

## THE EFFECTS OF UNSKILLED LABOUR MIGRATION FROM LESOTHO TO SOUTH AFRICA ON THE SOCIO ECONOMIC DEVELOPMENT OF LESOTHO: THE CASE OF MINE WORKERS

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### ABSTRACT

This paper is an effort to investigate the effects of unskilled labour migration (mine workers) from Lesotho to South Africa on the socio economic development of Lesotho. The study employed the ARDL model to estimate the coefficients and made use of the time series data for three decades, ranging from 1990 to 2022. The results indicate among others that remittances received in Lesotho as a result of unskilled labour migration to South Africa have not had a significant positive impact on socio-economic development in Lesotho. The above findings informed the following recommendations to policy makers: policy measures to reduce unemployment should be prioritized in Lesotho there by limiting migrant labour as productive human resources flee the country daily.

**Keywords:** Labour Migration, Remittance, Economic Development.

### 1.0 INTRODUCTION

Lesotho is a small country whose land area is approximately 30,000 square km and it has a distinctive feature of being completely surrounded by South Africa. It is a mountainous country with approximately eleven percent of fertile land. The most outstanding feature of Lesotho is having its gross national products that are mostly greater than gross domestic product as a result of more income inflow from across the borders. The estimated population of Lesotho is approximately two million people, with the estimation of about over 80 percent residing in rural areas. (Crush et al 2010). Equally important, Lesotho is estimated to have about 240,000 people living outside its borders (Crush et al., 2010) to over 400,000 people (Ratha et al., 2011). Therefore, Lesotho is one of the countries that depend highly on migrant labour (Crush et al., 2010).

By virtue of its geographical location, Lesotho has a long history of integration with South Africa. Lesotho's consistency as South African labour reserve dates as far back as 1906. Out of 81000 recorded mine workers, Basotho constituted 2.5 percent (Harington et al., 2004; Wilson, 1976). Hence according to Hirschmann (1973) South Africa has had steady labour migration with Lesotho for over hundred years. Additionally, the outstanding international events between 1914 and 1989 which are, among others, World War I, the Great Depression,

World War II, Africa's decolonization and liberation struggles, democratization and the Cold War, had no effect impact on Lesotho's labour migration to south Africa even the major socio economic as well as political changes that south Africa encountered, had no impact Lesotho as the migrant labour reserve for south Africa. For instance, political instability faced by South Africa in 1914 had no effect on hiring of migrant miners. (Hirschmann, 1973).

Moreover, Lesotho's independence in 1966 made no amendments with regards to migration policy. Shortly before the end of cold war in 1985, the number of Basotho working in south Africa was 97,639 (Fitzgerald, 2006; Yudelman & Jeeves, 1986), thereby making Basotho the most contributing mine employees that year. However, the end of apartheid system in 1994, resulted in decrease of migrant miners from Lesotho as a result of democratic transition 1994, Lesotho migrant workers decreased to 89,237 (Fitzgerald, 2006; Mpedi & Nyenti, 2013). Also a further to 58,224, respectively by the year 2000 (Fitzgerald, 2006; Mpedi & Nyenti, 2013). In 2006, Basotho migrant employees number dropped down even more as it stood at 46,082 (Mpedi & Nyenti, 2013).

Over and above, according to Sechaba consultants (2015) Lesotho has a high rate of economically active population who are not employable; hence about fifty percent of its male population find employment in south African mines. Additionally, according to the 2016 census survey, about thirty-seven- percent of Basotho interviewed testified to having a relative working South Africa (Bureau of Statistics, 2017). Historically, Lesotho has always had a high population of labour force employed out of its borders on contract bases. In the twentieth century majority of male in Lesotho were employed on contracted basis the South African gold mine among other sectors of the economy. Following the strict control of the border in the mid-century, most Basotho migrated permanently to South Africa even though it was unlawful. Furthermore, Lesotho has been among the majority of black labour reserve in South Africa for the longest time. This is because South Africans depended on Basotho as a source of labor for the minimum remuneration in the mines.

In 1940 and 1970 mine employment was easily accessible to anyone, but the income was too minimal black workers and thus not enough to maintain large families in Lesotho. That resulted in Basotho going to the mines only to save for the bride price and start-up capital for farming in Lesotho. (Hirschmann, 1973). During 1970s and 1980s Lesotho become the most preferred source of labour in South African mines, hence majority of Basotho migrated to South Africa for employment opportunities at the mines. The mine worker was more than the ranks of people with formal wage earnings in Lesotho. This connotes that total number of people who worked in South African gold mine from Lesotho were higher than those employed in Lesotho on the basis of formal wage. This led to a situation where South African mines employed more Basotho than Lesotho could ever do. Reasons cited for this was that Lesotho depended on agriculture which was not enough to cater for every Mosotho due to environmental crisis such as climate change and natural disasters (Mkabela 2012).

### **1.1 Statement of the Problem**

This project aims to evaluate the effects of migrant labour from Lesotho to South Africa on the economic development of Lesotho. This is because almost half of Basotho population is providing labour to South African mines. This is as a result of high unemployment in Lesotho. The situation is worsened by the fact that even graduates from various institutions of Lesotho

are not employable due to bad economic conditions, hence the loss of hope for people with no qualifications to ever get employment in Lesotho. The situation does not get any better as even women are currently seeking employment in South African mines (UNDP 2020). Moreover, according to Mkabela (2012), South African mines prefer to hire migrant labour from outside of its borders. Reason being that people who are not citizens do not have privileges in a foreign country hence provision of cheap labour.

This resulted in South African gold mines preferring to employ mostly Basotho over South Africans. The consequence of this for Lesotho is it leads to the absence of productive labour to be utilized for projects provided by the government for developmental purposes back home. It also results in human rights violation especially those of children as they get exposed to child headed households and labour at a tender age. Equally important, according to Crush et al (2010), Lesotho has become the capital of chronic diseases especially human immune virus due to migrant labour. This is as a result of former mine workers who had jobs, lived in the single sex hostels at the mines, and often had access to sex workers among other factors. This has pushed the government of Lesotho to spend more resources on health care services, while neglecting other things which could contribute to economic development. It is against this background that this paper sets out to answer the following research questions.

**Main question:** To what extent does labour migration from Lesotho to South Africa affect economic development of Lesotho?

Specifically, the paper attempts to provide answers to the following questions

1. Which factors influence labour migration from Lesotho to South Africa?
2. To what extent is the economic development of Lesotho reliant on remittances?

## 2.0 LITERATURE REVIEW

### 2.1 Conceptual literature

#### 2.1.1 Labour migration

According to Moore & Shellman (2004) quoted in Justino & Olga (2012) labour migration refers the movement of people from one state to the other, in search for job opportunities and it is mostly perpetuated by unstable conditions in the home countries as well as poor economy. Similarly, according to Czaikas & Kis-Katos (2009) as quoted by (Justino & Olga 2012) economic enticements can perpetuate migration in order to mitigate intra states wars, political instability or poor economic climate. Hence according to international organization for migration (2020), the repercussions for people's movements and dislocation often result in migration with or out of the country as a strategy response to environmental hazards.

#### 2.1.2 Remittance

Van Doom (2002) defines remittance as the remuneration by migrant workers which is send to the home country, and controlled by their dependents, spouse or financial services. For example, Lesotho uses deferred payment for migrant remittances. Hence Adepoju, (2008; p36) maintains that "Migrant remittances are a major source of income in many sub-Saharan African

countries". Remittances are the beneficial to for individuals as well as the economy. At individual level migrants' remittance come in a form of income from employment and skills which they acquire at work. This is regarded as remittance since migrants make use of that experience to find employment or start a business when they return to home destinations. Remittances contribution is more visible in the rural families of migrants

### **2.1.3 Economic development**

Economic development according to Jafar et al (2023) refers to the procedure of societal and economic mobility that is measured by goods and services produced within the borders of the country, as well as human development. Buenstorf and Klepper (2009) define economic development as the development's ability to promote profitable actors such as individuals, businesses, and industries. Additionally, Myint and Krueger (2016) defines economic development as a trade and industry ability to converse with the introduction additional technologies for the purpose of efficient and effective human development. Economic development should therefore go in tandem with the infrastructure, social, political as well as institutional factors to enable economy revolution.

## **2.2 Theoretical literature**

### **2.2.1 Neoclassical Migration Theory**

The neoclassical migration theory based is the outcome of major researches of centuries back following the presence of unrestricted competition and the perfect market of production factors. Primarily development of the theory was for explanatory purposes of labor migration in the progression of economic development. Neo classical theory incorporates both micro and macro features of migration. According to it, Migration is the after math of environmental divisions in demand and supply of labour. Migration is thus as a result of the difference in income between the host country and foreign county, even though the income doesn't cater for travel expenditure. This theory thus sees migration key to difficulties of operative assets location. Hence migration rate is perpetuated by the level of economic development of the states, as their attractiveness results in immigration and their unattractiveness result in emigration (Massey et al., 1993).

## **2.3 Empirical review**

### **2.3.1 A background on the Factors that influence labour migration in Lesotho**

In the 1970s, most people in Lesotho migrated to South Africa to look for employment. This was as a result of high remunerations at the mines. Hence even skilled labour professionals migrated to find employment in the mines. Reason behind labour migration was as a result of high miners' salaries which was almost double when compared to the income of professionals in Lesotho. In addition to the above statement labour migration from Lesotho to South Africa especially mine workers was as a result of 1980's mine policy which required Basotho migrants to be permanent employees irrespective of their temporary migration. This was as a result of the employees contract which restricted workers to return to work before or on the date of their final day off, failure which resulted in dismissal. Therefore, those who were in South Africa for five years were permitted to vote in 1994, while those who stated longer were also allowed

to bring their families along. These were among the major determinants of labour migration in Lesotho during the post-independence era (Crush et al 2010).

Moreover, UNDP (2020) presents a similar argument as it points out that the National University of Lesotho does not offer most studies for post graduate programme, therefore people with lifelong learning aspirations are forced to study in South Africa or overseas, after which they settle for more appealing work opportunities. Also the number of graduates produced annually and available positions for employment do not correlate. Hence, Lesotho has never been in a position to compete with South Africa's large employment market, resulting in Basotho migrating to their neighbour country. Additionally, efforts to increase and enhance the pipeline of trainable workforce are not in tandem with enhancing the absorptive capacity and employment generation within government and industry.

For example, despite its potential to contribute to the economy, graduates from information, communication and technology as well as tourism among others, may not easily find employment in Lesotho. The above information is also supported by UNCTAD (2010) as it points out that, Similar circumstances apply to engineering graduates, because, despite the numbers of graduates the national university of Lesotho is producing annually, there are no guarantees that graduates will be employable in Lesotho, hence the only option is to migrate. This thus result in loss of investment made on the students if there are no efforts to upmarket current internship programs or to implement more policy design on employment opportunities within the economy.

### **2.3.2 The effects of remittance on economic development and growth**

Olayungbo and Quadri (2019) examined the study on remittances, financial development and economic growth in sub-Saharan African countries. The study used both Pooled Mean Group and Mean Group/ARDL estimations with panel unit root and cointegration tests to analyse connections between remittances, financial development as well as economic growth, and was limited within twenty Sub-Saharan African countries covering a period of fifteen years from 2000 to 2015. Their results revealed that, remittances and financial have positive effects on economic growth before and after equilibrium point. The cooperative term revealed that financial development represented substitution in the remittances-growth relationship. Lastly, unidirectional causal relationships were found to exist from GDP to remittances and from financial development to GDP. Although no connection seemed to have existed between remittances and financial development in the SSA countries.

Dridi et al (2019) evaluated the impact of remittance on economic activities with the usage of macroeconomics model which encompasses input output method from Acemoglu et al (2016), to measure how changes in aggregate demand as a result of surplus income from household remittances disseminates through the networks of input output linkages in sub Saharan Africa countries. Experimental outcome proposed that, the impact of remittance on recipients' markets escalate with the degree of linkages across sectors, which is very important especially with regards to financial intermediation sector. Their examination was in line with the country level data which incorporates input output matrix structure of the economy as suggested by Wassily Leontief (1974). The study was limited on the nations precise data from thirty-five African countries regarding remittance inflow, intake outline as well as the output connections for economy.



Bucevska (2022) examined the applicability of remittances as a factor of economic growth, with the usage of trimestral well-adjusted panel data set of six countries: Albania, Bosnia and Herzegovina, Croatia, Montenegro, the Republic of North Macedonia, and Serbia. The study made use of the following pointers: real GDP, real personal remittances (net inflows), real foreign direct investment (net inflows), inflation rate, trade openness, and gross capital formation as a percent of GDP. Data for all variables was limited within the period of twelve years, which ranged from 2008 to 2020. Result indicated remittances have a noteworthy progressive effect on economic development. Bellaqa (2018) empirically investigated the impact of remittances on economic development and management of remittances, with the usage of quantitative data. Area of study was Kosovo, with the time series data ranging from 2005 to 2015. Results revealed that remittances from across the borders of Kosovo have significantly contributed to the economic development especially with regards to the improvement of household standards.

### 3.0 METHODOLOGY AND DATA

#### 3.1 Model Specification

In other to achieve the objectives of this study, a linear multiple regression model was formulated, and the autoregressive-distributed lag (ARDL) will be used to estimate the variables. The model is stated as follows:

$$LHDI_t = \beta_0 + \beta_1 REM_{t-1} + \beta_2 FDI_{t-1} + \beta_3 DomInv_{t-1} + \beta_4 Exchr_{t-1} + \beta_5 Inf_{t-1} + \sum \beta_1 \Delta REM_{t-i} + \sum \beta_2 \Delta FDI_{t-i} + \sum \beta_3 \Delta DomInv_{t-i} + \sum \beta_4 \Delta Exchr_{t-i} + \sum \beta_5 \Delta Inf_{t-i} + ECT_{t-1}$$

Where  $\beta_i$  ( $i=1, 2, \dots, 5$ ) are parameters to be estimated.

HDI = Human Development Index

REM = Remittances

FDI = Foreign Direct Investment

Dom Inv = Domestic Investment

Exchr = Exchange Rate

Inf = Inflation Rate

The equation above represents the socio-economic development equation. HDI (a proxy of socio-economic development) is expressed as a function of remittances (a proxy for migration income), foreign direct investment, domestic investment, exchange rate and inflation rate. It is assumed theoretically that HDI is positively related to remittance, foreign direct investment, and domestic investment.

To examine the short, long-run relationships and dynamic interactions among the variables of interest, the model was estimated using the autoregressive distributed lag bounds testing co-integration procedure by Pesaran et al. (2001). The model estimation method is chosen because

ARDL can give efficient parameters even if the variables are a mixture of I(0) and I(1) variables.

### 3.2 Data Sources

**Table 1: Variables and sources**

Variables	Sources
Migration flow	Central Bank of Lesotho, IMF
Inflation	Central bank of Lesotho
Gross National Products	World Bank
Foreign direct investment	UNCTAD,FDI/TNCdatabase.
Domestic investment	WDI
Human development Index	UNDP,Human Development report
Remittances	IMF, Central Bank of Lesotho
Exchange rate	Central Bank of Lesotho, World Bank

## 4.0 REGRESSION RESULTS AND DISCUSSIONS

**Table 2: Test of stationarity**

Variable	Test Statistics Z	1% critical value	5% critical value	10% critical value	Order of integration
<b>HDI</b>	-7.074	-3.723	-2.989	-2.625	I(1)
	MacKinnon approximate p-value for Z(t) = 0.0000				
<b>Remittance</b>	-3.283	-3.709	-2.983	-2.623	I(0)
	MacKinnon approximate p-value for Z(t) = 0.0157				
<b>LN_Remit</b>	-3.441	-3.716	-2.986	-2.624	I(0)
	MacKinnon approximate p-value for Z(t) = 0.0096				
<b>IN-FDI</b>	-2.278	-3.716	-2.986	-2.624	I(0)
	MacKinnon approximate p-value for Z(t) = 0.1792				
<b>ln_FDI</b>	-2.609	-3.723	-2.989	-2.625	I(1)
	MacKinnon approximate p-value for Z(t) = 0.0911				
<b>ln_DomestInvest</b>	-0.923	-3.716	-2.986	-2.624	I(0)
	MacKinnon approximate p-value for Z(t) = 0.7803				
<b>ln_DomestInvest,</b>	-4.435	-3.723	-2.989	-2.625	I(1)
	MacKinnon approximate p-value for Z(t) = 0.0003				

<b>ln_inflation,</b>	-2.847	-3.716	-2.986	-2.624	I(0)
MacKinnon approximate p-value for Z(t) = 0.0518					

Some variables were stationary at levels and others were only stationary after first difference. This way, we adopted the ARDL model for estimations.

**Objective 1: Factors that influence labour migration**

**Table 3: Descriptive Statistics**

Variable	Obs	Mean	Std. Dev.	Min	Max
<b>Migration flow to S.A</b>	33	60543.364	33398.73	19000	127386
<b>Inflation</b>	33	6.091	2.058	2.6	11.6
<b>GNP</b>	33	18837.47	16602.83	201	52200
<b>Foreign Exchange rate</b>	33	8	3.993	2.5	18.5
<b>Domestic Investment</b>	33	1865.566	2024.759	40.6	6046.79

Table 3 presents the descriptive statistics of the five variables under study in terms of their mean, standard deviation, minimum and maximum values. From the table above we observe that migration flow to S.A on average stood at 60543.364 people which is way less than the maximum value of 127386 people this indicates that, migration flow to S.A has been decreasing over the years. Secondly, on an average, inflation stood at 6% which is a single digit inflation indicating a good inflation level. The maximum inflation was 11.6%. Additionally, the average mean value of gross national products is 18837.47 million Maloti which is not so close to its maximum value of 52200 Maluti. This thus indicates that gross national product has been decreasing over the years. Equally important, the mean value of foreign exchange rate is 8 Maluti to the Dollar, which is not close to its maximum values of 18.5 Maluti hence foreign exchange rate has been decreasing over the years. Finally, domestic investment has an average mean value of 1865.566 million Maluti, which is way below its maximum value of 6046.79 million Maluti, indicating a decrease in domestic investment over the years.

**Table 4: OLS regression of the determinants of migration in Lesotho**

VARIABLES	(1) <b>ln_migration</b>
<b>L.ln_migration</b>	0.817*** (0.106)
<b>ln_inflation</b>	0.0538 (0.0469)
<b>ln_GNP</b>	-0.00151 (0.0149)



<b>ln_EXR</b>	-0.182** (0.0864)
<b>ln_DomestInvest</b>	-0.00437 (0.0146)
<b>Constant</b>	2.251 (1.418)
<b>Observations</b>	32
<b>F(5, 26)</b>	283.78
<b>Prob &gt; F</b>	0.000
<b>R-squared</b>	0.982

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 4 presents the OLS regression of the determinants of migration from Lesotho to South Africa (SA). The F-statistic of 283.78 and the P-value of 0.000 indicate that our model is globally significant at 1%, so the variables included in the model are relevant in explaining migration flows from Lesotho to SA. The regression model aims to determine the factors influencing migration in Lesotho and the R-squared value of 0.982 indicates that approximately 98.2% of the variation in migration can be explained by the model, indicating a strong fit.

The log transformation of migration (variable "ln\_migration") is the dependent variable. The coefficient of the lagged value of migration is 0.817 and is statistically significant (p<0.01). It indicates a strong positive relationship between the past value of migration and the current value, suggesting that past migration patterns influence current migration flows. The coefficient of inflation is 0.0538 is not statistically significant (p>0.1). It suggests that inflation does have a positive but insignificant impact on migration in Lesotho.

The coefficient of GNP is -0.00151 and is not statistically significant (p>0.1). It implies that an increase in Gross National Product (GNP) is expected to reduce migration of unskilled workers from Lesotho to SA though insignificant. The coefficient of exchange rate is -0.182 and is statistically significant (p<0.05). It indicates a negative relationship between the exchange rate and migration flows, suggesting that a stronger domestic currency may reduce migration to South Africa. The coefficient of Domestic Invest is -0.00437 and is not statistically significant (p>0.1). It suggests that an increase in domestic investment will reduce migration, however, this relationship is insignificant.

#### 4.1 Post estimation tests Multicollinearity test

**Table 5: Variance inflation factor (VIF)**

	VIF	1/VIF
<b>ln GNP</b>	2.375	.421

<b>ln DomesticInvest</b>	2.352	.425
<b>ln EXR</b>	1.345	.744
<b>ln inflation</b>	1.117	.896
<b>Mean VIF</b>	1.797	.

The Multicollinearity test shows that all the Variance Inflation Factors (VIF) are less than 5, indicating that there is no problem of multicollinearity in our model (Table 5).

**Table 6: Breusch-Pagan Heteroskedasticity test**

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Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of ln_migration

chi2(1)      =      0.23
Prob > chi2  =      0.6315
    
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The p-value of the Breusch-Pagan (0.6315) is more than 0.05 (that is 5%), so we fail to reject the null hypothesis which states constant variance; so our model is free from Heteroskedasticity.

**Objective 2: The extent to which economic development is reliant on remittances**

**Table 7: Matrix of correlations**

Variables	(1)	(2)	(3)	(4)	(5)
<b>(1) Human developme~n</b>	1.000				
<b>(2) Remittance</b>	-0.123	1.000			
<b>(3) FDI</b>	0.158	-0.168	1.000		
<b>(4) Domestic invest~t</b>	0.506	-0.261	0.204	1.000	
<b>(5) Inflation</b>	-0.257	0.222	-0.080	-0.267	1.000

The Pairwise Correlation Matrix Table 3 shows the correlations between the variables used in the regression. For example, Human Development has a positive correlation with Domestic Investment (0.506) and a negative correlation with Inflation (-0.257).

**Table 8: Descriptive Statistics**

Variable	Obs	Mean	Std. Dev.	Min	Max
<b>Human development</b>	33	.558	.194	.1	.96
<b>Remittance</b>	33	2223.133	4772.834	144	15771
<b>FDI</b>	33	220.873	445.68	2.405	1984
<b>Domestic Investment</b>	33	1865.566	2024.759	40.6	6046.79



<b>LD.HDI</b>		0.251	(0.180)
<b>D.ln_Remit</b>		0.135	(0.113)
<b>LD.ln_Remit</b>		0.106	(0.128)
<b>D.ln_FDI</b>		-0.00242	(0.0690)
<b>LD.ln_FDI</b>		0.218	(0.138)
<b>D.ln_DomestInvest</b>		-0.168**	(0.0719)
<b>LD.ln_DomestInvest</b>		-0.146**	(0.0660)
<b>D.ln_inflation</b>		1.080**	(0.434)
<b>LD.ln_inflation</b>		0.157	(0.307)
<b>ln_Remit</b>	0.000471		(0.0541)
<b>ln_FDI</b>	-0.0700		(0.0660)
<b>ln_DomestInvest</b>	0.0587		(0.0482)
<b>ln_inflation</b>	-0.949**		(0.418)
<b>Constant</b>		1.133	(1.078)
Observations	31	31	31
R-squared	0.808	0.808	0.808

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.

The variables were log transformed, except for the dependent variable (HDI), because it has values between 0 and 1, and log will give negative values. The Human Development Index (HDI) is the dependent variable, and the independent variables include remittances (ln Remit), foreign direct investment (ln FDI), domestic investment (ln Domestic Invest), and inflation (ln

inflation). Overall Model Fit: With an R squared value of 0.808, the model explains approximately 80.8% of the variation in the dependent variable (HDI). This indicates that the model is a good fit for the data.

The ARDL results (Table Short run and long run ARDL results) indicate the short-run and long-run relationships between the variables. The adjustment coefficient (ADJ) is negative and significant showing that short run disequilibrium situations in HDI will be adjusted in the long run. Remittance of unskilled migrants has a positive coefficient both in the short and long run, indicating a positive but insignificant impact on socio-economic development. This goes to underline that a percentage increase in remittances corresponds to a percent increase in HDI in Lesotho, though the increase in HDI as a result of remittances from unskilled migrants is not statistically strong. In the short run, domestic investment (negatively) and inflation rate (positively) are significant in explaining the HDI. In the long run, only inflation is significant in explaining the HDI. FDI is negatively related to HDI in the long and short run, but its lagged value is positively related to HDI, indicating that FDI of the previous years can be important in raising the socio-economic status of people in Lesotho.

## **5.0 CONCLUSION**

It is in every state's best interest to work towards economic development, hence, Lesotho cannot be over looked. It is also worth noting that economic developments exist in tandem with economic growth, therefore discussions on economic development cannot alienate economic growth despite different meanings. This study has endeavoured to make provisions of theoretical and realistic confirmation with regards to the exploration of the effect of unskilled labour migration (mine workers) from Lesotho to South Africa to the economic development of Lesotho. The research made use of the following variables: migration flow to South Africa, inflation, gross national products, foreign exchange rate, and domestic investments.

## **6.0 RECOMMENDATIONS**

### **6.1 Policy makers**

It is recommended that policy makers should priorities unemployment in Lesotho. This can be done in order to limit migrant labour as productive human resources flee the country daily. More workshops should be undertaken to train people with low level of education on entrepreneurial skills. In addition, government should provide more funding for potential entrepreneurs and also encourage hawkers to expand their business and create more employment. This will ease the government's burden of mitigating unemployment. Policy makers should also ensure that people at the grass roots level in rural areas are also included in policy design and implementation. Moreover, Lesotho should make use of human labour exports. This will help regulate illegal migration as well as ensuring good treatment for migrant labour. Hence assurance those migrant labours contribute to home economy rather than illegally obtaining foreign citizenship once they have fled the country. In the same manner, policy makers should amend the policy on work permit. Similarly; foreign firms should be required to rein invest a certain percentage of their profits in Lesotho, notwithstanding the prerequisite of hiring 100% unskilled labour in Lesotho and 70% skilled.

### **6.2 Academics**

Academics should ensure that findings on their research are documented and published. This will help people to access the information easily and teach them the importance of other things they were not aware of. For example, most people are not aware of negative implications brought upon by illegal labour migration. This will help discourage people who do not follow the right procedures when seeking employment opportunities outside the borders. It is also important that migrant labours are given lessons on the positive results of remittances to the home countries as well as negative results of illegal migration. In this case, academics could collaborate with policy makers. This could be done so that policy makers formulate and implement policies to cater for problems and solutions brought forth by the academics through an in-depth research.

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