

## An obscured narrative in the political economy of colonial commerce in Lesotho, 1870–1966

Sean Maliehe\*

### Introduction

Literature on the history of Lesotho's<sup>1</sup> local business is still in its infancy. With the exception of two biographies of Frasers, a company owned by British immigrants,<sup>2</sup> scholarly work in this area is subsumed under major political and social themes of the country's history.<sup>3</sup> Of importance among these, is a chapter by Motlatsi Thabane in a collected work, *Essays on Aspects of the Political Economy of Lesotho, 1500–2000*. In his chapter, Thabane historicises various aspects of colonial economy and society.<sup>4</sup> Among these, he explores the history of colonial commerce. Adopting a critical political economy approach, he demonstrates how European traders monopolised commerce in Lesotho; and how in the process, they marginalised Basotho and Indian traders. In the colonial period, the business community consisted, hierarchically, of European (of British descent), Indian and Basotho traders.<sup>5</sup> Commerce, namely, retailing and wholesaling, was the main business activity. Led by Frasers, European traders controlled colonial commerce in Lesotho.<sup>6</sup> It was only at the beginning of the twentieth century that a number of Basotho acquired licences to open trading stores. This coincided with the arrival of Indian traders in Lesotho, mostly from South Africa.<sup>7</sup>

Furthermore, Thabane also constructs how Basotho contested their exclusion and their marginalisation in political and economic spheres. Currently, this work remains the only published scholarly work on colonial commerce in Lesotho. There is therefore much to be done by historians in this field. However, by using a political economy approach, there are certain aspects of the interaction of various groups that have been obscured. The main aim of this paper is thus to construct the history of colonial commerce, using political economy as a context, in

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\* Sean Maliehe is currently a PhD student in the Human Economy Programme, University of Pretoria. He is studying the history of local business in post-colonial Lesotho from 1966 to 2012.

1. The name Lesotho was made official in 1966 to refer to the territory known as Basutoland in the colonial era. In this study, Lesotho is used to refer to the territory throughout the colonial period. The name Basutoland appears in quotations and is used as a descriptive term for laws, institutions, and so on.
2. J. Walton, *Father of Kindness and Father of Horses, Ramosa le Ralipere: A History of Frasers Limited* (Morija Printing Works, Morija, 1958); C. Danziger, *A Traders' Century: The Fortunes of Frasers* (Purnell, Cape Town, 1979).
3. See the works of D. Ambrose, *Maseru: An Illustrated History* (Morija Museum and Archives, Morija, 1993); S. Gill, *A Short History of Lesotho: From the Late Stone Age until the 1993 Elections* (Morija Museum and Archives, Morija, 1993).
4. M. Thabane, "Aspects of Colonial Economy and Society, 1868–1966", in N.W. Pule and M. Thabane (eds), *Aspects of the Political Economy of Lesotho, 1500–2000* (Department of History, National University of Lesotho, Roma, 2002).
5. In colonial orthography, Basotho was spelled Basuto. This is plural, and Mosotho (Mosuto), is singular. In this article the author will use Basotho/Mosotho to refer to "native" traders. Basuto will be used in direct quotations from the sources and other official references, such as in the laws and names of associations.
6. European traders monopolised commerce in Lesotho from the late 1870s to the early 1990s. However, this article will only cover the colonial period to independence (1870–1966).
7. L. Rantheba, "The History of the Indian Traders in Lesotho", BA essay, National University of Lesotho, 1985, pp 1–2.

order to understand other factors which contributed to the shaping of Lesotho's business landscape.

It is important to revisit the history of commerce in Lesotho because commerce remains one of the most significant economic activities practised to date by Basotho – the "native" majority. The Basotho operate in small businesses labelled by the government as small to medium enterprises (SMEs). These businesses are in the retail (the largest sector), service, manufacturing, agro-processing, tourism, professional, financial, commercial and commercial farming sectors. These businesses comprise 85% of Lesotho's local business. There are an estimated 100 000 SMEs in Lesotho, employing about 300 000 people out of a population of about 2 million.<sup>8</sup> Because it is the genesis of the modern business landscape in Lesotho, it is important to study the development of commerce in the colonial period. This will help in identifying other driving forces which have been behind Lesotho's business landscape and economic development.

Like in other African countries, the dynamics of Lesotho's business configuration have largely been misunderstood. Focus in popular discourse and among policy makers has been placed on the individual's entrepreneurial psycho-social agency, or lack thereof, in explaining the driving force behind the development of business vibrancy.<sup>9</sup> In Lesotho, according to the country's long-term development plan, *Vision 2020*, developed in 2004, the government maintains that to develop local business, a "well-developed entrepreneurial culture [has to be] inculcated among the Basotho".<sup>10</sup>

There are other factors which have been obscured in this dominant narrative. For example, very little is known about the Basotho's role in shaping the country's economy; their individual and collective struggles; the complexity of relations with other trading groups; specificities of how Europeans dominated commerce; and the role played by Indians. This paper is organised into four major sections. The first, a background section, introduces Lesotho's economy prior to the European encounter and the changes that came with European conduct in the nineteenth century. The following section demonstrates how European traders emerged as a dominant trading group in the context of colonialism. The third section introduces the arrival of Indians in Lesotho and examines their relations with European traders. The last section explores relations between Basotho traders on the one hand, and European and Indian traders on the other.

### **Establishment of trading stations and the introduction of colonial trading laws and regulations in Lesotho, 1870–1920s**

The purpose of this section is to discuss Lesotho's economy and its transformation from pre-colonial to colonial configurations. This will be provided as a background

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8. *Lesotho Poverty Reduction Strategies*, 2012, available online at [http://www.gov.ls/documents/PRSP\\_Final.pdf](http://www.gov.ls/documents/PRSP_Final.pdf) Accessed 15 July 2014, pp 107–110; *The State of Small Enterprise in Lesotho* (Ministry of Trade and Industry, Co-operative and Market, Maseru, 2009), pp 1–2; *Lesotho White Paper on the Development and Promotion of Small Business*, 2002, [http://www.sbp.org.za/uploads/media/Lesotho\\_White\\_Paper\\_6-2\\_.pdf](http://www.sbp.org.za/uploads/media/Lesotho_White_Paper_6-2_.pdf), Accessed 15 July 2014.
  9. See for example, V. Wild, *Profit not for Profit's Sake: History and Business Culture of African Entrepreneurs in Zimbabwe* (Baobab Books, Harare, 1997).
  10. *Lesotho National Vision*, 2020, available online at [http://www.gov.ls/documents/National\\_Vision\\_Document\\_Final.pdf](http://www.gov.ls/documents/National_Vision_Document_Final.pdf) Accessed 15 July 2014, p 9.

to understanding the political economy of colonial commerce. The argument of this section is that in the nineteenth century, the European encounter transformed the predominant way in which trade was organised. More particularly, Europeans facilitated the establishment of business enterprises.

Basotho of modern-day Lesotho are descents of Iron Age Bantu-speaking and Nguni communities that settled in southern Africa in about the sixteenth century. Economically, they depended on crop production, pastoralism, gathering of edible wild plants and hunting,<sup>11</sup> and engaged in reciprocal economic exchanges within their groups.<sup>12</sup> They also participated in trade with more distant communities in the region such as the Nguni communities in the modern-day Natal and Eastern Cape areas of South Africa. There was trade in household utensils made from iron and copper, iron hoes, animal skins, cattle, tobacco and commodities. Beads were used as currency in long-distance trade. Beads were “to be employed only as medium of trade with distant tribes, and for the purchase of more expensive articles...”<sup>13</sup> This was because beads were “fungible, could not easily be obtained, and could be given different values according to their size and colours.”<sup>14</sup>

In 1833, missionaries arrived in Lesotho at Moshoeshoe’s request. They were sent by the Paris Evangelical Missionary Society (PEMS).<sup>15</sup> The missionaries promoted private property rights of individual producers so that Basotho themselves could benefit from the product of their labour. In this manner, the missionaries altered the established economic and political formations of the Basotho by promoting commoditisation of production. They encouraged Basotho to produce exclusively for the market and linked the spreading of the gospel with commerce. Judy Kimble argues that the missionaries promoted private property rights in order to undermine “evil” Basotho customs, especially *matsema*,<sup>16</sup> *mafisa*<sup>17</sup> and *bohali*,<sup>18</sup> which promoted people’s dependence on the chieftaincy. She argues that the missionaries “... were aiming at the dissolution of the existing social relations [by] encouraging their followers to refuse to participate in the various forms of obligatory labour-service”.<sup>19</sup> Missionaries operated by what she labels as the “trinity of the Cs”, namely “Christianity”, “Civilisation” and “Commerce”. She notes that the PEMS “explicitly tie[d] the propagation of the gospel to their encouragement of commodity production, particularly wheat, the

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11. For a more detailed history of pre-colonial Basotho communities, see: T. Mothibe, “Early Communities of the Southern Highveld, 1500–1800”, in Pule and Thabane (eds), *Essays on Aspects of the Political Economy of Lesotho*; D.F. Ellenberger, *History of the Basuto: Ancient and Modern* (Morija Museum and Archives Morija, [1912] 1992).
  12. E.A. Eldredge, *A South African Kingdom: The Pursuit of Security in Nineteenth Century Lesotho* (Cambridge University Press, Cambridge, 1993), p 19.
  13. W.J. Burchell, as quoted in Eldredge, *A South African Kingdom*, p 21.
  14. A. Smith, as quoted in Eldredge, *A South African Kingdom*, p 21.
  15. See P. Sanders, *Moshoeshoe: Chief of the Sotho* (Heinemann, London, 1975); L.M. Thompson, *Survival in Two Worlds: Moshoeshoe, 1786–1870* (Clarendon Press, Oxford, 1975).
  16. The word *matsema* refers to traditional communal labour.
  17. A Basotho custom, *mafisa* was a patronage system whereby cattle were loaned to a recipient who then took care of the animals and enjoyed usufruct.
  18. Also referred to *lobola*, *bohali* means bride wealth which was transferred to the family of a woman, by the family of the man, prior to their marriage.
  19. J. Kimble, “Towards an Understanding of the Political Economy of Lesotho: The Origins of Commodity Production and Migrant Labour, 1830–1885, MA dissertation, National University of Lesotho, 1978, pp 106–108.

consumption of European goods, and labour for the white colonists<sup>7,20</sup> However, till the end of the nineteenth century, Basotho remained as individual producers who sold their commodities to Europeans.

In 1868, the territory that belonged to the Basotho became a British Protectorate<sup>21</sup> and was placed under the British high commissioner, Sir Philip Wodehouse until 1871. Wodehouse's approach was that colonial laws had to be introduced gradually so that the Basotho would not become hostile. In 1871, Lesotho was handed over to be governed by the Cape colonial government. The Cape government aggressively introduced laws to undermine Basotho's pre-colonial socio-economic and political arrangements. Among these measures were the trade laws and regulations known as the Mercantile Law of 1871. They made it obligatory to have a licence issued by the colonial government in order to conduct trade.<sup>22</sup> After the introduction of the trading laws, the number of European trading stations increased in Lesotho. For example, in 1871 there were 20 European-owned stores and by the following year the number had increased to 30. By 1878, there were as many as 50 of these trading stations in Lesotho.<sup>23</sup>

Colonial laws undermined the powers of the chiefs and Basotho's traditional customs.<sup>24</sup> The chiefs and many Basotho people were dissatisfied with the impact of these new colonial laws and regulations. As a result, in 1880-81 they went to war against the Cape Colony and were victorious in a conflict that came to be known in southern African historiography as the Gun War.<sup>25</sup> In the aftermath of the Gun War, Lesotho was handed back to Britain in 1884. That same year, the government passed the Trading Regulations Act of 1884 to enforce the previously promulgated Trade Laws of 1871.<sup>26</sup> The 1884 Act regulated the procedure for opening a trading store in the country. In terms of this law, applications for a trader's licence and site were to be lodged with the resident commissioner in Maseru, the capital. Assistant commissioners in charge of districts received applications in their districts and passed them to the resident commissioner who transmitted his decisions to applicants.

At the beginning of the twentieth century, a number of changes took place in the administration of trading licences. Proclamation No. 30 of 1918 consolidated all the laws and regulations relating to trade. In terms of this proclamation a licence known as the General Dealers' Licence was created. It allowed traders to venture into any form of trading, including opening stores, operating a mill, and selling wool and mohair, and to hawk.<sup>27</sup> The proclamation also established a

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20. Kimble, "Towards an Understanding of the Political Economy of Lesotho", p 102.
  21. For a more detailed history of Lesotho's colonisation, see M. Thabane, "Reconsidering the Motives for Colonisation", in Pule and Thabane (eds), *Essays on Aspects of the Political Economy of Lesotho*.
  22. G.M. Theal, *Basutoland Records, Volume VI, 1871-1872* (Institute of Southern African Studies, Roma, 2002), p 124; A.C. Thompson, *The Laws of Basutoland: Containing the Orders in Council, Proclamations and Notices, Volume I* (Cape Times Limited, Cape Town, 1961), p 855.
  23. Danziger, *A Traders' Century*, p 20.
  24. Thabane, "Aspects of Colonial Economy and Society", pp 104-105.
  25. R.O.K. Ajulu, "The Gun War in Basutoland, 1880-1881: Some Aspects of the Destruction of the Natural Economy and the Origins of Articulation", BA essay, National University of Lesotho, 1979.
  26. *Basutoland High Commissioners' Proclamations and Notices: From 12th March, 1868 to June 30<sup>th</sup> 1909*, (Argus Printing, Cape Town, 1909), p 80.
  27. *Basutoland Proclamations and Notices, 1918*; H. Ashton, *The Basuto: A Social Study of Traditional and Modern Lesotho* (Oxford University Press, London, 1967), p 167.

Licensing Board with the powers of granting, renewing and transferring licences. This Board consisted of three civil servants. The high commissioner appointed two people annually, by notice in the *Government Gazette*. The third member was the assistant commissioner of the district in which the application was made. The high commissioner appointed the chairperson of the Board, who had deliberative powers, but not a casting vote.<sup>28</sup>

Applicants who had grievances with the decisions taken by the Board could appeal to the resident commissioner who had the power to make sure that all Board and licence matters were consistent with the proclamation. Subject to the decisions of the Board, the resident commissioner could issue, or refuse licences without any explanation. The resident commissioner also had the power to renew licences annually at his own discretion. In cases where licence renewal had been refused, he could issue a temporary licence which helped a trader to dispose of his remaining stock before the store was closed. Finally, he could instruct the police to inspect the trading stations at any time.<sup>29</sup>

Traders who wished to open stores had to seek permission to do so and had to be granted a site by the paramount chief through his local chiefs. In the case of district centres, the resident commissioner was responsible for the granting of a trading site. Only after acquiring a trading site could a trader apply for a licence. The application was then posted on the notice boards at the offices of the assistant commissioner where the application was made. This gave other traders the opportunity to object or support, in writing, the granting or refusal of the particular licence. The Board also set a date to hold a sitting where all sides for and against the application were present to support their positions. After considering all the arguments for and against the granting of a licence, the Licensing Board issued, or refused to grant the licence.<sup>30</sup>

European traders became immediate beneficiaries of the introduction of colonial laws and regulations. These measures became instrumental in shaping and consolidating their monopoly over local commerce. Europeans used these newly-enacted formal colonial structures to advance their economic interests. They pursued these in a “cartelised” formation, organised around and legitimised by the Basutoland Chamber of Commerce.

The next section will account for the rise and consolidation of European traders’ domination of colonial commerce, which was led by Frasers Ltd, a large trading company.

### **The rise and consolidation of European traders’ monopoly of local commerce led by Frasers, 1890s–1966**

In 1874, Donald Fraser arrived in Lesotho. He was the son of William Fraser of Ipswich, England, who had been a prominent wool merchant since 1837 and was the owner of a prosperous business entity called William Fraser & Company.<sup>31</sup> In

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28. *Basutoland Proclamations and Notices, 1918*; Proclamation No. 4 of 1919, *Basutoland Proclamations and Notices, 1919*.

29. *Basutoland Proclamations and Notices, 1918*.

30. Trade Regulations promulgated under Notice No.1 of 1929, *Basutoland Proclamations and Notices, 1929*. These regulations were additional to the existing principal law relating to trade, which was Proclamation No. 28 of 1928.

31. Danziger, *A Traders’ Century*, p 18.

the 1860s, Donald Fraser went to East London, South Africa, as a representative of his father's company. However, the demand for the expensive and sophisticated type of clothing they dealt in was low in South Africa. When he learnt of the booming southern African economy following the discovery of diamonds in Kimberley, Donald Fraser moved into the interior to establish trading stores. In 1877, he bought his first store in Lesotho from George Nutter Tudhope and William Wells at Liphiring in the Mafeteng district.<sup>32</sup> Douglas Henry Fraser, his brother, soon joined Donald in Lesotho. Thereafter, the two Fraser brothers acquired more stores in Lesotho. By 1880, they were described as the "leading traders in the territory".<sup>33</sup> They had achieved this status by taking advantage of the Gun War (1880–1881) and the diamond price recession of 1882 to 1883 which followed the war, as will be seen below.

As events that eventually led to the outbreak of the 1880–1881 Gun War unfolded, European traders were amongst the first to recognise the precipitation of the war and many of them abandoned their stores.<sup>34</sup> They took their merchandise and property out of Lesotho into the Orange Free State. Fearing that the traders' exodus would create panic in Lesotho, the colonial government threatened that the trading licences of those who left would not be renewed and those who left would not be allowed to return to Lesotho when the war was over. This discouraged the movement to a degree. However, those who stayed on sent their families away for safety, while the men remained to defend their stores.<sup>35</sup>

The Gun War brought trade to a standstill in Lesotho. Trading stores were damaged and in some instances, totally ruined. In 1882, a delegation consisting of Charles D. Griffith (former government agent in Basutoland), J.A. Burger (the chairperson of the delegation), A. Auret and Cecil John Rhodes (who was a member of the Cape parliament), was mandated to inquire into the losses of "loyal" Basotho, missionaries and European traders. The Cape government compensated "loyal" Basotho, but European traders received no compensation. The delegation argued that European traders could not be compensated because the colonial government was not responsible for the losses they incurred. Instead it recommended that they should take insurance to ensure that they would be protected should similar catastrophes occur in the future.<sup>36</sup> Many traders could not re-establish their stations. Because trade was sluggish in the wake of the Gun War, many European traders were eager to sell their trading stations.<sup>37</sup>

Furthermore, in 1882 and 1883, diamond prices slumped on the world market. Because of the resulting economic depression, the level of trade dropped due to low market prices that Lesotho's exports fetched in South Africa. Consequently, more trading stations closed down in Lesotho. Their number dropped from 82 to 73 between 1882 and 1883. In the district of Mafeteng alone, seven stores closed down.<sup>38</sup> As some European traders closed their stores, the Fraser brothers bought them. They formed a company called D. & D.H Frasers

32. Danziger, *A Traders' Century*, p 18.

33. Walton, *Father of Kindness*, p 21.

34. For more information on the Gun War see, P. Sanders, "Throwing down the white man": *Cape Rule and Misrule in Colonial Lesotho, 1871–1884* (Morija Museum and Archives, Morija, 2011).

35. Walton, *Father of Kindness*, p 21.

36. *Report and Proceedings of the Government Commission on Basutoland Losses* (Richards & Sons, Cape Town, 1883), pp 3–9.

37. Walton, *Father of Kindness*, p 29.

38. Walton, *Father of Kindness*, p 29.

Limited, which proceeded to acquire more stores around the country.<sup>39</sup> It later became known as Frasers Company in 1920 (and thereafter, simply as Frasers).<sup>40</sup>

In an attempt to resolve the economic hardship that European traders had faced, they held a meeting in Morija on 12 September 1890, where they established the Basutoland Traders' Association to protect their interests in times of economic recession and wars, as well as to represent them collectively in local commercial matters. Membership of the association was open to European traders only.<sup>41</sup> On 14 September 1893, they changed the name of organisation to the Basutoland Chamber of Commerce.<sup>42</sup>

Trade vibrancy in the country only resumed during the South African War (the Anglo-Boer War) of 1899–1902. This was due to the influx of refugees from the Orange Free State into Lesotho. A number of Europeans, Indians and Basotho applied for trading licences to take advantage of the opportunity, but few obtained them because of strong opposition from the European traders that were already established.<sup>43</sup> They argued that there were more than enough trading stations in the country. Moreover, since they had suffered greatly due to earlier wars, depressions and natural disasters, they felt that they deserved to benefit exclusively. For example in 1902, John Alan Nash, Frasers' store manager in Morija, pointed out that:

... existing stores in Maseru are quite sufficient for the trade of the place in normal times ... it is most difficult for the storekeepers to make a fair living, and ... trade at the time [of the war] was abnormal. We are afraid ... that with the prolongation of the war there may be many applications for licences and interest [will be] at a premium ... We think it would be distinctly hard on firms like ourselves and others who have stood the brunt of many bad years in Basutoland, with some good ones, to allow parties to obtain ... such licences for their immediate benefit [especially if they] have no intention of remaining in the country.<sup>44</sup>

George Hobson, the chairperson of the Basutoland Chamber of Commerce in 1902, supported this view. He argued that:

... the improvement in trade was mainly due to the advent of a large number of Dutch refugees, and Natives from the Orange River Colony, but on the return of peace, all these people will return to their homes, and local trade will resume its usual hum-drum character.<sup>45</sup>

That same year, the Chamber wrote to Paramount Chief Griffith Lerotholi in an attempt to convince him not to allow the issue of new licences. Although he was undecided at first, he responded in a formal letter to the resident commissioner, agreeing to the traders' request. Part of his letter read:

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39. Walton, *Father of Kindness*, pp 32–33.

40. Lesotho National Archives (hereafter LNA), Trade, S3/26/1/2, Frasers Company Registration Documents, 24 March 1920.

41. J.R. Ashdown, "Basutoland Chamber of Commerce", Address at the Social Course for Catholic Men at the Mission Seminary, Roma, June 1961, p 1; Ambrose, *Maseru*, p 101.

42. Ashdown, "Basutoland Chamber of Commerce", p 1. Attempts were made to find more records on the Basutoland Chamber of Commerce, but to no avail.

43. Walton, *Father of Kindness*, pp 34–35.

44. Walton, *Father of Kindness*, pp 34–35.

45. Walton, *Father of Kindness*, p 50.

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Whereas we have already agreed, I say that I am not in favour of new shops being established. Those that are already in the country are enough. I am not speaking about those in Maseru only but in the whole of Basutoland.<sup>46</sup>

Because of the objections voiced by the Chamber of Commerce, the colonial government turned down many traders' applications for licences. It is clear that European traders collaborated with the colonial government to dominate local commerce; with the government doing all it could to protect the former. The Chamber played a critical role in facilitating and consolidating the relationship of the traders with the colonial government.

For a variety of reasons, including economic depression, locust epidemics and droughts,<sup>47</sup> the first three decades of the twentieth century were not a lucrative period in Lesotho's commerce.<sup>48</sup> In the face of these challenges, the Chamber of Commerce successfully negotiated with the colonial government to protect existing stores, the majority of which belonged to European traders. Further, in October 1923, the Chamber persuaded the government to give them a list of traders' licence applications and transfers in advance before they could be posted on the notice boards for the information of the public.<sup>49</sup>

The list helped European traders to know well in advance who was applying for trading licences or transfers throughout the country. With that information, they were able to strategise and present their opposition to specific applicants. At the time, reasons for and against traders licence applications contributed significantly to the final decision on whether licences were granted or not. If, at the Board's discretion, reasons against the licence application were deemed strong and were backed by many established traders or their organisation, then the Board would refuse to issue a new trading licence.

Furthermore, between November and December 1923, the Chamber also successfully negotiated for the colonial government to stop issuing traders' licences to protect European traders from competition until such a time as the economy had recovered.<sup>50</sup> In addition, in January 1924, the Chamber convinced the colonial government to allow its committee to "have the prerogative of addressing Assistant Commissioners up to the time of sittings of the Licensing Board."<sup>51</sup> Armed with this, the Chamber had a strong say on the government's final decisions regarding the issuance of licences. Because of all these interventions by the colonial government on behalf of European traders, new trading licences were not issued in order to protect existing stores from competition in the period of the recession.<sup>52</sup>

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46. Walton, *Father of Kindness*, p 36.

47. Gill, *A Short History of Lesotho*, p 178; LNA, Trade, S3/26/1/8-11, Letters of the Basutoland Chamber of Commerce, and those of its individual members, to the Resident Commissioner, Maseru, 1927 to 1932.

48. *Financial and Economic Position of Basutoland, Report of the Commission Appointed by the Secretary of State for Dominion Affairs* (His Majesty's Stationery Office, London, 1935), p 60.

49. LNA, Trade, S3/26/1/4, Basutoland Chamber of Commerce to Government Secretary, Maseru, 30 October 1923.

50. LNA, Trade, S3/26/1/5, Basutoland Chamber of Commerce to Government Secretary, Maseru, 8 December 1923.

51. LNA, Trade, S3/26/1/6, Basutoland Chamber of Commerce to Government Secretary, Maseru, 23 January 1924.

52. LNA, Trade, S3/26/1/1, Proceedings of the Licensing Board Meeting, Maseru, 27 May 1919; LNA, Indian Immigration, S3/14/1/3, Petition of the Basutoland Indian Association to



In the mid-1930s, the economy began to recover, and local trade revived.<sup>53</sup> However, European traders continued to argue that the economy had not fully recovered and asked the colonial government not to resume the issuance of trading licences.<sup>54</sup> European traders continued to oppose Basotho licence applications strongly. In 1935, the Alan Pim Commission arrived in Lesotho. This commission was set up by the British Colonial Office to investigate the financial and economic position of Lesotho. The subsequent report observed that: "European traders have played a large part in the development of the country ... [However, they] have naturally concentrated in the main on their own special interests."<sup>55</sup>

The Pim Commission further noted that a few European traders, particularly Frasers, monopolised local trade. It also revealed that: "... more than one-third of the 194 stores appear to be controlled directly or indirectly by two large firms and their influence extends even more widely so that competition has largely ceased to operate."<sup>56</sup> The commission's report also noted that other trading groups had been excluded from local trade for a long time, and stated: "Very few new licences have been granted during the last twenty years."<sup>57</sup> It established that only three licences of the 194 trading licences in operation were owned by Basotho traders. There were 16 businesses that belonged to Indian traders, while 175 commercial enterprises were operated by European traders.<sup>58</sup>

It emerges in this section that the individual and collective agency of European traders was driven by the hardships they had faced. As a result, they acted to protect their interests. As an emergent dominant group, and one which had introduced commerce into the country, they attempted (and succeeded) to control the economy in their favour. Europeans in Lesotho were powerful economically (had capital resources) and held political power and they managed to strike a strong, mutually beneficial relationship with the colonial government. However, they did not go unchallenged. The monopoly held by European traders played a significant role in their relations with other trading ethnic groups, namely Basotho and Indian traders. The next section will explore the relations between European and Indian traders.

### **Relations between European and Indian traders in Lesotho, early 1900s–1966**

Indian traders were, and continue to be, significant actors in Lesotho's local commerce. Relations between them and European traders in the colonial period were predominantly characterised by anxiety and political confrontation. As will be seen later in this section, this was because Indians posed stiff competition for European traders, who in turn used their political influence strategically to frustrate

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the Assistant Commissioner, Butha-Buthe, 23 September 1918; LNA, Trade, S3/26/1/11, Resident Commissioner in Maseru to M.E.F. Wessels of Winburg, 8 April 1930.

53. *Financial and Economic Position of Basutoland*, p 63.

54. LNA, Trade, S3/26/1/9, Individual letters of members of the Basutoland Chamber of Commerce to the Resident Commissioner, Maseru, May 1930 to April 1931.

55. *Financial and Economic Position of Basutoland*, p 60.

56. *Financial and Economic Position of Basutoland*, p 60.

57. *Financial and Economic Position of Basutoland*, p 60.

58. *Financial and Economic Position of Basutoland*, p 60.

the Indian's efforts to engage in economic activity.<sup>59</sup> The migration of Indians into Lesotho and the economic activity they engaged in, are linked to their broader historical patterns of transnational mobility in the nineteenth century.

In the early nineteenth century, Indians began migrating to other parts of the world. After the abolition of slavery in the British colonies in the early 1830s, sugar-producing countries experienced an acute labour shortage. In the 1840s Indians began migrating to places like Mauritius to provide alternative labour under a system of indentured labour. In the 1860s, similar trajectories of transnational mobility took place. Large numbers of Indians migrated to Natal, South Africa. These Indians were mainly from Madras, Calcutta and Hyderabad. They signed five-year contracts. When their contracts ended, they had the option of returning to India, or staying in Natal to explore various economic opportunities.<sup>60</sup>

Between 1895 and 1914, a second wave of Indians migrated into South Africa in search of business opportunities. These were non-contracted Indians employed by members of the commercial class in Bombay and other Gujarat-speaking areas. They were called "passenger Indians".<sup>61</sup> In South Africa, Indian traders began to spread throughout the region. By the late 1880s, they had arrived in the Orange Free State.<sup>62</sup>

Business activities run by Indians thrived to the point that they threatened "white" traders. By 1885, Indian traders were selling at extremely low prices; so much so that their white counterparts could not compete with them.<sup>63</sup> Feeling the pressure, European traders complained to the government about this and as a result, in Natal and the Free State, the colonial authorities took steps to undermine Indian traders.<sup>64</sup> To mention only two examples, the Free State government passed an Ordinance in 1885 to prevent Indians from buying or renting any fixed property. And in 1887, President Brand ordered Indian traders to sell their merchandise within a period of two years and close their stores.<sup>65</sup>

Owing to exclusive measures taken against Indians in South Africa, by the end of the nineteenth and beginning of the twentieth century, many Indian traders sought new business avenues in Lesotho and elsewhere in the region. Some came to Lesotho as hawkers, peddling their wares between Lesotho and South Africa. From the early twentieth century, they began settling in Lesotho. By 1911, there were an estimated 179 Indian traders residing there.<sup>66</sup>

Before long, Indian traders posed a threat to European traders in Lesotho as they had done earlier in South Africa. European traders feared Indian traders because of their strong socio-economic networks that tied them closely with large

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59. This treatment of Indians was not a phenomenon particular to Lesotho, even in other countries in the region Indians were treated with aversion. For example, in South Africa see, D. Du Bois, "The 'coolie curse': The Evolution of White Colonial Attitudes towards the Indian Question, 1860–1900", *Historia*, 57, 2, 2012, pp 31–67.

60. Rantheba, "The History of the Indian Traders in Lesotho", pp 1–2.

61. Du Bois, "The 'coolie curse': The Evolution of White colonial Attitudes towards the Indian Question", pp 35–37.

62. Rantheba, "The History of the Indian Traders in Lesotho", p 4.

63. B. Pachaiaas, quoted in Rantheba, "The History of the Indian Traders in Lesotho", p 4.

64. Pachaiaas, quoted in Rantheba, "The History of the Indian Traders in Lesotho", pp 2–3.

65. Rantheba, "The History of the Indian Traders in Lesotho", pp 4–5.

66. LNA, Trade, S3/14/1/4, Indian Traders' Petition to the Resident Commissioner in Lesotho, 23 September 1918.

Indian wholesalers in Natal. One example will be cited here. In May 1916, the resident commissioner in Lesotho wrote to the high commissioner in South Africa complaining about the trading activity by people of Indian descent. The commissioner explained that many Indian traders had “substantial means, representing a large amount of capital. Many are commercially connected with, and in some cases are branches of large wholesale Indian firms in Natal”.<sup>67</sup>

The colonial government also took steps aimed at frustrating Indian traders by refusing to grant new licences and by not allowing them to transfer their existing licences.<sup>68</sup> In addition, they were confined to operating in selected areas of Lesotho, particularly, in the Butha-Buthe and Leribe districts in the north-western parts of the country.<sup>69</sup> And, they were also given licences to trade in peripheral areas.<sup>70</sup> One example will suffice to substantiate this point. In September 1918, Indian traders submitted a petition to the high commissioner in South Africa. They complained that two Indian traders had attempted to apply for a trading licence in an urban centre but their applications were refused – only to be granted subsequently to European traders. However, colonial authorities ignored their grievances.<sup>71</sup>

The colonial government took further steps to undermine Indian traders. In 1921, a Proclamation was passed in Lesotho compelling all Indian traders to keep their accounting records in English. However, Indian traders (not being fully conversant in English) were unable to comply with this so they applied for permission to employ Indian clerks who could fill this role. The colonial government refused to agree with this compromise and Indians continued to keep their books in their own language. By so doing, they gained the reputation of not being law abiders. This generalised allegation was used by the Chamber and the government as grounds to oppose the granting of licences to Indians. In contrast, white traders were encouraged to import clerks from Europe to reconcile their accounts.<sup>72</sup>

Indian traders were quick to recognise the monopolistic tendencies of European traders. Soon after their migration into Lesotho they formed an organisation which they called the Basutoland Mahomedan Community, a body through which they hoped to voice their grievances collectively.<sup>73</sup> It was not a business association, per se, but an association which represented them in various political, social and economic matters.<sup>74</sup> However, their efforts through this

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67. LNA, Indian Immigration, S3/14/1/2, Resident Commissioner in Maseru to the High Commissioner in South Africa, 4 May 1916.

68. LNA, Indian Immigration, S3/14/1/2, Indian Traders' Petition to the High Commissioner in South Africa, 20 May 1913.

69. Rantheba, “The History of the Indian Traders in Lesotho”, p 14.

70. LNA, Indian Immigration, S3/14/1/3, Indian Traders' Petition to the Resident Commissioner in Maseru, 26 May 1918.

71. LNA, Indian Immigration, S3/14/1/4, Indian Traders' Petition to the Resident Commissioner in Maseru, 26 May 1918.

72. LNA, Indian Immigration, S3/14/1/4, Indian Traders' Petition to the Resident Commissioner in Maseru, 26 May 1918.

73. Due to few records, little is known about the history and other activities of this association, or even when it was formed.

74. LNA, Indian Immigration, S3/14/1/1, List of Committee Members of Basutoland Indian Association, 20 November 1916.

organisation did not amount to much against the powerful clout exercised by the Europeans and the colonial government.<sup>75</sup>

### **Relations between Basotho and ‘foreign’ traders in Lesotho, 1906–1966**

The previous section explored relations between European and Indian traders. This section will examine the relationship between indigenous Basotho and so-called “foreign” traders, in other words European and Indian traders. These interactions were more complex and contradictory. They have to be seen from a multifaceted and dialectical perspective. On the one hand, there was economic pragmatism, that is, cases where Basotho traders entered into mutually beneficial credit arrangements as well as formal and informal business partnerships with these two “foreign” groups. On the other hand, and simultaneously, their relations had a confrontational twist. This was because, in tandem with the rise of the European traders’ monopoly of local commerce, and the arrival of Indian traders, there was also the emergence of anti-colonial and nationalistic movements.

Because of the colonial government’s overt support for European traders, it took a long time, and a protracted struggle, for a few Basotho to acquire trading licences at the beginning of the twentieth century.<sup>76</sup> When Basotho applicants eventually received trading licences, their licences restricted them to operating in remote rural and mountainous areas. These areas were not ideal for business because transport infrastructure was underdeveloped and the areas had sparse populations. Furthermore their geographical location had large rivers that made access difficult for both customers and goods. The situation became even worse during the rainy seasons due to flooding, especially since there were no bridges and very few boats.<sup>77</sup>

The impact of the relationship between the colonial government and the Chamber was sorely felt by Basotho traders and the Basotho who attempted to participate in local trade. Many of their applications for trading licences were refused by the colonial government on the grounds that the economic situation did not allow for any new licences to be issued. As seen before, this was a position that had been advanced for years by the Chamber, and adopted by the colonial government.<sup>78</sup>

Due to the virtual monopoly held by European traders and their preferential treatment by the government, in the period between 1906, when the first Mosotho, one Jos Makotoane (who operated in Morija) secured a trading licence, and 1925

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75. LNA, Indian Immigration, S3/14/1/4, Indian Traders’ Petition to the Resident Commissioner in Maseru, 26 May 1918.

76. LNA, Trade, S3/26/1/5, Decision of the Licensing Board Meeting, Teyatyaneng, 3 May 1923; LNA, Trade, S3/26/1/9, A.J. Yeaman of Morija to the Assistant Commissioner, Maseru, 23 May 1930; LNA, Trade, S3/26/1/9, R.W. Bird of Ha Mofoka to the Assistant Commissioner, Maseru, 3 March 1931.

77. LNA, Trade, S3/26/1/10, A.A. Metsing to the Assistant Commissioner, Leribe, 30 October 1929; LNA, Trade, S3/26/1/9, Scott of Mohale’s Hoek to the Assistant Commissioner, Maseru, 23 February 1931; National University of Lesotho Archives (hereafter NULA), Trade, Leribe Collection 23/3, Mahala K. Molapo of Leribe to Government Secretary, Maseru, 16 May 1949.

78. LNA, Trade, S3/26/1/5-10, Letters of the Basutoland Chamber of Commerce, and those of its individual members, to the Resident Commissioner, Maseru, 1927 to 1932.

(a period of some 19 years) only 11 traders' licences were issued to Basotho.<sup>79</sup> For the most part, these Basotho ran small shops. However, many of their stores collapsed due to financial problems and the economic depression of the early twentieth century, particularly the recession of the late 1920s to the early 1930s.<sup>80</sup> Indeed, with the exception of two Basotho traders, Thomas Mofolo, who operated in the Leribe district, and Rantsatsaila Kou, who operated in the Mafeteng district, trading licences that had belonged to Basotho traders were transferred to European traders when businesses run by Basotho traders went bankrupt. These two traders had only managed to break into colonial commerce in 1925. The colonial government had no qualms in allowing their transfer to European traders even though the Basotho trading licences were officially classified as "non-transferable licences".<sup>81</sup> They were duly transferred to European traders as repayment of the debts that Basotho traders owed them.<sup>82</sup> Due to these circumstances, Europeans (both traders and colonial administrative officials) questioned the business acumen of Basotho and described them as a "non-business-minded" society.<sup>83</sup>

Furthermore, when they participated in local commerce, Basotho traders had problems of access to credit from commercial banks and supply of stock. As a result, they negotiated with some European and Indian traders to provide them with support in his regard. Arrangements that Basotho traders made enabled them to receive periodic supplies of stock and credit payable within a 14 or 30 day limit, depending on the specific arrangement.<sup>84</sup> Confirming this, the Pim Commission report noted: "In the past credit has been given to a very considerable extent [by European traders]."<sup>85</sup>

When the businesses run by Basotho traders collapsed, some European traders took advantage of this to expand their stores by taking over the licences. This demonstrated that apart from depending on the colonial government to protect their businesses from competition from Basotho and Indian traders, European traders also employed other strategies to increase their grip on local trade. The strategy was even noticed by other European traders. For instance, in opposing one Andries Metsing's (a Mosotho) trading licence application in 1929, G.P. Higgs, a European trader in Leribe, brought it to the Licensing Board's attention that: "Andries would be indirectly supported by some Europeans, which would mean that the station would eventually become the property of the

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79. LNA, Trade, S3/26/1/6, Assistant Commissioner's Office in Leribe to Government Secretary in Maseru, 27 February 1925; *Naleliea Lesotho*, 21, 653, 24 July 1925.

80. LNA, Trade, S3/26/1/8-11, Letters of the Basutoland Chamber of Commerce, and those of its individual members, to the Resident Commissioner, Maseru, 1927 to 1932.

81. LNA, Trade, 3/26/1/6, Assistant Commissioner's Office in Leribe to the Government Secretary, Maseru, 27 February 1925; LNA, Indian Immigration, S3/14/1/3, Basutoland Indian Association's Petition to the Resident Commissioner, Maseru, 26 May 1918; *Financial and Economic Position of Basutoland*, p 60.

82. LNA, Trade, S3/26/1/10, G.P. Higgs to the Licensing Meeting, Leribe, 9 December 1929.

83. NULA, Trade, LC, 23/1, Government Secretary in Maseru to all District Commissioners, 12 November 1953; NULA, Trade, LC 25/2, Office of the District Commissioner in Leribe to the Government Secretary in Maseru, 4 June 1954; LNA, Trade S3/26/1/5, Basutoland Chamber of Commerce to the Government Secretary, Maseru, 9 April 1923; LNA, Trade, S3/26/1/6, Basutoland Chamber of Commerce to the Assistant Commissioner, Butha-Buthe, 25 July 1924; *Financial and Economic Position of Basutoland*, p 62.

84. LNA, Trade, S3/26/1/6, Basutoland Chamber of Commerce to Assistant Commissioner, Quthing, 25 July 1924.

85. *Financial and Economic Position of Basutoland*, p 61.

European, which would create more competition, keener prices & no profits [sic].<sup>86</sup>

From the above quotation, it is evident that some European traders had noticed the strategy adopted by more powerful European traders to expand their monopoly. Hence they opposed the practice because it increased competition for them. The practice also undermined the policy of the government in protecting traders' stores in time of recession.

Apart from negotiating credit and supply of stock arrangements with European and Indian traders, some Basotho also went into formal and informal business partnerships with Indian and European traders. These partnerships helped Basotho who had little capital and only had very restricted access to business finance.<sup>87</sup> One example will suffice to support this. In 1912, Simon Hatla, a Mosotho, opened a business in the Butha-Buthe district.<sup>88</sup> Due to financial difficulties, he formally partnered with an Indian trader, Adam Dada. However, the partnership came to an end because Dada "pretty well robbed him."<sup>89</sup> As a result, Hatla applied for another licence to open a shop which was "supported by Frasers & Co".<sup>90</sup> This was an informal partnership through which "Frasers was obliged to check [its] stock every month" to monitor its investment, while the day-to-day running of the business was carried out by Hatla.<sup>91</sup>

Apart from the above economically pragmatic relations, the relations between Basotho and foreign traders had a politically confrontational twist. Basotho publicly protested their exclusion and marginalisation in local commerce. They resented being excluded from trade in "their country" by foreign traders who, they felt, only came to Lesotho to enrich themselves and export profits to their home countries. They complained vociferously to the colonial government and European traders, demanding better opportunities in local trade.<sup>92</sup> Basotho also expressed their dissatisfaction about marginalisation from local trade through local newspapers that supported them.<sup>93</sup> In accounting for the tension between Basotho and European traders in local trade, one columnist in *Naleli ea Lesotho* newspaper wrote, in 1925:

The jobs which Basotho are still attempting here in Lesotho now are not the ones which it appears as if they are conflicting with the whites; but this one of business, it is the one that a white person fights with a Mosotho, you could actually see that this Lesotho no longer belongs to Basotho in terms of business, it now belongs to the whites. Even the Paramount Chief, they no longer see him as anything ...It is not right when the development brought by white traders here in Lesotho leads to hatred of a Mosotho, the owner of the country.<sup>94</sup>

86. LNA, Trade, S3/26/1/10, G.P. Higgs to the Licensing Meeting, Leribe, 9 December 1929.

87. LNA, Trade, S3/26/1/6, Minutes from the Assistant Commissioner's Office in Leribe to the Government Secretary in Maseru, 27 February 1925.

88. LNA, Trade, S3/26/1/6, Minutes from the Assistant Commissioner's Office in Leribe to the Government Secretary in Maseru, 27 February 1925.

89. LNA, Trade, S3/26/1/6, Minutes from the Assistant Commissioner's Office in Leribe to the Government Secretary in Maseru, 25 July 1924.

90. LNA, Trade, S3/26/1/6, Minutes from the Assistant Commissioner's Office in Leribe to the Government Secretary in Maseru, 25 July 1924.

91. LNA, Trade, S3/26/1/6, Minutes from the Assistant Commissioner's Office in Leribe to the Government Secretary in Maseru, 25 July 1924.

92. *Naleli ea Lesotho*, 21, 653, 25 July 1925. Translated from Sesotho; *Mochochonono*, 22 August 1934.

93. *Naleli ea Lesotho*, 21, 653, 25 July 1925.

94. *Naleli ea Lesotho*, 21, 653, 25 July 1925.

Towards Indian traders, one Mosotho trader made no bones about his feelings. He expressed the view that:

Indians are not an asset to the country. All their money goes to India and their food comes from India. They import Indians, the lowest class, to do their work. There are 10 or 12 Indians at each station and they will do nothing but harm.<sup>95</sup>

Licensing Board meetings were characterised by fierce conflict between the two groups.<sup>96</sup> In these meetings, Basotho were represented by the Basutoland Progressive Association (BPA) and *Lekhotla la Bafo* (League of Commoners).<sup>97</sup> In 1907, the emerging elite of commoners, locally known as *bahlalefi*, or *matsoelopele* – the educated ones or progressive ones, respectively – formed the Basutoland Progressive Association. It mainly consisted of teachers, writers, government clerks, interpreters, ministers of religion and businessmen.<sup>98</sup> Its aims were to eliminate racial discrimination; to increase commoners' representation in national forums; to deal with the abuse of power by the chiefs; to modernise agriculture; to advocate for the improvement of social services; and to assist in creating small-scale industries.<sup>99</sup>

In 1919, some twelve years after the establishment of BPA, another people's organisation was formed in Mapoteng. It was called *Lekhotla la Bafo* (LLB). Its membership comprised mainly Basotho who were traditionally-oriented. The LLB was strongly anti-imperialist and it uncompromisingly opposed colonialism. The organisation also sought to end the chiefs' abuse of power.<sup>100</sup> The LLB saw European traders in Lesotho as intruders who monopolised local commerce and expatriated profits.<sup>101</sup>

As a result of the activity of these early political organisations, Licensing Board meetings and newspaper columns became "battlegrounds" for Basotho traders, on the one side, and European and Indian traders, on the other.<sup>102</sup> The roles played by the BPA and LLB were crucial in challenging both the alliance of the European traders and colonial government as well as its impact of marginalising Basotho in local trade. The BPA's role centred mostly on advocating for Basotho to be granted trading licences in the lowlands and highlands<sup>103</sup> alike, while the LLB advocated for the removal of colonial trading laws and regulations. The LLB, for its part, saw Europeans as intruders who only came to Lesotho to

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95. LNA, Trade, S3/26/1/10, Thomas Mofolo representing BPA at Licensing Board meeting held in Qacha's Nek, 13 June 1927.

96. *Naleliea Lesotho*, 21, 653, 25 July 1925; *Mochochonono*, 22 August 1934.

97. These early political organisations are the roots of Lesotho's anti-colonial and nationalistic movements. They later gave birth to the country's political parties. See, B. Nyeko, "Resistance to Colonial Rule and the Emergence of Anti-colonial Movements", in Pule and Thabane (eds), *Essays on Aspects of the Political Economy of Lesotho*.

98. Gill, *A Short History of Lesotho*, p 170.

99. LNA, *Basutoland Progressive Association*, S3/22/2/1, Constitution of Basutoland Progressive Association.

100. Nyeko, "Resistance to Colonial Rule and the Emergence of Anti-colonial Movements", pp 138–139.

101. LNA, *Lekhotla la Bafo*, S3/22/1/1-2, LLB to the Resident Commissioner, Maseru, 20 December 1924.

102. *Naleliea Lesotho*, 21, 653, 25 August 1925.

103. LNA, *Basutoland Progressive Association*, S3/22/2/1, George Kou's Letter to Basutoland Progressive Association, 20 September 1935.

enrich themselves and expatriate the profits they made.<sup>104</sup> LLB argued that: “The Chamber of Commerce is formed for the purpose of prohibiting us from doing any trade in our country.” It further added that the “aim of the [government is] to abolish our nation...”<sup>105</sup>

The two organisations attempted to empower more Basotho to participate in local trade without fear of failure against the “united front” of the colonial government and European traders. However, their efforts were limited since they were representing nationalistic interests. It was not until the early 1940s that Basotho traders formed their own association, the Basuto Traders’ Association, to pursue and protect their specific interests in local commerce.<sup>106</sup>

Due to pressure from the local organisations discussed above, a significant increase in the number of Basotho traders occurred after 1951, following the government’s announcement of Proclamation No. 72 of that year. The Proclamation provided for what was called a Basuto Restricted Traders Licence, which was specifically meant for Basotho. This licence was first created in 1936 when the colonial government passed the Native Trading Proclamation on the recommendation of the Pim Commission that Basotho should be given wider opportunities in local trade.<sup>107</sup>

From as few as three Basotho store owners in 1935, the colonial government estimated that there were 2 700 Basotho in the country with trading licences by 1958. This figure included restricted licence holders who were running small shops, bakeries and butcheries; and others who were engaging in livestock trading, milling and the provision of transport.<sup>108</sup> Basotho who went into business during this time included those who had found blue collar jobs in South Africa. Some were Basotho who had worked as civil servants in the colonial government, and others were teachers.<sup>109</sup> Many Basotho World War II veterans also invested their gratuities in retail stores when they returned home.<sup>110</sup>

It was only after 1951 that women were also able to participate in local commerce.<sup>111</sup> Prior to the passing of the Basutoland Native Trading Proclamation of 1936, Basotho women did not qualify for trading licence applications because they were not recognised as tax-payers by the Native Tax Proclamation No. 3 of 1911.<sup>112</sup> In 1940, the 1936 proclamation was amended by Proclamation No. 64 to allow Basotho women to apply for trading licences despite the fact that they did not pay tax. The proclamation entitled women in Lesotho, who were previously

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- 104. LNA, *Lekhotla la Bafo*, S3/22/1/1, Report of the meeting of LLB in Maseru, 11 August 1929.
  - 105. LNA, *Lekhotla la Bafo*, S3/22/1/1, Report of the meeting of LLB in Maseru, 11 August 1929.
  - 106. *Mochochonono*, 35, 21045, 27 October 1945, p1; *Mochochonono*, 35, 21049, 24 November 1945, p 5; NULA, Trade, LC 23/11, District Commissioner in Leribe to the Licensing Board, 27 August 1957. Little is known about the history and activities of this association due to lack records.
  - 107. *Financial and Economic Position of Basutoland*, p 60.
  - 108. *Basutoland Colonial Annual Reports, 1958*, p 45.
  - 109. Thabane, “Aspects of Colonial Economy and Society, 1868–1966”, p 114; N. Mphanya, *My Life in the Basutoland Congress Party* (Motjoli Publisher, Maseru, 2010), p 63.
  - 110. *Basutoland Colonial Annual Reports, 1947*, p 28; Thabane, “Aspects of Colonial Economy and Society, 1868–1966”, p 114.
  - 111. Due to lack of sufficient historical sources, very little information is known about women’s early involvement in commerce in Lesotho. How, one wonders, did they raise capital to start their businesses, since not many of them had worked as miners, civil servants and so on, as did their male counterparts.
  - 112. *Basutoland Proclamations and Notices, 1911*.



defined by colonial laws as “native” women, to apply for trading licences. A “native” woman in terms of colonial law was defined as a “member of an African tribal race living in the Territory whose father or husband was or is domiciled and paid or pays native tax.”<sup>113</sup>

From 1951, a number of Basotho women were issued with trading licences and were able to open stores. However, even though the colonial laws permitted them to apply for such licences, available information suggests that only very few Basotho women owned and ran such stores prior to independence. By far the majority of Basotho traders were men. For example, in the Leribe district there were 75 trading licence holders issued to Basotho in places outside the settlement camps in 1951. Of these, 11 trading licences were owned by women. In April 1953, out of the 24 trading licence applications in the same district, only five of them were issued to women.<sup>114</sup>

## Conclusion

The history of colonial commerce presented in this article illuminates a multidimensional economic landscape characterised by hierarchies, overlaps, mutual arrangements and contestations, between and among three trading groups in Lesotho’s colonial commerce. It provides a more complex picture than does the political economy approach. The political economy focuses more on what divided these groups, but this was only one aspect of their interaction. The article has adopted a dialectical and multifaceted approach which demonstrates the existence of closer pragmatic economic relations among these groups within the context of the monopoly held by European traders and the rise of anti-colonial and nationalistic movements. For Basotho, although occupying lower economic ranks both worked in their favour. Politically, they were able to enter and increase their participation in colonial commerce. Economically, they were able to negotiate favourable deals with both European and Indian traders in order to support their businesses. They used these as strategies to overcome their financial challenges in colonial commerce. At the same time, the approach acknowledges the central role played by both European and Indian traders in the development of colonial commerce in Lesotho.

## Abstract

This paper examines the political economy of colonial commerce in Lesotho – then Basutoland. It argues that although pivotal and appropriate, the political economy narrative alone is limited as an explanation for other dynamics which shaped Lesotho’s colonial commerce. It provides a radically simplified bi-polar picture in which European and Indian traders (the more powerful actors) on the one hand, and Basotho traders (the weaker actors) on the other, participated in antagonistic silos. Using historical records and the political economy of Lesotho as a context, this article identifies the existence of a dialectical and multifaceted relationship between these two categories. This was manifested in the interdependent and indispensable relationship between everyday economic pragmatism and collective political activism. This is an under-played catalyst that contributed to the shaping of the country’s business landscape in the colonial period.

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113. *Basutoland Proclamations and Notices, 1940.*

114. NULA, Trade, LC 23/1, Office of the District Commissioner in Leribe to the Government Secretary in Maseru, 15 April 1953.

**Keywords:** Basutoland; Lesotho; colonial commerce; political economy approach; dialectical approach; political activism; monopoly.

### Opsomming

Hierdie artikel ondersoek die politieke ekonomie van koloniale handel in Lesotho (toe Basoetoland genoem). Daar word geargumenteer dat die politiek-ekonomiese narratief, hoewel deurslaggewend en geskik, as sodanig beperk is as 'n verklaring vir ander dinamiese verskynsels wat Lesotho se koloniale handel bepaal het. Dit skets 'n radikaal vereenvoudigde bipoelêre prentjie waarin Europese en Indiese handelaars (sterker rolspelers) aan die een kant, en Basoeto-handelaars (swakker rolspelers) aan die ander kant, in antagonistiese silo's opgetree het. Deur van historiese rekords gebruik te maak, en met politieke ekonomie as 'n konteks, identifiseer die referaat die bestaan van 'n dialektiese en veelvlakkige verhouding tussen hierdie twee kategorieë. Dit het gemanifesteer in die onderling afhanklike en onontbeerlike verhouding tussen individue se daaglikse ekonomiese pragmatisme en kollektiewe politieke aktivisme. Dit is 'n onderbeklemtoonde katalisator wat daartoe bygedra het om die land se sakelandskap in die koloniale tydperk te bepaal.

**Sleutelwoorde:** Basutoland; Lesotho; koloniale handel; politiek-ekonomiese benadering; dialektiese benadering; politieke aktivisme; monopolie.