

Granvik, Maria

Working Paper

Policy diffusion, domestic politics and social assistance in Lesotho, 1998-2012

WIDER Working Paper, No. 2016/146

Provided in Cooperation with:

United Nations University (UNU), World Institute for Development Economics Research (WIDER)

Suggested Citation: Granvik, Maria (2016) : Policy diffusion, domestic politics and social assistance in Lesotho, 1998-2012, WIDER Working Paper, No. 2016/146, ISBN 978-92-9256-190-1, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki, <https://doi.org/10.35188/UNU-WIDER/2016/190-1>

This Version is available at:

<https://hdl.handle.net/10419/161529>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



UNITED NATIONS
UNIVERSITY
UNU-WIDER

WIDER Working Paper 2016/146

Policy diffusion, domestic politics and social assistance in Lesotho, 1998–2012

Maria Granvik*

December 2016

Abstract: Lesotho is a small Southern African country that has introduced two national cash transfer programmes, the Old Age Pension and the Child Grant Programme. Although Lesotho has followed what has been called the ‘Southern African model’, the introduction of the Old Age Pension was not the result of an explicit process of cross-national policy diffusion. The Child Grant Programme was initially driven by international organizations, but the dynamics were not Southern African, and the Lesotho Government quickly took ownership of the initiative. Unlike in many other parts of Africa, these reforms were not resisted by domestic political elites. The Old Age Pension was championed by the Prime Minister, with support from the Minister of Finance. The reforms were rooted in both socioeconomic changes, with the AIDS pandemic highlighting the inadequacy of extended familial responsibility for the poor, and political change, with the (possibly short-lived) restoration of stable democratic competition in the early 2000s opening the political space for programmatic reform.

Key words: Lesotho, policy diffusion, cash transfers, social pensions, HIV/AIDS, orphaned and vulnerable children

JEL classification: D63, H53, I38, N37

Acknowledgements: I would like to express my gratitude to Jeremy Seekings as well as Liz Welsh, Nondumiso Hlwele, and Marius Coqui from the Centre for Social Science Research, University of Cape Town, for all their academic, administrative, and logistical support. Further I would like to thank Miguel Niño-Zarazúa from UNU-WIDER who generously provided me with comments and suggestions on an earlier version of this paper.

This case study would not have been realisable without the valuable time and kindness of the key informants in Lesotho. Your contribution is most appreciated!

Last but not least I would like to thank Litsoanelo Mapulane Phohleli Tsikoane who very generously connected me with (former) Prime Minister Mosisili. Thank you for your friendship and hospitality!

An earlier version of this paper has been circulated under the name ‘Policy Diffusion, Domestic Politics and Social Protection in Lesotho, 1998–2012’. Any remaining errors in this paper are my own.

* Centre for Health Equity Studies, Stockholm, Sweden, mia.granvik@chess.su.se (formerly Centre for Social Science Research, University of Cape Town, South Africa).

This study has been prepared within the UNU-WIDER project on ‘[The political economy of social protection systems](#)’, which is part of a larger research project on ‘[The economics and politics of taxation and social protection](#)’.

Copyright © UNU-WIDER 2016

Information and requests: publications@wider.unu.edu

ISSN 1798-7237 ISBN 978-92-9256-190-1

Typescript prepared by Sandra Rawlin.

The United Nations University World Institute for Development Economics Research provides economic analysis and policy advice with the aim of promoting sustainable and equitable development. The Institute began operations in 1985 in Helsinki, Finland, as the first research and training centre of the United Nations University. Today it is a unique blend of think tank, research institute, and UN agency—providing a range of services from policy advice to governments as well as freely available original research.

The Institute is funded through income from an endowment fund with additional contributions to its work programme from Denmark, Finland, Sweden, and the United Kingdom.

Katajanokanlaituri 6 B, 00160 Helsinki, Finland

The views expressed in this paper are those of the author(s), and do not necessarily reflect the views of the Institute or the United Nations University, nor the programme/project donors.

1 Introduction

In the 2000s interest in the use of cash transfer programmes grew across much of sub-Saharan Africa (Garcia and Moore 2012; Niño-Zarazúa et al. 2012), and unconditional cash transfers began to replace food aid as the dominant form of social transfers in many African countries (Devereux 2012). Hanlon et al. (2010) have described this as a paradigmatic shift in thinking about development towards a ‘welfarist’ approach.

Policies are often replicated and adapted from one country to another. In a review about policy diffusion, Obinger et al. (2013: 112) concluded that ‘nation-states do not act independently of each other’ and that ‘interdependencies exist between countries which, in conjunction with domestic factors, account for policy outcomes’. The conventional wisdom about reforms in sub-Saharan Africa is that there have been two models of policy diffusion: a ‘Southern African’ or ‘middle-income country’ model (present in South Africa, Namibia, Botswana, Lesotho, Swaziland, Mauritius and the Seychelles) and a ‘Middle Africa’ or ‘low-income country’ model (present in, for example, Zambia and Kenya) (Niño-Zarazúa et al. 2012; Garcia and Moore 2012). Yet, unlike the ‘donor-driven’ middle African/low-income countries, in the Southern African/middle-income countries, the diffusion of South African policies (e.g. social pensions) to its neighbours has been said to play a critical role in welfare reform (Niño-Zarazúa et al. 2012).

Diffusion often takes place through policy-makers such as international agencies (for instance UNICEF, the ILO and the World Bank) and donor organisations such as the British Department for International Development, DfID (see, for example, Hickey et al. 2009). The global literature on policy diffusion emphasises, however, that external ideas rarely resonate in the absence of favourable local conditions (including perhaps political incentives for local policy-makers). For instance, donor pressure on the Zambian government in the 2000s failed to convince the latter that the donor-driven pilot programmes should be rolled out nationally (Kabandula and Seekings 2014). In Uganda, a donor-driven initiative also ran aground in the 2000s (Grebe and Mubiru 2014).

Lesotho, a small lower middle-income country characterised by poverty, deprivation and extreme vulnerability, appears to be a strong candidate for this narrative of policy diffusion. Similar to its neighbour South Africa, the elderly and children have been the foci for social assistance in Lesotho, and the introduction of Lesotho’s Old Age Pension (OAP) programme is widely seen as part of a general diffusion of the South African model to its neighbour. Although existing studies (Pelham 2007; Barrientos 2009; Devereux 2013b) emphasise that the introduction of the OAP was a response to domestic factors as well as an example of policy diffusion, there is a lack of clear evidence on the importance of domestic factors. Given this, studies resort to a vague diffusion narrative.

In order to investigate to what extent Lesotho is indeed an example of such a ‘diffusion narrative’, this article re-examines the Lesotho OAP and the Child Grant Programme (CGP). These were the two major social assistance reforms under the Lesotho Congress of Democracy (LCD) government headed by B.P. (Pakalitha) Mosisili who was Prime Minister.¹ This case study

¹ Mosisili became Prime Minister after the elections in 1998, won two further elections in 2002 and 2007, but was unseated by a coalition of opposition parties after elections in 2012. Mosisili once again became Prime Minister in 2015, a few months after the interviews for this case study took place.

is based on semi-structured interviews with 18 key informants conducted in Maseru, the capital of Lesotho (as well as written correspondence with two key informants from Maseru) in April and August 2014, adding novel primary data to the literature on social assistance in Lesotho.

This paper argues that there is no evidence of any direct ‘diffusion’ effects from South Africa (although the absence of evidence is not evidence of absence, especially with regard to a weak regional demonstration effect). Rather, the introduction of the OAP was a domestic response to socioeconomic change and democratic political competition, and the programme was implemented in large part because of the strong personal support of Mosisili himself. The CGP, in contrast, was donor-initiated, although even here the Lesotho Government quickly took control (and assumed financial responsibility). In line with Lavers and Hickey (2017, forthcoming), the Lesotho case seems to suggest that the implementation of social assistance programmes in developing countries is in some cases more strongly shaped by political settlement dynamics than donor pressure, even in the face of an unstable political environment.

The remainder of this article is structured as follows: Section 2 provides a brief overview of Lesotho’s political and social assistance landscape. The following section examines shifts in anti-poverty strategy and policy between 1998 and 2004. Section 4 then turns to the roots and launch of the OAP in 2004. The fifth section outlines the initiation of the Child Grant Programme in 2009 and its development up to 2012, when the elections led to the end of Mosisili’s Prime Ministership. The subsequent conclusion includes some discussion of social assistance in Lesotho since 2012.

2 Politics, poverty and social protection in Lesotho in the late 1990s

Lesotho is a ‘parliamentary representative democratic constitutional monarchy’, with the King as formal Head of State and an elected Prime Minister as Head of Government. Since Lesotho’s independence, a number of post-election crises have arisen, primarily due to the inadequacy of the ‘First-Past-The Post’ system to reflect the number of popular votes secured by political parties in the allocation of parliamentary seats. Through support from the Commonwealth, the South African Development Community (SADC), and other partners, the country introduced a ‘mixed member proportional’ (MMP) electoral model in 2002 to limit post-electoral contestations and make parliament more inclusive (Commonwealth Secretariat 2012). Yet, this transformation has not guaranteed a peaceful political arena compromising not only national peace but also macro-economic stability.

By the early 2000s it had become evident that Lesotho had not succeeded at turning economic growth into improvements in the wellbeing of the poor (May et al. 2002: 6). One of the most important reasons for the weak ‘trickle down’ of the benefits of economic growth in the late 1980s and early 1990s was the economic crisis in South Africa during 1980 and the subsequent retrenchments in the mining sector. Although this period was one of high economic growth in Lesotho, the South African economy was experiencing low and even negative growth rates that affected both employment opportunities and wages for Basotho migrants (May et al. 2002: 9). Further, urban migration left the already declining agricultural sector in a state of severe weakness and lack of sustainability (Maleleka 2009).

Lesotho has been a beneficiary of international food aid since the 1930s, a trend that has persisted due to environmental factors such as droughts (Makenete et al. 1998). The World Food Programme (WFP) has supported the country in the form of disaster risk reduction and provision for Lesotho’s school-feeding programme (World Food Programme 2016). Further,

there have been a number of food-for-work programmes in the more recent past that were used to distribute food aid, mostly financed by the WFP (World Bank 2013). Yet, instead of public-works programmes that some countries have employed, cash transfers have become major tools of social assistance in Lesotho (Olivier 2013). Lesotho's first cash transfer, the Public Assistance Grant, was introduced in the 1970s to support the 'destitute', although with very limited coverage and benefit levels.

Lesotho's Human Development Index ranking began to experience a downturn in 1995 (UNDP 2013). Much of the drastic decline in life expectancy in Lesotho has been attributed to the critical AIDS epidemic that has plagued Lesotho since the early 1990s (World Bank 2013). Lesotho's generalized epidemic has impacted every sector of Basotho society and the combined effects of poverty and inequality underscore the reality of the social and economic impact of HIV and AIDS in Lesotho (Owusu-Ampomah et al. 2009). International food aid has attempted to ease the effects of the HIV epidemic, but as Owusu-Ampomah et al. (2009) emphasise, food aid does not address long-term structural causes that lead to food insecurity and increased vulnerability.

3 The Mosisili government's initiatives, 1998–2004

Lesotho has developed several sectoral policies in areas such as health, education, and orphaned and vulnerable children (OVC). The majority of these policies were developed with the support of international organizations and donor agencies. Nonetheless, as Olivier (2013) acknowledges, considering the current socioeconomic conditions and its fiscal ability, Lesotho has made substantial progress towards developing initiatives to provide minimum levels of protection, introducing social assistance measures such as the OAP and the CGP to target the impoverished and vulnerable. Lesotho's 'National Vision 2020' (Government of Lesotho, 2004) presented the foundation of development in the country, and several Poverty Reduction Strategy Papers and National Strategic Development Plans have subsequently been released. Mosisili, who had become Prime Minister after the 1998 elections, came to play a leading role in the poverty-reduction strategies that were introduced following the National Dialogue, which led to the Vision 2020. Mosisili, popularly known as 'the Prof' (Rosenberg and Weisfelder 2013), was born in 1945 in the Qacha's Nek District of Lesotho, a rural and mountainous area that had the highest incidence of poverty in 1987/87 (May et al. 2002). He first entered politics by becoming a Member of Parliament in 1993 and became appointed Minister of training, sports, culture and youth affairs (Rosenberg and Weisfelder 2013). Early on, Mosisili's LCD had begun to demonstrate a willingness to implement social policies that aimed to alleviate poverty. In line with the objectives mentioned in the Vision 2020, a free primary education policy was introduced in 2000. Further, the Ministry of Education introduced a school-feeding programme, with the support from the WFP.

4 The Old Age Pension—another 'Mosisili'?

As a result of the strong positive impacts of social protection, the provision of so-called 'social pensions' has become an encouraged social protection strategy in southern Africa (Sepúlveda and Nyst 2012; ILO 2014). Unlike private or public sector pensions, social pensions are not related to contributions by employers and employees, or generated by retirement from formal employment (Devereux and White 2010). Lesotho's influential neighbour South Africa had implemented social pensions in the 1920s (although with benefits based on 'race' until the end of apartheid) and they had been introduced in Namibia in the 1970s. However, the Lesotho

pension was a one-off reform at the time, and not part of a coherent social agenda (Pelham 2007) and the age threshold of the Lesotho pension was set higher than the South African one (70 years compared to 65 for men and 60 for women in South Africa at the time). Further, benefit levels were significantly lower (M150/US\$20 per month).

The proportion of elderly is higher in Lesotho than in other sub-Saharan African countries, reflecting the outmigration of young people and the beginning of a demographic transition towards an older society. Based on a 2013 World Bank report, eight per cent of the population (about 165,000 people) were over the age of 65, and four per cent, or some 82,000 people, were over the age of 70. Today, approximately 80,000 Basotho over the age of 70 years receive the pension, which currently consists of M450 (US\$32) per month (Pension Watch Database 2015). The programme is administered by the Pension Division of the Ministry of Finance, and benefits are paid in cash on a monthly basis. According to the World Bank, Lesotho spends approximately M371 million (US\$34.7 million) on the OAP annually, which represents around three per cent of total public expenditure (World Bank 2013), approximately 1.3 per cent of GDP in 2015 (Pension Watch Database 2015).

Scholars (Pelham 2007; Barrientos 2009) seem to agree that the Prime Minister at the time was the driving force behind the OAP, although the pension scheme was not assessed as having presented a critical election issue. Yet, where the initial idea of a social pension originated from, and which policy processes led up to its announcement in 2004, still remain uncovered. According to Pelham (2007), a social pension had been on the political agenda since 1993, but the literature is inconclusive regarding why the pension was only finalized 11 years later, and what eventually prompted its very sudden introduction (Pelham 2007; Barrientos 2009; Devereux and Cipryk 2009; Niño-Zarazúa et al. 2012). Further, authors such as Pelham (2007: 11), Barrientos (2009: 4) and Niño-Zarazúa et al. (2012: 20) all suggest that the existence of a social pension in South Africa played a significant role in the formation of a universal pension in Lesotho through policy diffusion in the region. While this may be likely, the pension does appear to be ‘home-grown’ in many respects, as the following sections will discuss with the support of new primary data. Thus, it is yet to be understood how and to what extent various elements contributed to the development of a social assistance tool for the elderly in Lesotho.

A social pension had appeared on the manifesto of the ruling Basotholand Congress Party (BCP) as early as 1993, but conversations with key informants² were not able to *unambiguously* provide an explanation for why it was not put into practice until 2004, or uncover why a social pension was added to the political agenda in Lesotho in the first place. Considering the political instability that shaped the 1990s in Lesotho, the delay of the pension is essentially not very surprising, and several key informants referred to the political challenges that the incumbent government(s) were faced with between 1993 and 2002. For example, the former Principal Secretary of Public Service (Interview #10) very straightforwardly clarified that ‘there was political instability, so it was difficult to focus on development programmes’. Dr Thahane, the Minister of Finance at the time (Interview #11), recalled that ‘...the budget moved to security matters. We had to think about survival first!’ The former (and current) Prime Minister Mosisili (Interview #16) himself admitted: ‘In the nineties we were not able to implement many things we had planned.’

With the adoption of the United Nations Millennium Declaration in 2000, Mosisili became Prime Minister at a time when poverty was rising on the international policy agenda. While the elderly as a particularly vulnerable group or the prospect of a pension was not explicitly

² See Appendix for list of key informants.

mentioned in Lesotho's own National Vision 2020, this document may nonetheless have set the tone for a social protection-friendly environment. According to the Department of Pensions (Interview #2), the OAP never 'gained momentum' before the Vision 2020 was decided on in 2000 through a National Dialogue.

Pelham (2007) has described the Lesotho OAP as having been established as a 'right' of the elderly. This resonates with the accounts from several key informants. The Minister of Finance at the time, Dr Tim Thahane (Interview #11) recounted: 'We felt that the elderly are a legitimate target. We wouldn't be where we are if it hadn't been for them. The pension gives them dignity.' The rights-argument was also strongly emphasised by Prime Minister Mosisili (Interview #16), who has been described as a 'driver' of the pension. Mosisili explained that 'a pension is something that one qualifies for on the basis of age. Anybody can get a grant. Also, a pension is something one deserves. We are not doing them a favour.' Yet, it is unclear if Mosisili expanded on a discourse that had already been created by the BCP in 1993, or if Mosisili *himself* decided to present the pension as 'a right' of the Basotho.

Based on the literature and interviews with key informants, the demographic impact of HIV/AIDS appears to have been an additional critical incentive for the government to (re-) consider a cash-transfer scheme for the elderly. As Casey and McKinnon (2009: 83) have described, while older people are supposedly the principal beneficiaries of social pensions, there are also secondary beneficiaries—OVC. During the time that the OAP was implemented, Lesotho was confronted with an HIV prevalence rate of 31 per cent and in 1999 it was estimated that 80 per cent of those affected by HIV/AIDS were between 20 and 39 years (UNAIDS 2004), which resulted in a heavy burden on the older generation, who needed to care for young children. The Department of Pensions (Interview #2) highlighted that the fact that the elderly are increasingly 'forced to take care of their grandchildren' was a 'point that was raised throughout the conversation [in 2004]'. Accordingly, the former Principal Secretary of Public Service (Interview #10) stated that 'the original thought behind the pension was to reward the elderly', but as the AIDS epidemic became more acute, 'the government itself felt that it was important to provide an income for grannies who were taking care of orphans'. The significance of the OVC crisis was also confirmed by Mosisili (Interview #16): 'In the nineties, the HIV/AIDS epidemic had started, but it was not yet well-known. The epidemic played a pivotal role in influencing the decision [in 2004]. We were generally looking at vulnerable groups, and the OAP was combining the two [the elderly and OVC].'

While the idea of a pension still appeared to be 'on the table' in the late 1990s, a 1998 government commissioned consultancy study³ had determined that granting a social pension in Lesotho would be too costly (Hagen 2008). Nonetheless, prior to the 2002 elections, the plan for a pension reappeared on some political programmes, most clearly on the manifesto of the winning LCD (Hagen 2008: 13). The incumbent LCD had thus promised a pension, but with the condition that the financial resources of the government were sufficient to implement a universal scheme. According to Thahane (Interview #11), the government knew that 'a pension would be possible if we found scope in the budget without threatening the microeconomic stability'. The Department of Pensions (Interview #2) explained that during the first two years following the 2002 elections, 'the budget could not sustain a pension due to the aftermath of the 1998 turbulence'. However, according to Mosisili (Interview #16), a pension was on the agenda of the

³ This study has been mentioned by Hagen (2008) and was also confirmed by David Croome during an August 2014 meeting, but no further evidence regarding the timing of this study (i.e. whether it took place before or after the 1998 elections) has been identified.

new government at this time: 'It had to be implemented! In 2002, for the first time, there was post-election peace. Now we could focus on development, not just extinguishing fires.' The former Principal Secretary of Finance (Interview #17) recalled that '...he [Mosisili] chaired a Cabinet meeting in 2004 that directed that we test the affordability and sustainability again ... when government's fiscal position seemed quite strong. Playing around with unit pay-out and age produced several options from which an affordable and sustainable one was found, presented to Cabinet and approved within two days.' The Pension Manager at the Department of Pensions (Interview #2) conveyed that 'Mosisili sold the idea [of a pension] to parliament'. Finally, in his 2004/5 Budget speech, Lesotho's Minister of Finance (Thahane) announced the introduction of a universal social pension for all citizens aged 70 and older. Parliamentary debates on the pension were held shortly before registration began. As the former Commissioner of Pensions (Interview #15) underlined, 'it was implemented purely on the budget statement, without any policy document as a foundation.' Following a month-long registration process, the first pensions were delivered in November 2004 without a (customary) pilot phase.

Hence, based on the evidence from the literature and testimonies from key stakeholders, the political instability in the 1990s appears to have been a major obstacle to the realization of the promised pension. However, the former Minister of Finance (Interview #11) suggested that the initial proposal of a pension in 1993 had also been poorly thought through. 'Political manifestos outline what parties would like to have. It [a pension] is easy to conceive, but difficult to finance and administer. That is where it got stuck.' It is indeed possible that Mosisili's appointment of the very experienced economist Thahane as Minister of Finance provided for strong teamwork with Mosisili and thus enabled a professional and credible assessment of a pension to be carried out. Also, the capacity of Thabo Thulo, the Commissioner of Pensions at the time, may have played a role. Thulo undeniably succeeded in the demanding task of swiftly designing a pension scheme, registering beneficiaries, and ensuring that the first payments were made only eight months after the pension had been announced. Thulo himself (Interview #15) admitted that he was caught off guard by the announcement of the OAP in 2004: 'I was surprised! I thought, "my office will have to oversee it".' Thulo further recalled: 'Thahane called me into his office about a month later [after the 2004/5 Budget speech and the parliamentary discussion] to hear my thoughts about this programme. To his surprise, I was already far ahead with the preparations. I had called in all the ministries that could assist and formed a task team.' A task team headed by Thulo went to meet with community chiefs to discuss this new initiative, which was successful (Interview #15). David Croome (Correspondence with D. Croome 2014) recalled that instead of having to register all beneficiaries anew, the Ministry of Finance was able to use the 2002 electoral lists to target citizens above 70 years, thus facilitating the registration. Next, according to Croome, the government was able to rather promptly involve the Post Offices to act as payment points for the OAP. Hard-to-reach areas were accessed by helicopter (Interview #15). Thulo (Interview #15) explained that because of the risk of delivering cash, several other stakeholders also had to be involved in this process (local government, Ministry of Health, the police).

The confidence of both the Lesotho parliament and the Ministry of Finance in Thulo's ability to administer a universal pension may thus have contributed to the relatively straightforward policy process behind the pension, and its prompt completion. With regard to management, there seems to have been no doubt that the powerful Ministry of Finance was to be responsible for the OAP. However, perhaps it would have been more suitable for the Ministry of Health and Social Welfare⁴ to administer this new cash grant, enabling the OAP to benefit from the experience

⁴ Which has since been divided into Ministry of Health and Ministry of Social Development.

gained through the Public Assistance Grant and other social welfare programmes (Pelham 2007: 25). According to key informants (Interviews #1, #8, #9, #18), the Department of Social Welfare was rather weak and 'health issues were prioritized' within the ministry. Thus, both the weak position of the Department of Social Welfare and the fact that the pension may not necessarily have been conceived as a typical 'social assistance' scheme may explain the decision to place the OAP under the custody of the Commissioner of Pensions and the Ministry of Finance. As the Principal Secretary of Finance at the time (Interview #17) explained: 'There was not even any debate about the role of the Department of Social Welfare. It was not even thought to be ready for the child care programme [Child Grant], hence the involvement of UNICEF.' This suggested lack of capacity is likely to have finalized the decision regarding the responsibility for the OAP (if there was any debate about it at all), even if there may also have been 'political' motives⁵ behind letting the powerful Ministry of Finance take over the administration of the OAP.

As previously mentioned, existing literature indicates that Mosisili was the main driver and thus 'the champion' of the OAP (Pelham 2007; Devereux and White 2008; Barrientos 2009; Olivier 2013). Pelham (2007: 12) suggests that Mosisili's 'personal style of government' may have 'afforded him the ability to make decisions and have them acted upon without the political turbulence or lengthy administrative procedures that may hinder other democracies'. Mosisili's 'personal style' is indeed evident in the unremitting association of social welfare with his name. Children who have attended Lesotho's free primary schools are called 'bana ba Mosisili' ('Mosisili's children') and the elderly who receive the OAP are said to 'collect their Mosisili'. Mosisili himself (Interview #16) approached this topic very diplomatically during the interview: 'I have been very humbled by people's attitudes towards both programmes. The policy emanates from individual's thoughts, but once it has been developed, it is government policy. Individuals no longer matter.' This personalization of social assistance is noteworthy as this is a phenomenon that has also been observed in other African countries.⁶ Consequently, while the initial proposal of a social pension may not have directly affected the election outcome of the 1993 election (Matlosa 1997), and the introduction of the OAP may not have been a desperate attempt to remain in power, Mosisili's strong association with the social policies mentioned implies that the implementation of the OAP ultimately benefited the incumbent government's position.

Once the OAP had finally been introduced, the programme did come to present an election issue (Devereux and White 2008). Prior to the highly controversial 2007 elections, the LCD's main opposition party ABC had pledged to raise the monthly pension payment from M150 (US\$25) to M500 (US\$83), if they were elected. Mosisili's governing party (LCD) had responded by promising to reconsider the pension payment level if they were re-elected. After the LCD's victory, the Finance Minister announced a 33 per cent increase in the monthly pension, from M150 to M200, in the first budget speech after the elections, adhering to the LCD's election promise. Lesotho's OAP thus exemplifies the idea of 'positive politicization' (Devereux and White 2008), as the popularity of this programme forced the government to respond positively to opposition campaign pledges to raise the payment level. This suggests that even though there may not have been any mobilization from the public prior to the initiation of the pension, or

⁵ Several key informants pointed out that 'corruption is rife' in the context of the OAP, and that there must be certain individuals who 'benefit' from the relative lack of transparency surrounding the pension, for instance through the collection of payments of so-called 'ghost beneficiaries'.

⁶ In Swaziland, the Old Age Grant is considered 'a gift from the Throne' (according to the Swaziland Department of Welfare).

even an explicit expectation of any support for the elderly, the Basotho soon came to perceive the OAP as a right.

Generally, according to Devereux and Cipryk (2009: 21), the introduction of the social pension scheme in Lesotho was a determinant factor in the final result of the 2007 elections. Based on a Regional Hunger Vulnerability Programme report (Croome et al. 2007), a post-election survey revealed that the introduction of the OAP and, to a lesser extent, the decision to make primary education free, was the overwhelming reason that was given for voting for the governing party (Croome et al. 2007). Thus, in the 2007 elections, reciprocity could potentially have played a role, as voters supported politicians who had helped them (i.e. vulnerable groups such as the elderly) in the past (Baez et al. 2012). Accordingly, it is not known to what extent the intentions behind the OAP were political, but based on the general popularity of the OAP in Lesotho, it is likely that their decision to 'thank' the elderly may have benefited Mosisili and the LCD party, at least in the short term. The Prime Minister may have been aware of the potential 'reciprocity' effect of introducing a cash transfer to a vulnerable population group, thus the OAP may, at least to some extent, have been part of a political strategy.

There had been some media publicity about the pension prior to the registration process, but there was no public consultation or community involvement. Apart from the advocacy of the 'Maseru Women's Senior Citizens Association' (MWSCA), there was no widespread campaigning for the implementation of a social pension (Pelham 2007). During an interview for this case study, the founder of the MWSCA (Interview #5) described that the MWSCA tried to push for the pension to finally be implemented by writing letters and even meeting with the Prime Minister himself. Thulo (Interview #15) recalled that he 'took their [MWSCA's] messages to Mosisili and Thahane' and he asserted that the MWSCA 'did have an influence.' Mosisili (Interview #16) admits that 'it was useful, but they were preaching to the converted.' Thus, while this lobbying may not have been decisive per se, it may have accelerated the process. However, the current Pension Manager in the Department of Pensions (Interview #2) explained that 'unlike South Africans', who had been 'promised services' by the ANC, there had been no 'demand' from the Basotho for a pension. According to the former Principal Secretary of Finance (Interview #17), 'the announcement [of the OAP] was welcomed, in as much as it was a surprise to many. After many years of non-fulfilment there had not been any expectations.'

While the decision to provide a pension was clearly unopposed in Lesotho, its ability to finance the pension was nonetheless not self-evident. Indeed, financing social pensions can present a significant challenge for low-income countries. As the case of Zambia has shown (Kabandula and Seekings 2014), the judgement of the Ministry of Finance may ultimately decide whether social protection programmes such as cash transfers are prioritized or not. In Zambia a donor-driven attempt to provide cash transfers to poor households failed to become 'owned' by government (Kabandula and Seekings 2014). In Lesotho, on the other hand, the Ministry of Finance did not present an obstacle to the OAP (or, later, the CGP). The fact that Thahane was recruited by Mosisili himself, and was said to have worked closely together with the Prime Minister, may have shaped his attitude towards social policies such as the OAP, and thus motivated him to cooperate with Mosisili's plans. Indeed, the views that Thahane (Interview #11) expressed towards 'welfare' during his interview corresponded with Mosisili's and the LCD's: 'Welfare can keep you alive, so that you can do something sustainable. We felt that the elderly are a legitimate target.' The former Principal Secretary of the Ministry of Finance (Interview #17) highlighted that Thahane's financial management experience encouraged trust in the Ministry of Finance, '...Cabinet tended to accept the lead of the professionals in the Finance Ministry.' Considering his vast experience, it is also possible that his ability to improve the

performance of the ministry made a universal pension feasible. Some fiscal reprioritization has taken place to enable government to shoulder the burden of expenditure. The OAP is largely funded from SACU revenues received by Lesotho, which indicates government's willingness to find and increase fiscal space (Hagen 2008), even during times of global economic crisis.

The Lesotho OAP is largely financially feasible because the benefits are comparatively small and the age for entitlement is relatively high, although the monthly value has increased from M150 (US\$23) to M500 (US\$47) over ten years. Yet, taking inflation into account, M500 in 2014 would have been equivalent to merely M273 in 2004, so that the extent of this increase is limited. In South Africa the age threshold is currently 60 years and the monthly level benefit payment is ZAR1,420 (US\$107) (Pension Watch 2015). However, this South African 'older persons' grant' is subject to a means test that excludes the wealthy elderly; the Lesotho OAP is not targeted. Mosisili (Interview #16) explained that "we were careful not to bite more than we could chew ... We will grow it with time." As time passed, the former Commissioner of Pensions (Interview #15) explained that "the government had to consider whether to lower the qualifying age, or to increase the benefit rates. Also, increasing the benefits will benefit children. It is better to give more to fewer people." This decision to 'give more to fewer people' (although many elderly below 70 years of age may be just as destitute as those who currently do receive the OAP) is noteworthy, as it may have implications for the 'developmental' objectives behind the pension. Higher benefits make the transfer more effective for the beneficiaries, but at the same time the exclusion of the elderly below 70 years and the lack of a means test does not correspond with a 'classic' poverty-reduction strategy.

One of the most striking aspects of the Lesotho pension is the absence of the international arena, which also stands in contrast to the origins of the Child Grant, which will be discussed below. For much of the twentieth century, ideas about social security were largely defined and driven by the hegemonic influence of the International Labour Organisation (ILO). The ILO has been described as a key source of diffusion for a specific welfare regime and the organization has focused on the development of a 'Global Social Protection Floor' that could provide a minimum level of social protection (Casey and McKinnon 2009: 85). Further, the United Nations (UN) gave the ILO, as the secretariat of a major UN specialized agency, the task of seeking ways to realize the Millennium Development Goals (Casey and McKinnon 2009: 86). The process behind the OAP in Lesotho has certainly gone against Bonnerje's (2003: 29) prediction that "in the initial stages of setting up such arrangements [social pensions] in other countries of the region, major international donors would have to play a lead role".

According to Mosisili (Interview #16), the government purposefully did not involve foreign donors: "We were very clear that this was an initiative that we were coming up with as government ... We will start this on our own, with limited resources. ... We will not make it a foreign-aid-driven initiative." He also acknowledged international donors' scepticism: "The IMF and the World Bank appreciated the problem that we were grappling with, but they were worried about sustainability." Of course it may have been a potential refusal by the World Bank to support the government's endeavour of installing a universal pension that ignited the government's later emphasis on donor independence, but there is no indication that the government had actively pursued external funding for the OAP. According to Pelham (2007), donor agencies generally expressed interest and overwhelming support for the pension, but they had very little knowledge about it. Regardless, the absence of external assistance contributes to the uniqueness of the policy process behind the OAP, which further supports the argument that this initiative was mostly 'home-grown'.

A remaining question mark surrounding the pension concerns the *roots* of the idea for a universal cash transfer for the elderly. It is noteworthy that in 2002 the South African researchers

May, Roberts, Moqasa and Woolard had published a CSDS working paper that suggested that Lesotho could implement a pension to all Basotho who are above the age of 64 years old. This would not only benefit the immediate beneficiaries, but also ‘permit investment in a micro-enterprise or the wellbeing of children, facilitate mobility for job-search, and provide a source of steady income’ (May et al. 2002: 42). Further in line with the ‘South African model’, May et al. had further proposed that Lesotho could introduce a ‘child support grant’ for poor children under the age of six, and an ‘education incentive grant’ for older children in poor households. However, there is no evidence in the literature or in the interviews conducted for this case study that this working paper advocating the South African model had any bearing on the initiation of the OAP or the CGP. Mosisili (Interview #16) insisted that “the idea for an OAP stemmed from the BCP’s ideology, it was very people-oriented. It was clear that people in the private sector⁷ and subsistence farmers were vulnerable once they reached old age. The majority of people can no longer fend for themselves ... they are dependent on their children. With time, it became clear that we can no longer rely on that’.

Yet, where did the BCP look for inspiration to build such a pension scheme, even if it had not yet been very well ‘conceived’ in 1993? Barrientos (2009: 79) has asserted that the presence of social pension schemes as the dominant form of welfare provision in neighbouring countries exerted an influence on Lesotho. Pelham (2007) has presented a similar argument. While Pelham (2007: 11) admits that there is no substantiated evidence that the South African government directly influenced the pension, she suggests that the introduction of a social pension in Lesotho in 2004 was “a product of regional geopolitics and a concern for equity’ in order to provide ethnic Basotho living in Lesotho with an equivalent to the pension received by Basotho families living in neighbouring South Africa. Yet, Pelham’s (2007) study also acknowledges the lack of advocacy for a social pension from civil society, and the nonexistence of a public reaction to the introduction of the OAP. This evidence could possibly indicate that the Basotho did not *expect* their government to provide such a grant for the elderly, which weakens Pelham’s argument that the Basotho felt that universal pensions were a ‘right’ of the elderly based on the *South African* example, before the universal pension was introduced in Lesotho.

This lack of expectations is supported by the account of the Pension Manager at the Department of Pensions (Interview #2) who has been involved with the OAP since its commencement: ‘they [the government] had been saying it over and over again [that there would be a pension]’. Upon registration, many elderly ‘did not believe’ that a pension would actually be paid—apparently there was even some ‘resistance’ at first, as some people assumed that it was a ‘trick for the next elections’. Once the first round of pensions had been distributed, this disbelief was overcome and the elderly Basotho increasingly began to register for the pension. This response was confirmed by Mosisili (Interview #16): ‘We had talked about introducing a pension since 1993, but nothing had happened. So when we announced it in 2004, there was a lot of doubt as to whether we would really carry it through.’ Yet, once the OAP had been established, it appears that a sense of the pension as a ‘right’ was soon developed among the Basotho, which was demonstrated during the debates prior to the 2007 elections, as well as the implied reciprocal voting behaviour (Croome et al. 2007; Baez et al. 2012). The former Principal Secretary of Finance (Interview #17) also raised this matter: ‘There had not been any pressure or advocacy from civil society ... They were however energized afterwards now to fight the quantum of the pay out, arguing it was too little...’. This phenomenon has also been described by Casey and

⁷ Mosisili used the word ‘private sector’ here to highlight that before the OAP was introduced, only former civil servants received a government pension (thus anyone who was not in the ‘public sector’ did not receive any government pension).

McKinnon (2009: 84): 'The receipt of pensions builds up expectations amongst the population about what the state can do for the elderly.' These authors suggest that 'the process of having learnt to expect ... may help explain the resilience of social pension programmes, in southern Africa and elsewhere' (Casey and McKinnon 2009: 84).

Considering that both Mosisili and Thahane had lived and worked extensively in South Africa, they must have been very aware of the social pension scheme that their neighbouring country was operating. Yet, perhaps not too unexpectedly, none of the key stakeholders interviewed affirmed any 'connection' between the Lesotho OAP and the South African social pension. Some appeared rather surprised by this suggestion, such as the former Principal Secretary of Public Service (Interview #10). Correspondingly, Mosisili (Interview #16) very firmly stated that 'I would not attribute it to the example of South Africa in any way'. Thahane (Interview #11) reacted rather strongly to the question regarding a possible diffusion effect. 'They think we have no brains! The pension is home-grown, like the free primary education. It's like saying that Sweden invented Volvo only because there were cars in other countries.' For a small, poverty-stricken country like Lesotho that is highly dependent on South Africa, programmes such as the OAP may thus be highly symbolic of the country's increasing ability to 'help itself'. Evidently, Lesotho did not discover the *concept* of a 'social pension', but the insinuation that Lesotho may have simply 'copied' the pension from South Africa could still be perceived as offensive by its implementers, who consider their pension scheme 'unique'.

Undoubtedly, the small benefit, the high age of qualification, and its universal nature make the Lesotho pension considerably different from the South African social pension. As Pelham (2007) and Croome et al. (2007) have asserted, the small amount of the pension is insufficient to sustain an entire household, and as Pelham (2007) suggests, it is likely to be "pooled" with other sources of income in a household. This does not essentially discredit the developmental purpose of the pension, but it is questionable whether it is able to make a significant difference to the livelihood of an elderly person who is caring for a grandchild (or several grandchildren). Assuming that many of the elderly poor live in households of four adult equivalents (about the national average), the pension would only represent around half of the food poverty line income for a family (World Bank 2013). Thus, if the pension was indeed meant as a 'token of thanks' to the elderly, its purpose may be more complementary and symbolic than 'developmental'.

Barrientos (2009) concludes that even if the OAP in Lesotho was indeed an effect of regional 'diffusion', 'it is hard to see the example of Lesotho [...] as indicative of more general trends [...] in low-income countries' (Barrientos 2009: 79). Consequently, while the pension is likely to have been prompted by the South African (and possibly other countries') welfare model(s) to some extent, Lesotho seems to have created its own version of a social pension, possibly with a somewhat different objective in mind. It is also intriguing that the social pension in Lesotho is in fact called a 'pension', although it is non-contributory. This choice of word may reflect the idea that the Lesotho OAP was indeed a gesture of appreciation and respect towards the elderly from the Lesotho government, and less a simple 'imitation' of the existing South African set-up. As the former Minister of Finance (Interview #11) highlighted, "The pension is an entitlement. You deserve something, you have worked for the country. A *grant* you can stop at any time.'

While the state appears to be taking on the role of the key provider of social assistance in Lesotho, Croome et al. (2007) have argued that transferring income through a social pension will not encourage the growth of income needed to end poverty in Lesotho; it is low on the agenda of development tools. However, it is high on the list of attributes that reflect a society that attempts to 'care for all its people', especially those who because of their age are among the most vulnerable (Croome et al. 2007). In Lesotho, it appears that the OAP may have been the first step towards developing a 'social contract' (Pelham 2007). The alleged positive impact of the

OAP, as presented in the study conducted by Croome et al. (2007), and the programme's popularity among the Basotho, may have affected the Lesotho government's affirming attitude towards cash grants for other vulnerable population groups and thus paved the way for the subsequent rather smooth introduction of the Child Grant only a few years later.

5 The Child Grant—an African success story?

The Lesotho CGP is an example of an initially donor-funded 'pilot' cash grant programme that gradually expanded and became 'government-owned'. In 2013 this means-tested programme provided a quarterly transfer of between M360 and M750 (US\$36–US\$74) to poor households with children. According to the World Bank (2013), the CGP is 'one of the few programmes [in Lesotho] that make a systematic effort to identify the most vulnerable.' Unlike the OAP, the CGP purposely attempts to target the *poorest* households. Initially it was financed by the European Union (EU), with the technical support of UNICEF, and was originally implemented by the former Department of Social Welfare. Today the programme is run by the Ministry of Social Development, which was established in 2012⁸. Since October 2013, all the benefit costs of the grant have been funded by the government. In the year 2015 20,000 households and 65,000 children benefited from the CGP (Davis et al. 2015).

Table 1: Progression of the Lesotho Child Grant Programme (*current prices*)

	2009	2010	2011	2012	2013	2014	2015
Coverage (Households)	1000	4,523	10,000	10,045	19,813	25,000	23,500
Transfer size per quarter (M per household)	360	360	360	360	360/600/750**	360/600/750**	360/600/750**
Total transfer cost (M)	*	*	*	37.1 million	40.1 million	50.4 million	53 million
Budget (% GDP)	3.6	3.3	3.3	3.0	3.2	3.4	3.2
Overall funding sources	EU	EU	EU	EU	EU & GoL	EU & GoL	GoL

* Total transfer cost for Phase I was M31 million;

** Indexed on size of HH: 360 (1–2 children); 600 (3–4 children); 750 (>4 children).

Source: UNICEF Lesotho Office, Maseru (2016).

The CGP has followed a very different policy process compared to the OAP, although it was initiated only three years later and under the same government. The CGP is part of the EU project, 'Support to Lesotho HIV and AIDS Response: Empowerment of Orphans and Vulnerable Children' that was initiated as a response to the absence of an effective support system for OVCs in the HIV/AIDS context. As the National OVC Strategy highlights, the traditional practice in the rural communities vis-à-vis orphaned children was based on

⁸ After the 2012 elections, Thomas Thabane (not to be confused with Tim Thahane, the former Minister of Finance) succeeded Mosisili as the Prime Minister with his All Basotho Convention (ABC) party by building a coalition government with the support of two opposition parties. Mosisili, who led the newly created Democratic Congress to a significant win of 48 parliamentary seats, fell short of winning an outright parliamentary majority, leading to his defeat.

community involvement; yet, predictably, these mechanisms have become overstretched. Since there are many ‘non-poor’ orphans and many other children who are not orphans but are nonetheless living in extreme poverty and vulnerability in Lesotho, the CGP targets ‘orphans and vulnerable children’ (OVCs). The programme defines OVCs as orphans (having lost one or both parents), or those children being HIV positive, or living without adequate adult support (World Bank 2013).

In 2006, a financing agreement for the EU OVC project was eventually signed for €11 million (Thomson and Kardan 2012: 12). After the project finished in 2011, the EU agreed with the Government of Lesotho to fund a second phase of the project to run from 2012 to 2014. By far the largest part of the initial budget for the project—€5 million—was allocated to the CGP. This programme was supposed to provide a regular and unconditional quarterly cash payment between 2007 and 2011. The aim of the programme was to enhance the living standards of OVCs by reducing malnutrition, improving health status, and increasing school enrolment. A second objective of the programme was to eventually strengthen the capacity of the government to deliver cash grants to households with children (Blank 2008).

As the former Department of Social Welfare lacked the capacity to administer a complex means-tested social assistance programme, UNICEF was selected to take on the role of delivering technical assistance to the government in order for its capacity to independently run the CGP (World Bank 2013). A community-based targeting system was developed and studies on appropriate delivery mechanisms were commissioned. First payments were made to households in one pilot district in April 2009, and in October 2009 the programme was rolled out to two further pilot districts. By January 2010 the programme had reached 1,000 households caring for over 2,700 OVCs with quarterly payments of M360 (Thomson and Kardan 2012). By early 2010, the CGP pilot was expanded to an additional three community councils. An external consultancy company that specializes in social protection projects, Ayala Consulting, was brought in to complete the technical design and to develop technical guidelines and computer models. Further, a National Information System for Social Assistance (NISSA) was created to register information on all households, to be used for the selection of the CGP beneficiaries.

Although the information provided by the EU Delegation to Lesotho and by Thomson and Kardan (2012) indicates that the EU was the main driver of the CGP, the role of the Lesotho Government in the process has not been adequately explored and documented. By the early 2000s, assistance to children had been primarily delivered through a WFP school-feeding programme or through small programmes by NPOs (e.g. World Vision). Some efforts that specifically acknowledged children’s vulnerability also took place in the context of temporary international emergency relief, for instance during several natural disasters during the 2000s, such as the 2002 drought. According to a World Vision Lesotho employee (Interview #4), voices regarding the need for targeted assistance to OVC were first raised through government social workers. Similarly, the Ministry of Social Development (Interview #1) stated that ‘the government went looking for funding’ after concerns regarding OVC had been identified. According to the former Principal Secretary of the former Department of Social Welfare (Interview #10) the Child Grant was ‘the government’s idea in the context of HIV. There was a need for the Department of Social Welfare to come up with a programme to assist OVC’.

Mosisili himself (Interview #16) expressed uncertainty regarding the roots of the CGP: ‘I cannot quite say whose idea it was’. However, he emphasised that ‘it was something we saw the need for.’ Mosisili explained the involvement of external stakeholders as follows: ‘We didn’t have the resources ... We were being assisted’. Further, he disclosed that ‘the availability of funding came at a time when we were still grappling with teething problems with the OAP.’ Thus, challenges faced with the OAP may have discouraged the government from attempting to initiate another

(much more advanced) social assistance programme. According to key stakeholders (Interviews #2, #14, #15), such challenges include general issues with fraud and corruption, the difficulty of the overlap with the civil servants' pension, the lack of capacity to deliver cash to remote areas, and the lack of transparency. Mosisili (Interview #16) recalled that his government was in agreement with the EU and UNICEF about the need to support households with vulnerable children: 'I never had any doubt that it was a good thing to do. We could see in studies that stunting was a problem. Whichever way you looked at it, it made sense.' Overall, Mosisili's personal vision (Interview #16) of the state as a provider of social protection appeared very affirmative: 'It [state support to vulnerable groups] makes sense, it is the right thing to do, to make sure that children have a chance. The more we invest in our people, the better chance we have to break the cycle [of poverty]. The government will have to make provision for it.' Based on his statements, Mosisili appears to perceive social assistance as a necessary 'stepping stone' to economic and social development. Yet, it must be kept in mind that it is not very surprising that a former (and, with hindsight, aspiring) Prime Minister would want to take 'credit' for the poverty-reduction programmes that his government implemented. However, even if the former Prime Minister's rhetoric about social assistance may have been driven by political interests to some extent, such views may have had an impact on the policies and programmes that were introduced under his rule.

Considering his 'personal style of government', it is possible that Mosisili's views regarding the assistance of vulnerable groups shaped the government's willingness to commit to programmes such as the CGP, even if accompanied with imminent financial obligations for the government. Conversely, Mosisili does not appear to have been as closely associated with the CGP as he was with the free primary school education and the OAP that were implemented a few years earlier. It is likely that the much more limited and 'targeted' coverage of the CGP had affected the general population's level of awareness about this cash transfer, thus prohibiting the same 'personalization' of this programme. Also, the fact that the grant was initiated and initially funded by a foreign donor may have prevented Mosisili and other politicians from 'claiming' this programme.

The example of the Lesotho OAP and CGP may be explained by a general tendency of governments to take credit for and to promote universal pensions rather than social assistance programmes for other vulnerable groups such as OVCs, possibly because the political benefits of pushing for pensions are considered to be higher.

According to the EU Delegation to Lesotho (Interview #18), 'the Lesotho Child Grant is different in as much that it has been directly implemented by the Government, with strong technical support from UNICEF. The Ministry of Health and Social Welfare has had a strong involvement from the beginning and this has certainly facilitated the transition from a fully donor-funded project to a national programme, a unique success story of this magnitude in the sub-Saharan continent'. Mosisili (Interview #16) recounted: 'The understanding has always been there that the government would take over.' The effective cooperation between the funder and the government is confirmed by the EU (Interview #18): 'The Government of Lesotho has been praised for the commitment shown up to now and for having allocated the required financial resources for the Child Grant Programme in its 2013/2014 and 2014/2015 budgets.'

The willingness of the government and the rather powerful Ministry of Finance, led by Dr Thahane, to agree to take on the CGP during an economically insecure time is significant, especially considering the reluctance to involve foreign donors in the creation of the OAP. According to the key informants, including Mosisili, the Ministry of Finance did not stand in the way of this programme. Yet, Dr Thahane himself (Interview #11) expressed significantly more caution about the Child Grant than the OAP: 'The Ministry of Finance reacted cautiously. We

had not yet built up a model that would support it. Money was needed for such an investment—can we sustain it? Also, how do you administer it?’ Further, the scepticism about donor involvement that Thahane (Interview #11) had demonstrated prior to the implementation of the OAP was evident in the CGP context as well: ‘UNICEF, FAO [Food and Agriculture Organization], and the World Bank, they do their separate thing. We need investments that lead to long-term results, and that will increase the tax-base. The Ministry of Finance looks at the total needs of the country.’ The former Principal Secretary of Finance (Interview #17) who worked with Thahane at the time also implied that the ministry felt somewhat ‘run over’ by donors: ‘Assuming the responsibility for the child grant was inevitable and known in advance. Donors tend to catalyse policies that would otherwise not receive attention based on single year fiscal considerations. On the other hand, they can elevate donor priorities to be assumed into the budget without much fiscal analysis.’

The administrative difficulties associated with the OAP and the weakness of the Department of Social Welfare may have contributed to the realization that the external technical support was indispensable, even if it would require funding by the EU. Nonetheless, it is rather remarkable that the Ministry of Finance agreed to an externally driven programme like the CGP, considering the country’s continuous fragile financial situation, and the Minister of Finance’s rather critical stance. It is difficult to know whether Thahane was already doubtful about the idea of such a cash transfer in 2006 when the financing contract with the EU was signed, particularly since this agreement was made before the onset of the global economic recession. Perhaps the gradual expansion of the programme, the government’s struggles during the recession, the experience of dealing with foreign donors, the creation of the new Ministry of Social Development, and Thahane’s perception that the Ministry of Finance was ‘disregarded’ by actors such as UNICEF, all shaped his current guarded attitude towards this social assistance programme. Yet, at the end of the interview Thahane (Interview #11) expressed certain doubt regarding the (Thabane) government’s plans: ‘The new government has promised more social welfare programmes. It will be a test of reality.’

According to the EU (Interview #18), significant efforts were made to convince the Lesotho government of the importance and feasibility of the CGP: ‘Regular dialogue at technical level, but also at Ministerial level prior maintained the pressure on the Government’s commitment. Finally, the importance of having carried out a baseline survey and two impact evaluation studies cannot be forgotten. ... each loti invested generates a multiplying effect of 2.3 in the local economy and the significant impact on education. So, it is easy to sell to the Government who understands the potential for political support.’ Accordingly, it may have been a combination of the increasingly acute situation created by the AIDS epidemic in the country, Mosisili’s favourable views towards the protection of the vulnerable, and the EU’s ability to ‘sell’ the programme to the government, that enabled the conception and expansion of the CGP.

6 Social welfare vs. social development

The implementation of the CGP and the establishment of the Ministry of Social Development appear to have created a certain ‘momentum’ for social protection in Lesotho. The former Commissioner of Pensions (Interview #15), who was part of a task team run by the Regional Hunger and Vulnerability Programme, confirms that the idea for a separate ministry emerged before the 2012 elections and the change of government: ‘It was difficult to coordinate social protection programmes. I was impressed when the new government created the Ministry of Social Development.’ Considering the limitations of the Department of Social Welfare and its new responsibility as implementer of the CGP, the creation of a ministry that would be

responsible for social development seems rather logical. The EU Delegation (Interview #18) emphasizes that ‘the Ministry is still weak but much better prepared to manage, lead and coordinate social protection interventions in Lesotho.’ The EU and UNICEF, together with Ayala Consulting, have been working on strengthening the ministry. According to UNICEF (Interview #8), ‘capacity development of government ministries is a necessary evil. The governments and donors must understand that social protection is a long-term commitment that will not necessarily show any results short-term. That’s why government ownership is key! It’s important to build the capacity of existing government staff, as opposed to bringing in external staff. There is also a psychological effect—the government staff will genuinely support the programme and advocate for it. Also, as a result of this strategy, people’s perception is that the grant comes from the government [as opposed to from the EU or UNICEF].’

However, based on accounts by key informants (Interviews #9, #10, #14), many government officials in other ministries are still rather ignorant or misinformed about social protection, and social protection such as social assistance programmes are still very much associated with ‘welfare’. ‘There is still a limited understanding of social protection, especially outside of the Ministry of Social Development’, as Ayala Consulting (Interview #14) described. The current Director of Planning in the Ministry of Social Development (Interview #9) revealed his former position towards social protection: ‘While I was in the Ministry of Finance, I did not understand the concept of social protection. I thought that it was a ‘transfer with no returns’. Now I feel that it is a good investment, if complemented with other programmes.’ Yet, the Ministry of Social Development is still very new, and to some extent battling to establish itself next to the dominant Ministry of Health. As the former Principal Secretary of Public Service (Interview #10) disclosed, ‘to some extent, social *welfare* is still being practised. There is still no official Social Protection Strategy.’ UNICEF (Interview #8) conveyed that although social protection is ‘taken more seriously’ since the Ministry of Social Development was formed, it has still shared accountants, vehicles and other resources with the Ministry of Health, indicating that the new ministry is still working towards standing on its own feet.

7 Conclusion

While the OAP and the CGP certainly differ in terms of their origins, both cash transfers aim to provide assistance to destitute groups. It can be concluded that both programmes have primarily emerged and grown as the result of an explicit political will to invest in such programmes. As examples from other African countries show, even donor-driven programmes such as cash grants for OVC require political commitment from the national government in order to succeed and become nationalized. In the case of Lesotho, it is indeed likely that Mosisili was very influential in enforcing social policies. His personal views about the value of protecting vulnerable groups may have shaped both the straightforward implementation of the OAP and the government’s agreement to enter into a partnership with donors to develop a grant scheme for households with OVCs. Moreover, the AIDS epidemic seems to have played a larger role as a driver of the OAP than previous literature has suggested. Although the role of the Ministry of Finance is not completely demonstrable, it is at least obvious that the ministry did not directly *oppose* such programmes. Whether this was a result of Mosisili’s authority over the ministry, a general lack of direct power of the ministry, or a genuine conviction of Thahane and his staff that social assistance measures are (financially) beneficial in the long term, is unclear.

Further, the evidence regarding the diffusion effect indicates that while Lesotho certainly did not invent the concept of a social pension, the Lesotho OAP demonstrates several characteristics that nonetheless accentuate its ‘home-grown’ roots. Perhaps most importantly, the

insistence on defining the pension as a right of the elderly and something that one ‘deserves’ signals that the Lesotho social pension is not simply perceived as a typical ‘social welfare’ or poverty-reduction initiative. Thus, the strong association of the OAP with former Prime Minister Mosisili completes the image of a consciously home-grown initiative, particularly since the process behind it deviates significantly from the subsequent donor-driven initiation of the CGP, which lacks such political ‘champions’.

Considering the evidence presented in this article and the fact that almost two-thirds of the OAP went to non-poor households in 2013 (World Bank 2013), it is not clear that this social pension was introduced as a strategic response (Casey and McKinnon 2009: 97) to extreme poverty, *per se*; it may rather have been a case of political strategy in the aftermath of a political crisis. Yet, Casey and McKinnon emphasise that policy-makers in countries that choose to introduce social pensions are not necessarily more opportunistic than those who do not, and that social pensions are not necessarily less effective than other policies that have been introduced under such circumstances (Casey and McKinnon 2009: 97). However, where resources are severely constrained, it is crucial to use them effectively (Casey and McKinnon 2009: 97), and thus in a context like Lesotho, a poverty-targeted programme such as the CGP may be more effective than a universal social pension.

In conclusion, the case of Lesotho indicates a broader preference of some African governments to focus on social assistance for the elderly, as opposed to allocating state funds to similar programmes that are more poverty-focused and specifically target vulnerable groups such as OVCs. Firstly, many governments may not have the administrative and technical capacity that is required to carry out complex means testing, underscoring universal programmes as more feasible. Further, the elderly tend to be a rather small group in most sub-Saharan African countries, thus limiting the costs of such programmes. It is also worth considering that universal (or near-universal) programmes such as the OAP are likely to arouse more enthusiasm among the general population than poverty-targeted ones. Accordingly, as Peyre Dutrey (2007) has suggested, targeted poverty alleviation programmes (as opposed to providing universal support) can even undermine political backing, as the population receiving benefits becomes smaller and less powerful, which may not result in any significant ‘political benefits’. Examples such as Lesotho may thus provide valuable guidelines for foreign donors attempting to collaborate with sub-Saharan African governments when initiating social protection programmes. Unless supporters of social protection manage to ‘get the politics right’ in a particular country, as Niño-Zarazúa et al. (2012: 32) have emphasised, it is doubtful whether a proposed social cash transfer programme will obtain government ownership and thus become sustainable.

Finally, the long-term sustainability of Lesotho’s OAP and CGP is currently uncertain as a result of the political and economic vulnerabilities that the country continues to face. In August 2014, only a few weeks after the field research for this case study was completed, Lesotho found itself in the spotlight after an attempted military coup. After a mediation process initiated by SADC, early National Assembly elections were held in February 2015, which Commonwealth election observers determined as peaceful and well conducted. After a few years in opposition, Pakalitha Mosisili’s DC secured a narrow win, and the party formed a coalition government with the LCD and five other smaller parties (The Commonwealth 2016). ‘The Prof’ was once again declared Prime Minister, albeit in a fragile democracy. Thus, in 2016 Lesotho once again finds itself in the aftermath of a political crisis, while also facing economic hardship. Fiscal balances are expected to deteriorate over the next few years due to lower SACU revenues (World Bank 2016b). Recent depreciation of the loti has increased the public debt to GDP ratio to 60 per cent in 2015/16, and the projected sharp decline in SACU revenues calls for a substantial and sustained fiscal adjustment to protect debt sustainability and the peg with the South African Rand (World Bank 2016a). Such insecurity makes budget management challenging (World Bank 2013). Accordingly,

in light of the country's political and financial challenges, the sustainability of the current social assistance programmes and the feasibility of their expansion are unclear. The future of social assistance in Lesotho will most likely continue to depend on political commitment to such programmes. Yet, as long as initiatives that aim to relieve poverty and create a foundation for long-term development are overshadowed by inter-party conflicts (and potential donor withdrawal), the odds of the prioritization of such initiatives seem ominous.

References

- Baez, J.E., A. Camacho, E. Conover, and R.A. Zarate (2012). 'Conditional Cash Transfers, Political Participation, and Voting Behavior'. Poverty Reduction and Economic Management Network, Policy Research Working Paper 6215. Washington, DC: World Bank. Available at: <http://ftp.iza.org/dp6870.pdf> (accessed 15 March 2014).
- Barrientos, A. (2009). *Social Pensions in Low-income Countries*. Manchester: Brooks World Poverty Institute, University of Manchester.
- Blank, L. (2008). Lesotho Child Grant Pilot Operations Manual. [Accessed through UNICEF Lesotho in Maseru, May 2014].
- Bonnerje, A. (2003). *Pensions in Sub-Saharan Africa: The Urgent Need to Act*. Washington, DC: HDNSP, World Bank.
- Casey, B.H., and R. McKinnon (2009). 'Social Pensions and Policy Learning: The Case of Southern Africa'. *International Social Security Review*, 62(4): 81–102.
- The Commonwealth Secretariat (2012). 'Lesotho Parliamentary Elections'. Report of the Commonwealth Observer Group. Available at: <http://thecommonwealth.org/sites/default/files/news-items/documents/120529.pdf> (accessed 20 June 2016).
- The Commonwealth, 2016. 'Lesotho: Constitution and Politics'. Available at: <http://thecommonwealth.org/our-member-countries/lesotho/constitution-politics> (accessed 25 May 2016).
- Croome, D., A. Nyanguru, and M. Molisana (2007). 'The Impact of the Old Age Pension on Hunger Vulnerability, a Case-study from the Mountain Zone of Lesotho'. Prepared for the Regional Hunger Vulnerability Programme. Lesotho: Institute of Southern African Studies, National University of Lesotho.
- Davis, B., S. Daldone, and J. Dewbre (2015). 'The Impacts of the Child Grants Programme in Lesotho'. The International Policy Centre for Inclusive Growth (IPC-IG). Available at: http://www.ipc-undp.org/pub/eng/OP281_The_Impacts_of_the_Child_Grants_Programme_in_Lesotho.pdf (accessed 25 October 2016).
- Devereux, S., and P. White (2008). 'Social Protection in Africa: Can Evidence, Rights and Politics Converge?' Paper prepared for the conference 'Social Protection for the Poorest in Africa— Learning from Experience'. Entebbe, Uganda.
- Devereux, S., and P. White (2010). Social Protection in Africa: Evidence, Politics, and Rights. *Poverty & Public Policy*, 2(3): 53–77.
- Devereux, S., and R. Cipryk (2009). *Social Protection in Sub-Saharan Africa*. Brighton: IDS.

- Devereux, S. (2012). 'Social Protection for Enhanced Food Security in sub-Saharan Africa'. UNDP Working Paper 2012–010. United Nations Development Programme, Regional Bureau for Africa.
- Devereux, S. (2013b). 'Social Protection in Swaziland: What role for the UN?'. Centre for Social Protection, Institute of Development Studies. Brighton: IDS.
- Garcia, M., and C.M.T. Moore (2012). *The Cash Dividend. The Rise of Cash Transfer Programs in Sub-Saharan Africa*. Washington, D.C.: The World Bank, Directions in Development.
- Government of Lesotho (2004). 'National Vision 2020'. Maseru: Government of Lesotho.
- Grebe, E., and J.B. Mubiru (2014). 'Development and Social Policy Reform in Uganda: The Slow Emergence of a Social Protection Agenda (1986-2014)'. CSSR Working Paper 353. Cape Town: University of Cape Town.
- Hagen, K. (2008). *The Old Age Pension in Lesotho: An Examination of the Institutional Impact*. Amsterdam: World Granny, University of Utrecht.
- Hanlon, J., J. Barrientos, and D. Hulme (2010). *Just Give Money to the Poor: The Development Revolution from the Global South*. Sterling, VA: Kumarian Press.
- Hickey, S., R. Sabates-Wheeler, B. Guenther, and I. Macaulsan (2009). 'Promoting Social Transfers: Dfid and the Politics of Influencing'. Dfid Working Paper 32. London: Dfid.
- International Labour Office (ILO) (2014). 'Pensions and Other Social Protection Benefits for Older Persons: Insights from the ILO World Social Protection Report 2014/15'. Geneva: ILO.
- Kabandula, A., and J. Seekings (2014). 'The Limits of Donor Influence and Scaling up Cash Transfer Programmes in Zambia (2003–2013)'. Workshop on Social Protection in Africa. University of Cape Town.
- Lavers, T., and S. Hickey (2017, forthcoming). 'Tool for poverty reduction or political strategy? Social protection at the intersection of transnational ideas and domestic politics'. WIDER Working Paper 2017/xxx. Helsinki: UNU-WIDER.
- Makenete, A., G. Ortmann, and M. Darroch (1998). 'Food-Aid Dependency in Lesotho: Issues and Policy Implications'. *Development Southern Africa*, 15(2): 251–65.
- Maleleka, D. (2009). 'The impact of democracy in Lesotho: Assessing political, social and economic developments since the dawn of democracy'. Johannesburg: Centre for Policy Studies.
- Matlosa, K. (1997). 'The 1993 Elections in Lesotho and the Nature of the BCP Victory'. *African Journal of Political Science*, 2(1): 140–51.
- May, J., B. Roberts, G. Moqasa, and I. Woolard (2002). 'Poverty and Inequality in Lesotho'. Working Paper 36. KwaZulu-Natal: Centre for Civil Society, University of KwaZulu-Natal.
- Niño-Zarazúa M., A. Barrientos, D. Hulme, and S. Hickey (2012). 'Social Protection in sub-Saharan Africa: Getting the Politics Right'. *World Development*, 40(1): 163–76.
- Obinger, H., C. Schmitt, and P. Starke (2013). 'Policy Diffusion and Policy Transfer in Comparative Welfare State Research'. *Social Policy & Administration*, 47(1): 111–29.
- Olivier, M. (2013). 'Social protection in Lesotho: Innovations and Reform Challenges'. *Development Southern Africa*, 30(1): 98–110.

- Owusu-Ampomah, K., S. Naysmith, and C. Rubincam (2009). 'Reviewing "Emergencies" in HIV and AIDS-affected Countries in Southern Africa: Shifting the Paradigm in Lesotho'. National AIDS Commission, Lesotho and Health Economics and HIV/AIDS Research Division (HEARD), University of KwaZulu-Natal.
- Pelham, L. (2007). 'The Politics Behind the Non-contributory Old Age Social Pensions in Lesotho, Namibia and South Africa'. CPRC Working Paper 83. Manchester: Chronic Poverty Research Centre, Institute for Development Policy and Management, School of Environment and Development, University of Manchester.
- Pension Watch (2015). 'Help Age International Pension Watch Database'. March 2015. Available at: <http://www.pension-watch.net/about-socialpensions/aboutsocial-pensions/social-pensions-database> (accessed 10 July 2016).
- Peyre Dutrey, A. (2007). 'Successful Targeting? Reporting Efficiency and Costs in Targeted Poverty Alleviation Programmes'. United Nations Research Institute for Social Development, Social Policy and Development Programme Paper 35. Available at: [http://www.unrisd.org/80256B3C005BCCF9/\(httpAuxPages\)/0B87C67449C938EDC12573D10049830B/\\$file/Peyrepap.pdf](http://www.unrisd.org/80256B3C005BCCF9/(httpAuxPages)/0B87C67449C938EDC12573D10049830B/$file/Peyrepap.pdf) (accessed 28 October 2016).
- Rosenberg, S., and R.F. Weisfelder (2013). *Historical Dictionary of Lesotho*. Plymouth: Scarecrow Press.
- Sepúlveda, M., and C. Nyst (2012). 'The Human Rights Approach to Social Protection'. Ministry of Foreign Affairs, Finland. Helsinki: MFA Finland. Available at: <http://www.ohchr.org/Documents/Issues/EPoverty/HumanRightsApproachToSocialProtection.pdf> (accessed 5 November 2016).
- Thomson, A., and A. Kardan (2012). *Support to Lesotho HIV and AIDS Response: Empowerment of Orphans and Other Vulnerable Children. Final Evaluation*. Oxford: Oxford Policy Management.
- UNAIDS (2004). 'Lesotho. Epidemiological Fact Sheets on HIV/AIDS and Sexually Transmitted Infections'. Available at: http://data.unaids.org/publications/fact-sheets01/lesotho_en.pdf (accessed 30 October 2016).
- UNDP (2013). 'Human Development Report, Lesotho'. Available at: <http://hdr.undp.org/sites/default/files/Country-Profiles/LSO.pdf> (accessed 5 April 2014).
- World Bank (2013). 'Lesotho, a Safety Net to End Extreme Poverty'. Report 77767-LS. Washington, DC: World Bank.
- World Bank (2016a). 'Lesotho'. Washington, DC: World Bank. Available at: <http://www.worldbank.org/en/country/lesotho/overview> (accessed 1 November 2016).
- World Bank (2016b). 'Macro Poverty Outlook for Lesotho'. Available at: http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2016/04/14/090224b084298a56/1_0/Rendered/PDF/Macro0poverty0outlook0for0Lesotho.pdf (accessed 1 November 2016).
- World Food Programme (2016). 'Lesotho'. Available at: <https://www.wfp.org/countries/lesotho> (accessed 22 October 2016).

Appendix

Table: List of key informants

Interview no	Stakeholder	Informant	Date
1	Ministry of Social Development (MoSD)	CCT-SSN Manager	April 2014
2	Department of Pensions (Ministry of Finance)	Pension Manager	April 2014
3	UNICEF Lesotho	Chief of Social Policy (Manager of CGP)	April 2014
4	World Vision Lesotho	Grant and Acquisition Manager	April 2014
5	Maseru Women Senior Citizen Association	Founder	April 2014
6	UNICEF Lesotho	Deputy Representative Lesotho	August 2014
7	UNICEF Lesotho	Social Protection Consultant - Knowledge Management	August 2014
8	UNICEF Lesotho	Social Protection Implementation Consultant (advises/mentors MoSD)	August 2014
9	Ministry of Social Development	Director of Planning	August 2014
10	Ministry of Social Development	Former Principal Secretary, Ministry of Social Development	August 2014
10(2)	Lesotho Parliament (Party: Democratic Congress)	Former Principal Secretary, Ministry of Public Service (<i>now: MP for DC</i>)	August 2014
11	Ministry of Finance	Former Minister of Finance (<i>now: MP for LCD</i>)	August 2014
12	Ministry of Social Development	Social Protection Manager	August 2014
13	National University of Lesotho	Lecturer / Researcher (co-author of 2007 RHVP article on OAP)	August 2014
14	Ayala Consulting	Project Manager Lesotho	August 2014
15	Department of Pensions (Ministry of Finance)	Former Commissioner of Pensions (<i>now: CEO Public Officers Pension Fund</i>)	August 2014
16	Democratic Congress (Political Party)	Former Prime Minister of Lesotho (<i>now: Prime Minister, DC Party</i>)	August 2014
17*	Ministry of Finance/Development Planning	Former Principal Secretary, Ministry of Finance (<i>now: Minister of Development Planning</i>)	August 2014
18*	Delegation of the European Union to the Kingdom of Lesotho	Programme Manager (Governance)	August 2014

*written correspondence due to unavailability during field work.