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SMALL-SCALE
ENTERPRISES
IN LESOTHO:

SUMMARY OF A
COUNTRY-WIDE
SURVEY

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SMALL-SCALE ENTERPRISES IN LESOTHO: SUMMARY OF A COUNTRY-WIDE SURVEY

by

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EXECUTIVE SUMMARY

This report is a comprehensive structural and comparative study of small-scale enterprises (SSEs) in Lesotho. Lesotho has a population of 1.7 million people and an area of 30,444 square kilometers (11,716 square miles) — about the size of Maryland or Belgium. Lesotho has an estimated labor force (age 15 to 64) of 800,000; each year at least 20,000 new entrants come into the domestic labor market, but only 6,000 find regular jobs. The unemployment rate is estimated to be as high as 30 percent. There is therefore an increasing interest in finding a viable means of improving the situation to avoid economic distress and related social problems.

In August and September 1990, a nationwide survey of small-scale enterprises was carried out in the country by the GEMINI (Growth and Equity through Microenterprise Investments and Institutions) project of USAID/Washington. Small-scale enterprises as used here mean those nonfarm enterprises engaged in market-oriented production, commerce, and service activities employing 50 people or less. The survey was conducted on a random sample of 33 urban blocks from Maseru, 4 smaller towns, 5 rural towns, and 18 rural localities called enumeration areas (EAs).

It is said that when Lesotho got its independence in 1966, "there was not even a scratch to indicate the existence of a small-scale enterprise." Twenty-four years later, at the end of a systematic and complete enumeration of SSEs, 7,267 of them (plus 25 large-scale establishments [LSEs]) were found among 24,235 households; 16,943 households did not have any SSE activity. Thus, 30 percent of all households were engaged in some small-scale, nonfarm SSE activity. The survey also showed that less than 10 percent of the households with SSEs had more than one SSE. At least 91.8 percent of the households with SSEs had only one, and at most 6.8 percent had a second SSE — the balance is accounted for by households with three or more SSEs. Thus, 98.6 percent of all Basotho households with SSEs have at most two SSEs. For the four strata, the percentage of households that have at most two SSEs are as follows: 98.8 (for Maseru), 98.7 (for small towns), 97.7 (for rural towns), and 99.3 (for rural EAs). Nationally, the average number of SSEs per household is at most 1.11.

Only 25 large-scale establishments were found during the entire survey. Maseru accounted for 22 of them and 3 are found in the small towns stratum. Out of the 25 LSEs, 3 were owned by Basotho of African descent, 13 by Europeans, and 6 by Chinese. Women totally owned 3 LSEs while another 9 were co-owned with men (usually their spouses). The average number of workers per LSE is 216.

The study shows that there are 102,968 SSEs employing 161,284 people in Lesotho. The geographical distribution of SSEs in the country is as follows:

- Total number of SSEs for the whole country 102,968
- SSEs found in rural areas (such as the EAs) 79.6%
- SSEs found in all small towns (excluding Maseru) 8.4%
- SSEs found in the capital city, Maseru 12.0%

At the sectoral level, SSEs in manufacturing account for 58 percent of all SSEs at the national level. As one moves from more urban to rural localities, the distribution is progressively dominated by manufacturing SSEs. This rises from 36.1 percent of all SSEs in Maseru to 62.8 percent in the EAs.

On the other hand, SSEs in services account for 23.4 percent in Maseru but only 10.4 percent in the EAs. Trade or commerce also shows a declining share of SSEs as one moves from urban to rural localities. For the nation, the percentage of all SSEs in manufacturing is 58.0 percent, in trade or commerce, 29.8 percent, and in service activities, 12.2 percent.

The five most dominant industrial groups in the country are beverages (beer brewing), garments, services, vending, and retail/wholesale activities. Together they account for 88 percent in Maseru and 90 percent in each of the remaining three strata. Some of the least important groups are metal works (accounting for only 0.4 percent at the national level), repairs (0.7 percent), food processing (0.7 percent), wood-based fabrication (1.5 percent), and leather/plastic-type works (1.9 percent).

Total employment in the 102,968 SSEs in Lesotho is 161,284 people. This figure represents year-round, full-time, adult-equivalent employment since part-time, child, and seasonal unemployment are negligible in Lesotho's SSEs. Thus, the size of SSE employment in Lesotho is relatively important. Not only does it rank second after agriculture but employs 20 percent of the national labor force; SSE employment is also higher than the total migratory labor force employed at any given time in South Africa:

● Lesotho's total labor force	800,000
● Total employment in the SSE sector	161,284
● Percent of the national labor force in SSEs	20%
● Number of migrant workers to South Africa	135,000
● Total 1990 employment in the formal sector (including people in the security forces)	74,000
● Maseru's total labor force employed in SSEs	39%
● Total labor force of small towns employed in SSEs	25%
● Total labor force in rural EAs employed in SSEs	13%

Half of SSE employment is in manufacturing, about a third is in trade or commerce, and the rest is in services.

In 1990, 44 percent of the formal sector (consisting of private, parastatal, and public sectors) was in the public sector, which includes the security forces. Thus, the SSE employment figure given above is at least twice as large as the formal sector and four times as large as the private and parastatal sectors combined. Furthermore, comparing individual sectoral lines or groups, formal manufacturing employment is only 11,541 against 82,567 for the SSE manufacturing sector; the corresponding comparative figures for wholesale/retail trade are respectively 14,457 and 37,001. and for services 3,261 and 57,727.

Although they make up in total numbers what they lack in individual size, the following data show that SSEs are small:

● Average (arithmetic mean) size of SSE labor force	1.91
● Average size of SSEs in manufacturing	1.75
● Average size of SSEs in retail/wholesale	4.28
● Average size of SSEs in service activities	1.90
● Average size of beer brewing SSEs	1.18
● Average size of vending activities	1.18
● Percentage of SSEs with only one person working	80%
● Percentage of SSEs with only two people working	10%
● Percentage of SSEs with labor force greater than 10	0.7%

Three-fourths of all households with SSEs depend on such activities for more than 50 percent of their income. Given the level of employment in the SSEs and the fact that the average household size is 5.18 in Lesotho, an estimated 500,000 to 700,000 Basotho family members may be supported to some degree by SSE activities.

Females own 72.2 percent of all SSEs and account for 67 percent of their labor force. In the three major sectors, women own 84.2 percent of the SSEs in manufacturing, 67.5 percent in trade or commerce and 31.2 percent in services. Also, 78 percent of the men and 68 percent of the women depend on SSEs for more than half of their household income.

Sole proprietorship is the most dominant form of ownership among SSEs in Lesotho and it accounts for 96.6 percent of all the cases. The second highest percentage, 2.9, is for partnerships. Almost 99 percent of the enterprises are owned by Masotho; the second highest is 0.3 percent for Europeans, which amounts to 200-250 firms throughout the country. There are an estimated 150 SSEs in Maseru alone. Chinese and Indians each account for less than 0.1 percent or roughly 60-80 and 100-150 SSEs, respectively, throughout the country.

The average age of all SSEs is seven and one-half years. The average is the same in urban and rural areas. About three-fourths of the enterprises are 10 years old or less (two-fifths are three years old or less, and less than a tenth are more than 20 years old). Proprietors are 46 years old on average; 90 percent of these proprietors started their SSEs from scratch.

Recently, both the number of SSEs and the demand for their products seem to have been growing. Growth in individual enterprises seems less widespread (only 30 percent said they experienced any growth during the same period). Also, on average, the number of total workers in an SSE grew at an annual rate of 4.1 percent since the enterprise started, seven years ago. Almost all of the growth occurred in hired labor as opposed to apprentices or family members. Except for the rural towns, growth occurred both in urban areas and in the rural Eas. Growth among the smaller towns stratum was particularly high. Also, SSEs owned by females grew almost twice as fast (4.6 percent) as those owned

by males (2.4 percent). Activities that grew at high rates are butcheries, grocery shops, retail stores, vending, and woodwork. Activities that seem to have declined include beer brewing and blacksmiths.

Although a third of the SSEs indicated they face no problems, two major problems faced by the rest are weak product markets and lack of working capital both currently and at time of start-up. Very few of the SSEs have received either technical or credit assistance from formal sources. A few SSE types seem to show potential for growth — primarily those in construction, knitting, weaving, masonry, and food packaging.

CHAPTER ONE

BACKGROUND

This report summarizes the results of a nationwide survey of small-scale enterprises (SSEs) in Lesotho carried out in July and August 1990 by the Growth and Equity through Microenterprise Investments and Institutions (GEMINI) project of A.I.D./Washington.¹ Small-scale enterprises are defined as those nonfarm enterprises engaged in market-oriented production, commerce, and service activities employing 50 people or less; the SSEs range from the one-person-operated roadside vendors (and mobile hawkers) on the lower end to the more-organized, modern outfits. "Employment" here means the total number of people working in such activities, including entrepreneurs, family workers, apprentices, and hired workers, whether fully paid or not. Such an employment-based definition of SSEs has been found to be easier and more accurate in the absence of data such as sales and investment.

Lesotho (the only country in the world completely surrounded by another, South Africa) has a population of 1.7 million people and an area of 30,444 square kilometers (11,716 square miles, all of which is at least 1,000 meters above sea level). It is about the size of Maryland or Belgium.

Review of the literature on Basotho² SSEs shows a sprinkle of past studies limited in scope and rigor.³ The present study is designed to provide broader contextual and structural information on SSEs in Lesotho. The study has two major parts: (1) a **primary inquiry** describing the prevalence and distribution (both geographical and industrial) of SSEs and their attendant employment, and (2) a **supplementary investigation** (simultaneously conducted) on a random sample of 630 primary survey respondents focusing on key socioeconomic issues.

DATA COLLECTION PROCEDURE

The present survey was conducted on a random sample of 33 urban blocks from Maseru, 4 smaller towns, 5 rural towns, and 18 rural localities called enumeration areas (EAs).⁴ These area sampling units were randomly drawn from four country-wide population strata.⁵ The sampling fraction

¹ The survey method employed in this study is the one used by the Small Scale Enterprises Unit at Michigan State University.

² Basotho is the adjective form for Lesotho and people from Lesotho are known as Masotho.

³ For examples of such studies, see the bibliography at the end of the report.

⁴ Among all localities described here as "urban" or "towns," only Maseru (and perhaps Thota-ea-Moli) could qualify as an urban area of 20,000 people or more as defined by the United Nations.

⁵ The strata consist of Maseru, the capital city; small towns; rural towns; and 2,297 rural EAs. Population sizes for the four strata are as follows: Maseru, 113,427; small towns, 7,500-20,000; rural towns, below 5,000; and the EAs, 100 to 3500. The EAs are clearly identified area standard units or sections into which the whole rural area is partitioned by the Bureau of Statistics for its population census

for the EA population in the country is about 7 percent. The final outcome of the sampling process, including the percentage of the target population enumerated in each stratum, is presented in Table 1. A detailed tabular presentation of the sampling approach is given in Appendix I.

With some modifications, the primary or enumeration questionnaire in Lesotho was the same as the one used in other countries by the Small-scale Enterprise unit at Michigan State University.⁶ The supplementary questionnaire was almost entirely devoted to meet the needs of the Lesotho study.

After a week of training, 18 students (period average) from the National University of Lesotho at Roma plus two supervisors were used to collect the data; the house-to-house or street-to-street enumeration of SSEs and their employment lasted five weeks. Maps for each locality was provided by the Bureau of Statistics (BOS). In the case of Maseru blocks, staff from the bureau helped in further identifying the exact boundaries.

TABLE 1
TABULAR PRESENTATION OF SAMPLING APPROACH*

COUNTRY-WIDE STRATUM	STRATUM LOCALITIES			STRATUM POPULATION	
	Total Number	Number Sampled	Percent Sampled	Total Size	Percent Sampled
1. Maseru Urban Blocks	169	33	19.5	113,427	16.0
2. Small Towns	7	4	57.1	81,621	50.1
3. Rural Towns	8	5	62.5	30,369	54.3
4. Rural EAs	2,297	18	0.8	1,500,430	1.5

* Population estimates are from Mid-1986 Population Census.

or other studies. Both for Maseru and the EAs, the sampling approach takes account of the fact that they consist of well-defined substrata: Maseru, of high-, medium-, and low-income-level zones; and the EAs, of lowland, foothill, mountain, and mountain valley ecological domains.

⁶ Major summaries of such studies are included in *Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implication*, MSU International Development Paper No. 9, Liedholm and Mead (1987); and *The Contribution of Small-Scale Forest-Based Processing Enterprises to Rural Non-Farm Employment and Income in Selected Developing Countries*, FAO, MISC/85/4, Fisseha (1985).

CHAPTER TWO

DESCRIPTION OF SURVEY RESULTS

The focus of analysis in this report is the **primary SSE** owned by a household as a main source of income or employment, although cursory mention is made of any secondary SSEs owned by the same household. A question could be raised as to whether a significant number of SSEs are left out by focusing on only the primary SSEs and noting at best the existence of secondary SSEs. The Lesotho data indicate that this is not a serious question or issue. At least 91.8 percent of the households with SSEs had only one SSE and at most 6.2 percent had a second one as well — the balance of 1.4 percent operates three or more SSEs. Thus, 98.6 percent of all Basotho households with SSEs have at most two SSEs.⁷ Nationally, the average number of SSEs per household is at most only 1.11.

Is the number of SSEs per household related to the size of the primary enterprise? There is a view which says that as SSEs get bigger, their owners expand into other businesses to continue to maintain a low profile and avoid tax liability. The present data indicate a strong positive relationship between the size of the primary SSE and the number of total SSEs per household. However, it seems that once primary SSE employment reaches beyond 10, the average number of all SSEs per household falls. Does this indicate that when such a size is reached, proprietors may not be successful in trying to remain secluded from public (tax) view or could it be a response to avoid inefficiency due to divided management)?⁸

A second point to raise here is the role of the **large-scale establishments (LSEs)**, with employment over 50 people. A measure of the low level of private business development in Lesotho is revealed by the fact that for the entire survey, only 25 firms were large-scale establishments (in other words, less than 0.4 percent of all enterprises surveyed). Maseru accounts for 22 LSEs while the remaining three are found in the small towns stratum (two in Mafeteng and one in Teyateyaneng). Construction and garment/textile sectors each accounts for four LSEs while hotel and weaving each has three. Out of the 25 LSEs, 3 were owned by Basotho of African descent, 13 by Europeans, and 6 by Chinese. Women totally owned 3 LSEs while another 9 were co-owned with men (usually their spouses). The average number of workers per LSE is 216; construction and hotels are among the very large enterprises, with average sizes of 520 and 210 employees respectively. The analysis in the rest of this report will not include information on the LSEs.

⁷ For the four strata, the percentage of households that have at most two SSEs are as follows: 98.8 (Maseru), 98.7 (small towns), 97.7 (rural towns) and 99.3 (rural EAs).

⁸ Thus, the average number of SSEs per households with total primary employment of 1, 2, 3-5, or 6-10 people are respectively 1.05, 1.12, 1.37, and 1.65; after that it declines to 1.53 and 1.52 SSEs for sizes of 11-20 and 21-50 employees, respectively.

PREVALENCE OF SSEs IN LESOTHO: SURVEY RESULTS

It is said that when Lesotho got its independence in 1966, "there was not even a scratch to indicate the existence of a small-scale enterprise"; since then, small businesses have greatly increased (although about 80 percent of the volume of the established businesses is controlled by foreigners).⁹ At the end of the five-week field enumeration period, information on 24,235 households¹⁰ was collected, and 7,267 of them (plus 25 that own LSEs) were found to own or operate at least one SSE. Information on primary enumeration was completed on these 7,267 nonfarm enterprises and, for 630 of them, the supplementary questionnaire was also executed.¹¹ This means another 16,943 households were visited and noted as having no such activities. Thus, about 30 percent of the households were engaged in some small-scale, nonfarm SSE activity.¹²

Table 2 shows the geographical distribution of the 7,267 SSEs.¹³ Relative rates of concentration of enumerated SSEs and employment among the four strata can also be determined by comparing each stratum's share of SSEs with the population surveyed. These data are brought out clearly in the chart below Table 2. The chart shows that as one moves from a rural to an urban setting, two things happen: there is a greater concentration of SSEs in the more urban areas and also the SSEs are bigger in size (that is, employment per enterprise) than those in the less urban areas.

One rather unexpected finding in the Lesotho data is the relatively high rate of SSEs found in the comparatively inaccessible rural mountain EAs. Mountain EAs are most remote and, if it were not for the income remitted from South Africa, poor too.¹⁴ So why the high rate of SSEs and, particularly, of average employment per population unit? Perhaps the inaccessibility creates a captive market that promotes both the starting of new SSEs and the growth of existing ones.

⁹ *Report of the International Conference on Strategies for Small Business Survival and Growth in BLS Countries*, Business Training Center, Maseru, 1985, p. 7.

¹⁰ The word household refers to a family or a group of people who eat from the same table or pot and who pool their resources and incomes and share in the responsibilities.

¹¹ To effect randomness for these 630, only those respondents in the primary questionnaire who fall into a predetermined sequence or position were interviewed.

¹² During the house-to-house canvassing, 21.6 percent of the family residences were found closed with no one able to give information on SSE activities. To extrapolate from the sample results, the rate of existence of SSEs among such houses was assumed to be the same as for those for which information was collected.

¹³ The sampling, although random, is not random proportional and therefore the scope of sampling coverage varies from stratum to stratum.

¹⁴ Differences in household income levels among the rural substrata are expected to be small, because much of the purchasing power comes from remittances by rural Basotho migrant workers in South Africa.

TOTAL NUMBER OF SSEs IN LESOTHO: EXTRAPOLATION FROM SAMPLE

The figures in Table 2 are the result of a sample survey. To estimate (extrapolate) the total number of SSEs and their employment for the whole country, the figures in Table 2 need to be blown up in proportion to the unsampled population sizes of the different strata.¹⁵ The result of such extrapolation is shown in Table 3.

TABLE 2
ACTUAL SURVEY ENUMERATION OF POPULATION SIZES, NUMBER OF SSEs,
AND CORRESPONDING EMPLOYMENT

STRATUM (Also sub- stratum for Maseru and EAs.)	ACTUAL ENUMERATION DURING SURVEY						
	Population*		Enterprises		Employment		
	Number	%	Number	%	Number	%	Averg.
Maseru:	26,570	23.3	2,055	28.3	4,702	33.9	2.29
-High Inc.	4,547	4.0	729	10.9	2,704	19.5	3.71
-Med. Inc.	3,109	2.7	200	2.8	391	2.8	1.96
-Low Inc.	18,914	16.6	1,126	15.5	1,607	11.6	1.43
Small Towns	46,628	40.9	3,493	48.0	6,320	45.6	1.80
Rural Towns	18,641	16.4	920	12.7	1,694	12.2	1.84
Enum. Area:	22,134	19.4	799	11.0	1,135	8.3	1.42
-Lowlands	7,529	6.6	225	3.1	291	2.1	1.29
-Foothills	4,187	3.7	227	3.1	313	2.3	1.38
-Mountains	3,464	3.0	193	2.7	313	2.3	1.62
-SRV	6,954	6.1	154	2.1	218	1.6	1.42
TOTAL	113,973	100.0	7,267	100.0	13,851	100.0	1.91

* Population figures are from total household counts, a by-product of the present SSEs enumeration survey. For estimating the rate of SSEs and their workers per population unit (say, per 1,000 people), the survey household counts are used. However, the BOS 1986 population figures (which cover the whole country and not just the enumerated area) should be used to make a country-wide estimate of the total number of SSEs in Lesotho's on the basis of the sample survey findings.

The above table can be summarized as follows:

Stratum	Percent Share of Enumerated			Average
	Population	SSEs	Employment	Employment
Maseru	23.3	28.3	33.9	2.29
Small Towns	40.9	48.0	45.6	1.80
Rural Towns	16.4	12.7	12.2	1.84
EAs	19.4	11.0	8.3	1.42
All Strata	100.0	100.0	100.0	1.91

¹⁵ Extrapolation is made on the basis of urban and rural population shares of localities and on the assumption that the incidence of SSEs nationally corresponds with that in the sample.

TABLE 3
 EXTRAPOLATION OF THE NUMBER OF SSEs
 AND OF EMPLOYMENT FOR THE WHOLE COUNTRY

Stratum (Also sub- stratum for Maseru and EAs.)	Population Figures, 1986 BOS Census*		Extrapolated Figures			
			Enterprises		Employment	
	Numbers	%	Number	%	Numbers	%
Maseru	113,427	6.59	12,371	12.01	28,733	17.82
Small Towns	81,621	4.71	6,978	6.78	12,924	8.11
Rural Towns	30,369	1.76	1,695	1.65	3,113	1.93
All Urban	225,417	13.06	21,044	20.44	44,770	27.86
All EA's:	1,500,431	86.94	81,924	79.56	116,514	72.14
-Lowlands	642,930	37.25	33,600	29.72	40,841	25.32
-Foothills	375,474	21.76	29,238	28.49	41,427	25.69
-Mountains	296,243	17.17	9,971	9.68	16,584	10.28
-SRV	185,784	10.76	12,115	11.76	17,662	10.95
TOTAL	1,725,848	100.0	102,968	100.0	161,284	100.0

* Population figures in the table are from the mid-1986 BOS census. There is substantial variability in the size of the population of some localities between the SSE survey and the BOS figures, even after allowing for reasonable annual rates of change. For more information, see the detailed report on the present study.

Thus, on the basis of sample results of 7,267 SSEs employing 13,851 people, it is estimated that there are 102,968 SSEs employing some 161,284 people throughout the country. Almost 87 percent of Lesotho's population live in the rural EAs; as a result, 80 percent of the SSEs and 72 percent of the corresponding employment are also found there. The three urban strata as a group account for only 20 percent of the SSEs and 28 percent of the employment.

COMPARISONS WITH OTHER COUNTRIES

How does the number of SSEs in Lesotho compare with corresponding studies in other parts of Africa? Table 4 shows the number of SSEs per 1,000 people in Zambia, Niger, and Lesotho.¹⁶ The first column describes the total number of SSEs per 1,000 people; the second column shows the same measure but after excluding the most dominant enterprise type in each country. These dominant enterprise types are beer brewing, both in Zambia (38 percent of all SSEs) and Lesotho (33 percent), and mat making in Niger (35 percent).¹⁷

¹⁶ Similar studies were done in Zambia (1985 and 1987) and in Niger (1989); see *Rural Small-Scale Forest-Based Processing Enterprises in Zambia: Report of a 1985 Pilot Survey*, Yacob Fisseha and John Milimo, 1986, and *Small Scale Enterprises in Niger: Survey Results From Dosso and Maradi Departments*, Yacob Fisseha, 1990.

¹⁷ Other industry studies also show that beer brewing is the most dominant activity in Southern Africa (for example, see Haggblade, 1984, in Botswana).

Compared with Zambia, Lesotho has a smaller number of SSEs per 1,000 people, particularly as one moves to the more rural areas. A number of reasons may explain this: SSEs are late comers to Lesotho; Lesotho lacks adequate raw materials for forest-based SSE products (note that such products account for 24.7 percent of all SSEs in Zambia compared to 4.4 percent in Lesotho); Lesotho has an abundant and easy supply of South African products; and at any given time there may be anywhere from 120,000 to 150,000 Basotho migrant workers in South Africa,¹⁸ who may use part of their pay to buy items there and diminish the local consumer demand in Lesotho.

Niger is consistently higher than Zambia and Lesotho. Although it is understood that countries in West Africa have a higher rate of SSE concentration per population unit compared to Southern Africa,¹⁹ the high Nigerien ratio might likely have been lower if the survey had been from a country-wide sample, instead of from areas accounting for a third of the national population on 6 percent of the land surface.

TABLE 4
THREE-COUNTRY COMPARISON FOR THE NUMBER OF SSEs PER 1,000 PEOPLE

STRATUM (In SSEs Study)	ZAMBIA		NIGER		LESOTHO	
	All SSEs	Less Beer*	All SSEs	Less Mats*	All SSEs	Less Beer*
Major Towns	--**	--**	74	73	77	67
Smaller Towns	73	65	78	77	75	63
Rural Towns	62	50	92	88	49	36
Rural EAs	52	30	110	69	36	22
Total	66	41	83	54	64	22

* Note, beer and mats stand for beer brewing and mat making.

** There was no major-towns stratum in the 1985 study of Zambia, because the largest town enumerated (Kasama) had a population of only 38,093 - a population magnitude much closer to that of the smaller towns strata of Niger and Lesotho than to the major towns.

GEOGRAPHICAL AND SECTORAL DISTRIBUTIONS OF SSEs IN LESOTHO

Almost four-fifths of the SSEs and three-fourths of SSE employees are found in the rural areas or the EAs (see Table 3 above). Maseru accounts for 12 percent of the nation's SSEs and 17.8 percent of the nation's employment. Within the urban areas as a group, Maseru accounts for almost three-fifths of the enterprises and two-thirds of the employment.

¹⁸ Miners' remittances accounted for half of Lesotho's GNP in the 1980s, see *Kingdom of Lesotho: Sectoral Study on Rural Development, Prospects and Challenges*, a report to the Government of Lesotho by UNDP, Maseru, 1988, p. 12.

¹⁹ Margaret Peil, "West African Urban Craftsmen," *The Journal of Developing Areas*, vol. 14, October 1979.

Overall, about half of both the number of SSEs and their employment are found in manufacturing enterprises — SSEs that deal with the processing or fabrication of items (see Table 5); another 30 percent of the SSEs and 36 percent of employment are found in trade or commerce (SSEs engaged in vending and in retail and wholesale trade); the balance is accounted for by SSEs in service activities.

TABLE 5
PERCENTAGE DISTRIBUTIONS OF SSES AND EMPLOYMENT AMONG MAJOR SECTORS
(stratum and SSE groups weighted)

Sector	Maseru	S. Towns	R. Towns	EAs	Total
A. Within Stratum					
1. SSEs:					
Manufacturing	36.1%	40.8	52.5	62.8	58.0
Trade/Commerce	40.7	43.7	34.5	26.9	29.8
Services	23.2	15.5	13.0	10.3	12.2
Column Total	100.0	100.0	100.0	100.0	100.0
2. Employment:					
Manufacturing	35.8	37.4	42.7	56.8	51.2
Trade/Commerce	46.1	46.3	43.9	31.7	35.7
Services	18.1	16.3	13.4	11.5	13.1
Column Total	100.0	100.0	100.0	100.0	100.0
B. Within Sector					
1. SSEs:					
Manufacturing	7.5%	4.8	1.5	86.2	100.0
Trade/Commerce	16.4	9.9	1.9	71.8	100.0
Services	22.9	8.7	1.7	66.7	100.0
	12.0	6.8	1.6	79.6	100.0
1. Employment:					
Manufacturing	12.5	5.8	1.6	80.1	100.0
Trade/Commerce	23.1	10.2	2.4	64.3	100.0
Services	24.7	10.0	1.9	63.4	100.0
	17.8	8.0	1.9	72.3	100.0

* Note: In "Within Stratum," column figures show distribution of the three sectors (manufacturing, trade/commerce, and service SSEs) within each stratum; thus, in Maseru, the three sectors' shares of all SSEs are respectively 36.1, 40.7, and 23.2 percent. In "Within Sector," column figures show distribution of a sector among the four strata; thus, manufacturing is distributed among the four strata as 7.5, 4.8, 1.5, and 86.2 percent respectively.

As one moves from more urban to rural localities, the percentage shares of SSEs in manufacturing progressively increase while the reverse is true for SSEs in service activities. Thus, manufacturing SSEs account for 36.1 percent of all SSEs in Maseru, but for up to 62.8 percent of SSEs in the EAs. On the other hand, service SSEs account for 23.4 percent of SSEs in Maseru but only 10.4 percent in the EAs. Trade or commerce also shows a declining share of SSEs within a stratum as one moves from urban to rural localities.

Employment shares also follow a consistent and similar geographical distribution pattern to that of the SSEs but with less pronounced variation due to a moderating effect by the increasing size of average employment per SSE as one moves to more urban areas.²⁰

INDUSTRIAL CLASSIFICATION OF SSEs

Urbanization and the number of SSEs found in a stratum are positively correlated. The more rural a stratum is, the fewer types of SSE activity are found, because, we hypothesize, some modern activities may not exist there. The number of closely related SSE types found in each stratum is as follows: Maseru, 71 types; smaller towns, 72; rural towns, 55; and EAs, 48. Table 6 classifies the different SSE types into 12 groups: 9 manufacturing, 2 trade/commerce, and 1 services. Examples of SSEs in each sectoral group are as follows:

Manufacturing Groups

1. **Garments:** Knitting, Tailoring, dressmaking and weaving;
2. **Wood-Based:** Carpentry, furniture making, charcoal production, and woodcarving;
3. **Forest-Based:** Mats, bags and related nonwood items;
4. **Metals:** Welding, blacksmith and general metal works;
5. **Repairs:** Mechanical, electrical or electronic repairs;
6. **Leather/Plastic:** Shoes repair/making, general leather/plastic works;
7. **Foods:** Flour mill, butchery, bakery, food packaging;
8. **Beverages:** Almost entirely local beer brewing and hence the reference to them as "Beer Brewing";
9. **Ceramics:** Pottery, Brick/block/tile making, masonry; and
10. **Other Manufacturing:** Those outside the above list.

Trade/Commerce Groups

1. **Vending:** All sorts; and
2. **Retail/Wholesale:** All forms of trading or commercial exchanges of goods other than vending.

Services

Sale of services or service-dominated activities such as construction, hair saloons, laundry, and renting of flats.

²⁰ The employment picture will be discussed in more detail in Chapter Three. Also, Appendix II displays a detailed, combined picture of the number of SSEs and of SSE employment in Lesotho (that is, after extrapolation for the entire country) by location and industrial group. Not only does the discussion show the relative magnitudes of both SSEs and their employment within a stratum or an industrial classification, but it also gives the arithmetic means and standard deviations of the total employment (labor force) for each industry group figure within a stratum.

Although both trade/commerce and service SSEs have fewer groups, the number of SSE types included in each is substantial. Thus, there are at least 20 distinct SSE types listed for the retail or wholesale group, 7 types for the vending activities, and 10 for services types.

In all four strata (and hence in the country as a whole) the five most dominant industrial groups are beer brewing, garments, services, vending, and retail/wholesale activities. Together they account for 88 percent in Maseru and 90 percent in each of the remaining three strata. Three (wholesale/retail, vending, and services) of the five important industrial groups are nonmanufacturing.

With almost 30 percent, vending accounts for the highest share of SSEs among the industrial groups in Maseru and the smaller towns; in the more rural strata (the rural towns and EAs), beer brewing is the dominant type accounting for over a fourth of the SSEs.

Some of the least important groups are metal works (accounting for only 0.4 percent at the national level), repairs (0.7 percent), food processing (0.7 percent), wood-based fabrication (1.5 percent), and leather/plastic works (1.9 percent).

CHARACTERISTICS OF DOMINANT INDIVIDUAL ENTERPRISES TYPES

The SSE sector in Lesotho is dominated by a few enterprise types. Appendix III shows the first 20 SSE types in each stratum by order of dominance.²¹ The first five SSE types in the list account for over half of all the SSEs found in each stratum. These five SSE types are beer brewing, knitting, vending of agricultural products, vending of prepared foods, and renting of flats in the urban areas; in the EAs, vending of foods and renting of flats are replaced by grocery stores and construction.²² Within each stratum, the first five dominant types include two manufacturing SSEs, two trade or commerce SSEs, and one service SSE.

Beer brewing is the most common activity in all the strata except Maseru (where renting of flats/buildings is at the top); and it becomes more dominant as one moves to the more rural areas. Knitting is the second most dominant enterprise in the more rural areas, including in the rural towns.

As one moves to the more rural areas, degree of concentration of the sector in fewer SSE types rises. Thus, the most dominant SSE type in Maseru and the smaller towns accounts for about 17 percent of all SSEs in each stratum; the corresponding figure for the more rural areas is 27 percent in the rural towns and 38 percent for the EAs.

²¹ In the Appendix, the letters G, O, R, and V stand for "General," "Other," "Retail," and "Vending." Thus, "O-Retail" stands for other types of retailing besides those that have been specifically indicated in the coding scheme.

²² Note the importance of construction even in the EAs.

TABLE 6
INDUSTRIAL AND STRATUM DISTRIBUTION OF ENTERPRISES, FROM LESOTHO ENUMERATION DATA
(stratum and SSE group weighted)

SSE GROUPS		Population Strata Of Survey				TOTAL
		Maseru	S-Towns	R-Towns	E-Areas	
GARMENTS:	SSEs #	1,460	1,020	275	11,797	14,552
	Col. %	11.8%	14.6%	16.2%	14.4%	14.1%
	Row. %	10.0%	7.0%	1.9%	81.1%	
WOOD-BASED:	SSEs #	186	78	17	1,311	1,592
	Col. %	2.4%	2.2%	1.7%	5.0%	1.5%
	Row. %	11.7%	4.9%	1.1%	82.3%	
STRAW/BAMBOO:	SSEs #	111	77	15	2,785	2,988
	Col. %	0.9%	1.1%	0.9%	3.4%	2.9%
	Row. %	3.7%	2.6%	0.5%	93.2%	
METALS:	SSEs #	161	70	5	164	400
	Col. %	1.3%	1.0%	0.3%	0.2%	0.4%
	Row. %	40.2%	17.5%	1.3%	41.0%	
REPAIRS:	SSEs #	223	112	17	410	762
	Col. %	1.8%	1.6%	1.0%	0.5%	0.7%
	Row. %	29.6%	14.8%	1.9%	53.7%	
LATHER/PLSTC:*	SSEs #	359	133	44	1,474	2,010
	Col. %	2.9%	1.9%	2.6%	1.8%	1.9%
	Row. %	17.9%	6.6%	2.2%	73.3%	
FOODS:	SSEs #	148	49	39	492	728
	Col. %	1.2%	0.7%	2.3%	0.6%	0.7%
	Row. %	20.3%	6.7%	5.4%	67.6%	
BEER BREWING: (BEVERAGES)	SSEs #	1,571	1,124	453	31,131	34,279
	Col. %	12.7%	16.1%	26.7%	38.0%	33.3%
	Row. %	4.6%	3.3%	1.3%	90.8%	

* LATHER/PLSTC stands for leather- and plastic-related SSE activities.

(Table 6 Continued:)

SSE GROUPS		Population Strata Of Survey				TOTAL
		Maseru	S-Towns	R-Towns	E-Areas	
CERAMICS:	SSEs #	173	119	22	1,557	1,871
	Col. %	1.4%	1.7%	1.3%	1.9%	1.8%
	Row. %	9.2%	6.1%	1.5%	83.2%	
OTHER MFG:	SSEs #	74	63	3	328	468
	Col. %	0.6%	0.9%	0.2%	0.4%	0.4%
	Row. %	15.8%	13.5%	0.6%	70.1%	
<u>SUB-TOTAL, MANUFACTURING</u>	SSEs #	4,466	2,845	890	51,449	59,650
	Col. %	36.1%	40.8%	52.5%	62.8%	58.0%
	Row. %	7.5%	4.8%	1.5%	86.2%	
WHOLESALE/ RETAIL:	SSEs #	1,633	844	227	10,404	13,108
	Col. %	13.2%	12.1%	13.4%	12.7%	12.7%
	Row. %	12.4%	6.4%	1.6%	79.5%	
VENDING:	SSEs #	3,402	2,206	358	11,633	17,599
	Col. %	27.5%	31.6%	21.1%	14.2%	17.1%
	Row. %	19.4%	12.6%	2.0%	66.0%	
<u>SUB-TOTAL, TRADE/ COMMERCE:</u>	SSEs #	5,035	3,050	585	22,037	30,707
	Col. %	40.7%	43.7%	34.5%	26.9%	29.8%
	Row. %	16.4%	9.9%	1.9%	71.8%	
<u>SUB-TOTAL, SERVICES</u>	SSEs #	2,870	1,083	220	8,438	12,611
	Col. %	23.2%	15.5%	13.0%	10.3%	12.2%
	Row. %	22.9%	8.7%	1.7%	66.7%	
<u>ALL SSEs COMBINED</u>	SSEs #	12,371	6,978	1,695	81,924	102,968
	Row. %	12.0%	6.8%	1.6%	79.6%	100.0%

CHAPTER THREE

MAGNITUDE AND PATTERN OF EMPLOYMENT IN LESOTHO'S SMALL-SCALE ENTERPRISES

Employment is one of the most important social contributions small-scale enterprises makes for a country. Lesotho has an estimated labor force (age 15 to 64) of 800,000; each year at least 20,000 new entrants come into its domestic labor market, but only 6,000 find regular jobs; the unemployment rate is estimated to be as high as 30 percent.¹ Thus, to the extent that the SSEs can put a dent on the unemployment rate, their contribution will be highly valuable in Lesotho. In this section, the magnitude of the SSE labor force, its size distribution, its rate of participation, and its different components will be briefly summarized; the discussion concludes by describing the role of women in the employment picture.

MAGNITUDE OF EMPLOYMENT IN SSEs

Total employment among the 102,968 SSEs estimated earlier by extrapolation is 161,284 people (see Table 2). This means about 20 percent of the national labor force has some employment in the SSE sector. At the stratum level, this figure is 39 percent for Maseru, 25 percent for the two urban strata combined, and 13 percent for the EAs. The sheer number of SSE, and not their individual size, makes them as a group very important in employment figures, usually second to agriculture in many developing countries. In Lesotho, SSEs employment ranks second after agriculture; it seems too its numbers are higher than the migratory labor force to South Africa.²

Appendix II lists detailed information on the SSE group labor force including raw employment figures, percentage shares, and the mean and standard deviation of employment. Also, each group's relative share of SSEs with its corresponding share for employment can be compared. The appendix data show that those industrial groups that dominate in the number of SSEs (for example, beer brewing, retail/wholesales, vending, and services) also dominate in the number of workers. This is because practically all the SSEs are small.

Because the rate of part-time and child employment is very low in Basotho SSEs, the overall employment figure does not change much when downward adjustment for these types of employment is made.³ Such an adjustment for child and part-time labor results in a reduction of only 3,674 (or 2.3%).⁴

¹ See UNDP report, *Kingdom of Lesotho: Sectoral Study on Rural Development, Prospects and Challenges*, 1988; and Joe W. Carvalho, *Macro-Economic Update for Lesotho*, USAID/Lesotho, February 1990.

² The gross migratory labor force is estimated at 165,790 including those on seasonal lay off (see *The Labor Force Survey 1985/86: Main Report, Draft 2, 27/10/89*, Bureau of Statistics, Maseru).

³ In the present survey, a worker 14 years of age or less is considered a child; a part-time worker is someone who works less than half of the normal work time.

Although seasonal adjustment does not seem to be warranted (the average number of months of work per year is 11.65), if it too is applied, the 12-month, full-time equivalent employment goes down further to 153,013.⁵ Since the employment figure is full-time-adult-workers equivalent, it is plausible to guess that (with household size of 5.18 in Lesotho) at least something like 500,000 to 700,000 family members may be supported to some degree by SSE activities.

How does the employment in the SSEs sector compare with that in the formal sector? In 1990, the formal sector (consisting of private, parastatal, and public sectors) was estimated to employ 74,000 wage people; 32,682 of this employment is in the public sector, including the security forces.⁶ Thus, the SSE figure of 12-month, full-time equivalent employment of 153,013 is at least twice as large as the formal sector and four times as large as the private and parastatal sectors combined.

If one takes the extreme situation of considering only those SSEs that have only one person in them (to remove possible bias from overlapping definitions), then these smaller SSEs employ a number equal to the total in the formal sector as a whole or twice that found in the private and parastatal part. Furthermore, comparing individual sectoral lines or groups, the formal manufacturing employment is only 11,541 against 82,567 for the SSE manufacturing sector; the corresponding comparative figures for wholesale/retail trade are respectively 14,457 and 37,001, and for services 3,261 and 57,727.

SIZE DISTRIBUTION OF EMPLOYMENT IN SSEs

As already indicated above, Basotho SSEs are typically small, which is usually the case for many developing countries.⁷ The average (arithmetic mean) size of employment for all enterprise groups is 1.94 (see Appendix IV). Depending on whether one uses some statistical weighting scheme or not, the average values will change slightly.⁸ Groups with the highest average employment sizes are ceramics, retail/wholesales, and repairs. The retail/wholesale group has the highest average with 2.83 and is almost

⁴ In the present adjustment, one full-time adult worker is equated to four part-time workers or two children. To the extent that some part-time workers are also children, there will be double discounting, resulting in downward bias of total adjusted employment.

⁵ Since hardly any group of workers, even in the formal sector, works full time for 12 months straight, such a full-time adjustment is very stringent and has the effect of biasing the SSEs employment further downward.

⁶ See UNDP report to the Government of Lesotho, *Kingdom of Lesotho: Sectoral Study...*, p. 50.

⁷ The average enterprise employed 1.79 in Burkina Faso (although the sample was biased towards the bigger SSEs), 1.8 in Niger, and 1.62 in Zambia. And for those just in the manufacturing subsector, the sizes were 1.9 in Sierra Leone, 1.6 in Egypt, 1.6 in Honduras, 2.2 in Jamaica, and 2.8 in Thailand, as compared with 1.58 in Lesotho.

⁸ For example, the stratum and SSE group weighted value would have been 1.56 for the national average. It should be noted that Table 8 is weighted both by stratum and SSE types; Appendix II is weighted by stratum only; and Appendix VI is not weighted at all. Thus, the effect on the averages of using the stratum and SSE types, singly or jointly, as weights can be examined.

70 percent higher than the value for services (1.67) and 60 percent higher than the figure for all manufacturing combined (1.75). Four SSE groups (garments, straw/cane, beer brewing, and vending) lie below the national average of 1.94. All groups in the rural EAs fall below the national average except for foods, ceramics, and retailing.

Table 7 shows the distribution of the SSEs among different labor force size categories. Not surprisingly, almost 80 percent of all the enterprises are one-person operations, that is, there is only one person working in the enterprises. Another 10 percent have only two people working in the business. Thus, about 90 percent of the SSEs have at most two people. On the other hand, only 0.7 percent of the total SSEs have more than 10 people or, in raw numbers, about 700 enterprises for the whole country.

Table 7

LABOR SIZE DISTRIBUTION OF LESOTHO'S SSEs
(stratum & SSE group weighted)

RANGE OF LABOR SIZE	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
1-person SSEs:	658	360	82	4675	5775
Row %	11.4	6.2	1.4	81.0	79.6
Col. %	75.6	73.6	71.9	80.9	
Avg. #	1.00	1.00	1.00	1.00	1.00
2-persons:	90	71	18	643	822
Row %	10.9	8.6	2.2	78.2	11.3
Col. %	10.3	14.5	15.8	11.1	
Avg. #	2.00	2.00	2.00	2.00	2.00
3-5 pers.:	66	38	12	378	494
Row %	13.4	7.7	2.4	76.5	6.8
Col. %	7.6	7.8	10.5	6.5	
Avg. #	3.58	3.53	3.55	3.39	3.43
6-10 pers.:	33	14	2	59	108
Row %	30.6	13.0	1.9	54.6	1.5
Col. %	3.8	2.9	1.8	1.0	
Avg. #	7.25	7.34	6.32	7.89	7.59
11-20 pers.:	14	5	0	20	39
Row %	35.9	12.8	0.0	51.3	0.5
Col. %	1.6	1.0	0.0	0.3	
Avg. #	13.84	13.02	0.00	17.48	15.60
21-50 pers.:	9	1	0	7	17
Row %	52.9	5.9	0.0	41.2	0.2
Col. %	1.0	0.2	0.0	0.1	
Avg. #	34.61	30.75	0.00	31.20	32.9
TOTAL, ALL Sizes:	870	489	114	5782	7255
Row %	12.0	6.7	1.6	79.7	
Avg. #	2.09	1.71	1.51	1.43	1.56

CHARACTERISTICS OF EMPLOYMENT IN SSEs

The labor force of SSEs can be divided into four major types depending on the nature of employment: proprietors (or owner-operators), family members (not fully paid), hired workers (anybody who is fully paid), and trainees or apprentices.⁹ If any of these people were working in the enterprise, they are included in the labor force. Also, the category of family members does not include the proprietor nor does it include family members who are fully paid.

The relative distribution of the four labor categories within the three major sectoral grouping of enterprises is shown in Table 8 (a SSEs group level version of this table is given in Appendix V). The table shows that within the manufacturing sector, proprietors account for 92 percent of the total national SSE labor force. The corresponding values for trade/commerce and services are respectively 76 and 80 percent. The next labor force category with the highest percentage is hired labor whose values are given in the table as 5.26, 16.68, and 13.27 respectively for manufacturing, trade/commerce, and services. Among the SSE groups, foods employ the highest proportion (46.7 percent) of hired workers; foods are followed by ceramics and retail/trade each of which hires a third of its labor force. SSEs groups that have the lowest shares of hired workers include straw/cane, beer brewing, garment, and vending.

Overall both family labor and apprentice labor are insignificant in the context of Lesotho's SSEs. For all sectors combined, family labor contributes less than 4 percent while trainees or apprentices account for a minuscule 1.23 percent.

FEMALES IN LESOTHO'S SMALL-SCALE ENTERPRISES

To understand the importance of females in Basotho SSEs, three indicators are examined (see Table 9): the proportion of SSEs that are owned by females, the proportion of all females in all SSE labor force,¹⁰ and female labor force as proportion of all the labor force in female-owned SSEs only.

Female ownership is highest in manufacturing (84.2 percent of all SSEs) compared with commerce (65.7 percent) or services (31.2 percent). Within manufacturing, beer brewing has the highest (97.1 percent) followed by straw or grass work (95.2 percent) and knitting (88.2 percent). Females had no ownership in metal and repair (mechanical, electronic, or electrical) works. In commerce, the highest rate (83.7 percent) of female-owned SSEs is found in vending.

SSE groups that have a large proportion of female workers (including the proprietor) include straw/grass works (95.3 percent of all SSEs), beer brewing (94.4 percent), and garment (89.0 percent) in the manufacturing sector, and vending (78.9 percent) in the commerce sector. A little less than a fourth of the labor force in the services sector is female. SSE groups that have the lowest percentage of

⁹ Except for rounding discrepancies, the sum of the percentage shares of these four labor types should add up to 100.

¹⁰ The proportions of the female labor force for the different SSE groups in Table 8 are obtained by finding the average of proportions for individual SSEs. Another way of arriving at similar proportions is to add all females in a group and then divide the sum by the total labor force in the same group as is done in Table 9; the two proportions may not be identical.

female labor are metals (with 0.53 percent) and repairs (1.77 percent); for more details on the share of females within each SSE group, see Appendix VI.

TABLE 8
SECTORAL DISTRIBUTION OF LESOTHO'S SSE WORKERS
(weighted by stratum & SSE groups)

SECTORAL GROUPS	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
MFG.: SSEs, #	504	285	68	3349	4206
Workers, Avg. #	1.67	1.54	1.50	1.30	1.36
Proprietor %	87.37	84.82	84.12	93.20	91.78
Family %	2.35	3.36	3.30	1.59	1.83
Hired %	9.42	10.73	10.73	4.05	5.26
Trainees %	0.87	1.10	1.17	1.29	1.23
Females %	86.11	84.63	83.27	84.81	84.93
Part-time %	1.88	1.66	2.75	0.96	1.15
Children %	0.15	0.33	0.60	0.14	0.16
TRADE SSEs #	258	145	34	1724	2161
Workers, Avg. #	3.04	2.24	2.44	1.64	1.86
Proprietor %	70.73	72.82	63.95	76.99	75.76
Family %	4.06	4.83	6.94	7.19	6.65
Hired %	24.84	22.31	29.01	14.75	16.68
Trainees %	10.45	0.32	0.15	1.52	1.29
Females %	81.17	81.73	77.56	76.51	77.43
Part-time %	1.84	1.81	3.23	2.25	2.18
Children %	0.84	0.88	2.64	0.85	0.88
SERVICES: SSEs #	107	60	14	708	889
Workers, Avg. #	1.78	2.08	1.87	1.59	1.65
Proprietor %	85.69	80.23	77.03	78.56	79.50
Family %	1.72	2.80	4.15	5.93	5.19
Hired %	12.79	16.28	16.67	13.02	13.27
Trainees %	0.40	1.15	0.00	1.26	1.13
Females %	47.94	47.58	46.35	27.88	31.90
Part-time %	1.87	2.34	3.90	6.10	5.31
Children %	0.00	0.01	1.25	0.00	0.02
ALL SSEs: #	869	490	116	5,781	7,256
Workers, Avg #	2.10	1.80	1.82	1.43	1.56
Proprietor %	82.34	80.80	76.65	86.57	85.52
Family %	2.78	3.72	4.54	3.79	3.68
Hired %	14.51	14.70	16.80	8.34	9.64
Trainees %	0.69	0.88	0.72	1.36	1.23
Females %	80.09	79.33	77.12	75.36	76.22
Part-time %	1.87	1.79	2.95	1.97	1.96
Children %	0.34	0.45	1.29	0.34	0.36

The last column of Table 9 shows the proportion of the female labor force in female-owned SSEs. In almost all the sectors and SSE groups, female-owned SSEs employ far more females compared with all SSEs, sometimes by a factor of 5 or 6. For example, while the female labor force accounts for 76.8 percent of the total labor force in all manufacturing groups, this proportion jumps to 96.1 percent in SSEs

owned by females. To see whether or not female proprietors prefer female workers, one needs to look into each SSE type and check to see if the enterprise is traditionally the domain of female workers.

TABLE 9
INDICATORS OF FEMALE PARTICIPATION IN LESOTHO'S SSEs
(stratum and group weighted)

SSEs Groups	Percentage Shares of Females in		
	All SSEs Ownership	All SSEs Labor Force*	Female Owned SSEs L. Force*
Garment	88.2	89.0	97.9
Wood-Based	32.1	24.9	95.2
Straw/Grass	95.2	95.3	99.9
Metals	0.0**	3.4	0.0
Repairs	0.0	10.1	0.0
Leather/Plastic	7.0	12.9	96.5
Foods	41.2	74.1	93.9
Beer Brewing	97.1	94.4	95.8
Ceramics	15.3	11.5	64.0
Other Manufacturing	5.7	29.9	30.8
All Manufacturing	84.2	76.8	96.1
Retail/Wholesale Vending	41.2 83.7	63.0 78.9	81.6 93.5
All Trade/Commerce	65.7	68.8	89.1
All Services	31.2	23.2	87.0
All SSEs	72.2	67.0	93.6

* These are proportions of SSEs group sums and not the arithmetic means of proportions within individual SSEs.

** Zero values indicate that the proportion is less than 0.1%.

CHAPTER FOUR

BASIC CHARACTERISTICS OF LESOTHO'S SMALL-SCALE ENTERPRISES

BUSINESS OWNERSHIP TYPES AND ETHNIC BACKGROUND OF PROPRIETORS

Sole proprietorship is the most dominant form of ownership among SSEs in Lesotho and it accounts for 96.6 percent of all cases. The second highest percentage of 2.9 is for partnership. Cooperatives and limited liability companies account almost entirely for the balance. The relative importance of sole proprietorship increases as one moves from the urban to the rural localities.

Who are the owners of SSEs in Lesotho? Information on ethnic background of proprietors showed that the main ones were Masotho,¹ Europeans, Chinese, Zulus, Indians, and Xhosas. Almost 99 percent of the enterprises are owned by Masotho. The next highest percentage value (0.3) is for Europeans and amounts to 200-250 firms throughout the country; it is estimated that there are about 150 such establishments in Maseru alone. Chinese and Indians each account for less than .01 percent or roughly 60-80 and 100-150 SSEs respectively throughout the country. None of the three groups has SSEs in the EAs.

Combining both form of ownership and ethnic descent, both the Chinese and the Indians tend to favor sole proprietorship (each over 70 percent, compared to 28.6 percent for partnership); while the corresponding figures for SSEs under people of European descent are 24 and 43 percent respectively. Women are represented by 47, 45, and 33 percent in the labor force of SSEs owned by, respectively, Europeans, Indians and Chinese; the national ratio is 67 percent.

IMPORTANCE OF SSEs TO HOUSEHOLD INCOME

In the present study, proprietors of SSEs were asked to rank whether their primary SSE income contributed half, less than half, or more than half of their total household income. Household income is defined here as all income coming to the household, including (but not limited to) income from external and internal remittances by family members, agricultural income, and gifts. At the national level, 70 percent of all proprietors said that SSE income contributed more than half of total household income. The responses are shown in Appendix VII.

Looking at the two opposite values (in other words, greater than and less than 50 percent), the higher the percentage contribution to household income, the larger the SSEs tend to be and the longer (more months) they are operated during the year. Also, there is some relationship between gender of proprietor and the proportion of household income that is generated from small-scale enterprises: 78 percent of the men say that SSEs income contributes more than half of their household income compared

¹ Although people of Lesotho are called Masotho, the way it is used here means people of Lesotho origin.

to 68 percent for women. This may be due to certain much smaller SSEs types usually dominated by women such as straw/grass items, vending, and beer brewing activities. Only in the processing (not catering) of foods does it seem that a higher percentage of women get more than half of their income from SSE activity; retailing is also a close second.

WORKSHOP STRUCTURE AND BUSINESS LOCATION

The nature and location of a business workshop could be a sign of an enterprises's viability. Almost two-thirds of the workshops for all SSEs are housed in permanent structures; another fifth are in open spaces without any sheds or shelters, and only 0.5 percent are found in official or permanent (enclosed) market sheds.

With respect to location, 60 percent of the SSEs are located in the home, with another 11 percent located in the homestead. Thus two-thirds to three-fourths of all the SSEs are located in the home or home yard. Other forms of locations include mobile (9 percent), commercial or industrial areas (8 percent), road side (7 percent), and general market places (5 percent).

CHAPTER FIVE

BUSINESS PRACTICES AND DYNAMIC CHANGES: SUPPLEMENTARY SURVEY

As already indicated in Chapter One, the study of SSEs in Lesotho consisted of two parts. The content of the first part (the enumeration phase) has been the focus of discussion up to this point. In this chapter we incorporate information from the supplementary questionnaire given to 630 respondents from the first survey.¹ In examining SSEs in the supplementary study, there are four focuses: entrepreneurial characteristics, secular business changes over the years, nature of problems faced by SSEs, and access to external assistance such as credit or technical advice. Although all the SSE groups in the enumeration sample are represented in the supplementary sample, the latter is naturally dominated by SSE groups also dominant in the former sample.

PROPRIETORS AND THEIR BUSINESS PRACTICES IN LESOTHO'S SSEs

Salient information from the second study is presented in tabular format in Table 10. Nationally, the average age of the proprietors is 46 and there is not much difference between the strata. While the average age of the SSEs is lower compared to other countries, that of the proprietors is the opposite. Many of the proprietors might have started their SSEs after having been employed elsewhere. About 90 percent of the proprietors established the SSEs themselves from scratch. Other than through inheritance, none of the remaining means of acquiring an SSE (such as buying, renting, or by gift) accounts for more than 1 percent.

The percentage of proprietors who get one-half or more of their household income from agriculture is only 19 at the national level (and 44 for the EAs). Over half of the proprietors reported having no income from agriculture at all. This probably could be expected since they work six days a week and 10 hours a day on their small-scale enterprises.

The supplementary survey tried to gauge what alternatives proprietors had before they started the current enterprise and what motivated them to go into a particular SSE activity. A third (33.7 percent) of the proprietors said that if they had not entered the present SSE, they would have gone into another type of SSE activity. About a fourth (26.8 percent) said that they did not know any other alternative to go into and that the present SSE was the only option they had; a distant third said they would go into farming (12.2 percent), closely followed by possible private sector salaried employment (11.3 percent). Migrant workers or laborers accounted for only 3.3 percent of alternative income sources, perhaps indicating that many of them may have already been so employed.

¹ The enumeration study had 7,267 respondents out of which 630 were randomly picked for the supplementary survey; however, both beer brewers and vendors were restricted after each of their numbers included in the supplementary sample exceeded 100.

TABLE 10
 DESCRIPTIVE PROFILE OF SSEs
 IN THE SUPPLEMENTARY SURVEY
 (unweighted results)

Attributes	Maseru	S-Towns	R-Towns	EAs	Total
1. SSEs Basic Characteristics					
Number of SSEs in sample	142	270	114	104	630
Female owned in sample (%)	57	61	66	65	62
Average labor force size	3.5	2.3	2.1	1.54	2.4
Age of Enterprise (yrs)	6.9	7.5	8.8	7.3	7.4
SSEs 3 years old or less (%)	45	43	47	36	43
SSEs 10 years old or less (%)	79	83	74	73	79
SSEs more than 20 yrs old (%)	6	6	8	8	7
2. Proprietors:					
Average age	43	44	46	48	46
Started SSE from scratch (%)	91	91	90	94	91
Average number of days/week	6.3	6.2	6.2	6.2	6.2
Average number of hours/day	10.2	9.7	10.6	9.4	9.9
SSEs household income, >50%	72%	78	74	64	73
Agri. household income >50%	4%	10	14	24	12
Those with no agri. income (%)	72	59	55	31	57
3. Changes over last 5 years:					
Increase, no. of SSEs (%)	67	52	42	40	52
Decrease, no. of SSEs (%)	0*	2	2	2	1
Incr., Own Sales/Prodn. (%)	26	21	22	23	23
Decr., Own Sales/Prodn. (%)	5	10	8	6	8
Increase, Market Demand (%)	57	50	41	53	51
Decrease, Market Demand (%)	1	3	6	6	4
4. Secular Growth in SSEs**					
Yes, experienced growth period (%)	25	30	42	26	30
Years since growth occurred	3.4	3.5	4.2	4.6	3.8
Annual L. force growth rates (%)	4.5	9.9	0.2	2.8	4.1
5. Problems faced during:					
Starting a business (%)	65	65	65	62	64
Growth period (%)	12	15	24	11	15
Current period (%)	56	70	75	55	65
6. External Assistance:					
Received credit assistance (%)	6	8	7	7	7
Received Technical Assis. (%)	9	13	20	18	15

* A percentage value of 0 indicates the result is less than 1 percent

** The annual labor force growth rate since start of an SSE

As for motivation, the major factor (63.2 percent of the proprietors) was the opportunity to earn a better income. Training background in the activity currently pursued and family operation of the same or a similar SSE accounted for about 6 percent and 3 percent respectively of proprietor motivation.

In terms of marital status, 61 percent of the proprietors were married and living with their spouses at the time of the interview. Another 17 percent were widowed while 8 percent were single.

Over half (55.4 percent) of the proprietors own the premises where their workshops are located; ownership varied, however, from as low as 49 percent in Maseru to 81 percent in the rural areas. A third (31.7 percent) rent premises and less than 1 percent lease them. About 8 percent have free use of the spots where they do business.

About 14 percent of the proprietors said they keep complete books or records on their business. However, the largest group (68 percent) do not keep any books at all. The remaining respondents keep records of selected transactions; for example, 9 percent keep only purchases of raw materials.

The main source of supply for fabrication of inputs or goods for merchandise are the local small trader (35.2 percent), district (but outside the locality) small trader (17.3 percent), direct purchase from South Africa (15.9 percent), local large-scale supplier (15.7 percent), and district large-scale supplier (11.4). About 55 percent of the proprietors say that the main buyers of their products or merchandise are either urban or rural consumers, depending on where the SSE is located. Buyers such as tourists and retailers and direct sale to South Africa are relatively insignificant.

SSEs AND DYNAMIC CHANGES OVER THE YEARS

Two measures are used to get an indication of secular changes in the SSE scene: (1) the direction of overall business-related changes over the last five years based on proprietors' subjective perception or evaluation of their immediate surroundings; the variables estimated here are changes in the number of SSEs, in a respondent's SSE production or sales volume, and in the market demand for the key product in which the respondent is involved; and (2) changes in the number employed since the enterprise was started.

In the first approach, two extreme responses, "much increase" and "much decrease," are shown for the three variables in Table 10. The percentage point difference between these two responses should indicate the direction and significance of change — the bigger the difference the more likely the reported change has taken place. Thus, with 52 percent of the proprietors reporting growth in the number of SSEs compared to 2 percent for those who think it has declined, it seems a significant increase in the numbers of SSEs may have taken place. Both total or market demand for SSE products and own sales volume or production also seem to have registered some growth. Some of the recent growth is, no doubt, associated with South African firms opening branches in Lesotho to beat sanctions by the international community. All the strata seem to have experienced such a growth at about the same time, namely four years ago.

A more objective measure of change at the individual SSE level is the second measure: the change in the size of employment between the time the enterprise was started and the time the survey was taken.² In the Basotho SSEs, although the size of the total labor force grew at an annual rate of 4.10 percent for all SSEs in aggregate, about 68 percent showed no growth at all and 10 percent actually declined. At the sectoral level, the highest rate was recorded for trade/commerce with 8.10 percent;³ both services and manufacturing grew at very low rates of 1.32 and 1.17 percent, respectively.

Within manufacturing, highest growth of labor force was recorded by food processing (7.60 percent) and woodwork (5.48 percent); in commerce, major growth was achieved by retail/trade (7.18 percent) and vending (8.22 percent); there was little growth in services. Groups that showed either decline or no change include blacksmiths (-6.93 percent); beer brewing (-0.35 percent, particularly in rural areas); shoe repairs (0.44 percent); garment (1.00 percent); and services (1.68 percent, particularly in Maseru).

The average age of the SSEs is seven years and is almost uniform throughout all the four strata; as a group, Basotho SSEs are relatively young. At the national level, 43 percent of the SSEs are three years old or less and only 7 percent are older than 20 years. One would have expected the rural areas, heavily dominated by a traditional activity such as beer brewing, to show older SSEs than the rest of the country. This is not the case. Perhaps beer brewing is not a rewarding undertaking and people may be entering and exiting the activity at a high rate.

PROBLEMS FACED BY SSE PROPRIETORS

Proprietors were asked if they faced any business problems at the beginning when they started their SSEs, during a major growth period mentioned above, or at the time of the interview. The nature of the problems are described in Table 11. Two-thirds of the proprietors said that they experienced problems when they started their SSEs; a similar percentage responded that they were facing problems currently. The percentage of those who said they faced problems during their growth period is only 15. Two problems were repeatedly mentioned: problems of demand or product market and lack of funds. Both are at the top in all the periods.

The categories of problems mentioned in Table 11 can be subdivided further. For example, for the current period column, market or demand problems have to do with shortage of demand (15 percent), and bad debt (7 percent) due to extension of credit to clients. The problem with funds is entirely due to lack of working capital, which is understandable if the demand is low or money is being lost on bad debt. Workshop-related problems have to do with small space, total unavailability, and expensive rent. For tools or machinery, the complaint was that they were either unavailable or if available too expensive. The problem with unskilled labor was disloyalty or dishonesty of workers.

² Note the period of reference for the employment growth indicator is the age of the SSE and not just the last five years — hence, the difference in percentages between the two periods.

³ Separately, retail/wholesale and vending grew at 7.89 percent and 8.27 percent respectively.

TABLE 11
 PERCENTAGE BREAKDOWN OF SSE PROBLEMS
 ENCOUNTERED BY PROPRIETORS
 (unweighted)

Type of Problem	Currently	Growth Period	Initial Period
No Problems faced	35	84	36
Market demand	25	3	24
Lack of Funds	14	2	18
Poor Workshop	5	1	2
Problems of tools or Machinery	4	0*	3
Raw Materials Problems	4	2	4
Inadequate Transport. facilities	4	2	3
Old age/bad of health	3	0*	1
Government Policy	1	0*	0*
Prob. with Skilled Labor	1	1	1
Prob., Unskilled Labor	1	1	1
Problem with Utilities	1	0*	1
Other types of problems	3	2	5

* The percentage point is less than or equal to 0.5.

CHAPTER SIX

CONCLUSION

Lesotho has 102,968 SSEs employing 161,284 people and providing close to three-fourths of the proprietors with more than half of their household income. Their basic characteristics are summarized in Table 12. As shown in the table, almost four-fifths of the enterprises are found in the rural areas or the EAs; about half are in manufacturing, close to a third in trade or commerce, and the balance in service activities. The most prevalent SSE activities are beer brewing, knitting, and vending.

Although Basotho SSEs are typical in the kinds of activity performed, they are small in size. The average labor force size in each stratum is less than two, except in Maseru. SSEs with only one person working there account for 80 percent of all SSEs. Only 3 percent of them employ more than five people. Family members (including the proprietor) account for almost 90 percent of the total labor force. At the national level, only 10 percent of the SSE labor force is hired, the rest being family labor or apprenticeship. Women play a dominant role in the SSE sector. They account for two-thirds of the labor force in all SSEs and own almost 75 percent of them.

The average age of the proprietor is 46 years. SSEs, on the other hand, are only seven years old on average; over 40 percent of them are less than three years old. Over the years, the number of SSEs in Lesotho has increased significantly. However, the rate of growth within individual SSEs, though 4.1 percent in aggregate for employment growth, is much less notable and highly variable; some have declined, such as blacksmiths.

To conclude, SSEs proprietors have two major problems: lack of working capital and inadequate product demand/market. Very few of them had received any formal assistance.

TABLE 12
SUMMARY OF BASIC CHARACTERISTICS IN LESOTHO'S SSEs

Characteristics	Maseru	Small Towns	Rural Towns	Rural EAs	Total
1. Small Scale Enterprises:					
a. Each stratum's share of the total estimated SSEs	12.0%	6.8	1.6	79.6	100
b. One-person operated SSEs	76%	74	72	81	79.6
c. SSEs with labor force >5	6.5%	4.1	1.8	1.4	2.2
d. Months of operation/year	11.5	11.8	11.5	11.4	11.6
e. SSEs owned by Masotho	95.5%	97.5	100	99.5	97.0
f. Sole proprietorship as a form of ownership	93.3%	95.3	94.7	97.2	96.6
2. Total SSEs Labor Force:					
a. Arithmetic mean/SSE	2.1	1.7	1.5	1.4	1.6
b. Share of proprietors and family members	87.4%	83.0	81.2	84.5	89.2
c. Share of females in	80.1%	79.3	77.1	75.4	76.2
d. Share of children in	0.0%*	0.0	1.2	0.0	0.0
e. Part-time workers' share	1.9%	2.3	1.2	0.0	2.0
3. Distribution of all SSEs:					
a. Manufacturing	36.1%	40.8	52.5	62.8	58.0
b. Trade or Commerce	40.7%	43.7	34.5	26.9	29.8
c. Service	23.2%	15.5	13.0	10.3	12.2
4. Female-owned SSEs:					
a. As % of all SSEs	75.6%	76.3	74.8	71.2	72.2
b. Their Share in total employment	50.4%	58.1	56.5	59.9	58.6
5. SSEs Household income >50%	75.5%	73.7	63.5	72.1	70.4

* A percentage value of 0 indicates the result is less than 1 percent.

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APPENDIX TABLES

APPENDIX I

TABULAR PRESENTATION OF SAMPLING APPROACH
(POPULATION ESTIMATES ARE FROM MID-1986 CENSUS)

COUNTRY-WIDE STRATUM	STRATUM LOCALITIES			STRATUM POPULATION	
	Total Number	Number Sampled	Percent Sampled	Total Size	Percent Sampled
1. Maseru Urban Blocks:	169*	33	19.5	113,427	16.0
- High income ^a	25	10	40.0	8,032	33.3
- Medium Income	16	7	43.8	7,854	42.1
- Low income	128	16	12.5	97,541	12.5
2. Small Towns:	7	4	57.1	81,621	50.1
- Buthe-Buthe	1	---	---	8,340	--
- Hlotse	1	1		8,076	100.0
- Maiteng	1	1		12,171	100.0
- Maputsoe	1	--		10,577	--
- Nohale's Hoek	1	1		7,675	100.0
- feyateyaneng	1	1		12,934	100.0
- Thota-ea-Moli	1	--		21,848	--
3. Rural Towns:	8	5	62.5	30,369	54.3
- Mapoteng	1	--		3,921	--
- Mokhotlong	1	1		2,394	100.0
- Morija	1	1		1,992	100.0
- Moyeni	1	--		4,306	--
- Qacha's Nek	1	1		4,595	100.0
- Peka	1	--		5,654	--
- Roma	1	1		5,358	100.0
- Thaba-Tseka	1	1		2,149	100.0
4. Rural EAs:	2,297	18	0.8	1,500,430	1.5
- Lowlands***	952	7	0.7	642,929	1.2
- Foothills	644	5	0.7	375,474	1.1
- Mountains	465	3	0.6	296,243	1.2
- SRV	236	3	1.3	185,784	3.7

* Income level zones adopted from the 1986 population census;

** The two dashes show the locality was not in the sample.

*** The altitudes above sea level for these ecological zones are, Lowlands, 1388 to 1750 meters; Foothills, 1750 to 2250 m.;

• Mountain Areas (including SRVs or mountain river valleys), 2250 to 3582 m. SRV stands for Senqu River Valleys.

APPENDIX II

INDUSTRIAL AND STRATUM DISTRIBUTION OF ENTERPRISES AND
EMPLOYMENT FROM LESOTHO ENUMERATION SURVEY (SUMMER 1990)
(WEIGHTED BY STRATUM AND SSE GROUP)

SSE GROUPS		POPULATION STRATA OF SURVEY					
		MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL	
GARMENTS:	SSEs #	1,460	1,020	275	11,797	14,552	
	Row. %	10.0%	7.0%	1.9%	81.1%	14.1%	
	Col. %	11.8%	14.6%	16.2%	14.4%		
	Employment #	2,511	1,632	404	16,044	20,591	
	Row. %	12.2%	7.9%	1.9%	78.0%	11.4%	
	Col. %	8.7%	12.5%	12.9%	13.8%		
	Avg. #	1.72	1.60	1.47	1.36	1.41	
	Dev. #	3.15	2.40	1.35	1.60	1.87	
	<hr/>						
	WOOD-BASED:	SSEs #	186	78	17	1,311	1,592
Row. %		11.7%	4.9%	1.1%	82.3%	1.5%	
Col. %		2.4%	2.2%	1.7%	5.0%		
Employment #		798	178	51	1,914	2,941	
Row. %		27.1%	6.1%	1.7%	65.1%	4.9%	
Col. %		3.2%	2.2%	2.1%	5.7%		
Avg. #		4.29	2.28	3.00	1.46	1.73	
Dev. #		6.40	2.59	3.90	3.00	3.31	
<hr/>							
STRAW/BAMBOO:		SSEs #	111	77	15	2,785	2,988
	Row. %	3.7%	2.6%	0.5%	93.2%	2.9%	
	Col. %	0.9%	1.1%	0.9%	3.4%		
	Employment #	118	109	17	4,734	4,978	
	Row. %	2.4%	2.2%	0.3%	95.1%	4.9%	
	Col. %	0.4%	0.8%	0.5%	4.1%		
	Avg. #	1.06	1.42	1.13	1.70	1.67	
	Dev. #	0.2357	2.60	0.3535	3.66	2.59	

Appendix II - Continued

		STRATUM				
SSEGROUP		MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
METALS:	SSEs #	161	70	5	164	400
	Row. %	40.2%	17.5%	1.3%	41.0%	0.4%
	Col. %	1.3%	1.0%	0.3%	0.2%	
	Employment #	768	146	7	164	1,085
	Row. %	70.8%	13.5%	0.6%	15.1%	0.7%
	Col. %	2.6%	1.1%	0.2%	0.2%	
	Avg. #	4.77	2.09	1.33	1.00	2.57
Dev. #	8.74	1.58	0.00	0.1953	5.46	
REPAIRS:	SSEs #	223	112	17	410	762
	Row. %	29.6%	14.8%	1.9%	53.7%	0.7%
	Col. %	1.8%	1.6%	1.0%	0.5%	
	Employment #	1,313	332	34	410	2,089
	Row. %	62.7%	16.2%	1.5%	19.6%	1.3%
	Col. %	4.6%	2.6%	1.1%	0.4%	
	Avg. #	5.89	2.96	2.00	1.00	2.73
Dev. #	8.83	3.01	0.00	0.03833	5.27	
LTHR/PLSTC:	SSEs #	359	133	44	1,474	2,010
	Row. %	17.9%	6.6%	2.2%	73.3%	1.9%
	Col. %	2.9%	1.9%	2.6%	1.8%	
	Employment #	1,124	231	62	2,520	3,937
	Row. %	28.5%	5.9%	1.6%	64.0%	2.4%
	Col. %	3.9%	1.8%	2.0%	2.1%	
	Avg. #	3.13	1.74	1.42	1.72	1.98
Dev. #	6.44	1.28	0.8448	1.10	2.92	

Appendix II - Continued

SSEGROUP		STRATUM				TOTAL
		MASERU	S-TOWNS	R-TOWNS	E-AREAS	
FOODS:	SSEs #	148	49	39	492	728
	Row. %	20.3%	6.7%	5.4%	67.6%	0.7%
	Col. %	1.2%	0.7%	2.3%	0.6%	
	Employment #	663	153	73	1,082	1,971
	Row. %	33.6%	7.8%	3.7%	54.9%	1.3%
	Col. %	2.4%	1.3%	2.3%	1.0%	
	Dev. #	3.72	2.41	1.57	0.9825	2.11
BEVERAGES:	SSEs #	1,571	1,124	453	31,131	34,279
	Row. %	4.6%	3.3%	1.3%	90.8%	33.3%
	Col. %	12.7%	16.1%	26.7%	38.0%	
	Employment #	1,681	1,383	571	33,933	37,568
	Row. %	4.5%	3.7%	1.5%	90.3%	23.3%
	Col. %	5.9%	10.7%	18.4%	29.1%	
	Dev. #	0.2696	0.5511	0.7129	0.5224	0.5181
CERAMICS:	SSEs #	173	119	22	1,557	1,871
	Row. %	9.2%	6.1%	1.5%	83.2%	1.8%
	Col. %	1.4%	1.7%	1.3%	1.9%	
	Employment #	709	568	116	4,873	6,266
	Row. %	11.5%	9.2%	1.8%	77.5%	3.9%
	Col. %	2.5%	4.4%	3.7%	4.1%	
	Dev. #	4.10	4.77	5.25	3.13	3.35
		2.72	6.69	8.43	4.19	4.30

Appendix II - Continued

SSEGROUP		STRATUM				TOTAL	
		MASERU	S-TOWNS	R-TOWNS	E-AREAS		
OTHER MFG:	SSEs #	74	63	3	328	468	
	Row. %	15.8%	13.5%	0.6%	70.1%	0.4%	
	Col. %	0.6%	0.9%	0.2%	0.4%		
	Employment #	598	101	6	436	1,141	
	Row. %	52.4%	8.9%	0.5%	38.2%	0.7%	
	Col. %	2.0%	0.7%	0.2%	0.4%		
	Avg. #	8.08	1.60	2.00	1.33	2.48	
	Dev. #	13.81	0.9340	0.00	0.5033	5.69	
	WHOLESALE/ RETAIL:	SSEs #	1,633	844	227	10,404	13,108
	Row. %	12.4%	6.4%	1.6%	79.5%	12.7%	
Col. %	13.2%	12.1%	13.4%	12.7%			
Employment #	9,226	3,359	903	23,513	37,001		
Row. %	24.7%	9.4%	2.4%	63.5%	22.9%		
Col. %	32.1%	25.7%	28.9%	20.1%			
Avg. #	5.65	3.98	3.98	2.26	2.83		
Dev. #	8.32	5.85	4.34	3.06	4.45		
VENDING:	SSEs #	3,402	2,206	358	11,633	17,599	
	Row. %	19.4%	12.6%	2.0%	66.0%	17.1%	
	Col. %	27.5%	31.6%	21.1%	14.2%		
	Employment %	4,116	2,537	462	13,611	20,726	
	Row. %	19.9%	12.3%	2.2%	65.6%	12.8%	
	Col. %	14.4%	19.6%	14.8%	11.7%		
	Dev. #	1.21	1.15	1.29	1.17	1.18	
	0.9277	0.6553	0.7764	0.4780	0.6188		

Appendix II - Continued

SSEGROUP	STRATUM					TOTAL
	MASERU	S-TOWNS	R-TOWNS	E-AREAS		
SERVICES:	SSEs #	2,870	1,083	220	8,438	12,611
	Row. %	22.9%	8.7%	1.7%	66.7%	12.2%
	Col. %	23.2%	15.5%	13.0%	10.3%	
	Employment #	5,080	2,231	414	13,416	21,141
	Row. %	24.7%	10.0%	1.9%	63.4%	13.1%
	Col. %	17.7%	17.3%	13.3%	11.5%	
	Avg. #	1.77	2.06	1.88	1.59	1.67
	Dev. #	2.60	3.23	3.14	1.30	1.93
TOTAL NUMBER OF SSEs		12,371	6,978	1,695	81,924	102,968
	Row. %	12.0%	6.8%	1.6%	79.6%	
TOTAL EMPLOYMENT #		28,705	12,960	3,120	116,650	161,435
	Row. %	17.8%	8.0%	1.9%	72.3%	
	Avg. #	2.32	1.86	1.84	1.42	1.56
	Dev. #	4.49	2.95	2.41	1.69	2.34

APPENDIX III

THE FIRST 20 MOST DOMINANT
SSE TYPES IN STRATASTRATUM #1: MASERU

<u>SSE TYPE</u>	<u>COUNT</u>	<u>%</u>	<u>CUM %</u>
RENTING BLDG	349	17.0	17.0
BEER BREWING	260	12.7	29.7
V-AGRI PRODTS	217	10.6	40.3
V-FOODS	183	8.9	49.2
KNITTING	151	7.3	56.5
O-VENDING	75	3.6	60.1
V-GARMENTS	73	3.6	63.7
GROCERY	70	3.4	67.1
TAILORING	58	2.8	69.9
CONSTRUCTION	57	2.8	72.7
SHOES	53	2.6	75.3
R-GARMENTS	46	2.2	77.5
O-RETAIL	34	1.7	79.2
DRESSMAKING	31	1.5	80.7
BARS	30	1.5	82.2
BRICKS	20	1.0	83.2
HERBALIST	20	1.0	84.2
BUTCHERY	18	0.9	85.1
GRASS-PRDTS	17	0.8	85.9
ELECTRONIC REP.	17	0.8	86.7

STRATUM #2: Smaller Towns

<u>SSE TYPES</u>	<u>COUNT</u>	<u>%</u>	<u>CUM %</u>
BEER BREWING	562	16.1	16.1
V-AGRI PRODTS	536	15.3	31.4
V-FOODS	320	9.2	40.6
RENTING BLDG	281	8.0	48.6
KNITTING	275	7.9	56.5
GROCERY	175	5.0	61.5
V-GARMENTS	127	3.6	65.1
TAILORING	116	3.3	68.4
DRESSMAKING	109	3.1	71.5
O-VENDING	98	2.8	74.3
CONSTRUCTION	91	2.6	76.9
HERBALIST	62	1.8	78.7
SHOES	61	1.7	80.4
HAIR SALOON	54	1.5	81.9
BRICKS	45	1.3	83.2
BARS	44	1.3	84.5
GRASS-PRODTS	37	1.1	85.6
CARPENTRY	30	0.9	86.5
RETAIL/POULTRY	29	0.8	87.3
RESTAURANTS	27	0.8	88.1

STRATUM #3: RURAL TOWNS

<u>SSE TYPE</u>	<u>COUNT</u>	<u>%</u>	<u>CUM %</u>
BEER BREWING	246	26.7	26.7
KNITTING	95	10.3	37.0
V-FOODS	75	8.2	45.2
RENTING BLDG	71	7.7	52.9
GROCERY	56	6.1	59.0
V-GARMENTS	55	6.0	65.0
V-AGRI PRODTS	49	5.3	70.3
DRESSMAKING	27	2.9	73.2
TAILORING	22	2.4	75.6
G-TRADER	21	2.3	77.9
SHOEMAKING/REP.	19	2.1	80.0
BUTCHERY	16	1.7	81.7
HERBALIST	15	1.6	83.3
RESTAURANTS	13	1.4	84.7
CONSTRUCTION	12	1.3	86.0
O-VENDING	10	1.1	87.1
HAIR SALOON	9	1.0	88.1
BARS	8	0.9	89.0
RETAIL/CHCK	7	0.8	89.8
O-GARMENT	5	0.5	90.3

STRATUM #4: THE EAS

<u>SSE TYPE</u>	<u>COUNT</u>	<u>%</u>	<u>CUM %</u>
BEER BREWING	303	38.0	38.0
KNITTING	64	8.0	46.0
GROCERY	55	6.9	52.9
CONSTRUCTION	36	4.5	57.4
V-AGRI PRODTS	33	4.1	61.5
TAILORING	30	3.8	65.3
V-GARMENTS	28	3.5	68.8
GRASS-PRODTS	26	3.3	72.1
V-FOODS	24	3.0	75.1
RENTING BLDG	24	3.0	78.1
BARS	18	2.3	80.4
O-VENDING	16	2.0	82.4
HERBALIST	16	2.0	84.4
DRESSMAKING	11	1.4	85.8
SHOES	10	1.3	87.1
R- GARMENTS	9	1.1	88.2
V-FOREST-BASED	8	1.0	89.2
WEAVING	7	0.9	90.1
BRICKS	6	0.8	90.9
MASONRY	6	0.8	91.7

APPENDIX IV
 AVERAGE SIZE OF SSE GROUPS
 IN DIFFERENT STRATA
 (unweighted)*

SSE GROUPS		POPULATION STRATA OF SURVEY				TOTAL
		MASERU	S-TOWNS	R-TOWNS	E-AREAS	
Garment	Avg. #	1.72	1.60	1.47	1.36	1.59
Wood-Based	Avg. #	4.29	2.28	3.00	1.46	2.90
Fores-Based	Avg. #	1.06	1.42	1.13	1.70	1.42
Metals	Avg. #	4.77	2.09	1.33	1.00	3.09
Repairs	Avg. #	5.89	2.96	2.00	1.00	3.82
Leather/ Plastics	Avg. #	3.13	1.74	1.42	1.72	2.21
Foods	Avg. #	4.48	3.12	1.86	2.20	3.16
Beer Brewing	Avg. #	1.07	1.23	1.26	1.09	1.18
Ceramics	Avg. #	4.10	4.77	5.25	3.13	4.44
Other Mfg.	Avg. #	8.08	1.60	2.00	1.33	3.26
All Mfg.	Avg. #	2.30	1.70	1.51	1.29	1.75
Retail/W.s.	Avg. #	5.65	3.98	3.98	2.26	4.28
Vending	Avg. #	1.21	1.15	1.29	1.17	1.18
All trade	Avg. #	2.60	1.85	2.33	1.69	2.11
All Services	Avg. #	1.77	2.06	1.88	1.59	1.91
All SSEs	Avg. #	2.32	1.86	1.84	1.42	1.94

* Note that the average figures are not weighted at all; this has the effect of raising the average figure for the totals since it would be slightly biased in favor of the more urban areas which are bigger. Also, lack of SSEs group weights means that there would be the same effect since using group weights would have pooled the average down in favor of the more numerous but smaller rural SSEs-- Stratum weights affect values within a SSEs group while Group weights affect values within stratum. Note that Stratum weights do not affect stratum means of Table 9.

APPENDIX V

DISTRIBUTION OF LESOTHO'S SSE WORKERS
AMONG DIFFERENT LABOR FORCE TYPES
(WEIGHTED BY STRATUM & SSE GROUP)

SSE GROUP	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
Garments:					
Avg. Workers #	1.72	1.61	1.45	1.36	1.42
Proprietor %	84.85	88.81	84.00	94.10	92.47
Family %	2.56	2.16	4.19	1.16	1.44
Hired %	11.23	7.36	7.77	2.39	3.88
Trainees %	2.07	2.55	3.16	3.11	2.95
Females %	94.78	93.60	91.51	86.99	88.45
Part-time %	2.43	2.91	2.63	0.45	0.88
Children %	0.41	0.30	1.65	0.30	0.33
Wood-based:					
Avg. Workers #	4.22	2.12	4.36	1.47	1.89
Proprietor %	52.27	58.49	89.28	89.45	82.59
Family %	7.00	6.37	4.00	0.00	0.49
Hired %	44.33	26.00	38.69	10.99	16.48
Trainees %	2.12	3.19	0.00	0.00	0.49
Females %	11.75	16.12	4.00	42.32	36.29
Part-time %	2.12	3.03	4.00	7.69	6.63
Children %	0.00	2.52	0.00	0.00	0.18
Straw/Cane:					
Avg. Workers #	1.08	1.46	1.26	1.71	1.61
Proprietor %	98.96	92.43	112.23	100.17	99.68
Family %	2.82	2.72	0.00	0.00	0.51
Hired %	0.00	7.91	0.00	0.00	0.53
Trainees %	0.00	0.00	0.00	0.00	0.00
Females %	96.03	89.61	112.23	96.45	96.17
Part-time %	2.82	0.00	0.00	3.71	3.30
Children %	0.00	0.00	0.00	0.00	0.00

Appendix V - Continued

SSE GROUP	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
Metals:					
Avg. Workers #	4.61	1.96	0.00	0.98	1.44
Proprietor %	62.47	67.00	0.00	97.93	91.92
Family %	0.00	1.98	0.00	0.00	0.14
Hired %	29.72	19.42	0.00	0.00	4.57
Trainees %	3.98	5.10	0.00	0.00	0.79
Females %	1.47	5.15	0.00	0.00	0.53
Part-time %	4.30	1.42	0.00	0.00	0.56
Children %	4.64	1.42	0.00	0.00	0.60
Repairs:					
Avg. Workers #	5.89	3.44	1.67	1.00	1.77
Proprietor %	57.11	65.76	57.17	99.76	91.70
Family %	1.38	9.23	0.00	0.00	0.68
Hired %	39.55	30.72	9.81	0.00	6.89
Trainees %	3.24	5.74	11.45	0.00	0.93
Females %	8.99	11.54	0.00	0.00	1.77
Part-time %	0.86	7.86	9.80	0.00	0.72
Children %	0.00	0.00	0.00	0.00	0.00
Leather/Plastic:					
Avg. Workers #	3.22	1.67	1.47	1.72	1.89
Proprietor %	67.43	70.77	84.15	77.33	75.78
Family %	4.18	2.22	2.37	3.58	3.54
Hired %	31.21	23.07	13.05	16.71	18.84
Trainees %	2.76	0.55	0.00	2.39	2.27
Females %	14.65	15.49	1.19	11.74	12.20
Part-time %	1.51	0.70	7.11	3.58	3.18
Children %	0.57	0.35	4.74	0.00	0.16

Appendix V - Continued

SSE GROUP	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
Foods:					
Avg. Workers #	4.55	3.11	1.31	2.22	2.53
Proprietor %	45.72	43.90	38.75	40.63	41.38
Family %	8.83	5.80	5.52	13.67	12.47
Hired %	49.52	48.00	25.85	46.71	46.71
Trainees %	0.00	2.84	0.00	0.00	0.17
Females %	67.36	61.81	52.29	87.65	83.05
Part-time %	1.12	1.14	2.11	6.67	5.60
Children %	0.00	0.57	0.00	0.00	0.03
Beer Brewing:					
Avg. Workers #	1.07	1.22	1.25	1.09	1.10
Proprietor %	95.67	88.81	86.25	95.60	95.00
Family %	1.98	3.62	3.28	1.54	1.76
Hired %	2.11	6.80	8.57	1.98	2.43
Trainees %	0.00	0.41	0.40	0.79	0.66
Females %	96.51	95.64	93.09	96.81	96.63
Part-time %	1.54	1.24	2.41	0.33	0.57
Children %	0.00	0.27	0.00	0.00	0.02
Ceramics:					
Avg. Workers #	4.07	4.89	5.15	3.14	3.39
Proprietor %	39.95	39.39	36.00	66.59	61.21
Family %	1.97	5.67	4.89	4.46	4.23
Hired %	48.88	56.10	50.36	28.92	33.35
Trainees %	4.68	0.00	0.00	0.00	0.57
Females %	25.85	5.77	3.69	14.70	15.34
Part-time %	3.28	0.60	2.60	2.22	2.26
Children %	0.00	0.11	1.96	2.22	1.82

Appendix V -- Continued

SSE GROUP	STRATUM				
	HASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
Other Manufacturing: Avg. Workers #	8.84	1.41	1.07	1.32	2.18
Proprietor %	34.61	55.46	26.70	98.89	85.76
Family %	13.83	1.26	0.00	0.00	1.69
Hired %	51.59	31.17	26.70	0.00	9.33
Trainees %	0.00	0.00	0.00	0.00	0.00
Females %	41.88	39.24	0.00	16.42	20.81
Part-time %	0.00	0.00	0.00	0.00	0.00
Children %	0.00	0.00	0.00	0.00	0.00
TOTAL	504	285	68	3349	4206
MANUFACTURING:					
Avg. Worker #	1.67	1.54	1.50	1.30	1.36
Proprietor %	87.37	84.82	84.12	93.20	91.78
Family %	2.35	3.36	3.30	1.59	1.83
Hired %	9.42	10.73	10.73	4.05	5.26
Trainees %	0.87	1.10	1.17	1.29	1.23
Females %	86.11	84.63	83.27	84.81	84.93
Part-time %	1.88	1.66	2.75	0.96	1.15
Children %	0.15	0.33	0.60	0.14	0.16
Retail/Wholesale:					
Avg Workers #	5.58	3.77	3.98	2.26	2.78
Proprietor %	44.58	45.17	40.08	57.74	55.08
Family %	6.01	8.16	9.99	13.49	12.20
Hired %	49.39	46.71	50.48	28.75	32.73
Trainees %	0.40	0.44	0.34	0.00	0.08
Females %	68.74	69.24	65.06	68.80	68.76
Part-time %	3.18	2.91	4.25	2.89	2.95
Children %	0.79	0.89	1.33	1.40	1.29

Appendix V - Continued

SSE GROUP	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
Vending:					
Avg Workers, #	1.21	1.15	1.29	1.17	1.17
Proprietor %	90.28	92.33	81.92	91.30	91.09
Family %	2.67	2.46	4.77	2.51	2.56
Hired %	7.08	4.94	12.79	4.35	4.85
Trainees %	0.49	0.23	0.00	2.65	2.19
Females %	90.79	90.61	87.35	82.24	83.91
Part-time %	0.88	1.03	2.49	1.77	1.62
Children %	0.88	0.88	3.55	0.44	0.57
TOTAL TRADE OR COMMERCE:					
Avg. Workers, #	258	145	34	1724	2161
Proprietor %	70.73	72.82	63.95	76.99	75.76
Family %	4.06	4.83	6.94	7.19	6.65
Hired %	24.84	22.31	29.01	14.75	16.68
Trainees %	0.45	0.32	0.15	1.52	1.29
Females %	81.17	81.73	77.56	76.51	77.43
Part-time %	1.84	1.81	3.23	2.25	2.18
Children %	0.84	0.88	2.64	0.85	0.88
SERVICES:					
Avg Workers #	107	60	14	708	889
Proprietor %	1.78	2.08	1.87	1.59	1.65
Proprietor %	85.69	80.23	77.03	78.56	79.50
Family %	1.72	2.80	4.15	5.93	5.19
Hired %	12.79	16.28	16.67	13.02	13.27
Trainees %	0.40	1.15	0.00	1.26	1.13
Females %	47.94	47.58	46.35	27.88	31.90
Part-time %	1.87	2.34	3.90	6.10	5.31
Children %	0.00	0.01	1.25	0.00	0.02

Appendix V - Continued

SSE GROUP	STRATUM				
	MASERU	S-TOWNS	R-TOWNS	E-AREAS	TOTAL
TOTAL, ALL SSEs:					
Avg Workers #	2.10	1.80	1.82	1.43	1.54
Proprietor %	82.34	80.80	76.65	86.57	85.52
Family %	2.78	3.72	4.54	3.79	3.68
Hired %	14.51	14.70	16.80	8.34	9.64
Trainees %	0.69	0.88	0.72	1.36	1.23
Females %	80.09	79.33	77.12	75.36	76.22
Part-time %	1.87	1.79	2.95	1.97	1.96
Children %	0.34	0.45	1.29	0.34	0.36

APPENDIX VI

DISTRIBUTION OF SSES WITHIN A GROUP
ACCORDING TO GENDER OF OWNER
(WEIGHTED BY STRATUM & SSE GROUP)

GENDER CLASSIFICATION WITHIN ENTERPRISE GROUPS			STRATUM			
			MASERU	S-TOWNS	R-TOWNS	E-AREAS
Total # (Unweighted)		7237	2048	3472	920	797
Weighted %	R	100.0	12.0	6.8	1.6	79.7
	C	100.0	100.0	100.0	100.0	100.0
Garments						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	14.1	14.2	14.2	14.1	14.1
Female	R	100.0	12.8	7.1	1.6	78.5
	C	12.5	13.3	13.1	12.7	12.3
Male	R	100.0	5.5	4.0	1.2	89.3
	C	1.6	0.8	1.0	1.2	1.8
Shared	R	100.0	56.8	30.8	12.4	
	C		0.1	0.1	0.2	
Wood-based						
-----	R	100.0	12.0	6.6	1.6	79.7
	C	1.5	1.6	1.5	1.5	1.5
Female	R	100.0	2.4	1.6	0.6	95.4
	C	0.5	0.1	0.1	0.2	0.6
Male	R	100.0	18.3	10.0	2.0	69.7
	C	1.0	1.5	1.4	1.2	0.8
Shared	R	100.0			2.8	97.2
	C				0.2	0.1
Straw/Grass						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	2.9	2.9	2.9	2.9	2.9
Female	R	100.0	11.2	6.2	1.7	80.8
	C	2.8	2.6	2.5	2.9	2.8
Male	R	100.0	14.8	19.8		65.4
	C	0.1	0.2	0.4		0.1
Shared	R	100.0	100.0			
	C		0.2			

Appendix VI - Continued

WITHIN ENTERPRISE GROUPS			MASERU	S-TOWNS	R-TOWNS	E-AREAS
Metals						
-----	R	100.0	11.6	6.8	1.6	80.0
	C	0.4	0.4	0.4	0.4	0.4
Female	R	100.0	69.7	30.3		
	C					
Male	R	100.0	10.7	6.7	1.6	81.3
	C	0.4	0.3	0.4	0.4	0.4
Shared	R	100.0	100.0			
	C					

Repairs						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	0.8	0.8	0.8	0.8	0.8
Female	R	100.0		72.9	27.1	
	C					
Male	R	100.0	11.2	6.2	1.4	81.1
	C	0.7	0.7	0.7	0.7	0.8
Shared	R	100.0	80.3	19.7		
	C					

Leather/Plastic						
-----	R	100.0	11.8	6.8	1.6	79.8
	C	2.0	1.9	2.0	2.0	2.0
Female	R	100.0	13.5	6.8	2.7	77.0
	C	0.1	0.2	0.1	0.2	0.1
Male	R	100.0	11.3	6.7	1.5	80.4
	C	1.8	1.7	1.8	1.7	1.8
Shared	R	100.0	80.0	20.0		
	C					

Appendix VI - Continued

WITHIN ENTERPRISE GROUPS			MASERU	S-TOWNS	R-TOWNS	E-AREAS
Foods						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	0.7	0.7	0.7	0.7	0.7
Female	R	100.0	10.5	9.5	3.0	77.1
	C	0.3	0.3	0.4	0.5	0.3
Male	R	100.0	9.4	5.1	0.7	84.8
	C	0.4	0.3	0.3	0.2	0.4
Shared	R	100.0	100.0			
	C		0.1			
Beer Brewing						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	33.3	33.4	33.4	33.3	33.3
Female	R	100.0	11.8	6.7	1.6	79.9
	C	32.3	31.9	32.1	31.5	32.4
Male	R	100.0	14.8	8.7	2.9	73.6
	C	0.8	1.0	1.1	1.5	0.8
Shared	R	100.0	29.9	10.5	2.8	56.8
	C	0.2	0.4	0.2	0.3	0.1
Ceramics						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	1.8	1.8	1.8	1.8	1.8
Female	R	100.0	19.4	6.1	3.6	71.0
	C	0.3	0.4	0.2	0.6	0.2
Male	R	100.0	9.4	6.8	1.3	82.5
	C	1.5	1.2	1.5	1.2	1.6
Shared	R	100.0	84.6	15.4		
	C		0.2			

Appendix VI - Continued

WITHIN ENTERPRISE GROUPS			MASERU	S-TOWNS	R-TOWNS	E-AREAS
Othr mfg						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	0.5	0.5	0.5	0.5	0.5
Female	R	100.0	57.0	43.0		
	C		0.1	0.2		
Male	R	100.0	11.9	6.7	2.4	79.0
	C	0.3	0.3	0.3	0.5	0.3
Shared	R	100.0	3.6			96.4
	C	0.1				0.2
Retail/W-sale						
-----	R	100.0	11.8	6.6	1.6	80.0
	C	12.7	12.5	12.4	12.7	12.7
Female	R	100.0	13.8	7.9	1.6	76.7
	C	5.2	6.0	6.1	5.3	5.0
Male	R	100.0	8.6	5.3	1.6	84.4
	C	6.5	4.7	5.2	6.5	6.9
Shared	R	100.0	23.7	8.2	1.6	66.5
	C	0.9	1.8	1.1	0.9	0.8
Vending						
-----	R	100.0	12.0	6.8	1.6	79.6
	C	17.1	17.2	17.2	17.1	17.1
Female	R	100.0	12.9	7.3	1.6	78.2
	C	14.3	15.5	15.5	14.6	14.1
Male	R	100.0	7.1	4.5	1.4	87.0
	C	2.5	1.5	1.7	2.2	2.7
Shared	R	100.0	9.2	1.5	2.0	87.2
	C	0.3	0.2		0.4	0.3

Appendix VI - Continued

WITHIN ENTERPRISE GROUPS			MASERU	S-TOWNS	R-TOWNS	E-AREAS
Services						
----- R		100.0	12.0	6.8	1.6	79.6
	C	12.2	12.3	12.3	12.2	12.2
Female	R	100.0	16.7	9.8	2.0	71.5
	C	3.8	5.3	5.5	4.9	3.4
Male	R	100.0	9.4	5.3	1.2	84.1
	C	8.2	6.4	6.4	6.3	8.7
Shared	R	100.0	27.8	11.1	7.4	53.7
	C	0.2	0.5	0.4	1.0	0.1

Note, the percentages on this table are additive. For example, the 'C' percentages show that services as a group account for 12.2 percent of the SSEs in the country (also reading across, they account for 12.3% both in Maseru and in the Smaller Towns and for 12.2% in the Rural Towns and again in the EAs). Out of the 12.2, the 3.8 percentage point are SSEs owned by women while the another 8.2 percentage point refers to SSEs owned by men and the balance of 0.2 shows those SSEs owned by women and men-- thus the sum of the three is 12.2. The percentages under each stratum are read in similar fashion.

APPENDIX VII

LESOTHO: THE IMPORTANCE OF SSES IN HOUSEHOLD INCOME
(STRATUM & SSE GROUP WTS)

Stratum		Proportion of Household Income from SSES			
		> 50%	< 50%	= 50%	TOTAL
Maseru	SSE #	670	150	40	860
	Row %	77.9%	17.4%	4.7%	11.9%
	Col. %	13.2%	8.4%	11.4%	
	Workers, Avg. #	2.07	1.72	2.65	2.04
	Workers, St. Dev.	4.07	3.24	5.19	3.99
	Seasonality Avg Seasonality Dev	11.69 1.63	10.92 2.37	10.64 2.62	11.50 1.86
Small-Towns	SSEs #	369	98	17	484
	Row %	76.2%	20.2%	3.5%	6.7%
	Col. %	7.3%	5.5%	4.8%	
	Workers Avg Workers Dev	1.80 2.55	1.61 3.02	2.12 3.89	1.77 2.70
	Seasonality Avg Seasonality Dev	11.85 0.987	11.41 1.82	11.45 2.35	11.75 1.28
	Rural-Towns	SSEs #	80	26	6
Row %		71.4%	23.2%	5.4%	1.6%
Col. %		1.6%	1.5%	1.7%	
Workers Avg Workers Dev		1.79 2.21	1.67 2.07	2.83 5.58	1.82 2.43
Seasonality Avg Seasonality Dev		11.71 1.47	10.95 3.00	11.46 1.79	11.52 1.95
Enumer. Areas		SSE #	3960	1511	289
	Row %	68.8%	26.2%	5.0%	79.8%
	Col. %	78.0%	84.6%	82.1%	
	Workers Avg Workers Dev	1.40 1.17	1.41 1.79	1.23 0.483	1.40 1.34
	Seasonality Avg Seasonality Dev	11.61 1.65	11.04 9.22	10.09 2.85	11.39 4.97
	TOTAL	SSEs #	5079	1785	352
Row %		70.4%	24.7%	4.9%	
Workers Avg Workers Dev		1.53 1.96	1.45 2.04	1.46 2.14	1.50 1.99
Seasonality Avg Seasonality Dev		11.64 1.61	11.05 8.53	10.24 2.80	11.43 4.51

'Workers', 'Seasonality' and 'Dev' mean respectively total number of workers, number of months/year and standard deviation;

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