

Southern Africa Labour and Development Research Unit

A STUDY OF CONSUMER PATTERNS IN
HANOVER PARK, CAPE TOWN

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1. INTRODUCTION

1.1 Object of the Survey

The main object of this survey was to investigate income and expenditure patterns and shopping habits in a 'Coloured' community (Hanover Park) in the Cape Peninsula, with a view to examining the feasibility of the establishment of a consumer co-operative for the area.

It was felt that this investigation was desirable in the light of the dissatisfaction expressed with regard to shopping facilities in Hanover Park: shops are few, and goods expensive. The result is that a large proportion of shopping is done outside the Hanover Park area, implying high transport costs and wastage of time. A consumer co-operative would cut down on these transport costs and time losses, and also enable goods to be bought at cheaper prices, particularly where bulk ordering is possible.

In addition, there is some evidence that the 'Coloured' community has been especially hard hit by inflation and recession. According to the Bureau of Market Research, between May 1973 and August 1975, the percentage of 'Coloured' households existing below their Minimum Living Level actually increased, as opposed to falling figures for Black and Indian groups. (See Financial Gazette, May 27, 1977, p.16). This being the case, the saving afforded by the establishment of a consumer co-operative should be all the more desirable.

Also, a preliminary and superficial investigation into overcrowding in the area was undertaken.

This study was undertaken by S.A.L.D.R.U. at the request of the Churches Urban Planning Commission (Director: Revd. D. Adendorff); and greatly assisted in the Hanover Park area by CUPC social worker, Miss J. Kroukamp, who recruited and supervised the interviewers. The questionnaires were drawn up in April/May 1976, administered in June/July 1976 and analysed in the Development Studies Research Group, Department of Economics, University of Natal, Pietermaritzburg, in May/June 1977.

1.2 Scope of the Survey

The basic study unit was the 'Household', defined for this purpose as: One or more families, group of persons, or a person dependent on a common or pooled income, and living in the same house. Persons temporarily absent (e.g. household members at boarding school, away on holiday, or in hospital) are included in this definition. Not included are 'boarders' (i.e. persons paying all their own expenses, including rent), who are regarded as separate households on their own; and family members living and working away from home, despite the fact that they may contribute to the household income.

The survey area covered all Households in the Hanover Park area, which is a Cape Town City Council housing estate for 'Coloured' persons.

93 households (a 2% sample) were randomly selected for analysis. Of these, only 46 (0,99% sample) provided satisfactory data for the analysis. This very high non-response proportion is attributed chiefly to the fact that the relatively few interviewers were all volunteers, working in their spare time on questionnaires which took a minimum of 2 hours and 2 visits to complete. Thus the work load, per interviewer, was high, and most interviewers did not manage to complete the interviews assigned to them. The proportion of outright refusals to co-operate was much smaller.

The numbers and proportions of households from which satisfactory responses were received are set out in Table 1.1. The sample is too small to yield accurate estimates of some of the variables of interest; accordingly, results have been validated against the Bureau of Market Research report 50.5: 'Income and Expenditure Patterns of Urban Coloured Households in Cape Town.' (Pretoria, 1976).

TABLE 1.1 NUMBER OF HOUSEHOLDS, SAMPLE UNIT NUMBERS AND PROPORTIONAL SIZE OF SAMPLE

Population	Sample		
	Number of Households	% of Total	Number of Persons
4650	46	0,99	243

(SOURCES: City Council Plan of Hanover Park; Response Sheets).

2. ORGANISATION OF THE SURVEY

2.1 Questionnaire

The questionnaire was designed by Charles Simkins and was so constructed as to elicit much of the same information as is gathered in the Bureau of Market Research surveys.

Detailed information was requested under the following main headings:

(a) Housing: Type of accommodation; rooms available; lighting, heating, cooking, kitchen, bathing and toilet facilities; monthly rent.

(b) Expenditure on clothing, furniture and household equipment (annual), and fuel and light (monthly): where bought, date bought; and how much was bought on cash, credit and hire purchase.

(c) Shopping habits: 7 main categories (food, alcohol, cigarettes and tobacco, washing and cleaning materials, clothing, fuel and light materials, furniture and household equipment): where bought and how often, who makes shopping trips; how often; where to; mode of travel; shopping with neighbours; who shops when; purchases delivered; bargain hunting; adequacy of Hanover Park facilities; complaints.

(d) General household and income information: Household members: age, sex, relationship to head of household, education, type of income, weekly income, employment sector, and occupation.

(e) Expenditure during the past week on food, alcohol, cigarettes, tobacco, washing and cleaning materials. Daily expenditure was recorded for seven consecutive days in a "diary" supplied by the interviewer.

Pretesting of the questionnaire was combined with interviewer training, and minor adjustments were made at this stage. It became obvious that 2 interviews of

approximately an hour each would be necessary, spaced a week apart to allow completion of the 'diary of expenditure' (see 2.1(e)).

2.2 Organisation of the Fieldwork

Households to be interviewed were randomly selected, using random number charts and a map to translate the random numbers into addresses. Occasionally more than one household was found on a site: in such cases, each household was interviewed separately. As there were only 2 such cases in the sample, the randomness will not have been significantly affected.

Members of the Hanover Park community were recruited as interviewers by a community worker (Miss J. Kroukamp) working in the area. Most of them were familiar with the inhabitants, and without exception were able to establish good rapport with their interviewees. Interviewing was done entirely voluntarily and in the interviewer's spare time.

After an initial meeting with Charles Simkins, three 2-hour training sessions were set up, covering such topics as the purpose and importance of the survey, and interviewing method, as well as role-playing the interview situation within the group and checking thoroughly the completion of each questionnaire.

On completion of training, earnest interviewing began, controlled by regular 'checking' sessions with each interviewer. All completed questionnaires were checked on return for error or misunderstanding. If necessary, the interviewer returned to the household to correct ambiguities.

All questionnaires were completed during June and July 1976.

2.3 Data Processing and Reliability.

Questionnaires were carefully edited by assistants to ensure the completeness and reliability of the data. Tabulation was done manually, with the aid of a Hewlett-Packard 67 calculator.

Sample surveys represent only a portion of a much larger population, thus survey results must not be regarded as exact values, but rather as 'useful estimates' that can be applied to the population. Errors in these estimates may arise in 3 main areas:

(a) Sampling: Errors arise because only a small portion of the population is tested. The larger the sample size, the smaller the sampling error should be. In this case 1% of the population was interviewed. However, when tabulating according to certain categories, the number of cases falling into any one category may be very small, thus increasing the likelihood of a large sampling error. In many cases categories with very few cases have been amalgamated for the purposes of analysis.

(b) Non-response and incomplete interviewing: This is inevitable in a survey where one must rely on voluntary co-operation of the interviewer. In this case, another source of error lies in the fact that not all households in the sample were visited (see 1.2); it is assumed that households which did not respond or those which were not visited did not affect the randomness of the sample.

(c) Reporting: Errors may arise from memory error, misunderstanding of questions, reluctance to answer some questions, misinterpretation of answers by the interviewer, and incorrect questionnaire-completion by the interviewer.

The interviewer training and checking sessions, and the construction of an interviewer manual represent attempts to minimise these errors. In addition, the construction of the questionnaire which, on the whole, avoided the open-ended question technique, thus eliminating any need for subjective evaluation by the interviewer, should have contributed to this error-minimisation.

It must be noted that it has frequently been found that the respondents try to impress their interviewers - either by exaggerating expenditure on status items or by under-reporting expenditure on socially undesirable items, e.g. alcoholic beverages, cigarettes and tobacco. Hanover Park is no exception: only 5 households (10,9%) admitted to purchasing alcohol at all.

Secondly, it must be noted that this survey was done in winter months, and that there may be seasonal variation in expenditure on some items (especially fuel and light).

3. VALIDATION OF DEMOGRAPHIC, EDUCATIONAL, EMPLOYMENT AND INCOME DATA

The sample unit of the Bureau of Market Research (BMR) Survey was also the household, according to the same definitions as the Hanover Park study; however, the survey differentiated between multiple and single households.

The BMR survey covered all multiple and single households in 'Coloured' residential areas of the Cape Peninsula. The population was 723 000 persons living in 173 670 households, whereas the sample covered 981 households: 0,56% of the population.

Data for the report was collected between September and November 1975 (approximately 8 months before the Hanover Park study); thus estimates of income and expenditure from the Hanover Park (HP) study must be deflated, if comparisons in real terms are to be made.

3.1 Statistical Procedure

The Bureau of Market Research and Hanover Park findings were compared statistically using the Chi-squared and t-tests of significance. For the purpose of applying the Chi-squared test, the Bureau of Market Research sample was regarded as 'the population'; the tests then measure the probability that the Hanover Park sample was actually a sample of the large BMR 'population'.

Each test is designed to select one of the following:

- (a) H_0 (Null Hypothesis): that HP sample is a sample of the BMR 'population'.
- (b) H_1 (Alternative Hypothesis): that HP sample is not a sample of the BMR 'population'.

The test statistic, χ^2 (Chi-squared), is computed from differences between the observed value (in HP), and the expected value (computed by applying the proportions observed in the BMR sample to the HP figures).

In the 't' test, two means are compared by dividing the difference between them by a measure of the possible error in them.

Both χ^2 and t will be zero if the sample variable of interest in any particular test is identical with that of the population. The greater the difference between the sample and the population variables, the further will be χ^2 and t from zero, and the greater will be the likelihood of the sample not being a reflection of conditions in the population. Using the techniques of mathematical statistics, it is possible in each case to find critical values of χ^2 and t , such that if the calculated values fall outside these, we can infer that there is a less than 5% chance that the null hypothesis is true. In such a case, we reject the hypothesis that the HP and BMR surveys give the same result and look for reasons why they should be different. Otherwise, we accept that the HP and BMR surveys do not contradict each other.

3.2 Inter-Survey Validation

Demographic, educational, employment and income distribution tables are presented in this section and the results of the statistical tests recorded. The findings are interpreted and discussed in section 3.3

3.2.1 Age Distribution

TABLE 3.1 DISTRIBUTION OF SAMPLE POPULATION BY AGE AND SEX

Age	MALE			FEMALE			TOTAL		
	HP	BMR	HP expected	HP	BMR	Expected	HP	BMR	Expected
0-4	15	215	14,46	15	214	13,63	30	429	28,05
5-9	28	296	19,91	21	311	19,81	49	607	39,69
10-14	19	329	22,13	21	332	21,15	40	661	43,22
15-19	13	197	13,25	13	238	15,16	26	435	28,45
20-24	4	88	5,92	4	110	7,01	8	198	12,95
25-29	5	81	5,45	8	121	7,71	13	202	13,21
30-34	10	92	6,19	11	120	7,65	21	212	13,86
35-39	11	111	7,47	10	147	9,37	21	258	16,87
40-44	6	89	5,99	4	103	6,56	10	192	12,56
45-49	2	77	5,18	6	82	5,22	8	159	10,40
50-54	3	70	4,71	2	66	4,20	5	136	8,89
55-59	1	34	2,29	5	41	2,61	6	75	4,90
60-64		35	2,35	2	33	2,10	2	68	4,45
65-69		18	1,21		16	1,02		34	2,22
70+	1	22	1,48	3	28	1,78	4	50	3,27
	118	1754	118	125	1962	125	243	3716	243

Sources: BMR Report 50.5 of 1976; Response Sheets.

$$\chi^2_5 = 19,19 \quad \text{Significant} \quad (P[\chi^2_5 \geq 11,07] = 0,05)$$

Therefore the Null Hypothesis is rejected, i.e. an actual difference between the Hanover Park and BMR samples in respect of level of education is inferred.

3.2.4 Distribution of Earners by Occupation

TABLE 3.4 DISTRIBUTION OF EARNERS BY OCCUPATION

	HP	BMR	HP EXPECTED
Professional, Prop and Manager	1	95	5,72
Skilled	11	153	9,20
Semiskilled	18	337	20,27
Unskilled	23	389	23,40
Admin., Clerical	11	90	5,41
	64	1064	64

Sources: BMR Report 50.5 of 1976, Response Sheets

$$\chi^2_4 = 10,28 \quad \text{Significant} \quad (P[\chi^2_4 \geq 9,49] = 0,05)$$

The Null Hypothesis is rejected, and a difference in the distribution of occupations between the HP and BMR samples is inferred.

3.2.5 Distribution of Earners by Sector of Employment

TABLE 3.5 DISTRIBUTION OF EARNERS BY SECTOR OF EMPLOYMENT

	HP	BMR	HP EXPECTED
Agriculture, Mining, Manufacture	28	378	21,73
Electricity, Construction	5	116	6,66
Wholesale and Retail Trade	7	198	11,38
Transport, Communications, Finance	10	76	4,37
Community and Social Services	11	293	16,85
	61	1061	67

Sources: BMR Report 50.5 of 1976; Response Sheets.

$$x_4^2 = 13,19 \quad \text{Significant} \quad (P[x_4^2 \geq 9,49] = 0,05)$$

Thus a difference is inferred in the distribution of earners by employment sector between the HP and BMR samples.

3.2.6 Distribution of Household Income (October 1975 prices)

TABLE 3.6 DISTRIBUTION OF HOUSEHOLD INCOMES

INCOME (R/year)	HP	BMR	HP EXPECTED
0-1999	24	259	15,93
2-2999	14	164	10,09
3-3999	4	137	8,43
4000+	4	188	11,56
	46	748	46

Note: A special deflator was calculated on the basis of prices in Cape Town and the BMR expenditure patterns.

Sources: BMR Report 50.5 of 1976; Response Sheets.

$$\chi^2_3 = 12,88 \quad \text{Significant} \quad (P[\chi^2_3 = 7,82] = 0,05)$$

Therefore a difference between the distribution of real household incomes between the HP and BMR samples is inferred.

3.2.7 Average Income by Sector of Employment and Occupation (October 1975 prices)

TABLE 3.7 DISTRIBUTION OF ANNUAL AVERAGE INCOME BY OCCUPATION

	HP MEAN	HP STD. DEV.	BMR MEAN	't' VALUE	SIGNIFICANT?	't' AT 5% LEVEL
Admin., Clerical	2087,65	717,34	2527,71	- 0,61	NO	2,262
Skilled	1955,48	928,45	3350,46	- 1,50	NO	2,262
Semiskilled	1370,39	351,08	1853,96	+ 1,38	NO	2,120
Unskilled	960,90	486,51	1232,02	- 0,56	NO	2,086

Sources: BMR Report 50.5 of 1976; Response Sheets

TABLE 3.8 DISTRIBUTION OF ANNUAL AVERAGE INCOME BY EMPLOYMENT SECTOR
(October 1975 prices)

	HP MEAN	HP STD. DEV.	BMR MEAN	't' VALUE	SIGNIFICANT?	't' AT 5% LEVEL
Manufacture	1256,73	692,69	1719,26	- 0,67	NO	2,064
Community and Social Services	1561,51	682,03	2009,68	- 0,66	NO	2,365
Wholesale and Retail Trade	1518,95	840,63	2005,39	- 0,64	NO	2,571

Sources: BMR Report 50.5 of 1976; Response Sheets.

Therefore, no differences can be inferred between average real incomes by occupation and employment sector between BMR and HP samples.

3.3 Evaluating the Differences

It can be inferred from the above sections that the HP and BMR samples do not differ in the demographic characteristics of their populations (i.e. age and sex); neither is there a difference in distribution of household size, or of the average incomes (in real terms) categorised according to employment sector and occupation.

However, the Hanover Park population does differ from that studied by the BMR with respect to social variables, viz. the level of education, the distribution of earners by occupation, and by sector of employment, and the distribution of household income (in real terms).

Standards of education attained in Hanover Park are consistently lower than those found by the BMR. While proportions employed in skilled, semiskilled and unskilled labour are very similar across samples, a higher proportion of the BMR sample is employed in professional and managerial occupations, and a lower proportion in administrative and clerical fields.

Employment sector proportions are similar in the electricity and construction sectors, whereas BMR proportions exceed HP figures in both the wholesale/retail and the community and social sectors. Hanover Park proportions are higher than BMR figures in the agricultural, mining, manufacturing, transport, communications and finance sectors of the economy.

Household incomes appear to be consistently lower in HP when compared with BMR figures.

Thus there seems to be a general relative bias of the BMR sample towards the upper end of the social scale, and the HP sample towards the lower end. The statistical tests indicate that this bias is a result of actual differences in populations, rather than having been artificially introduced by sampling techniques. An explanation for this difference is suggested as follows:

An upper limit is fixed on the incomes of HP residents by virtue of its nature as a housing estate. Thus the sample, considered as a sample of the 'Coloured' people on the Cape Peninsula as a whole, has been truncated at the upper end of the social scale, which would account for the observed differences. 'It

should also be noted that the lower end of the scale may not be adequately represented in either the BMR or HP samples, because neither sampling frame catered for the inclusion of 'squatters'. The fact that squatters have been found to be significantly worse off than the rest of the population (see S.A.L.D.R.U. Working Paper no.13), would suggest that both samples have truncated lower tails. This truncation of the BMR sample then introduces an absolute bias towards the upper end of the social scale, relative to the Cape Peninsula as a whole; the HP sample is further different because of upper tail truncation.

4. EXPENDITURE PATTERNS AND SHOPPING HABITS

4.1 Expenditure Patterns

Household expenditure patterns found in Hanover Park were compared with those reported by the BMR, using the t-test of significance. Results are reported in Table 4.1

TABLE 4.1 EXPENDITURE PATTERNS

	% OF TOTAL EXPENDITURE BMR (N = 781)	WEEKLY EXPENDITURE HP (N = 40)	% OF TOTAL HP	t	t SIGNIFICANT?
Food, Fuel	50,8	654-87½	53,3	- 0,31	NO
Alcohol, Washing	9,7	158-51	12,9	- 0,66	NO
Housing	16,7	160-70	13,1	0,51	NO
Furniture	8,4	94-58	7,7	0,16	NO
Clothing	15,0	160-37	13,1	0,34	NO
TOTAL (of categories considered)	100,0	1229-03½	100,0		

Sources: BMR Report 50.5 of 1976; Response Sheets.

The t statistic is used to ascertain whether two observed proportions could have come from the same population. None of the computed t values are significant, thus it appears that the BMR expenditure patterns hold in Hanover Park. Accordingly, BMR figures were used as the expenditure 'weights' in the calculation of the income deflator, which was used in Table 3.2.6 to compare real incomes in Hanover Park with the BMR figures.

Next, the 'diary' of expenditure was analysed to give expenditure on four categories of goods, by day of the week, for 40 households.

TABLE 4.2 TOTAL WEEKLY EXPENDITURE ON FOOD, CLEANING AND WASHING MATERIALS, TOBACCO AND ALCOHOL AND FUEL FOR N = 40 HOUSEHOLDS

	FOOD	CLEANING AND WASHING	TOBACCO AND ALCOHOL	FUEL	TOTAL	PROPORTION (excl. 'Other')
Sunday	26-51	-80	2-28	-39	29-98	0,05
Monday	36-37½	1-59½	1-76	2-13½	41-86½	0,06
Tuesday	43-31½	2-35	2-53½	-65	48-85	0,08
Wednesday	46-52½	1-34	3-14	1-35	52-35½	0,08
Thursday	51-65½	-92	5-41½	1-66	59-65	0,09
Friday	130-10	4-61	4-25	3-00	141-96	0,22
Saturday	254-20	10-53½	4-32½	7-52	276-58	0,43
Other	66-19½	6-70½	-	-23	73-13	
TOTAL	654-87½	28-85½	23-70½	16-93½	724-37	
PROPORTION	0,90	0,04	0,03	0,02		

The category 'Other' includes any goods, usually purchased during the week, but not during the week recorded.

It is clear that the bulk of expenditure is on food, the main purchasing day being Saturday, followed by Friday. These figures are useful for estimating the volume of expenditure which a consumer co-operative would have to handle on a daily basis (see Section 5).

4.2 'Main' Shopping Trips

As regards 'main' shopping trips, the following habits were recorded:

TABLE 4.3 VOLUME OF HOUSEHOLD PURCHASES BY AREA AND CATEGORY OF EXPENDITURE

	HANOVER PARK				NEAR WORK				ELSEWHERE			
	ALL	MOST	SOME	NONE	ALL	MOST	SOME	NONE	ALL	MOST	SOME	NONE
Food	4	5	34	3	2	4	4	36	1	28	8	9
Alcohol	4	-	-	42	1	-	-	45	-	-	-	46
Cigarettes, Tobacco	13	6	4	23	-	1	4	41	2	5	5	34
Washing, Cleaning	7	3	7	29	4	1	-	41	17	12	4	13
Clothing	2	2	7	35	1	2	4	39	26	8	5	7
Fuel, Light	16	6	6	18	1	1	-	44	1	4	5	36
Furniture, Household Equipment	1	-	-	45	1	-	-	45	33	3	-	10

A number of interesting facts emerge from the above table. Firstly, Hanover Park facilities are clearly inadequate for the purchase of particularly furniture and clothing. In addition, most households buy no washing and cleaning materials in Hanover Park. It is interesting to note that where shopping is not done in Hanover Park, it is usually done 'elsewhere', rather than 'near work', a factor that would add to transport costs.

A glance at the figures for 'alcohol' and 'cigarettes and tobacco' will illustrate the underreporting on items which are considered socially undesirable.

Next, the mode of payment for clothing and furniture and household equipment is considered:

/TABLE 4.4 ...

TABLE 4.4 MODE OF PAYMENT FOR FURNITURE AND CLOTHING (5% of total value of goods purchased)

	CASH	CREDIT	HIRE PURCHASE
Furniture and Household Equipment	8,6	12,9	78,6
Clothing	68,6	30,1	1,3

Most of the furniture and household equipment is bought on hire purchase, and clothing with cash, or, to a lesser extent, on credit. Any consumer co-operative proposing to supply such goods would have to provide credit or hire purchase services. However, due to the infrequency and irregularity of purchases of such items, it is unlikely that they would be catered for by the co-operative.

TABLE 4.5 FREQUENCY OF MAIN SHOPPING TRIPS

	DAILY	TWICE/WEEK	WEEKLY	FORTNIGHTLY	MONTHLY	NONE
Food	4	3	31	3	5	-
Alcohol	-	-	4	-	2	40
Cigarettes, Tobacco	11	4	10	1	-	20
Washing, Cleaning	2	2	31	5	6	-
Clothing	-	-	2	-	44	-
Fuel, Light	5	5	5	-	31	-
Furniture, Household Equipment	-	-	1	-	45	-

It seems that the majority of households purchase food and washing and cleaning materials on a weekly basis; whereas clothing, fuel and light materials, and furniture and household equipment are bought on a monthly basis. (It must be noted that this food, bought on 'main' shopping trips, does not necessarily include, for example, bread and milk, which is usually bought on more frequent special shopping trips).

The reporting error is once again evident for alcohol, cigarettes and tobacco.

For the question 'Do you shop with neighbours?' only 17% recorded 'Yes'; for 'Do you have any purchases delivered?' 20% recorded 'Yes'; and for 'Do you hunt for bargains?' 83% answered 'Yes'.

These questions and results clearly have a bearing on the feasibility of a consumer co-operative, which will be discussed in Section 5.

4.3 'Special' Shopping Trips

100% of the households surveyed make 'special' shopping trips, i.e. trips not made on a regular basis with regular intent, or trips made for small purchases locally.

The following tables illustrate certain habits concerning these trips:

TABLE 4.6(a)

WHERE?

	Number	% (of 46)
Hanover Park	22	47,8
Elsewhere	24	52,2

TABLE 4.6 (b)

MODE OF TRAVEL

	Number	% (of 46)
On Foot	25	54,3
Bicycle	-	-
Motorcycle	-	-
Private Car	4	8,7
Bus	14	30,4
Train	-	-
Taxi	3	6,5
Other	-	-

Children were probably used mostly for local shopping trips and would account for many of the journeys made on foot. Buses are mainly used for trips to shops outside the area.

TABLE 4.6(c)

HOW OFTEN?

	Number	% (of 46)
Daily	25	54,3
Twice/Week	3	6,5
Weekly	13	28,3
Fortnightly	3	6,5
Monthly	2	4,3

TABLE 4.6(d)

WHO MAKES THEM?

	Number	% (of 46)
Adult men	2	4,3
Adult women	30	65,2
Child	14	30,4

Even for these 'special' trips, more than 50% of the sample sought their goods elsewhere, once again suggesting the inadequacy of HP facilities.

4.4 Hanover Park Facilities

In general, it would seem that the Hanover Park community is not satisfied with the shopping facilities in the area. In answer to a direct question, only 17% of the sample said that the facilities were adequate. Table 4.3 also indicates this, and illustrates that householders must therefore move to other areas for much of their shopping.

Complaints raised against Hanover Park facilities may be tabulated as follows:

TABLE 4.7 COMPLAINTS REGARDING HANOVER PARK FACILITIES

	Number	% of total (46)
Too expensive	35	76
Not enough variety	7	15
Unsafe for children	4	9
Quality poor	8	17
Cost of travel	4	9
No self-service	2	4
Overcrowded	1	2
Service unreliable, poor	2	4

Note: Total adds up to more than 100%, as some respondents listed more than one complaint.

/The complaints ...

The complaints recorded indicate the particular areas in which a consumer co-operative should provide service, viz. making available a larger variety of better quality goods at more reasonable prices.

5. COSTING A CONSUMER CO-OPERATIVE

Using survey results, a model expenditure table was constructed for 100 households.

TABLE 5.1 DAILY EXPENDITURE MODEL - 100 HOUSEHOLDS (Rands, July 1976 prices)

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTAL
Food	66-28	90-94	108-29	116-31	129-14	325-25	635-50	1471-71
Cleaning, Washing	2-00	3-99	5-88	3-35	2-30	11-53	26-34	55-39
Tobacco, Alcohol	5-70	4-40	6-34	7-85	13-54	10-63	10-81	59-27
Fueler	-98	5-34	1-63	3-38	4-15	7-50	18-80	41-78
TOTAL	74-96	104-67	122-14	130-89	149-13	354-91	691-45	1628-15

Assuming that the consumer co-operative will only cater for 'main' shopping trips, and not, for example, daily bread and milk, it would seem best to use only 'Friday' and 'Saturday' figures for budgeting (Total R1046-36). Assume that the co-operative will be able to make a saving of 15% (R156-95) on purchases due to bulk ordering through the cheapest outlets.

Clearly, organisation of the co-operative would need at least one full-time semi-skilled worker, assumed to be paid at the going rate of R28-38 per week (1976 prices).

A light truck would be needed for delivery, the cost of running such a vehicle being 9,071 cents per kilometre.¹ Assuming 300 km/week would be covered, this would amount to R27-21.

1. Automobile Association costing for a Datsun 1200 truck, for the period July 1976.

Administrative costs of R10 per week are also included.

<u>In summary:</u>	<u>R 1046-36</u>	Present expenditure (weekly)
	156-95	15% saving
	28-38	Salary for worker
	27-21	Costs Vehicle running cost
	<u>10-00</u>	Administrative costs
	<u>R 91-25</u>	Weekly saving

Total running costs for the co-operative amount to R65-59, which is equivalent to 6,27% of the current weekly expenditure (R 1046-36). Note that these figures exclude rent which, to begin with, seems a realistic assumption.

Thus the co-operative would only have to achieve a 7% saving on goods purchased to pay for itself. Assuming, however, that it could achieve 15%, the weekly saving due to the co-operative would be R 91-36, which could then be passed on to the consumer.

It seems that, on the basis of this model, a consumer co-operative is not only feasible in the Hanover Park area, but would lower prices in the community.

6. SUMMARY OF CONCLUSIONS

Principal conclusions of this study may be summarised as follows:

- (a) Validation of Hanover Park against BMR results showed no significant differences between the samples in the distribution of the population by age and sex, and by household size.
- (b) Significant differences between the two samples were noted in the distributions of the population by education level; of earners by occupation, and sector of employment; and of household incomes. In each case, the Hanover Park sample appeared to be biased towards the poor end of the social scale, whereas the BMR sample was better represented on the upper end. A larger

proportion of the BMR sample was employed in the professional/managerial field, whereas the proportion was smaller than Hanover Park numbers in the administrative and clerical line. The main differences recorded in the sector of employment were smaller proportions in the BMR sample in transport, communication and finance, and agriculture, mining and manufacturing, and larger proportions in the wholesale/retail, and community and social sectors.

(c) Explanations for these differences are offered in terms of the nature of Hanover Park: it is a housing estate, which automatically excludes households above a certain income standard, and thus introduces a relative bias towards the lower end of the social scale.

(d) It should be noted that the sampling frame utilised by the BMR does not allow for the inclusion of squatters. This being the case, BMR survey results underestimate the degree of poverty in the Cape Peninsula as a whole. Since Hanover Park is a housing estate rather than a squatter area, the same observation would be true of it.

(e) Shopping is done mainly on Fridays and Saturdays, 65% of expenditure on food, cleaning and washing materials, tobacco and alcohol and fuel occurring on those two days.

Figures for alcohol, and cigarettes and tobacco are clearly underestimates, due to underreporting on items considered socially undesirable.

(f) The majority of food, and washing and cleaning material is bought on a weekly basis; whereas clothing, fuel and light materials, and furniture and household equipment is purchased monthly, or less frequently.

(g) Very little furniture and clothing is bought in Hanover Park due to inadequacy of facilities. Very little shopping is done 'near work', whereas a high proportion is done 'elsewhere', rather than in Hanover Park, which adds to transport costs.

Furniture and household equipment is mainly bought on hire purchase, whereas most clothing is paid for in cash.

(h) All households engage in special shopping trips, usually undertaken by adult women, travelling on foot or by bus, on a daily basis. 52% of such trips are made to areas other than Hanover Park.

Most householders shop on their own, hunt for bargains, and do not have goods delivered.

(i) 83% of the sample considered Hanover Park facilities to be inadequate, the main complaints being the higher costs of goods, the poor quality, and the lack of variety experienced in Hanover Park.

(j) Working on a model of 100 households, and estimating costs, it appears that a consumer co-operative could afford to sell at about 7% above wholesale costs, and thus seems a worthwhile project for the community.

APPENDIX: HOUSING

Various information was collected on housing facilities in the Hanover Park area:

TABLE A.1 TYPE OF DWELLING

	Number	% (of 46)
Whole house	24	52,3
Part house	3	6,5
Whole flat	13	28,3
Part flat	6	13,0

TABLE A.2 ROOMS AVAILABLE

	Number	% (of 46)
1	4	8,7
2	14	30,4
3	21	45,7
4	7	15,2

TABLE A.3 LIGHTING

	Number	% (of 46)
Electric	44	95,7
Paraffin	1	2,2
Gas	-	-
Candles	1	2,2
Other	-	-

TABLE A.4 COOKING

	Number	% (of 46)
Electric	31	67,4
Gas	6	13,0
Coal	-	-
Wood	-	-
Primus	7	15,2
Other	2	4,4

TABLE A.5 HEATING

	Number	% (of 46)
Electric	10	21,7
Paraffin	16	34,8
Gas	-	-
Coal	-	-
Wood	-	-
None	20	43,5

TABLE A.6 KITCHEN AVAILABLE?

	Number	% (of 46)
YES	46	100
NO	-	-

TABLE A.7 RUNNING WATER?

	Number	% (of 46)
Cold	40	87,0
Hot + cold	6	13,0

TABLE A.8 BATHING FACILITIES

	Number	% (of 46)
Tub	-	-
Basin	5	10,9
Bath	36	78,3
Shower	12	26,1
Other	-	-

TABLE A.9 TOILETS

	Number	% (of 46)
Inside	40	88,9
Outside (Pvt.)	5	11,1
Out (Shared)	-	-

TABLE A.10 DISTRIBUTION OF NUMBER OF ROOMS BY NUMBER IN HOUSEHOLD

		Number in Household									
		1	2	3	4	5	6	7	8	9	TOTAL
Number of Rooms	1	1	1		1				1		4
	2	1	3	1		6	3				14
	3		1	2	1	5	2	5	3	1	20
	4				1	1			5		7
TOTAL		2	5	3	3	12	5	5	9	1	(45)

Table A.10 has been drawn to illustrate the incidence of overcrowding in Hanover Park. Due to lack of satisfactory definition of the state of overcrowding it has been assumed that the dotted line drawn in represents a fair definition of overcrowding. This being true, 20 households in the sample actually fall into the 'overcrowded' category, i.e. 44% of the sample.

Without reliable figures available for similar areas, it is impossible to test the validity of this estimate; however, it would appear to indicate the need for a future in-depth investigation into the incidence of overcrowding in such areas, as well as quality of services available in homes.