

ADDRESS TO THE ADFOCUS CONFERENCE

Trevor Manuel, MP

Minister of Finance

21 May 2002

There is indeed a paradox in an address by the Minister of Finance to this conference. The worlds that we occupy are so apparently different. My job entails a focus on the boring subjects of macroeconomics, of taxation, investment and savings. Yours, in contrast is about the exciting stuff of persuading people to spend. The paradox of our mutual engagement here is what, in many respects, defines the economic challenge facing South Africa.

There are, of course, some areas where we need a fuller engagement on the economics of South Africa. Economists speak of matters like rational expectations, with which presumably, you need to engage. There are also the issues of leads and lags, and a series of questions relating to whether an industry like yours leads or lags economic growth.

We need to remind ourselves that whilst we have achieved macroeconomic stability (important for rational expectations) our GDP growth at around 3% per annum is insufficient. And, notwithstanding significant improvements in the competitiveness of our economy, South Africa is still not creating sufficient jobs. Furthermore, whilst there is a growing market for conspicuous consumption, there are just too many of our people trapped in a cycle of poverty. Our markets are too small and spending power is not growing fast enough. Whilst we can engage in a lengthy discourse of cause and effect, we must, as a start, accept that these are the conditions within which we all have to work.

None of this is either pre-ordained or immutable. Your job and mine is to seek to understand this environment in order to change it. But we need to appreciate that expectations and change are not always rational.

The *Economist* in July 2000 ran a story on the relationship between football tournaments and the economy. It argues:

Statistics suggest ...that the best way to turn the Euro tournament into economic growth is to win. Before the Netherlands did that in 1998, the Dutch economy was growing by about 1.7% a year. In the next three years, it grew by 3.0% a year. Winners of other tournaments since 1984 have enjoyed similar booms. The most likely explanation (apart from coincidence) is psychological: victory boosts consumer confidence, and hence demand.

Similarly, Jean-Marie Colombani, editor of *Le Monde* wrote in early 1999,

Thanks to robust economic growth, supported by strong domestic demand and exports (witness the excellent results of its balance of trade), these are good times for France. The French seem to have regained confidence in themselves and in their leaders. The victory of its football team at the World Cup on its home turf was a blessing. It created a moment of national unity which will still echo in 1999.

So, with our World Cup team in Hong Kong en route to Korea, the burden for economic growth, these articles would suggest, must weigh heavily on the shoulders of Jomo Sono. We can spin the voodoo further, and ask why Rudolph Straeuli or Graham Ford should escape responsibility?

Does this industry lead or lag when it comes to helping South Africa create economic growth? Does it truly capture those moments of national unity on which we can build consumer confidence, create increased demand? The key in South Africa is to understand the South African paradox, to recognise that we are, with all the resulting complications, South Africans. We are not the poor relations, or a colony of some other state. We are South Africans, and our communication strategies must therefore use our collective experiences, our culture (if you wish) to develop the paradigm to effect the changes in our national psyche. John Fiske, Professor of Communications at the University of Wisconsin-Madison, describes that culture is 'the constant process of producing meanings of and from our social experience'. So, what is *of and from* our social experience?

I recognise that the world of advertising operates within its own constraints. The impact of issues such as media ownership, client preferences and the existence of big, global brands is appreciated. Yet, for the impact of advertising to be felt in economic growth in South Africa, it simply has to engage with and define that truly South African social

experience in order to effect behavioural change. My submission is that advertising has an obvious role in leading change in attitude and therefore the prospects for growth.

But sometimes things get in the way. For example, it is all too easy to emulate bad practice, especially when this practice is big, ugly and overwhelming. Everybody appears to be doing it. In an article this past week, commenting on the visit to Cuba by President Jimmy Carter, Michael Niman writes,

Cuba provides vast unbranded spaces. Compared to the advertising saturated developed capitalist world, Cuba is an advertising-ready environment- a blank canvas.

The ever-present Nike graffiti is a cultural spillover from the USA. It's not Nike that Cuban rebels are celebrating: it's a romanticised view of American capitalism, with the Nike swoosh as its most visible logo...

Young Cuban rebels have adopted the swoosh in much the same way late Cold-War-era American youth adopted Mao caps and CCCP logo gear. It's similar to the use of the Nazi swastika by the 1970's punk movement in the UK – flirting with the enemy; upsetting the establishment.

These comments are so telling, because they address the risk, by your industry, of misreading signals. Assumptions about what consumers want can easily come unstuck.

Another example - this past week the Sowetan ran a series of articles about the decision by Romeo Kumalo, SABC 1 general manager, to axe an indigenous cultural music programme, Ezodumo. The Sowetan's vox pops were unequivocal, the letters page overflowed and they capped the issue with a Zapiro cartoon featuring the beleaguered Mr Kumalo, resplendent in star-spangled shades asking "What cultural blackout?"

This issue could easily become a textbook study on the subject of consumer choice. But more importantly, it would be worth in such a study, to determine whether the decision was, in fact, occasioned by an advertising blackout – a failure by advertisers and their clients to engage with 'the process of producing meanings of and from the social experience' of the viewers.

That observation would not be isolated in current-day South Africa. We know that the radio station with the largest national audience, YFM, battles to secure advertising. And we know that newspapers and magazines with a large black readership battle to find advertisers other than the 'traditional' King Korn, or the latest cousin, the micro-lenders. We need to ask: "Are these not some of the vast unbranded spaces, the blank canvas, available to your industry to engage with new opportunities? And does the industry use these opportunities as opportunities for defining the South African social experience, as moments in which attitudes can be confronted and changed? I think not.

I think not and therefore I want to ask this conference the question: Is advertising guilty of assisting South Africans become trapped in a mindset of being the poor and unsuccessful cousins of the USA? Is it not guilty of misreading the signals of what people really want? Is it not merely tagging along with the uninformed views of the media moguls?

About a century ago, Thorstein Veblen wrote, *There is nothing intrinsically more beautiful about the shine on a lady's fine patent leather shoe than the shine on the elbow of a poor man's jacket, save that advertising makes it so.....*

And if we are tagging along, then is the industry not guilty of adopting a romantic view of the world, a view which Umberto Eco, Professor of Semiotics at Bologna University, in his book entitled "Faith in Fakes" describes as ,

(A) journey into hyperreality, in search of instances where the American imagination demands the real thing and, to attain it, must fabricate the absolute fake; where the boundaries between game and illusion are blurred, (where) the art museum is contaminated by the freak show, and falsehood is enjoyed in a situation of 'fullness' of horror vacui.

Is South Africa, as seems to be the case in Cuba, set to become just an advertising-ready environment ready for the cultural spillovers of American capitalism? Surely this will not generate the excitement and creativity for us to experience our South African-ness? Clearly, I do not want to suggest that this industry is acting as a collective copycat. The standards of our advertising and the competition between agencies would not be tolerant of that. And we all know the incredibly high regard with which the South African industry is held because of its creativity and skills. But I have a sense that the advertising industry,

whilst often connecting with the appropriate idiom, is not sufficiently engaging the paradigm, is not pushing back the boundaries which temporarily fragment us.

It hasn't always been like this. There was a time when I was considerably more positive about how we, and this industry in particular, engaged with defining the South African paradigm. In 1998, John Hunt and Reg Lascaris produced a book entitled, "The South African Dream". They start this amazing book as follows,

The South African Dream is a book about optimism and hope (and fear and crime). But the scale at the end of the day is tipped on the side of hope and a positive outcome for our new democracy. We don't live in cloud-cuckoo-land (whatever Margaret Thatcher may think), we live in South Africa. And as all Africans know, freedom does not necessarily mean prosperity; and hard work and honesty don't lead to fair remuneration and just rewards. Death and taxes are certain in South Africa. Justice and equity? Well, maybe. And maybe not.

And they end, as follows

The South African dream is no quiet idyll. We have to dream with our eyes wide open on this roller-coaster ride. There are going to be heart-stopping moments..... And they're the moments you'll recall when your grandchildren will ask, 'What did you do during the struggle to create a better South Africa?'

This is the spirit we need to regenerate now. One that seeks to define the South African challenge, for it is in understanding that challenge that you can raise the national psyche towards economic growth. We can leave Jomo Sono, Rudolph Straeuli and Graham Ford off the hook for now.

Moeletsi Mbeki is quoted in the South African Dream as saying,

I think there are different South African dreams; different dreams for different groups, classes and ethnic groups. There is a huge distance, I think, between the different cultures in South Africa. Our country is made up of cultures. It isn't one culture, not yet anyway.

But then, very, very few societies started out as homogeneous entities. Cultures are forged, and they're forged by focusing on particular sets of experiences. Advertising has a distinct role to play in raising the temperature of the forge. This calls for a direct and dynamic engagement with our complex social realities and contradictions. It must call for a rapid broadening of the skills base, for an active participation in the transformation challenge. It challenges this industry to live out the motto on our national Coat of Arms, **!Xe E:/Xarra //Ke**. This must impact on the modus of the industry – we cannot merely be satisfied with nominal black agency ownership to secure contracts – that's cynical; we must move far beyond the notion of relying on colour-coded market experts to engage with their own, that's just plain backward; we must ask of the industry to continually engage with its self, about whether the contributions to transformation are adequate, about whether the contradictions are generically understood to create the paradigm which gives effect to the idiom.

This industry is able to call on sufficient talent to be a global leader in its field. My appeal is simply that we draw on the same skills-set to give impetus to the need to grow this economy by growing the number of participants in the market. In these terms, we have, like Cuba, in reality, vast unbranded spaces. Economic growth will clearly remain elusive for as long as we feel hard done by (with our penchant for self-flagellation on crime, has anybody spoken to a Londoner recently?); insecure (ask any US citizen about post 11 September insecurity or European about political insecurity); and failing (we do so much better than we are prepared to give ourselves credit for).

Economic growth has to begin with the recognition of our South African-ness. We, like so many successful nations, must grow the confidence in ourselves and in our abilities. We are South Africans, with our collective social experiences, our own idiom and dialect, our own chances of success. We need to work on the paradigm to hold together these bits, and then own the paradigm and all its contents.

I thank you

