Dilemmas of Sustaining Parastatal Success: The Botswana Meat Commission

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Introduction

Parastatals play an important role in the political economies of African states yet generally receive negligible attention. Such neglect partly has practical roots. Factors such as widespread mismanagement, corruption and uncontrolled growth do little to make data easily available. Added to these is the creed of the sanctity of commercial information — a legitimate concern for those enterprises actually engaged competitively in fulfilling assigned commercial functions.

But there is also something intrinsic to the social scientific study of Africa itself which impoverishes work on parastatals. Analysis of Africa has become, with frightening monotony, an all-consuming effort at explaining wholesale failure: failure of capitalism, socialism or nationalism; failure of leadership; failure of markets and statist market substitutes; failure to skirt the perils of the international economy. It is the explanation of this overall failure that preoccupies many, if not most analysts.

Ironically, perceived wholesale failure, it seems, provides fertile ground for elegant theorising. Witness the appearance in recent years of the lean, powerful and ultimately reductionist arguments presented among others by Hart (1982), Hyden (1980), Bates (1983), Jackson and Rosberg (1982), regarding the failure of the state and the germination of crisis, particularly in agriculture. These authors have provided a list of alternative unilinear and all-embracing explanations: failure lies in the state's revenue imperative together with a recalcitrant mode of production, in a continental 'economy of affection', in the short term calculations of an urban-dominated development coalition, or in the nature and form of leadership in Africa.

Ten years previously, dependency and class formation arguments were regarded by critics, of liberal and Marxist persuasion alike, as fundamentally flawed by their simplicity. Today, however, most analysis is comparably simplistic, rooted in an assumption of gross failure and increasingly engaged, whatever the doctrinal hue, in presenting what might be called mono-theories of failure. Reality, it is assumed, is sufficiently devoid of variation to make such an enterprise viable. To admit a richer and more complicated reality than one's work suggests is to run the risk of making one's grand mono-theory less convincing.

The study of parastatals has been swept into this style of inquiry. Perceived gross failure has contributed to gross over-generalisation. The literature presents a common catalogue of motives underlying the initial creation of parastatal bodies: to reduce dependence, seize control from outside cartels, counter the absence of a strong capitalist class, satisfy the state's revenue imperative, the pressures of its bureaucratic elite, and its need for symbolic achievement. Similarly generalised outcomes are shown to follow: an initial spasm of growth in the midst of scarcity, insecurity, and management shortage; rapid distortion of the parastatal's mission under the force of the imperatives of bureaucratic accumulation and the attraction of 'monopoly rents'. Boundaries between state and parastatal collapse, effectively eliminating from discussion the important issue of management autonomy and political accountability. In the agricultural sphere, deformed monopoly structures are shown to exploit their farmer clients in the service of a more powerful coalition of bureaucrats, urban industrialists, and mobilised urban masses.

Several consequences follow from this manner of analysis. In the study of agriculture and parastatals, cases of mixed results and relative success are commonly overlooked. Moreover, the simplified picture of failure becomes the basis for prescribing equally simplified remedial policies for agricultural improvement. This has been the case with the present neo-liberal vogue of Berg [World Bank 1981] and Bates [1983]; in their conception of failure, over-

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whelmingly the central villain has become the state. From this flows a virtually unilinear prescription for success: roll back the state, liberate markets. No doubt there is considerable truth to their arguments; all such mono-theories of failure possess a persuasive core. Yet all suffer from the empirical and analytical problems outlined above, and seem unlikely to carry us very far in genuinely understanding the nature of agricultural success and state action in Africa. They are more likely to remain fixed postures in academic and ideological debates which run the risk of drifting into sterility.

It is crucial to understand the preconditions and dynamics of *success*, and in particular the complex contingencies of sustaining success. This task requires a complementary dose of detailed analysis of success in Africa. On a modest scale, the rest of this article will attempt to begin such an exercise.

The Botswana Meat Commission (BMC)

The Botswana Meat Commission (BMC), a statutory body created just prior to Independence in early 1966, possesses control over 90 per cent of the purchase and slaughter of the nation's cattle — the overwhelming source of private wealth in Botswana — and monopoly power over the export of meat. Its record has been successful, as the following figures show.

Gross payout to producers has increased from 9.2 mn Rand in 1970 to over 64 mn Pula in 1982, a remarkable increase even after inflation is factored in. The unit price paid to the producer has risen from R34.54 per 100 kgs (CDW) in 1969 to over P130 since 1982. The number of cattle processed by the Commission has risen from an annual average in the 1960s of less than 100,000 to over 230,000 each year since 1982.

Management has enjoyed considerable commercial autonomy and unusual continuity at its higher levels. Since the mid-1960s, management has directed two successful technical transformations of the plant, the more momentous change of the 1970s being of critical importance in meeting disease and hygiene requirements of European markets. The plant's disciplined and unionised labour force compares favourably with international cost standards for production, and has not staged an industrial action since immediately after Independence in early 1967. Overall, technologically and managerially, the plant has the most impressive long term record of any such institution in independent Africa.

Entry into the select, high price markets of the EEC and South Africa rests partly upon broad political factors, but beyond any doubt has been largely initiated and sustained by the skill and aggressiveness of the unusually autonomous Commission itself. Its demonstrated technological competence aside, the Commission management has institutionalised its presence in each market through whole or partial ownership of selling agencies and through the creation of an enduring network of ties with foreign meat import authorities and commercial meat interests (retailers, cold stores, manufacturers).

The integrity and success of the parastatal has stood behind the attraction into the Botswana cattle economy of ever higher levels of foreign donor and commercial support. The Commonwealth Development Corporation (CDC), the original parent donor of the BMC in the 1950s and early 1960s, drew British commercial banks into the territory in colonial times, and has continued to provide finance in the post-colonial period. In the 1970s and 1980s, the World Bank, the EEC and various individual European donor countries increased their assistance to the capitalist cattle economy and, in DANIDA's case, provided for the strategic individual in the BMC's senior management who assumed responsibility for the 1970s technical transformation and integration into EEC markets.

The political preconditions for the establishment of such a successful structure may be understood in terms of the predominant development coalition which arose to control the BMC. From the mid-1960s until the early 1970s, that coalition consisted of the CDC (via its Regional Controller in Johannesburg), President Khama, a General Manager hired away in 1966 from the quickly decomposing Kenya Meat Commission, and large commercial farmers.

Continuity of managerial authority and high accountability to farmers stemmed from several interrelated developments in the late colonial period. The CDC, the parent donor of the abattoir, was the predominant form of transnational capital. As a developmental concessionary agency, it was prepared from the late 1950s to abdicate outright control and redefine its role to providing finance and managerial expertise (until 1969). This shift was, however, on the condition that relative managerial autonomy and commercial principles were maintained and that the South African meat magnate, Cyril Hurvitz, who from the late 1950s had handled, with enormous profit, most of the abattoir's external marketing and the operation of a cannery, was decisively excluded.

The President, the late Sir Seretse Khama, actively forged this pragmatic compromise which nationalised the abattoir and retrieved control over profits from outside interests while embedding the CDC's neocolonial influence for several years after Independence. The President also saw that farmer representation on the Commission board continued to be dominated by large white farmers, in partnership with wealthy Tswana aristocrats. His actions reflected a broader political strategy: the skilful consolidation of bi-racial elite partnerships at various levels — marital, cattle interests, the Botswana Democratic Party. Large white cattle traders/speculators were given an increasing stake in the country in the run-up to Independence — via the allocation of party and Parliamentary positions, via white settlement schemes on increasingly valuable Crown Lands — at the same time that members of the black elite with cattle enterprises found themselves deeply entwined with established white commercial operators. Khama's strategy would prove to be of enormous consequence for the smooth transition to Independence, the remarkable stability of Botswana's elite, and for the firm elite farmer control over the nation's single most important parastatal. The elite farming community constituted at Independence one leg of the usually cohesive, corporate-like control of the cattle industry; elite farmers, small in number, with concentrated ownership of the national herd and a history since 1950 of racially-fused institutional representation, joined with the CDC, the president and management in expelling outside control over marketing profits and in maximising the parastatal's returns to farmers.

In the original development coalition, the state was self-consciously excluded, out of the CDC's dread of bureaucratic politicisation. The state could draw a significant yet modest tax from the Commission, but any further 'revenue imperatives' were blocked by the pragmatism of the President, government dependence upon the British for grants-in-aid until 1972, and the CDC's opposition to any excessive diversion of surplus. Nor in the early days did state officials hold any authority to influence events internal to the Commission. In statute and in practice, BMC policy was the protected realm of the CDC Chairman, the General Manager, and select farmer representatives; under exceptional circumstances the President could himself legally intervene.

A significant redefinition of the coalition took place in the early to mid-1970s, as the President's own political outlook grew more progressive and less neocolonial, as Botswana's bureaucratic-managerial state began to acquire institutional and financial authority, as integration into the EEC concentrated the state elite's imagination, and as new categories of black farmers (state officials, or members of marketing cooperatives) began to press their interests against those of the large white speculators. The CDC's authority waned sharply (it surrendered control over the Chairmanship in 1969) the Commission's formal links with organised white farmers were severed, and a new General Manager was installed directly beholden to the President's new priorities. These were: that the plant be prepared for European market integration; that pricing and quota policy be revised to make room for cooperatives and the emergent bureaucratic Tswana elite; that internally the Commission should begin to shed cruder evidence of racist employment practices, and that direct ministerial representation be established, linking the Commission and its policies to Agriculture, the President's Office, and later Finance.

The Heavy Incumbency of Success

The logic of commercial management under the 1970s development coalition was simple; it was essential to spend a lot of money to reap the eventual, sweet returns of EEC markets. The lean practices of previous management were inappropriate; short term sacrifices for the sake of plant modernisation and market integration were required of producers to ensure long term advance. Management, above all other actors, insisted on the freedom to design and execute such a plan.

Developments during 1974-82 seemed in large measure to validate this rationale. As one would expect, in the period 1974-78 the percentage of gross sales returned to the producer dropped by 19.3 per cent (73.7 to 54.4) while the growth of the unit price paid to the producer slowed very dramatically (see Table 1, column F and G; Table 2, column C). Considerable capital was diverted to plant modernisation, the upgrading of selling and distribution operations, and to capital and revenue reserves. These trends, it must be noted, were exaggerated by the outbreak of foot and mouth disease in late 1977. In a subsequent phase, 1979-82, management succeeded, even while under the continued stress of disease problems, in achieving considerable annual unit price rises and in increasing the percentage of gross returns delivered to the producer.

Curiously, however, these achievements began to erode quite seriously in the 1980s, just when expectations of ever higher levels of success seemed most justified. From mid-1981, foot and mouth disease was brought under control; annual slaughter rose well above 200,000 head; promising new markets in continental Europe were opened and exploited by the Commission's aggressive overseas marketing.

Yet grave problems appeared. From 1981 to 1984, while the Commission increased its gross returns by 36.6 mn Pula, the producer received a meagre 25.4 per cent of that increase (9.3 mn Pula). For the first few years, emerging difficulties were somewhat shielded from view; in 1981 and 1982 the Commission could continue substantially to increase the unit price paid to producers largely on the basis of price stabilisation funds derived from a 1979 windfall. By 1983-84, such cushions had diminished and indications of real trouble became forcefully apparent. An endpoint of sorts was reached in 1984 when gross income and unit price dropped, returns to the producer slid to less than 50 per cent of gross sales, while the stabilisation fund bottomed out.

Politically, these trends triggered abrupt attacks upon Commission management in early 1985. The bargain struck under the second development coalition, for a long time a topic of casual elite debate, began to unravel with cumulative force as it appeared that management had failed to deliver the second half of the bargain, namely the sweet benefits of high-return markets. Members of Parliament publicly debated charges of mismanagement and corruption and called for an official commission of enquiry. The Botswana Executive Chairman, at the centre of the political heat, resigned in disgrace.

How can we explain these recent developments, given the Commission's rather impressive prior history? With what relative weight can the decline of success — the Commission's extreme difficulty in satisfying the bargain and sustaining success — be attributed to the various factors typically thought to plague agriculture in Africa: increased state intervention (under the second development coalition), environmental constraints, the influence of international market trends, the internal dynamics of the Commission itself (bureaucratic accumulation, self-interest, excessive autonomy, the behaviour of the development coalition via the BMC Board)? Such questions demand extensive treatment which I cannot provide here; nonetheless, I shall briefly summarise the main factors.

(i) Environment

For over three years now, drought has inflicted ever harsher punishments upon the cattle economy and the nation as a whole, imposing severe contingencies upon the Commission. Average Cold Dressed Mass, the indicator of the saleable meat yield per carcase, has dropped 29 kgs during 1981-84 (from 217 to 188); i.e. the climate has radically reduced the material which the expensive plant must process in order to justify itself. Management claims that in 1984 this meant a financial loss of P12 mn, of which P11 mn could have been passed to the producer. Even discounting for management exaggeration, there was still a substantial loss in earnings over which no conceivable control could be exerted.

The pressure of drought has also raised the incidence of measles in the cattle population (from 8.6 per cent in 1980 to over 17 per cent in 1985) effectively invalidating, for that proportion of the nation's product, the expensive technology set in place to produce chilled meat for European export. Through 1984, measly meat had to be frozen and sold at lower returns, with a loss in 1984 of approximately P5 mn. Market restrictions worsened in 1985: much if not most of the measly meat will have to go into cans, at a loss of P3-4 mn.

Drought, disease and the environment interact in other curious ways to impose new costs upon the BMC. The foot and mouth outbreaks of the late 1970s, which forced state investment of over P4 mn in new fencing to meet EEC requirements, raised anxiety within the technocratic circles of the Finance Ministry that subsidies to the cattle industry had grown excessive. A subsequent official enquiry and several donor missions echoed that theme, with strongly worded advice that taxation upon the Commission be increased, and donor suggestions that such a change might become a condition of future aid. While thus far that sentiment has not translated into higher direct taxation of the Commission, or forestalled donor assistance, it has hardened government attitudes towards tax relief on the BMC's development expenditure.

The erection of new fences also upset the local and international wildlife lobby, particularly when at points in the late 1970s and the 1980s the combined effect of drought and fences was to stage spectacular die-offs at single locations (e.g. 150,000 wildebeests at Lake Xau in 1983). Suddenly, the BMC and the state in general found the cattle economy identified as the most important culprit in destroying Botswana's wildlife. While neither the state nor the BMC possessed a coherent wildlife policy to defend itself, the European lobby held the potential to disrupt the status quo by questioning EEC policy towards Botswana and campaigning against purchase of BMC meat. As it is, the EEC link has not been overtly affected (Lome III, concluded in late 1984, preserves the status quo marketing access), yet the BMC refers in its 1984 *Annual Report* to recent costly difficulties posed by the wildlife lobby as the BMC sought to market its meat in Europe.

(ii) External Markets: Spend Money to Make Money?

Strains within EEC markets associated with drought and wildlife have been minor compared with other trends. Strategic entry into the EEC was predicated on the assumption that market prices would continue to be extremely high relative to 'world market' prices, enough to justify investment in an elaborate selling machinery. In recent years, the costs of operations have proven far heavier than anyone ever anticipated, while EEC markets have proved increasingly soft and contradictory. Strategic entry to the EEC has been a very mixed blessing indeed; once immersed, moreover, it becomes terribly difficult to retreat. Costs may rise, benefits may drop, political dissatisfaction may grow, yet the alternative of exit — casting one's fate to the uncertainties of world markets — remains daunting. Success quickly begins to resemble failure, but where to turn?

In the late 1970s, BMC management with minimal reference to the state or producer representatives on the Board pursued its international marketing strategy single-handedly. This aggressive approach to implanting a BMC presence in EEC markets proved highly viable in its first years. As the 1980s advanced, however, costs escalated sharply. The investment in market integration had begun to backfire; by 1983-84, it began to reduce returns to the producer. BMC selling and distribution expenses, the overwhelming proportion oriented to the EEC, rose from an annual average of P2 mn (1970-74) to P7.6 mn (1974-78) to P17.4 mn (1981-84) — (see Table 2 for full data). In 1983 and 1984 such annual costs exceeded P20 mn, while at the same time operations outside Lobatse, namely those in the UK and Europe, began to register significant administrative and processing costs for the first time (P2.71 mn in 1983, P2.86 mn in 1984: see Table 3 column 7).

The costliness of the market chase reflected the character of the desired markets themselves. Management saw the strength of the UK market wane in 1982-83, reflecting the deepening stasis of the British economy. Existing structures in the UK had to be maintained as the hunt proceeded out onto the continent; exposure and cumulative costs deepened. Moreover, general EEC price levels suffered as the EEC confronted the massive contradictions of its own Common Agricultural Policy (CAP).

(iii) Production, Processing and Administration: The Bureaucratic Swell

Erosion of returns to farmers came with equal, if not greater force locally at the Lobatse plant. Costs rose tenfold between 1973 and 1984. The transformation of the plant in the mid-1970s had left an enormously complex and cumbersome deposit. These increases far outstripped any rise in the number of cattle processed, as they also increasingly ran ahead of rises in the gross value of sales. The average percentage of the gross taken by Lobatse's production, processing and administration was 11.2 per cent in 1974-78; by 1980-84 it had grown to 17.8 per cent (see Tables 2 and 3).

Greatest excess lay in the realm of administrative staff. From an average of P1.25 mn 1975-78, administrative costs grew to P4.26 mn in the years 1981-84. Such was the cost of providing salaries and prerequisites to a staff whose numbers ran out of control from the late 1970s on. Administrative staff numbered 164 in 1976, 182 in 1977, 253 in 1979, 434 in 1984.

The process whereby local pressures began to draw off ever increasing bureaucratic benefits from the parastatal, with very little, if anything, to show in return in terms of added productivity, arose from several interrelated developments. Of greatest importance was the transition from expatriate managerial control to control by the local elite. After over two decades of stalled advance for the majority of Botswana employed at the racially stratified Commission, a function of the neocolonial and authoritarian form of control which persisted well into the 1970s, the powers of Executive Chairman and Administrative General Manager were handed to Botswana in the late 1970s with the expectation that the status quo could easily be maintained. On structural grounds alone, the transition away from neocolonialism was bound to be highly problematic and convulsive. Historically, control had centred on the parastatal's linchpin, its authoritarian white manager. Past success had rested upon this unattractive reality; movement away from it — via *late* or *delayed* localisation, a familiar feature of Botswana's institutional landscape — set the stage for a swelling of the bureaucracy and for the eventual instabilities now seen at the top management levels of the BMC. Such an outcome, it would seem, could only have been averted by the insertion at the summit of an extraordinarily tough and locally unsympathetic individual. As it was, that did not occur.

Botswana's rapid urbanisation, its frustrations in translating diamond wealth into growth of employment, the decline of employment in South African mines — all of these general circumstances in the late 1970s/early 1980s heightened the pressure felt by the BMC and other parastatals to become more elastic in their willingness to employ. Added to these were the state's policies on unions and incomes, factors which undermined BMC management's traditional instruments for control of its labour force and contributed in the end to the reclassification of scores of workers from wage labour status to that of administrative staff. In the early 1970s, government pressed for recognition of the union at the BMC. As the mining economy came of age, government and mining transnationals were of the opinion that unionisation was a useful instrument for maintenance of order within the emergent industrial force. BMC management, after having crushed the union during the 1967 strike and resisted organisation well into the 1970s, accepted a union, granting it formal recognition in 1975. In interaction with the expatriate General Manager until 1977, the union was, as one official put it, 'killed with kindness'.

Following 1977, it grew in membership and aggressiveness, particularly as labourers began to feel the onus of the state's income policy, a policy which from the late 1970s began seriously to limit management's ability to grant annual pay rises and assorted traditional perquisites. Management saw one path out of its mounting confrontations with organised labour, a loophole by which many workers could be elevated into the administrative staff category where income, perquisites, and life chances all improved dramatically. So too did the cost to the producer.

Ironically, the state inadvertently contributed to the ever greater bloat of the administration as it sought to contain the growth of incomes and rein in the managerial autonomy of the BMC and other parastatals. The ensuing situation was no less paradoxical. Once persons had gained access to the BMC payroll, it became a delicate matter for the state leadership to imagine intervening to retrench considerable numbers. BMC employees are an urban population, ethnically predominantly Bangwaketse, two criteria defining the character of the major opposition party (the Botswana National Front) which in late 1984 demonstrated a surprising surge of strength in council and Parliamentary elections. The BMC ward of Lobatse, after two decades of voting Botswana Democratic Party, the incumbent majority party, threw its support to the National Front, while Lobatse's council and Parliamentary seat remained under BDP control. Lobatse is today one of the few remaining towns not to defect from the BDP; for the state elite to retrench workers or employees is to run the risk of seeing Lobatse further alienated and possibly lost. Politically the situation existed before the 1984 elections; the depth of the dilemma is certainly more striking today.

The bureaucracy of the parastatal was not the sole source of internal difficulty, however. The plant changed structurally from the mid-1970s, with mixed consequences. Its central processing functions were transformed and expanded; the Maun abattoir was imposed on the Commission for non-commercial reasons (to relieve the N'gamiland population in a context of drought and disease), with substantial losses since opening in 1983. New structures were created: a cannery, tannery, pet food factory and an effluent treatment plant. Employment rose by over 200 persons, and these additional installations required a heavier diversion of internal resources than in the past. Total capital and revenue reserves in the years 1971-75 averaged R4.9 mn; for the years 1979-84 the figure had risen to P18.6 mn. In percentage terms, that sum accounted on average for over one fifth of yearly gross sales.

Capital committed to these new schemes exceeded P13 mn. The moment of reckoning, however, was slightly delayed, as projects slowly came on stream. When that moment did finally arrive in the 1980s, it demonstrated that many, if not most of the projects had become serious liabilities. The slaughter floor had been expanded to 1,800 head per day in the late 1970s, yet owing to disease control provisions and the lack of balance between the slaughter floor and the plant's other functions, that expensive new capacity remained underutilised; daily processing normally did not exceed 1,200. By BMC internal accounts, total losses for the cannery and tannery were P5.7 mn, losses overwhelmingly concentrated in the 1980s. Maun required a subsidy of over P1 mn per year from 1983, the effluent plant proved a technological fiction, and at a cost of P1 mn, the pet food factory amounted to a technical toy of apparently little benefit.

Did these losses signal that the state had begun subordinating farmers' interests to those of a local elite with urban, industrial concerns, as many analysts would lead one to expect? Generally, the answer is no. The state did alter the environment within which the BMC operated, introducing new constraints and costs, but not in the pattern commonly described. The state imposed the Maun abattoir to bring benefits to the rural north west; it insisted that action be taken to treat plant waste following two decades of serious environmental abuse by the BMC; it applied pressure upon the BMC to diversify for the sake of the technocratic goals of employment and deepening of export processing. The state did not, however, force the BMC to sell its unfinished products to subsidiaries at below external market values. Nor did it have any serious involvement in the selection of a foreign tannery partner, the choice of effluent treatment technology and the creation of a pet food factory; these were all management decisions of highly dubious quality with significant consequences.

BMC management took full control of these various structural projects, self-consciously aiming to preserve its institutional autonomy. The state acceded to this arrangement, and for that reason does not bear major responsibility for mounting losses. Pricing formulae remained management's prerogative; in reality, that autonomy probably served to conceal deeper losses than acknowledged formally. Management's interests politically and financially were to minimise formal losses, something easily accomplished over the short term by varying internal costing formulae.

In management's defence, two other dimensions must be noted. The state's demeanour was not altogether technocratic. One ministerial official with close ties to the President did succeed in insinuating himself into the tannery, acquiring control over the supply of the plant's tanning agents and contributing substantially from the early 1980s to the decline of the tannery's accounts. Such abuse, it turned out, was reversible; this official, while not removed, was forced to return prices to previous levels, which was accomplished by throwing the weight of price adjustment upon his South African suppliers.

Secondly, structures like the cannery provide a form of insurance against market shifts and internal disease difficulties. Any judgements must be made with consideration of the difficult and fluid environment in which they operate. The decision to construct the cannery was made in the midst of the foot and mouth outbreaks of the late 1970s; as these problems subsided in the 1980s, it was logical to expect that the cannery would become a burden of sorts. Yet that burden itself began to diminish as the mid-1980s difficulties of drought and measles began to require greater use of the cannery.

Conclusions

Gross failure may summon elegant explanations, yet obviously the task of sustaining success is neither simple nor easy. For the rather remarkable, divergent outcomes like the BMC, grave obstacles to continued success arise from a complex plurality of sources. Some of these are familiar and resonant with other less impressive cases in Africa: the variability and crushing impact of the environment, progressive administrative bloat, the ethnic and political binds posed by entrenched workers and administrative staff. In other important respects, the formula for past success itself seems increasingly the formula for future decline: achieving and sustaining success is remarkably slippery. Ever deepening commitment to EEC market integration brings diminishing returns, while it results in runaway growth of costs in operations outside the home country's borders, beyond effective surveillance and control by farmers and state technocrats. High managerial autonomy, relative insulation from the state, create over time an elaborate and complex institutional apparatus only dimly understood by members of the development coalition theoretically responsible for its political management. Institutional growth begins to invalidate rational control by a development coalition of this 'state within a state', at the very time when the multiple difficulties encountered by the BMC demand sophisticated and coordinated reactions.

Table 1

BMC: Major Statistics

(A) Year	*(B) Throughput Cattle*	*Smallstock*	*(C) Gross Income*	*(D) Cattle CDW[1] (kgs)*	*(E) % Measles*	*(F) Average Price Per 100 kg.*	*(G) % Change from prior year*
1966	132,232	3,350	R8.6 mn	184	13.2	R28.78	—
1967	88,535	7,316	R12.3 mn	213	14.9	R31.83	10.5%
1968	103,776	32,416	R11.6 mn	226	10.7	R33.84	6.3%
1969	93,074	34,960	R10.2 mn	227	9.5	R34.54	2.0%
1970	127,317	33,786	R13.8 mn	208	8.1	R25.68	(25.7%)
1971	167,180	41,869	R17.1 mn	197	7.3	R36.32	41.4%
1972	156,510	22,934	R22.6 mn	210	7.7	R46.34	27.6%
1973	209,443	8,707	R36.1 mn	194	8.5	R55.97	20.8%
1974	186,041	58,745	R38.0 mn	202	8.6	R73.14	30.7%
1975	188,440	21,554	R41.9 mn	210	7.4	R68.72	(6.0%)
1976	211,987	8,127	P53.9 mn	205	7.8	P69.79	1.6%
1977	196,550	5,433	P53.2 mn	208	8.1	P75.31	7.9%
1978	149,346	763	P39.9 mn	204	7.6	P71.11	5.6%
1979	228,961	747	P91.3 mn	206	9.2	P82.05	15.4%
1980	140,783	507	P51.4 mn	203	8.6	P96.71	17.9%
1981	202,001	520	P83.3 mn	217	11.0	P114.40	18.3%
1982	237,135	598	P107.6 mn	200	13.0	P134.94	18.0%
1983	233,135	7,509	P119.5 mn	195	14.2	P137.75	2.1%
1984	239,283	16,181	P119.9 mn	188	16.0+	P130.54	(5.2%)

[1]CDW: Cold Dressed Weight, average kgs per carcase.

Table 2

BMC: Distribution of Income Shares[1]

(A) Year	(B) Total Sales Income	(C) Amount paid to producer (% total)	(D) Production processing and administrative costs (% total)	(E) Selling and distribution costs (% total)	(F) Taxes paid (% total)
1970	13.8	9.2 (66.7)	1.2 (8.7)	1.9 (13.6)	0.9 (6.3)
1971	17.1	12.1 (70.8)	1.7 (10.2)	2.1 (12.5)	1.2 (6.8)
1972	22.6	15.1 (66.8)	1.8 (7.8)	3.0 (13.4)	1.6 (7.2)
1973	36.1	26.5 (74.4)	2.5 (6.8)	4.8 (13.4)	2.8 (7.7)
1974	38.0	28.0 (73.7)	2.8 (7.3)	3.3 (8.6)	3.0 (7.9)
1975	41.9	27.4 (65.4)	4.3 (10.3)	8.0 (19.2)	3.2 (7.6)
1976	53.4	31.8 (59.6)	5.6 (10.3)	8.6 (15.9)	4.8 (8.9)
1977	53.2	30.8 (57.9)	6.6 (12.5)	11.1 (20.9)	4.5 (8.4)
1978	39.9	21.7 (54.4)	6.2 (15.5)	7.2 (18.1)	3.3 (8.3)
1979	91.3	45.2 (49.5)	9.7 (10.7)	13.8 (15.1)	8.5 (9.3)
1980	51.4	26.6 (53.7)	10.7 (20.7)	7.4 (14.4)	3.9 (7.7)
1981	83.3	50.2 (60.3)	14.3 (17.2)	11.5 (13.8)	7.8 (9.4)
1982	107.6	64.1 (59.6)	16.6 (15.4)	17.4 (16.2)	9.8 (9.1)
1983	119.5	63.4 (53.1)	23.0 (19.2)	20.0 (16.8)	10.9 (9.1)
1984	119.9	59.5 (49.6)	25.3 (21.1)	20.6 (17.2)	10.8 (9.1)

[1] Figures not in parentheses indicate for the years 1970-75 millions of Rand, for 1976-84 millions of Pula.
Source: BMC *Annual Reports*

Table 3

BMC: Production, Processing and Administration Costs[1]

(A) Year	(B) Total costs: Production, Processing and Administrative	(C) BMC Administrative Costs: Lobatse	(D) Lobatse Holding and Loading	(E) Security Lobatse	(F) Overseas Administrative and Processing Costs: BMC (UK. W. Germany, Holland)
1974	2.76 mn	—	—	—	—
1975	4.33 mn	1.03 mn	0.60 mn	0.06 mn	—
1976	5.57 mn	1.17 mn	0.67 mn	0.10 mn	—
1977	6.63 mn	1.40 mn	0.68 mn	0.10 mn	—
1978	6.18 mn	1.40 mn	0.74 mn	0.12 mn	—
1979	9.72 mn	2.33 mn	0.83 mn	0.16 mn	—
1980	10.65 mn	3.28 mn	0.88 mn	0.20 mn	—
1981	14.28 mn	4.33 mn	1.20 mn	0.21 mn	0.15 mn
1982	16.56 mn	4.24 mn	2.21 mn	0.22 mn	0.22 mn
1983	22.96 mn	3.64 mn	2.03 mn	n.a.	2.71 mn
1984	25.29 mn	4.85 mn[2]	1.07mn[2]	n.a.	2.86 mn

[1] Figures indicate Rand (mn) 1974-75, Pula (mn) 1976-84
[2] Figure is for the first nine months of 1984 only
Sources: BMC *Annual Reports and Internal Accounts*

Table 4

BMC: Source of Losses

(A) *Year*	*(B)* *Cannery*	*(C)* *Tannery*	*(D)* *Smallstock*	*(E)* *Grazier Scheme*[1]
1976	—	—	44,548	64,308
1977	—	—	44,317	52,182
1978	281,443	—	54,025	112,751
1979	(+1,249,502)	(+26,461)	23,228	149,456
1980	399,533	436,333	79,573	166,136
1981	1,060,935	573,285	177	132,879
1982	187,128	423,177	833	110,681
1983	1,717,271	37,815	87,479	36,064
1984[2]	216,644	(+522,145)	159,139	37,526

[1] The Grazier Scheme, a programme by which the BMC financed the purchase of cattle for finishing by private individuals, ran into serious difficulties; by the early 1980s several million Pula were overdue, the major proportion owed by a handful of politically prominent individuals. Collection has proceeded slowly. At the end of 1984, P1.2 mn was still outstanding. Figures in this column indicate the administrative cost of the programme.

[2] 1984 figures are for January to September

Source: BMC *Internal Accounts*

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