

APPENDIX 7 – SAARF Development Index

Big improvement in South Africans living standards post 1994

Government is delivering, and the South African Advertising Research Foundation (SAARF) has the figures to prove it.

SAARF is a non-profit industry body which does marketing and media audience research on behalf of the marketing, advertising and media industries. The greater part of this research is a major, nationwide, bi-annual survey, known as the All Media and Products Survey (AMPS™).

This survey provides data on South Africans, the products they use, and their media usage. AMPS has however, revealed more than this.

Using AMPS data, SAARF has extracted a Development Index, which shows extensive development in South African living standards since the 1994 elections. In most respects, the RDP is achieving its objectives, with the only exception being job creation.

Using the data gathered from almost 15 000 respondents in 1994, and almost 30 000 in 2001, SAARF's Development Index shows that when it comes to home ownership, electrification and water reticulation, the government can congratulate itself on a job well done.

Since the ANC government came to power in 1994, quality of life has been looking up for a large number of South Africans.

SAARF's Development Index shows that in 1994, approximately two thirds of South African households owned their own homes. Seven years later, this figure has risen to 77%, and considering that the number of households has increased over this period by some 1.5 million, this is an even more impressive improvement. In urban areas especially, the improvement in home ownership went from 55% to 71%. Water is now piped into 76% of households, compared to 68% in 1994. The struggle to get this basic necessity of life has been greatly reduced in rural communities, with a remarkable 62% improvement in the number of households who now have water laid on, either in the house or on the plot. This is equivalent to 1.54-million households. There is still some way to go, as this improvement nonetheless sees only 42% of rural households with water. The rate of improvement however, should see many more households benefiting in the near future.

The government is also delivering on its promise of lighting up the country - 80% of South African households now have electricity in their homes. In 1994, this figure was only 58%. In rural areas especially, electrification has jumped up a massive 218% (1.98-million households) in only seven years. Now just over half of rural households have electricity at their disposal, compared to just 17% in 1994. The supplying of electricity has also seen a related increase in the number of modcons found in the South African home. Where 8% of rural homes had electric stoves in 1994, 16% now have them. The percentage of rural homes now able to cook their food on an electric stove has therefore doubled in just 7 years.

The ownership of fridges has also increased, from 48% to 61% nationally. In rural areas, fridges are now found in 31% of homes, up from 14% in 1994 (an increase of 121%). Many more homes now also have electric hotplates, especially rural homes – up from a mere 5% to 23% (a staggering 360%).

It's not however, just the necessities that are up. More people now have hi-fis and music centres in their homes – 40% of rural homes (up from 18% in 1994), and 66% of urban homes (up from 53%).

There are also more TV sets entertaining South African families. Now, almost 45% of rural households have TVs, compared to 27% in 1994. The urban television penetration is now at 84% of all households. More people can also access the world around them through radio. Thanks to government's deregulation of the airwaves, and the resultant establishment of the community radio sector, 90% of the rural population listens to the radio, compared to 79% in 1994. The increase in radio listenership in urban areas is less marked, but is nonetheless also up, from 89% in 1994 to 92% in 2001.

More South Africans are also in touch with their world telephonically - 21% now own, rent or have access to a cell phone, compared to only 4% in 1997. While fewer urban households have land-line telephones (down from 53% to 45% nationally), Telkom has been succeeding in its mandate to connect more rural households. Now, 7% of rural households have land-line phones, up from 6% in 1994.

On a personal level, education has also improved, with 23% of South Africans with matric, compared to 14% in 1994. In rural areas, 13% of people have matric (compared to 5% in 1994), and in urban areas, this figure is 29% (compared to 20% in 1994). Basic literacy (the ability to read and understand) is also up, from 87% to 92%.

Clearly, the standard of living and therefore the quality of life for the average South African is improving. This is clear not only from SAARF's Development Index, but also from its Living Standards Measure, or LSM.

This research tool measures the population's wealth and standard of living, with the poorest of the poor in LSM 1.

These LSMs show a dramatic upward movement of people from the lower LSMs, reflecting the improved living standards of those who need it most.

Since 1994, the percentage of South Africans classed as LSM 1 has been dropping significantly – from just under 20% in 1994 to about 5% in 2001. The ranks of the middle classes – LSM 4-6 – are also being swelled from below, especially in urban areas, but also in the rural parts of South Africa. Previously disadvantaged people are beginning to secure a far better lot in life than before the 1994 elections. This is a clear indication of the success of government's roll-out of basic infrastructure such as water and electricity.

SAARF's Development Index does show one big downside however, and that's with employment. In 1994, 32% of South Africans worked full-time. This figure has dropped to 26%, and bear in mind that there are also more South Africans now than seven years ago. Eleven percent of people work part-time now, compared to 7% in 1994.

As far as wages and salaries are concerned, it is the poorer households who have benefited most. In 1994, 74% of all households had a monthly income of less than R2 499. By 2001, only 62% were still in this category.

During this period, the higher income brackets have grown – from 16% to 20% of households for those earning a monthly income of R2 500–R5 999, and from 10% to 18% of households that now have a monthly income of over R6 000.

Commenting on SAARF's findings, Reg Lascaris, founding partner of TBWA Hunt Lascaris and co-author of *The South African Dream*, said that with regards the delivery of water, electricity and basic services, "growth is really encouraging, so hats off to the government."

Yvonne Johnston, CEO of the International Marketing Council of South Africa, said: "For a society in transition, these figures show we are doing incredibly well and moving extremely fast in many sectors. The Brand SA initiative is focused on bringing these facts alive for South Africans, so they can feel proud of the country they live in. Our focus areas of tourism, trade and investment will ultimately help to create jobs, which will bring further improvements in the lives of all South Africans."

Finally, Cyril Ramaphosa, chair of Reberse Limited, said that the two post apartheid governments are clearly the best South Africa has had in its entire history. "The progress being made on all fronts – political, economic and social – is phenomenal. The Mandela and Mbeki governments have demonstrated abundantly that they are committed to prudent macro-economic policies that have a social dimension aimed at giving all South Africans a better life. South Africa is changing and transforming on a daily basis for the better – we've never had it so good.

"I applaud the government for its unbelievable achievements. We always knew that transforming South Africa would not be an overnight success. The progress we have made so far however, as a people and a country, forms a solid foundation for more impactful progress in the future."

Ramaphosa concludes: "I am proud to be a South African, and to be associated with the progress we are making as a country on so many fronts."