\)

Limitations on collective bargaining compelled three unions, the Factory Workers Union (FAWU), the Lesotho Clothing and Allied Workers’ Union, and the National Union of Textile Workers to merge and form the Independent Democratic Union of Lesotho to strengthen their bargaining power through increased membership. However, the Union became fragmented as the National Clothing and Textile and Allied Workers Union separated from FAWU, who were blacklisted by employers who alleged that the founders had incited labor strikes.\(^{16}\) According to Freedom House, demonstrations are sometimes broken up violently.\(^{17}\)

Working Conditions

According to the U.S. Department of State Investment Climate Statement for 2016, the Ministry of Labor and Employment sets a statutory minimum wage with recommendations, but there is no statement requiring adherence to the minimum wage.\(^{18}\) The minimum wage differs by sector, and these minimums do not cover significant portions of the workforce. General labor laws do not apply to agricultural and other informal economy workers. The ministry’s inspectorate reports that employers in the security, transport and construction sectors do not always observe the laws pertaining to minimum wage and hours of work.\(^{19}\)

Employers’ compliance with health and safety regulations are reported to be generally low, apart from the mining sector, and have reportedly worsened in some sectors such as construction, which has experienced an increase in fatal accidents. The law does not explicitly provide for the freedom for workers to remove themselves from situations that are hazardous to their health and safety without jeopardizing their employment.\(^{20}\)

The Ministry of Labor and Employment is responsible for the enforcement of labor laws and standards but budgetary constraints have limited these efforts. Inspections do not cover agricultural or informal
sectors because these sectors are not covered by labor laws, even though they employ the most workers.\textsuperscript{21}

**Discrimination**

Labor codes prohibit discrimination regarding race, color, sex, marital status, religion, political opinion, national extraction or social origin, and HIV/AIDS status; however, there is no explicit law that prohibits against discrimination of people with disabilities. There are no laws in place that specify equal pay for equal work. Despite the prohibition of discrimination based on sex, it has been reported that gender is a factor in employers’ hiring decisions.\textsuperscript{22}

**Forced Labor**

The law prohibits all forms of forced or compulsory labor, but the U.S. Department of State has reported that the government does not enforce the applicable laws effectively. Police are reported to lack adequate resources for investigations and remediation efforts.\textsuperscript{23}

**Child Labor**

The law defines the legal minimum age of employment as 15 years, or 18 for hazardous employment. The minimum age law is reportedly difficult to enforce outside of the formal sector, despite the informal economy’s inclusion in the law, because there are limited resources for labor inspections and the law excludes self-employed children.\textsuperscript{24} In 2015, the government approved guidelines for herdboys to distinguish between “child work” and “child labor”, with the guidelines applying to children below 18 years of age. The highest percentage of children reportedly work in herding.\textsuperscript{25}

Primary school was not made compulsory in Lesotho until 2010, through the Education Act.\textsuperscript{26} Education is compulsory between the ages of six and 13.\textsuperscript{27} In its most recent report in 2014, UNICEF estimated that 23 percent of children between the ages of five and 14 were working. Of these working children, most were engaged in subsistence farming and the second largest group were engaged in domestic service.\textsuperscript{28}

**Civil Society Organizations**

Freedom House reports that local and international non-governmental organizations (NGOs) generally operate without restrictions.\textsuperscript{29} Journalists, however, face strong restrictions on freedom of expression due to physical attacks and harassment.\textsuperscript{30}
Immigration Policies Limiting the Employment Options or Movements of Migrants

The U.S. Department of State reports that migrant workers enjoy the same legal protections, wages and working conditions as citizens.  

The Labor Code allows firms to hire non-citizens with a work permit. In the textile and garments sector, an informal policy permits a company to employ one expatriate worker for every 20 Basotho workers. The statutory maximum duration of a work permit is two years. A work permit may be cancelled before term or renewed.  

Ratification of ILO Conventions Related to Human Trafficking or Rights of Workers and Migrants

<table>
<thead>
<tr>
<th>Conventions</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILO 29 Forced Labor</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 87 Freedom of Association and Protection of the Right to Organize</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 98 Right to Organize and Collective Bargaining</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 100 Equal Remuneration</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 105 Abolition of Forced Labor</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 111 Discrimination</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 138 Minimum Age</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 181 Private Employment Agencies</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 182 Worst Forms of Child Labor</td>
<td>In force</td>
</tr>
<tr>
<td>ILO 97 Migration for Employment</td>
<td>In force</td>
</tr>
</tbody>
</table>

Use of Export Processing Zones (EPZs)

According to the International Trade Union Confederation (ITUC), there were eight EPZs in Lesotho in 2009, employing 44,000 workers, mostly in textile and pharmaceutical manufacturing. Violations of labor laws were reportedly higher in EPZs.
Promotion of Emigration/Remittance Economy

Lesotho is highly dependent on remittances as the country has limited arable land and a high unemployment rate of 28 percent. Today, remittances equal about 17 percent of GDP because of higher wages available across the border. Labor migration to South Africa for mining opportunities has replaced agriculture as the prevailing Basotho source of income.

Political Risk Factors

Political Instability or Conflict

Lesotho is classified under the 2016 Fragile States Index as a “High Warning” country. It scores an 80.9 and ranked 66 out of 178 on the index. Comparatively, neighboring South Africa is classified as “Warning”, scoring a 69.9, and ranked 108 out of 178.

Level of Crime and Violence

In the World Economic Forum’s 2016-2017 Global Competitive Index, Lesotho was ranked 2 out of 138 for business costs of crime and violence, indicating that the effect of crime and violence on business is relatively small. The United Nations Office on Drugs and Crime (UNODC) reported a homicide rate of 38 homicides for 100,000 people in 2010, the last year for which data was available. This was well above the average for other African countries.

Level of Corruption

In 2016, Lesotho received a score of 39 out of 100 on the Transparency International Corruption Perceptions Index, where 0 signals “Highly Corrupt” and 100 signals “Very Clean.” Lesotho’s score dropped ten points over the course of two years. According to the U.S. Department of State Investment Climate Report, although corruption remains a problem in the country, it is not identified as a barrier to investment by U.S. firms. South Africa, a major supplier of labor, scores higher on the Corruption Index with a score of 45.

Socio-Economic Risk Factors

Level of National Economic Development

Lesotho scores in the low human development category, with a rank of 160 out of 188 and a score of 0.497 in the UNDP’s 2016 Human Development Report. When the score is adjusted for inequality, the HDI falls to 0.320, a loss of 35.6 percent.
Level and Extent of Poverty

According to the UNDP, 49.5 percent of the population lives in multidimensional poverty compared to 10.3 percent in South Africa, the primary country where Basotho migrate.

Degree of Gender Inequality

The Gender Inequality Index scores Lesotho at 0.549, ranking it 132 out of 188 countries. Women and men enjoy the same legal status except with regard to inheritance rights, as customary law protects inheritance, succession, and property rights for male heirs only. Customary law is dominant in rural areas, where about 70 percent of people live.

Domestic violence is described by the U.S. Department of State as widespread.

Women in Lesotho have higher literacy rates than men. This has been attributed to free education and a pattern in boys being withdrawn from school to work as herders and – to a lesser extent – miners.

Landlessness and Dispossession

The on-going construction of Polihali Dam caused the displacement and resettlement of villagers, livestock and ancestral graves in Mokhotlong town. The limited space allocated to resettlement resulted in displaced villagers losing their livelihoods, which had been dependent on subsistence farming. The project is designed to supply water for South Africa, but those living near the dam have no or limited access to piped clean water and electricity.

Environmental Factors

Much of the population relies on small-scale agriculture for income and their families’ subsistence. However, settlement on marginal areas – such as steep slopes – has resulted in a pattern of overgrazing, severe soil erosion, and soil exhaustion, as well as desertification. In addition, rural highland communities may experience drought, floods, strong winds, heavy snowfall, and severe frost. South African researchers have presented rural highland communities as particularly vulnerable to suffering the effects of these natural hazards because of widespread poverty, underdevelopment, and the relative inaccessibility of these communities. In 2015, for example, the government declared a state of emergency after two consecutive crop failures left an estimated 650,000 people at risk of severe hunger.
Documented Trafficking in Persons Risk Factors in Key Commodity Supply Chains

Apparel

Apparel Overview

The Lesotho apparel and textile manufacturing sector has benefitted from the American Growth and Opportunities Act (AGOA), a U.S. tariff preference program. The sector tripled in size following the 2000 signing of the act and has received significant foreign investment, most notably from Taiwanese companies. However, because AGOA is set to expire in 2025, there are some insecurities around the future of the sector and there is a push to diversify the export base to non-U.S. partners.

The sector produces primarily woven (denim in particular) and knit garments. The knit garment manufacturing sector reportedly produces significant amounts of yoga and athletic gear. In 2015, there were 11 woven garment producers, employing approximately 15,000 workers and 28 knit garment factories employing approximately 21,000 people. Nearly all of the 40,000 employed workers are women. The sector is the largest formal employer, employing about half of the formally employed workforce.

Apparel and textile factories were not described as enjoying exemptions to labor laws and regulations. Rather, some exporting textile factories were visited under the International Labor Organization’s Better Work Lesotho (BWL) program, which strives to improve compliance with Lesotho’s national labor laws as well as international labor standards, and which focuses on conditions within the apparel industry.

Documented Trafficking in Persons Risk Factors in Apparel

Most of the low-skilled female migrants in the Lesotho apparel manufacturing industry are domestic migrants from other regions of the country. Reports have noted that because salaries are so low, after paying for rent and transportation, these women can become indebted and do not earn enough in wages to cover their cost of living around the factories. There are also reports of Chinese migrant workers in factories in Lesotho.

A study by the ILO found relatively widespread wage violations in apparel facilities. Working conditions are reportedly poor in many cases, particularly in terms of extreme temperature; many factories are reportedly not adequately heated in the winter, causing large numbers of employees to resign.
Case Study: Swazi Migrants in the Lesotho Textile Sector

The growth of the textile/apparel sector in Lesotho, fueled by the American Growth and Opportunity Act (AGOA) has drawn migrant workers from rural regions of Lesotho as well as neighboring Swaziland. Field research conducted for this case study confirmed the presence of Swazi migrant workers who lost jobs as the apparel manufacturing sector in Swaziland contracted. Researchers noted the phenomenon of female Swazi workers recruited by their former bosses to work in factories in Lesotho. Although it appears that there are a relatively small number of these workers, they may be highly vulnerable to trafficking. These workers are undocumented/lacking proper work permits. In some cases, their identity documents are reportedly withheld by their employers. They are described as living in “inside the firms monitored by the owner,” with limited contact with outside the worksite, returning home approximately once per year. Some are reportedly free to confined to the employer’s homes and monitored. One worker interviewed by researchers stated that, “We are not allowed by our boss to go out, when we go to buy groceries we are always accompanied by someone. It is not a good life, is like one is a prisoner.”

Livestock

Livestock Overview

Approximately 75 percent of Lesotho’s citizen live in rural areas and depend on subsistence agricultural practices to survive. Livestock cultivation is the largest subset of the country’s agricultural economy, and the main product the industry produces is beef (43 percent). According to the Food and Agriculture Organization of the United Nations (FAO), there were 650,000 head of cattle in the country in 2011, with 83,000 tons of beef slaughtered in the same year. Lesotho is completely self-sufficient in terms of beef production, and rarely imports or exports the product (production was evenly balanced at an average of 10,500 tons and 11,000 tons respectively between 2001 and 2011). Sheep and goats are also raised in Lesotho, and the same FAO report reporting that there were slightly more than 2 million sheep and goats in the country being used primarily for wool and mohair. There are also approximately 1.95 million chickens in the country, and 14,500 liters of milk produced annually.

Documented Trafficking in Persons Risk Factors in Livestock

According to the U.S. Department of State, children in Lesotho are subjected to forced labor in animal herding. The 2016 U.S. Department of Labor List of Goods Produced by Child Labor or Forced Labor, notes child labor in cattle ranching and herding in Lesotho.
Herding is integral to Basotho culture. CNN reported in 2013 that about one third of boys in Lesotho are shepherds and do not attend school. These boys can begin herding as young as three years old. In part, this high rate of child labor has been a reaction to adult men migrating to South Africa for work in mines, leaving a labor shortage around herding.

**Diamonds**

**Diamonds Overview**

Diamond mining in Lesotho has been revived in recent years, with two operating mines in 2014. About 2,000 workers were employed in the industrial sector. Artisanal mining activity has also been noted. Lesotho has large kimberlite reserves and diamonds are expected to be a driver of economic growth.

**Documented Trafficking in Persons Risk Factors in Diamonds Mining**

Organized mining workers threatened strikes in 2017, citing overtime and wage violations.

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Endnotes


