

CRAFTING A COMPETITIVE EDGE:

THE MISSION OF DESIGN IN POST-APARTHEID SOUTH AFRICA

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In order to survive South Africa will have to sell its goods abroad as well as develop local markets. In a world where the pace of change, new product development, branding and image-making are critical, it will have to devise products that appeal not only on cost, but that offer unique qualities. Better exploitation of design has never been more crucial - it is a key factor for economic growth in this country.

In *The Competitive Advantage of Nations in Strategy* Michael Porter (1991) outlines the critical success factors for becoming a winning nation. Like any company, a nation has to gain a competitive edge which will ensure it a place and prosperity in the greater world of nations.

Most economic actions in respect of world trade taken by South Africa in the past, were short term and short-sighted ones aimed at protecting South Africa from the world (i.e. import surcharges, replacing lost imports as a result of sanctions), rather than fighting for a place in it. As even leading aircraft company Boeing is now experiencing, worldwide competitiveness means making better products at a better price! Both are necessary, one is not good enough.

Design as a process and an outcome has a very significant role to play in the orchestration of a competitive edge for South Africa, not only to secure it an international position, but also for the invigoration and growth of internal markets.

OUR ECONOMIC POSITION AND THE IMPORTANCE OF DESIGN

South Africa has few geographic areas ideally suited to agriculture. An inadequate supply of water further limits agricultural potential. The mining industry faces an insecure future, given resource constraints, certain oversupplies and the

diminishing world demand for much of its output. It will therefore be difficult to sustain growth at previous levels. Not only has our historic dependence upon gold led to an overvalued currency, it has also stagnated the development of manufactured exports.

Manufacturing in South Africa

The share of manufacturing as a percentage of South Africa's gross domestic product only increased from 21 per cent in 1960 to 24 per cent in 1989. This figure is considerably lower than that for developed and newly industrialised nations. In countries like Taiwan and Germany, manufacturing contributes some 40 per cent of GDP.

Factors which may have contributed to the current state of affairs are:

Our economic growth

We experienced a real decline in incomes during the 1980s. The standard of living of the average South African has dropped seven per cent since 1979. Our growth rate of just over 0,5 per cent per annum, contrasts sharply with rates between 2,5 and 3,0 per cent in newly developed countries, and rates of more than 6 per cent in places like Singapore, Korea and Hong Kong.

The manufacturing sector

During the 1980s, this sector experienced negative growth and declined from almost 26 per cent in 1981 to 23 per cent in 1985. Despite a sharp upswing in 1989, this sector's share in the economy has only risen to 23,6 per cent.

Fixed capital stock in manufacturing

Our manufacturing capabilities have been severely depleted as a result of stagnant capital investment in plant, buildings, and machinery. Our stock of fixed capital in manufacturing rose to around R49 billion between 1960 and 1984. Since 1985, it has declined to R45 billion. Manufacturing's share of the total fixed capital in the economy declined from 13 per cent in 1985 to 11 per cent in 1989.

Total fixed investment in the manufacturing sector

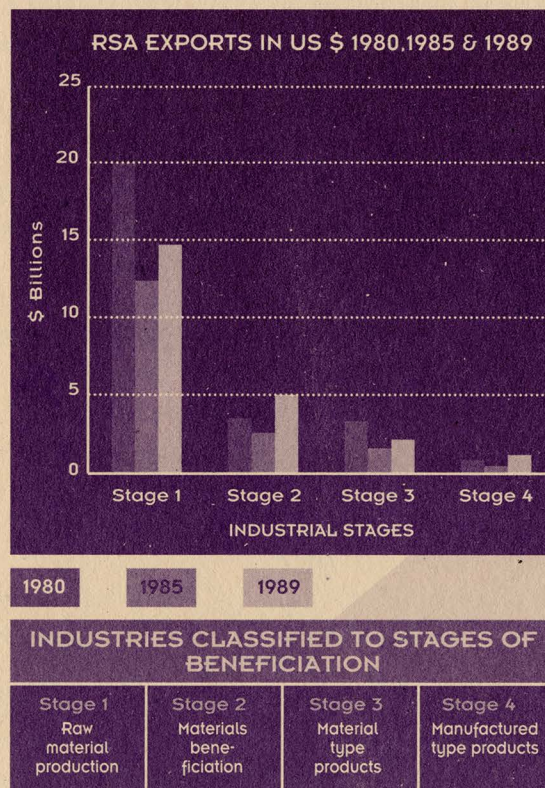
The share of investment in the manufacturing sector, in total fixed investment, declined from 26 per cent in 1985 to 18 per cent currently. It would appear that manufacturing has become a less attractive sector for investors.

Our portion of world trade decreased from around 1,7 per cent in 1961 to just over 0,8 per cent in 1988. We are therefore becoming a smaller player in international trade. South Africa's growing inability to manufacture goods undermines its capacity to optimise its potential growth rate, and to compete with industrialised

nations. Whilst the above is a somewhat simplistic background to our poor export performance, it does illustrate that we are in a catch-22 situation: unless export earnings are improved, manufacturing will not offer a major investment opportunity.

In addition, we are not exporting finished goods. Figure One clearly shows that South African exports are still predominantly raw materials (whilst most of our imports are finished goods).

FIGURE ONE



With the formation of world trade blocks, notably Europe, North America and the Pacific Rim, South Africa will have to force an alliance with Sub-Saharan Africa, one of the poorest regions of the world. Although Africa itself offers little in terms of a potential market due to a lack of wealth, it does offer opportunities in basic living and infrastructure development.

It is thus clear that unless South Africa can become a major exporter of finished goods to the trade blocks, growth will be limited and our economic position will deteriorate further in relation to the world. South Africa has a lot of catching up to do. Beneficiation is one of the most important, if not the most important, ways in which this may be achieved.

Value-adding

The manufacturing sector will have to drive growth in South Africa, creating wealth beyond the raw materials used to manufacture products, by adding value. The principle of adding value or 'design' in the fuller sense of the word means using inputs of raw materials, capital and labour, most of these in abundant supply in South Africa, to create products which transcend their basic function as commodities. This enables them to be sold for values far beyond the input materials, capital and labour used for their initial manufacture.

A simple illustration is a luxury watch like Rolex. The total costs of gold, other materials and skills used to produce such an item, are way below its ultimate selling price. It is this 'value' which turns

mundane products into much appreciated items of desire. This change of form from raw material to a desirable piece of jewellery for instance, provides the opportunity to earn export currency.

Apart from the obvious benefits of strong exports, value-adding is an important factor for the development of local markets. When political turmoil in this country stabilises and tourism expands, local markets must be in a position to offer products comparable to those available anywhere else in the world.

OUR COLONIAL PAST: SELECTIVE MARKETING/DESIGN FOCUS

The history of South African marketing and advertising is colonial. Until recently, but much more so during the 1950s, advertising agencies in South Africa were controlled by people not born in this country. This is also reflected in the small percentage of Afrikaans people in the marketing and advertising industries, despite their dominance in many areas of consumer spending. The situation has been aggravated by a reliance on American textbooks, marketing and advertising programmes.

These factors, inter alia, have kept the White population in South Africa relatively isolated, even uninfluenced by the cultures and peoples of Africa. The situation was further aggravated by the policy of segregation, which by and large isolated Whites from Blacks and caused inequalities in education. Earning potential and the limited 'homeland' economic activity enlarged the difference in incomes between Black

and White. This has left the Black population impoverished. Currently 50 per cent of Black families earn under R400 per month and 60 per cent of Blacks are economically inactive.

For many years Blacks were not perceived as a major force to be reckoned with in consumer spending. Many marketers have found, to their surprise, that a large part, even the major part, of the profile of one or more of their brands is made up of Black consumers. The very different pattern of retailing which emerged for Blacks (by default) limited the ability of the marketer to manipulate marketing mix variables and resulted in him (for many years) recording supermarkets as the dominant retail sector in South Africa. Some marketers continue to be astounded by estimates of the size of the informal retail sector.

White marketing dominance led to healthy growth in 'White media' and low growth in 'Black media'. So-called 'Black media' is still presently largely controlled by non-Black interest groups. In other words, even for those who wanted to gain access to the Black consumer, this was difficult, and often had to be done by informal or own means (the rural van operations of companies like Unilever).

All these factors resulted in various myths about the 'Black consumer': our way, as rational Western managers, to explain that which we didn't understand. The Black consumer was clearly compartmentalised and marketers guessed at how this 'different' consumer should be catered for.

The South African marketing and design industries have to re-think the fundamental paradigm in which they operate and either reflect the society they are a part of, change jobs or emigrate to the West! In addition, the very fact that there is not an integrated marketing and design fraternity in South Africa, has seriously undermined our most important assets in world trade opportunities.

In a recent talk, Dr Ronnie Lessem described the following fundamental differences between the West and Africa:

WEST

- **Directive orientation**
(Results directly indicated)
- **Outcome**
- **Cold climates/people?**
- **The 'right' organisation**
- **Technology, people, money**

AFRICA

- **Affective orientation**
(Results people orientated)
- **Process**
- **Warm climates/people?**
- **The 'rights' organisation**
- **People, land**

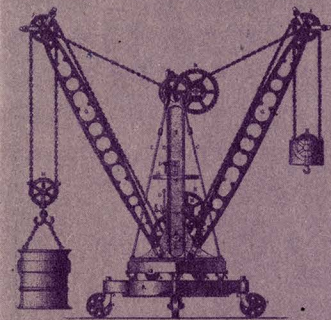
In making these comparisons, Lessem was commenting on the fact that instead of trying to imitate the West by competing in areas where technological sophistication and access to vast capital resources are the key to competitive superiority, we, as White managers in South Africa, have to change our paradigm of thinking and harness the factors which make Africa unique. These factors are predominantly qualitative in nature, rather than quantitative, soft variables rather than hard variables. Such factors can truly be turned into competitive advantages over the West. Surely, the focus of any company should be its core capabilities? We need to become Afrocentric, rather than remain predominantly Eurocentric.

SOCIETY AND THE IMPORTANCE OF DESIGN

Design is a process and an outcome: it leads, it creates, it responds, it reflects, it destroys. Design facilitates interaction between man, the collective (society in all its facets) and the natural world. It is a social institution: organising human activities to serve human needs in their complexity and multiplicity.

The nature of design

Design is multi-faceted. It allows a commodity to transcend its basic functionality and utility and to take on a significance beyond its basic form. 'No culture is known in which some form of aesthetic expression does not occur' (Beals & Hoijer 1965). Even stone-age craftsmen shaped fish hatchets gracefully, not improving utility but enhancing



appearance. Design integrates the physical object, its performance and how the object is personally experienced. The proximity of aesthetic, practical and cognitive contexts Tolman and Perry call art (Albrecht et al 1976). This may be described as adding value.

The purposes design serves are multi-faceted. It ties society together around common values and systems. It facilitates life itself (a cup to drink water from, a refrigerator to keep food fresh). It facilitates interaction (an airline system, a bank). It facilitates social stability and reduces conflict. It facilitates understanding and appreciation between nations. It gives a person and an interaction a certain quality. It even enhances personal identity (a Cartier watch / a Montblanc pen).

Like art forms, for instance romanticism and classicism, design is determined by the position of the individual in society and the rapidity of social change. Design, like art, reflects a map of the society in which the designer lives. In South Africa, it is fair to say we historically have different maps for different peoples, with little synergy between them.

Design as a social system

Albrecht (1976) classifies a social system as:

- Emphasising the degree of development of an institution, as well as emphasising its own relative importance in the maintenance of society.

- An important carrier of cultural values.

This means:

1. That design is evolutionary and never stagnant. In design, strategy and execution are often one. Design enables one to truly 'craft' strategy by the implicit interaction it assumes between user and creator (Mintzberg 1991).
2. The functions of design as an institution are in constant flux in any society. As design is often invisible, it is difficult to pin down the exact function of design at any given point in time - these will always be multiple. The presumption that a designer must know, explicitly, what functionality he is addressing is wrong, as design is often a response, the outcome often a conditioning which is so integral that a designer is unaware of it. Distinguishing between form and content is difficult. Good design is by its very nature conceptual and holistic.
3. Design cannot be categorised in terms of its importance to society, as it permeates every aspect of human life. Design is the process, the outcome, the facilitator. It is an indistinguishable part of human life and societal progression.
4. In South Africa, the colonial nature of our history has resulted in 'Western' design being given higher prominence than African or authentic design. Leading separate lives meant that most segments of society were compartmentalised and unable to influence, or to be influenced by each other. Each segment was therefore incapable of evolving to a

different level of integration, understanding or design. South Africans have even had the audacity to call certain cultures less or more developed. Obviously, such an understanding is a matter of conditioning by a given culture, and by definition, subjective.

Design in society

Design, be it as a system (which only manifests through action), a physical product or a way of thinking, is an integral part of society.

FIGURE TWO

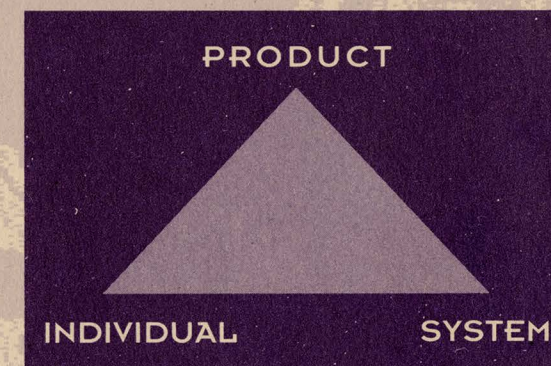
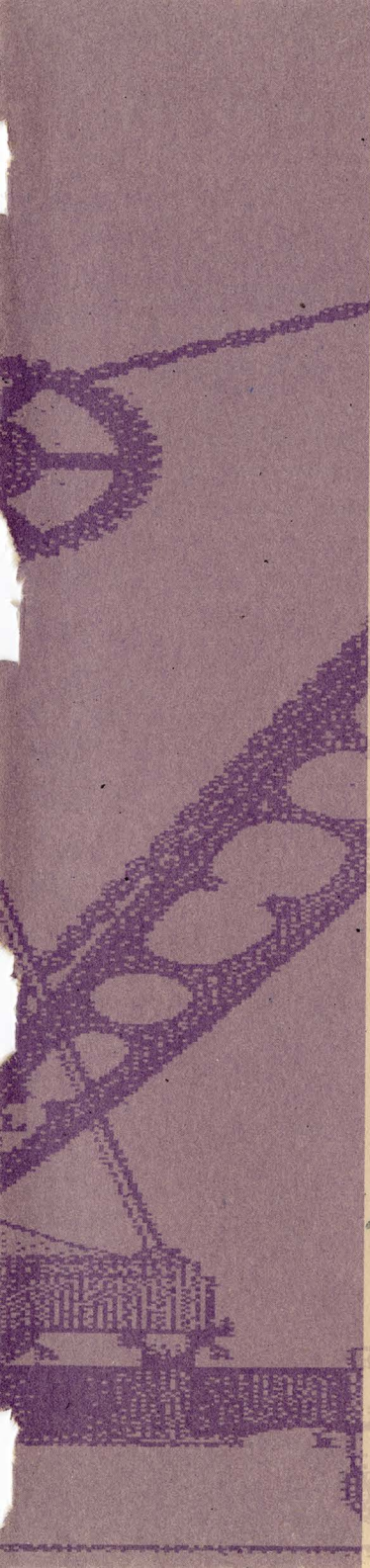


Figure Two shows a representation of design in society, illustrating that design is a matching process. The acceptability or take-up of a specific design is a function of the degree to which it satisfies the needs of society as a whole, or a given proportion of that society, at a given point in time. The elements of this design are invisible, and the presentation holistic: the integration of many elements to perform a function within a given context.



The product is the physical outcome of design, albeit a functional commodity item (a simple container to drink water from) or a functional value-added item (an Alessi teapot). The product itself constantly evolves: the feedback from users is instantaneous. This makes the design of products one of the most competitive industries in the world. The incorporation of information into the evolution of a design, is an ever-accelerating process. The software underlying such interaction will determine, in time, the competitive edge contained in the design.

A physical product may be categorised according to three criteria. The first two are its base functionality (a cup has to enable you to fill it and drink from it) and its core value (the difference between a Continental China cup, almost a commodity, or a Royal Doulton cup). Both serve the same purpose, but the latter transcends the commodity nature of the former, performs and looks better. That is why consumers will pay far more for the Royal Doulton cup! Much of this is tangible (visible design superiority), but most of it is intangible (the intrinsic value of enjoyment/wealth/ adding value to life).

Thirdly, the cup may have peripheral aspects to it, things that change over time. These changes relate to new fashions, fads and trends in society. For instance, new designs from Rosenthal which reflect a new time, a new age - still adhering to essential design superiority and quality cornerstones, but varying in physical appearance and colour to match a new era. Although these changes do not alter the product's functionality,

they enable easier and more graceful integration of the design into society.

A product manifests itself in interaction with human beings, through for instance, the whole of the marketing presentation - advertising, package design, merchandising design, point-of-purchase inducement, promotions and public relations, and in service companies, the importance of determining and maintaining a relationship with a given customer. The system facilitates the interaction between product and consumer. It is complex and comprises:

- The designer, his personality, culture, training and support systems.
- The society, its degree of expressiveness, autocracy/democracy, its cultural values and its degree of openness.
- The government and its facilitation of design.
- The economic situation in terms of the level of need satisfaction prevalent in society, the regulation of motivation levels and the reward and disposal system. These all determine the degree of value one can afford to add as a manufacturer, or buy as a consumer.
- The educational system and the degree of lateral thinking and interactiveness induced, as well as the extent to which disagreement is tolerated or even invited. Real levels of education are one of the key determinants of wealth in any society.
- Degree of competition between companies.
- Access to raw materials/systems.

The interaction between the above forces directly impacts upon the design capabilities and output, and therefore the competitiveness, of a nation. In

South Africa, this system was for many years biased to support a given section of society, not integrating or utilizing the strength inherent in the multiplicity of South Africa's cultural make-up. Thus again, not using a valuable point-of-difference to build up a competitive edge in world trade.

A NEW DESIGN ORDER IS NEEDED FOR SOUTH AFRICA

Today's world is truly a war of signs, to quote the architect Dietmar Steiner. Consumers are inundated by new brands, commercials and other design impulses, and are therefore increasingly threatened by impulses which confuse rather than facilitate a better world.

In addition, real differences between products are diminishing: technology and competition are making it increasingly easy to replicate innovation. One cannot therefore claim technological superiority beyond a certain point.

In this 'war of signs' and 'generic-era', design has to transcend the mundane and the generic, has to de-confuse and create identities. It has to facilitate the entering of brands into the world of consumers by differentiating them from other brands - making them unique by creating harmony instead of confusion, by becoming part of the lives of consumers instead of rudely interrupting them.

This means designers have a special task to be part of, as well as interpreters of, this world. And

in a multi-lingual, multi-symbol, multi-cultural society, participant 'observation' is not easy, and bound to be coloured (literally!) by our own frames-of-reference and souls.

The holistic purpose of design is to facilitate harmony between man and his environment, in whatever discipline it manifests itself. This implies that design spans the entire spectrum of human endeavour. One can even see design being the force that de-segments and recreates a new holistic society, utilising disciplines, but transcending the barriers of any one to achieve universal unity or substance.

Not only has design never been utilised to facilitate such harmony within South Africa, it has never been utilised to create a uniquely South African design style or culture. Some design/art styles have even taken on cult values in the world: compare minimalism, surrealism, art deco, etc. There are vast opportunities open to us. Stated otherwise, these are the responsibilities we need to address soonest.

According to authors like Porter (1991), the following characteristics will mark trade into the next decade:

- Maximum value added to raw materials and mineral products
- A high level of 'information' built into products for strategic reasons
- The exploitation of micro-electronics technology
- The exploitation of the knowledge explosion in the scientific and technological areas.

An awareness of global and local trends coupled to the uniqueness South Africa offers, can enable us to design for ourselves and for the world:

1. Symbolism/semiology in design is critical. South Africa is a nation of soft variables, of rock paintings and soft, round containers. In the knowledge era, where competitiveness stems not from what you are but what you know, Africa has much to offer the world. The holistic impression of a product - visual rather than verbal, as many South Africans are not fully literate.
2. A vast world out there, with high disposable incomes, is looking for impetus from lesser known areas and cultures. This intrigues them. As the world becomes more of a village in reflecting greater similarity, consumers will look for the unique, the different. People may well possess Cartiers, Rolex watches and Alessi utensils, but new inputs from unknown areas must add uniqueness for the more demanding and individual of consumers. South Africa must target the trend-setters rather than the herd- followers.
3. Software is becoming increasingly important throughout the world. In the information and knowledge-age, Africa is still an enigma to the world. Its unique patterns of expression, vastness, and diversity are as yet, untapped sources of inspiration.
4. The world is again focusing on the importance of the diversity of peoples, cultures, and nations. Despite merging, nations are also becoming more aware of their differences. Still, we have to manage to live together in relative harmony. Here, again, Africa and South Africa in particular, is unique in the world.
5. South Africans by definition have needed to understand multi-cultural expression, critical to global marketing, better than anyone - even if it is not always reflected in our endeavours.
6. Young, aspirational consumers keeping up with new trends at an ever increasing rate are imperative for future success. How many countries are in flux to the same extent that we are? And yet, we still cope remarkably well.
7. Consumers are seeking quality products which do not cost more, better products at a better price. Many Black consumers in South Africa have demonstrated that they are extremely quality conscious.
8. Short term utility is becoming more important. Most companies are faced with faster innovation having to be sold at cheaper prices. But then utility within the confines of cost constraints has always been the best impetus for remarkable innovation.
9. The relationship between context and design is unique in South Africa. Not only as a result of people-diversity, but as a result of diversity in the physical environment. Within its boundaries, South Africa has many 'European' markets.
10. There is a spirit of betterment amongst South Africans. Look at the informal sector, growing to create opportunities the formal sector could

not create. The mass of South Africans are focused on happiness and the enjoyment of today. Despite more stress than most societies, despite serious violence in some pockets, it is still a relatively peaceful, carefree country.

11. South Africa already leads the world in some sectors, i.e. banking and mining. It could also be a leader in other areas, like eco-tourism.

CONCLUSION

Design conditions and interprets. It creates and understands. It lives and dies. It serves and is served. Design is a living organism in a society, almost like an infinite spiral of evolution which runs through everything we are and everything we do. Design determines how the world sees us, how we believe in ourselves, how we project ourselves. It is the single most important ambassador South Africa can have in the world.

Yet, we have undermined and abused it. We have been lazy. We have squandered our assets. Our lack of competitiveness in the world of nations is a reflection of this. Design is the only way South Africa can become a world player, imperative for our long term prosperity as a nation. This is crucial to our self-determination and self-respect.

But we need to add value by creating a style which is uniquely us, reflecting the vibrancy and soul of the African continent, the myths and the legends of our vast lands, our use of symbolism and colour, our own customs and unique culinary traditions. The world usually gets a picture of a dying Africa. Let us start selling and creating the image of a vibrant, ancient and mythological

continent. The East has done it so well. It fascinates and hypnotises the world. We have the same diversity, the same strengths, yet we don't tell the world about them.

For design in South Africa to actualise both its economic and social potential, to facilitate harmony and build a competitive edge, the combination of two things will be demanded - an awareness of local and global trends and the realisation of our uniqueness on many levels. We need the insight to recognise our strengths, the will to apply a new order, and the vision to realise that we have so much to offer the world. Our future prosperity depends on this.

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