



**KEY NOTE ADDRESS**

**LAUNCH OF  
POVERTY ASSESSMENT REPORT**

**BY THE HON. MINISTER OF DEVELOPMENT PLANNING  
(HON. TLOHELANG AUMANE)**

**11 December 2019**

**Venue: Manthabiseng Convention Centre**

**Time: 08:00**

Allow me to start the key note address by paying homage to

His Majesty King Letsie III

The Right Honourable the Prime Minister

President of Senate

Speaker of the National Assembly

President of the Court of Appeal

Ladyship the acting Chief Justice

Honourable Deputy Prime Minister

Honourable Ministers

Your Lordships, Judges of the High Court

Excellencies Head of Diplomatic Missions and Heads of International Organizations

Honourable Members of Parliament

Government Secretary

Senior Government officials

Chairpersons of District Councils and member of the Local government fraternity

Captains of Industry and Business, Heads of Parastatals and Civil Society Organisations

Media Houses

Distinguished guests Ladies and gentlemen

It is a great honour for me to deliver the key note address on this important occasion, the launch of the Lesotho Poverty Assessment report. I am also grateful to all of you for sparing your valuable time to participate in this important meeting.

I wish from the onset to express our gratitude as Government of Lesotho to the technical and financial support provided by the World Bank, especially the commitment demonstrated by the Bank staff, under the leadership of 'Me Janet on the ground to ensure that we produce a quality report that will reliably inform policy and poverty reduction strategies going forward. I also would like to congratulate the Bureau of Statistics staff under the leadership of 'Me Malehloa Molato who worked tirelessly with the World Bank team and with the contributions of other partners to complete this mammoth task.

**Distinguished Guests, Ladies and Gentlemen,**

Today we are tackling a very critical issue, which many developing countries like Lesotho are grappling with, POVERTY. The poverty assessment report therefore serves as a mirror or a gauge for the quality of life of the population at large in Lesotho.

**Ladies and gentlemen**

Some of you will know that the Ministry of Development Planning through the Bureau of Statistics (BOS) is mandated to collect, compile, disseminate and publish official statistics. It is the main agency entrusted with the

responsibility of coordination of the entire National Statistical System (NSS). Therefore in starting this big enterprise, the Bureau of statistics carried out the 2017/18 Household Budget Survey (HBS) undertaken within the framework of the Continuous Multipurpose Household Survey (CMS). This is a nationally representative survey that generates detailed information on household income and expenditures. This survey is not only important in providing data for estimation and analysis of poverty but also in providing disaggregated data for some special groups such as youth for monitoring of the NSDP and other Development Agenda, such as SDGs.

This was followed by the preparation of the Lesotho Poverty Trends and Profile report which I launched in July 2019. The Poverty assessment report then is a detailed analysis that builds on the initial reports. It documents Lesotho's progress and challenges in reducing poverty with a focus on the period between 2002 and 2017. The report presents the drivers of poverty in both urban and rural areas through detailed analyses of the labor market, human capital, vulnerabilities to environmental shocks and social protection. It articulates the drivers of poverty for both urban and rural areas in the country in an effort to support a dialogue by examining how the government can combat poverty and inequality while safeguarding the poor against economic and environmental vulnerabilities.

**As the presentations have already informed you, it is important to note that poverty in Lesotho declined by about 7 percent from 56.6 percent in 2002/03 to 49.7% in 2017/18** which translates to about 47,000 Basotho escaping poverty during this period. In 2017, 27.3 percent of Basotho were

poor at the international poverty line of US\$1.90/day (in 2011 Purchasing Power Parity terms). **The modest decline in the national poverty rate indicates a notable decline in extreme poverty** declined from 34.1 percent to 24.1 percent. In addition, the report gives us hope, in that, although the poverty rates are still high, the current reduction is a step in the right direction and shows that we are doing something right.

**The poverty maps present a telling story, which we must look at carefully. Urban areas recorded strong poverty reduction**, while in rural areas poverty levels stagnated, adding to an already large urban-rural disparity. The urban poverty rate decreased from 41.5 percent to 28.5 percent during the same period while in rural areas poverty decreased marginally from 61.3 percent to 60.7 percent. The reduction in urban poverty was driven by improvements in education and skills, formal wage jobs and an expansion of social protection in the country. This shows successful efforts by the government in terms of the social protection policy.

**Looking at regions, Poverty fell in four out of six regions.** The two regions that experienced a poverty increase are both in rural areas – Rural Mountains and Rural Senqu River Valley. In 2017, 67.8 percent of Basotho living in Rural Mountains were poor, an increase of 10.9 percentage points from 56.9 percent in 2002 while rural Senqu River. The contributing factors to the increase in the two regions are mainly decline in remittances and agricultural production, the latter caused by the unfavourable weather conditions between the period 2002 and 2017.

Another notable fact is that, although **inequality** fell significantly over the past 15 years, Lesotho is categorized among the top 20 per cent of countries with the highest inequality. Furthermore, high levels of inequality remain due to the urban-rural disparity, public-private wage gaps and discrepancies in educational outcomes. The fall in inequality was associated with an expansion of social protection and wage income.

### **Distinguished Ladies and Gentlemen**

The reduction in urban areas was driven by education and skills development, formal wage jobs and an expansion of social protection. However, Rural poverty stagnated in part due to the vulnerability of the rural population to weather shocks and declining remittances.

The analysis suggests that the most important policies to accelerate poverty reduction are those directed at improving human capital, job creation and reduction of unemployment and underemployment especially among the special groups such as the youth, women and people living with disability.

### **Ladies and Gentlemen**

You will note that, the NSDP II strategic objectives are well aligned with these recommendations, as it underscores sustainable inclusive growth as the most effective route for poverty reduction. It sets out the jobs and growth strategy anchored on the four productive sectors: agriculture; manufacturing; tourism and creative industries; and technology and innovation. We also committed to improving human capital, building supporting infrastructure and to improve

governance and accountability. What we need to do, is to sharpen our strategies and select programmes that will have the biggest impact.

### **Ladies and Gentlemen**

Let me conclude, by underscoring the importance of understanding poverty dynamics in Lesotho to ensure that the Government machinery provides relevant solutions and services. I therefore urge all government Ministries, development partners, academia, researchers and civil society organisations to make use of this product in their individual and collective efforts and support the Government of Lesotho to improve poverty reduction strategies, public investment programming and uplift communities and population groups that are the most disadvantaged.

**I THANK YOU**

**KHOTSO!**

**PULA!**

**NALA!**