



Zimbabweans still dissatisfied with the economy and doubt usefulness of bond notes

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Summary

Zimbabwe's economic meltdown remains an enormous challenge affecting citizens from all walks of life. The government's 2009 introduction of various foreign currencies was welcomed by many Zimbabweans who, after years of hyperinflation, witnessed a stabilization in general consumer prices. But with lagging economic growth and a continuing drought, the country now faces deflation and has even experienced reverse urbanization due to a lack of opportunities in the cities (African Development Bank, 2016, 326).

In November 2016, the Reserve Bank of Zimbabwe, seeking to stimulate the economy and incentivize exports, introduced a new medium of exchange – “bond notes” pegged at par value with the U.S. dollar – in a move seen by many observers as intended to ease crippling cash shortages but ultimately unsustainable.

Using 2017 Afrobarometer survey findings in Zimbabwe, this paper examines public views on the economy and the introduction of bond notes. Findings show that Zimbabweans are still largely negative in their assessments of economic conditions in their country and their own households, and that only a minority expect bond notes to provide much relief.

Afrobarometer survey

Afrobarometer is a pan-African, non-partisan research network that conducts public attitude surveys on democracy, governance, economic conditions, and related issues in African countries. Six rounds of surveys were conducted in up to 37 countries between 1999 and 2016, and Round 7 surveys are being conducted in 2016/2017. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

The Afrobarometer team in Zimbabwe, led by Mass Public Opinion Institute, interviewed 1,200 adult Zimbabweans in January and February 2017. A sample of this size yields country-level results with a margin of error of +/-3% at a 95% confidence level. Previous surveys have been conducted in Zimbabwe in 1999, 2004, 2005, 2009, 2010, 2012, and 2014.

Key findings

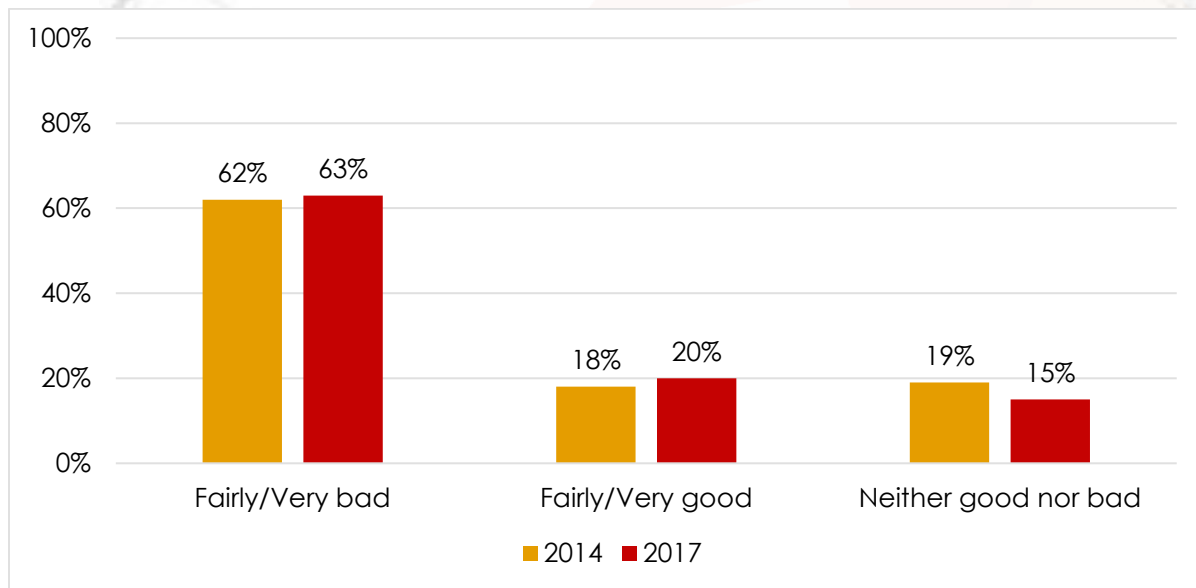
- Almost two-thirds (63%) of Zimbabweans consider their country's economic situation “fairly bad” or “very bad.” A majority (56%) say the same about their personal living conditions. These assessments are almost unchanged since 2014.
- Citizens' projections of the country's economic future are evenly divided: One-third (33%) expect things to be better in a year's time, while about the same proportion (35%) think they will be worse.

- Only four in 10 Zimbabweans (39%) think that the recently introduced bond notes will help ease the country's economic problems, while a plurality (49%) are pessimistic about their impact.

Economic condition of the country

Almost two-thirds (63%) of Zimbabweans consider the present economic condition of the country "fairly bad" or "very bad," while only one in five (20%) see it as "fairly good" or "very good." These assessments are almost identical to public perceptions recorded in Afrobarometer's 2014 survey (Figure 1). In fact, almost half (48%) of the population think that economic conditions have gotten "worse" or "much worse" compared to 12 months ago, while 32% say they have improved.

Figure 1: Country's economic condition | Zimbabwe | 2014-2017



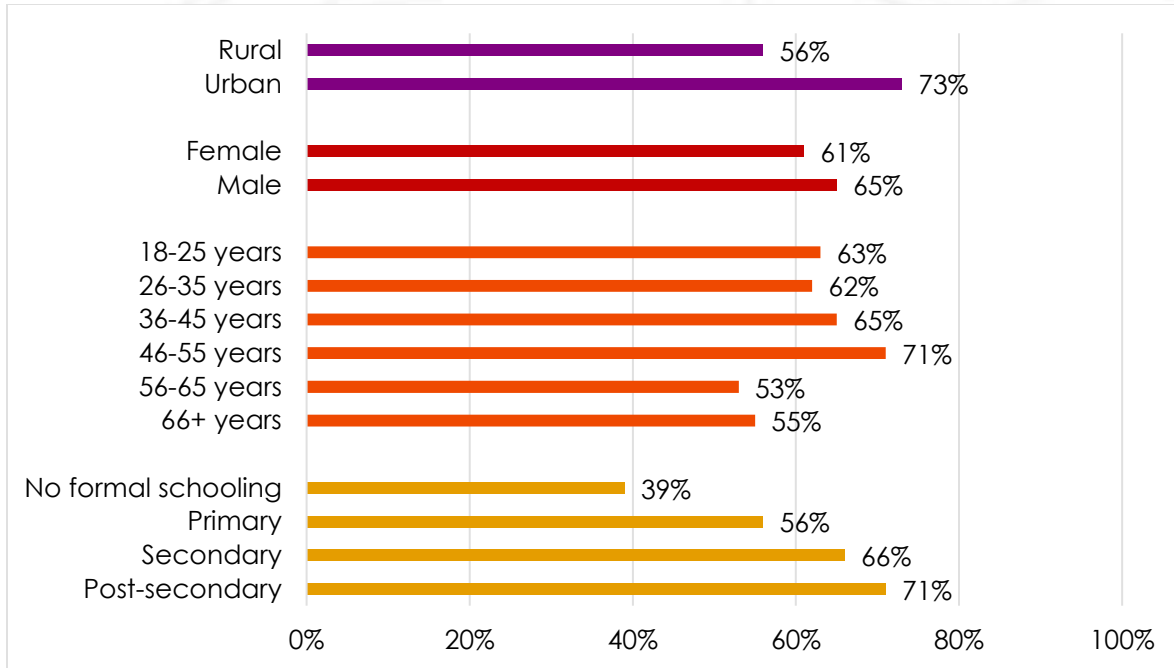
Respondents were asked: *In general, how would you describe the present economic condition of this country?*

While negative assessments of the country's present economic condition are the majority view in almost all socio-demographic groups, they are especially common among urban residents and better-educated respondents (Figure 2). City dwellers are far more likely to describe the economy as fairly/very bad (73%) than rural residents (56%). Negative assessments increase consistently with educational attainment, from 39% of respondents with no formal schooling to 71% of those with post-secondary qualifications.

Older respondents (above age 55) are less negative in their assessments of the economy than their younger counterparts.

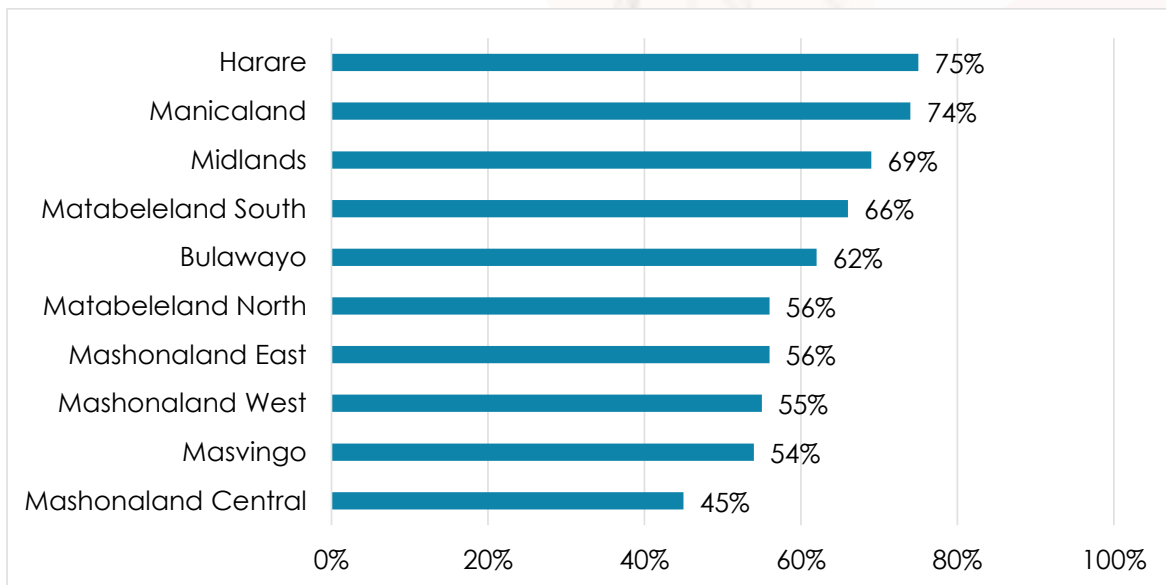
Perceptions of the country's economic condition also seem to vary greatly by province. Three-fourths of residents in Harare (75%) and Manicaland (74%) see economic conditions as fairly/very bad, while fewer than half (45%) in Mashonaland Central agree (Figure 3).

Figure 2: Country's economic condition bad | by urban-rural location, gender, age, and education level | Zimbabwe | 2017



Respondents were asked: *In general, how would you describe the present economic condition of this country? (& who say "fairly bad" or "very bad")*

Figure 3: County's economic condition bad | by province | Zimbabwe | 2017



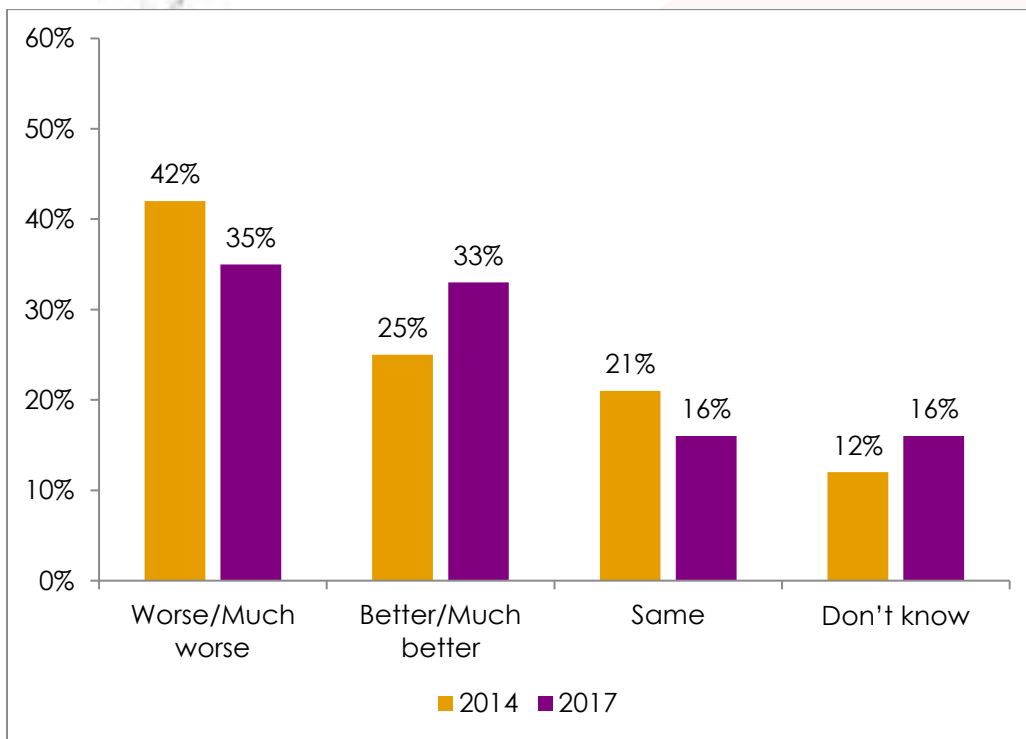
Respondents were asked: *In general, how would you describe the present economic condition of this country? (% who say "fairly bad" or "very bad")*

Future economic conditions of the country

Zimbabweans are evenly divided in their outlook regarding the country's economic future. One-third (33%) expect the economy to be "better" or "much better" in 12 months' time, while another third (35%) think things will be "worse" or "much worse" (Figure 4). About one in six (16%) believe that things are unlikely to change in the near future, while the same proportion (16%) say they don't know.

This is a slightly more optimistic outlook than recorded in the 2014 survey: The proportion of respondents expecting improvement increased from 25% to 33%.

Figure 4: Country's economic conditions in 12 months' time | Zimbabwe | 2017

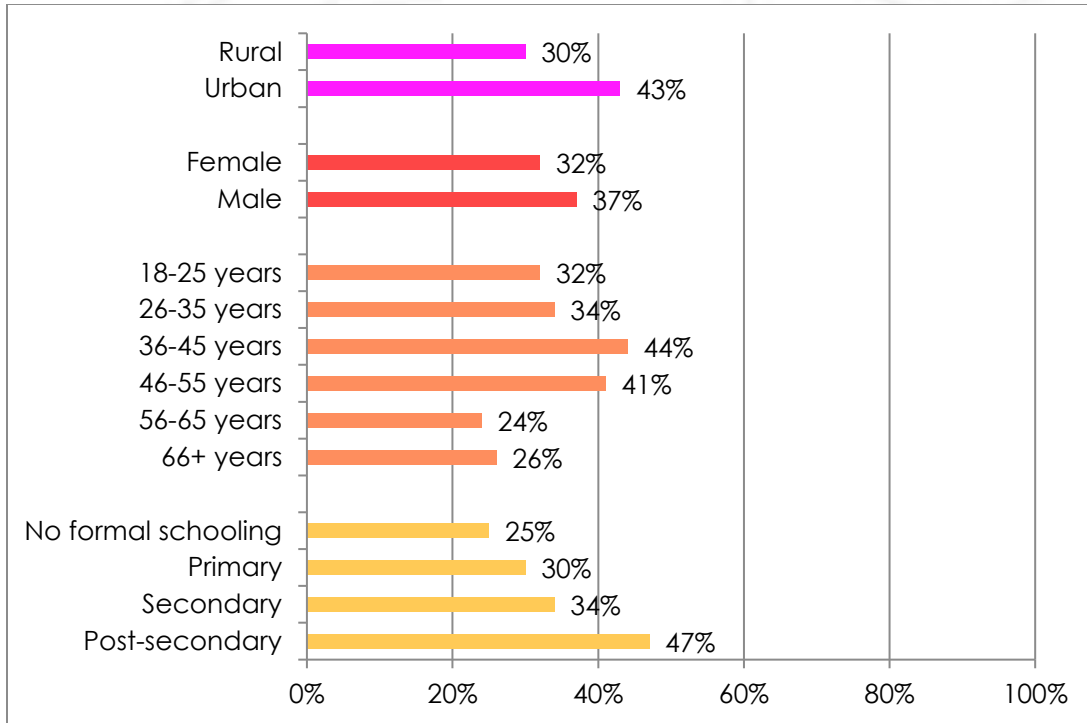


Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time?

Views on the country's economic outlook vary by socio-demographic characteristics (Figure 5). The future looks bleaker to urban residents (43% who expect things to be worse in 12 months' time) than to their rural counterparts (30%). And pessimism increases sharply with educational attainment, ranging from 25% among those with no formal school to almost twice that level (47%) among those with a post-secondary education. Men are slightly more pessimistic than women (37% vs. 32%), and respondents aged 36-55 are less hopeful than their younger and older counterparts.

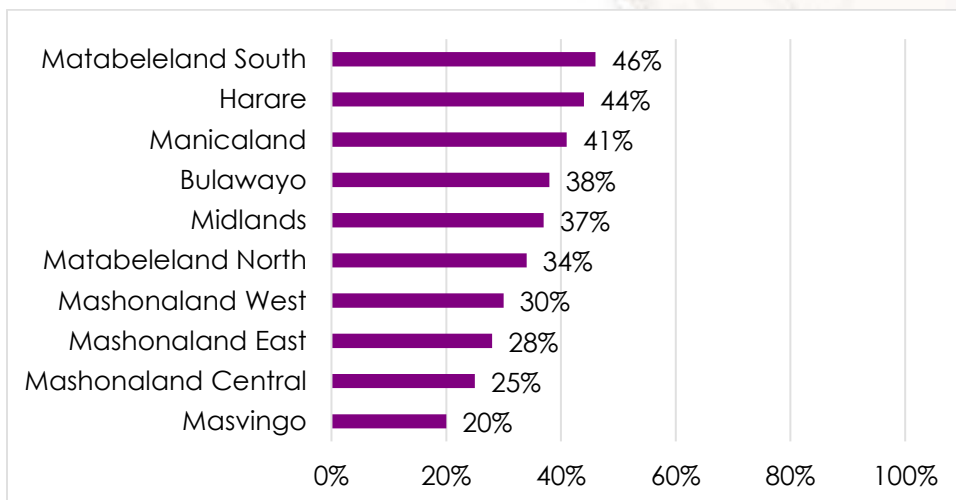
Pessimism is highest in Matabeleland South (46%) and Harare (44%), while the outlook is brighter in Masvingo (20%) and Mashonaland Central (25%) (Figure 6).

Figure 5: Country's economic conditions worse in 12 months' time | by urban-rural residence, gender, age, and education level | Zimbabwe | 2017



Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time? (% who say "worse" or "much worse")

Figure 6: Country's economic conditions worse in 12 months' time | by province | Zimbabwe | 2017



Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time? (% who say "worse" or "much worse")

Personal living conditions

By asking respondents to describe their own living conditions, the survey also sought to establish how different sections of society are managing at a more personal level. The results show that more than half (56%) of Zimbabweans consider their personal living conditions “fairly bad” or “very bad” – about the same level as in 2014 (Figure 7). About one in four (24%) say their living conditions are “fairly good” or “very good,” while one in five (21%) say they’re neither good nor bad.

There are no major differences in self-described personal living conditions by urban-rural residence or gender, but youth (47%) and respondents with post-secondary education (46%) are less likely to see their living conditions as bad than older or less-educated respondents (Figure 8).

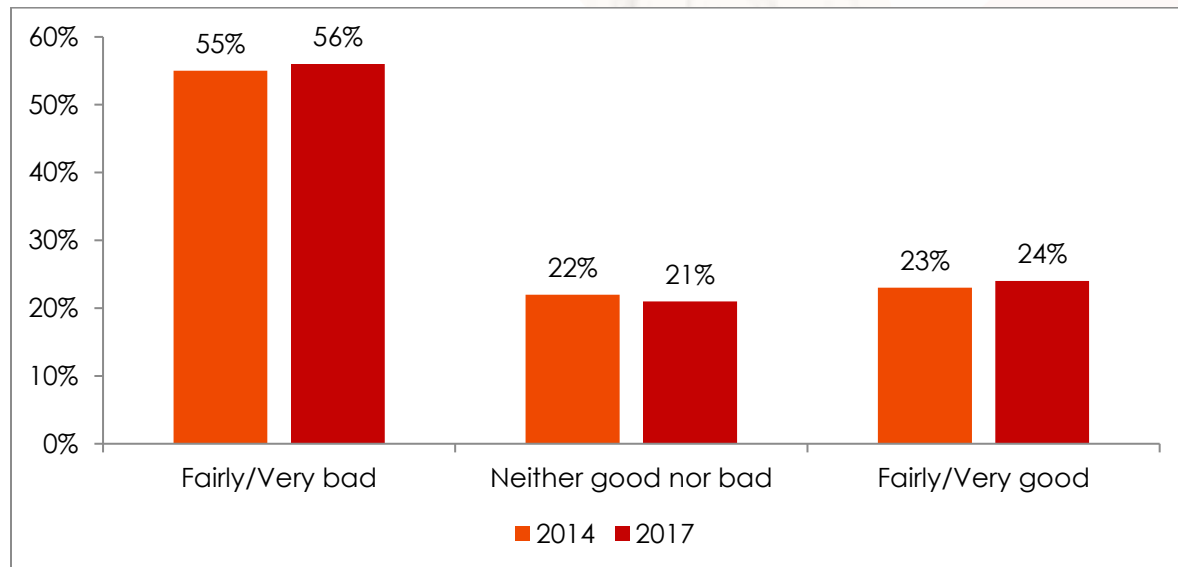
Perceptions of personal living conditions differ significantly across provinces. Whilst more than two-thirds of respondents in Manicaland (71%) and Bulawayo (67%) say they live in bad conditions, fewer than half of those in Masvingo (47%), Midlands (48%), Mashonaland East (48%), and Matabeleland South (48%) share that assessment (Figure 9).

Comparing themselves to fellow Zimbabweans, about four in 10 (38%) consider their own living conditions “worse” or “much worse,” while 28% say they’re “better” or “much better” off and 32% think their living conditions are about the same as those of their compatriots (Figure 10).

Rural residents (42%) are more likely than urbanites (31%) to see themselves as worse off than others. Similarly, perceptions of economic disadvantage are more common among older respondents and less-educated citizens (Figure 11).

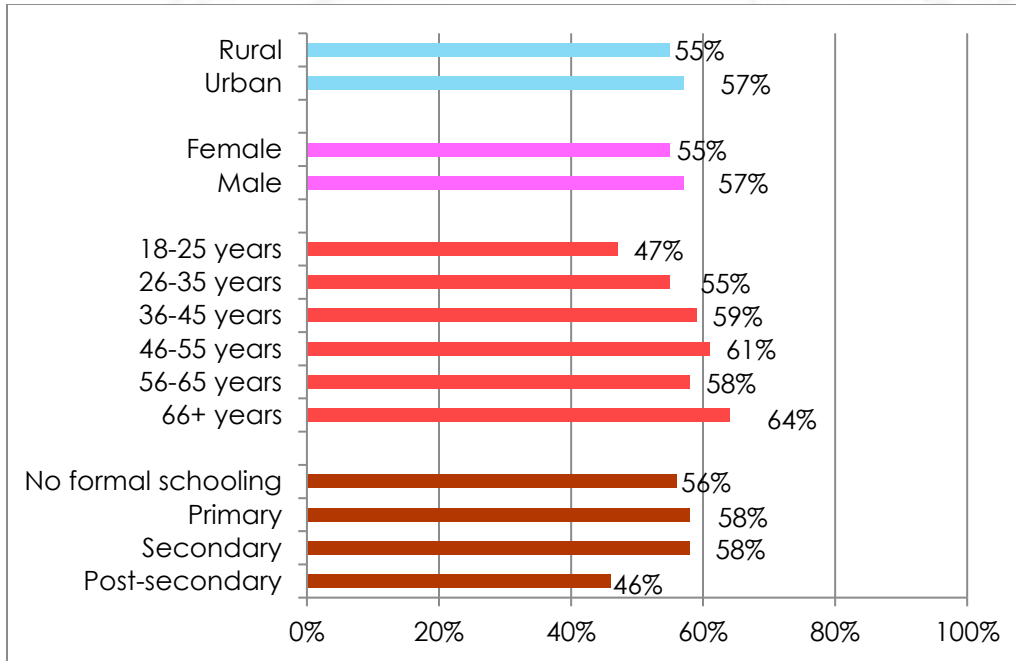
Majorities in Matabeleland North (56%) and Manicaland (52%) see their living conditions as worse than their compatriots’, while this view is shared by only 27% in Bulawayo and 28% in Masvingo (Figure 12).

Figure 7: Personal living conditions | Zimbabwe | 2017



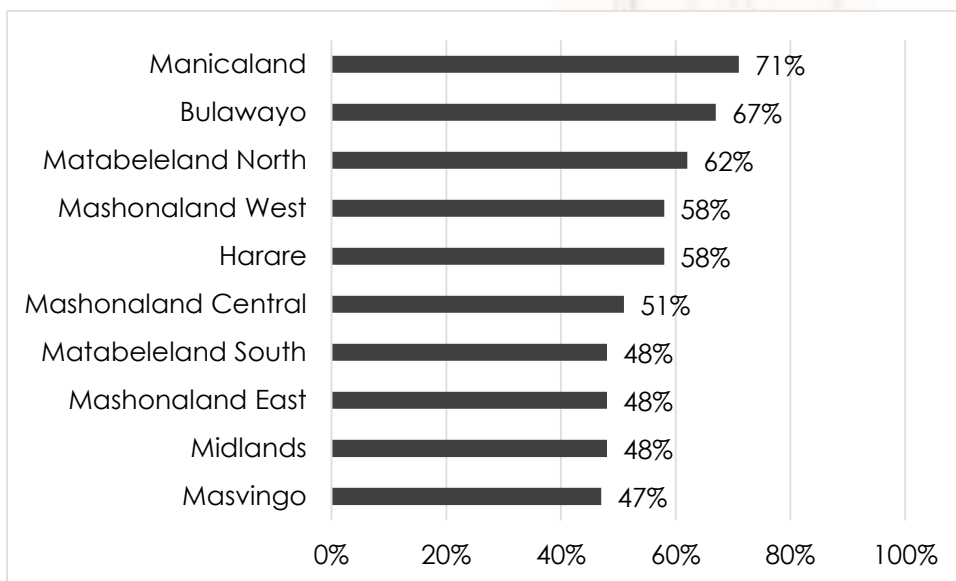
Respondents were asked: *In general, how would you describe your own present living conditions?*

Figure 8: Bad personal living conditions | by urban-rural residence, gender, age and education level | Zimbabwe | 2017



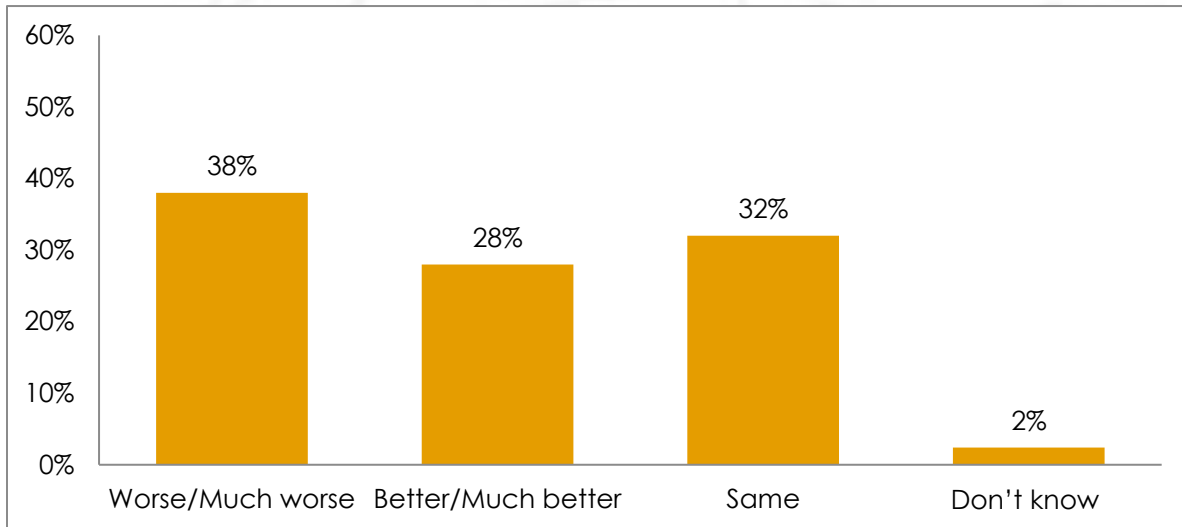
Respondents were asked: *In general, how would you describe your own present living conditions? (% who say "fairly bad" or "very bad")*

Figure 9: Bad personal living conditions | by province | Zimbabwe | 2017



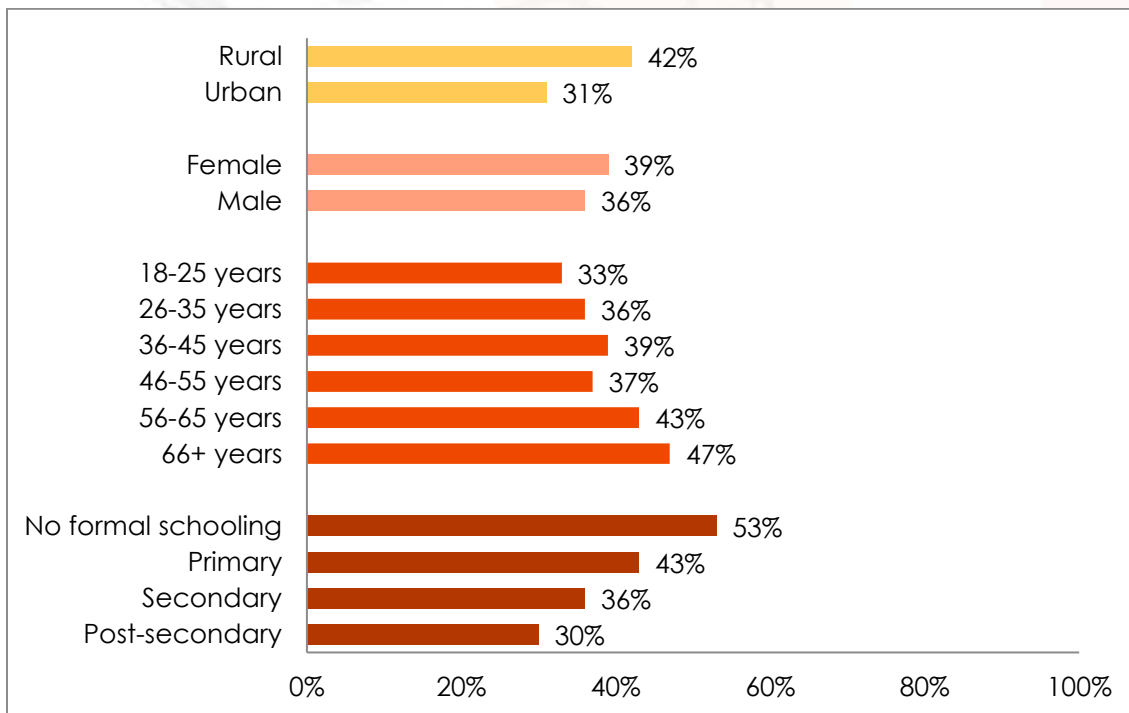
Respondents were asked: *In general, how would you describe your own present living conditions? (% who say "fairly bad" or "very bad")*

Figure 10: Personal living conditions compared to others | Zimbabwe | 2017



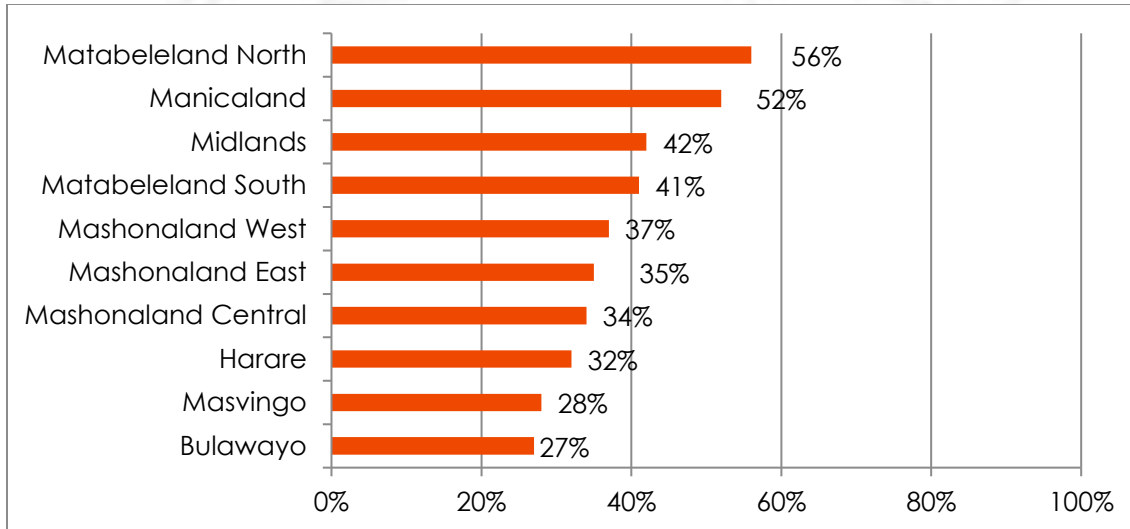
Respondents were asked: *In general, how do you rate your living conditions compared to those of other Zimbabweans?*

Figure 11: Personal living conditions compared to others | by urban-rural residence, gender, age, and education level | Zimbabwe | 2017



Respondents were asked: *In general, how do you rate your living conditions compared to those of other Zimbabweans? (% who say "worse" or "much worse")*

Figure 12: Personal living conditions compared to others | by province | Zimbabwe | 2017

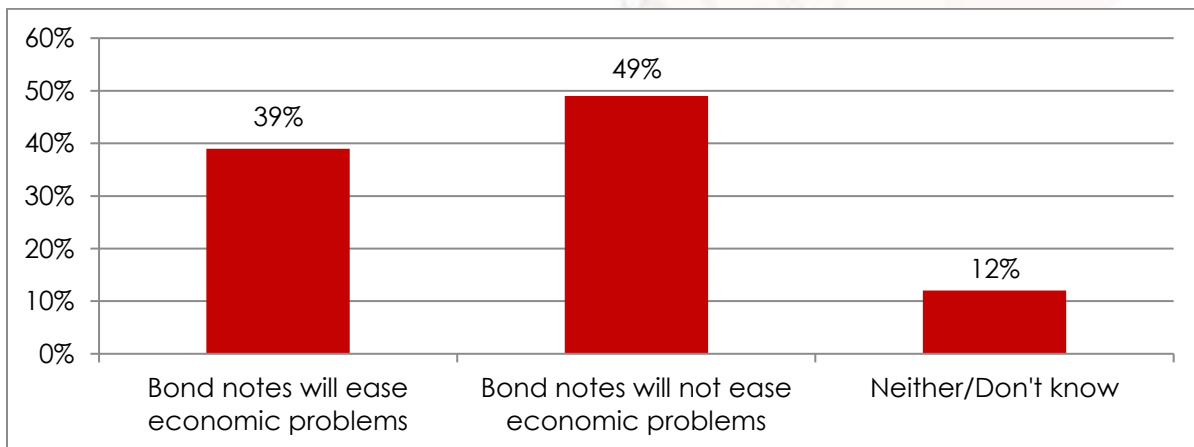


Respondents were asked: *In general, how do you rate your living conditions compared to those of other Zimbabweans? (% who say "worse" or "much worse")*

Public views on bond notes and the economy

Regarding the government's recent effort to stimulate the economy through "bond notes" issued at par value with the U.S. dollar, four in 10 Zimbabweans (39%) think that the new medium of exchange will help ease the country's economic problems. A plurality (49%), however, do not see them as helpful (Figure 13).

Figure 13: Views on bond notes | Zimbabwe | 2017

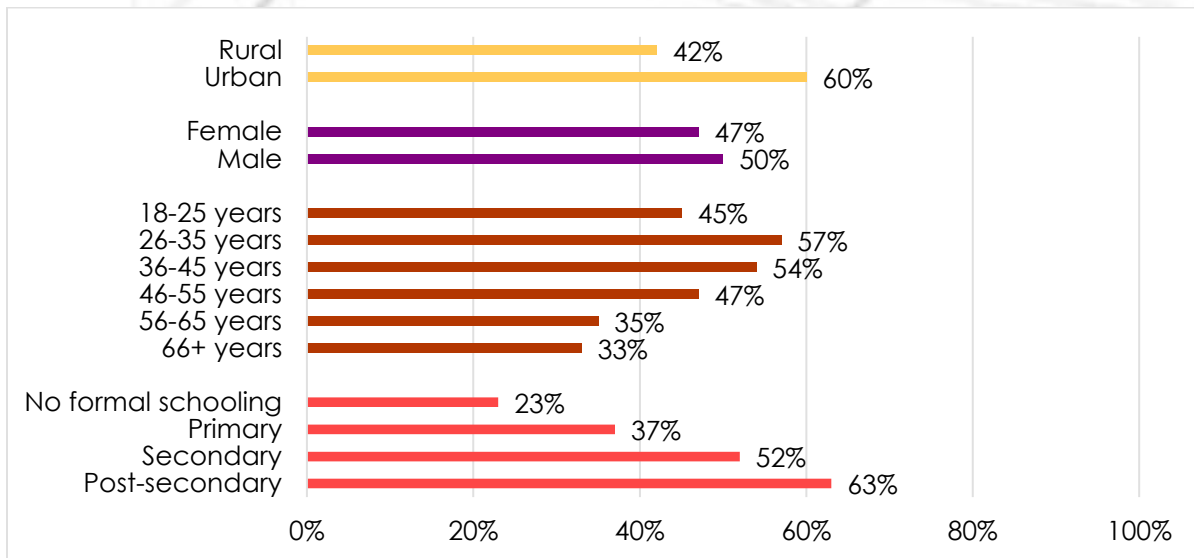


Respondents were asked: *For each of the following statements, please tell me whether you disagree or agree, or haven't you heard enough to say: The introduction of bond notes will help ease Zimbabwe's economic problems? (% who "agree" or "strongly agree" vs. % who "disagree" or "strongly disagree")*

Pessimism regarding the bond notes is far more common among urban (60%) than among rural residents (42%) and increases dramatically with education level, from 23% among those with no formal schooling to 63% among those with post-secondary qualifications (Figure 14).

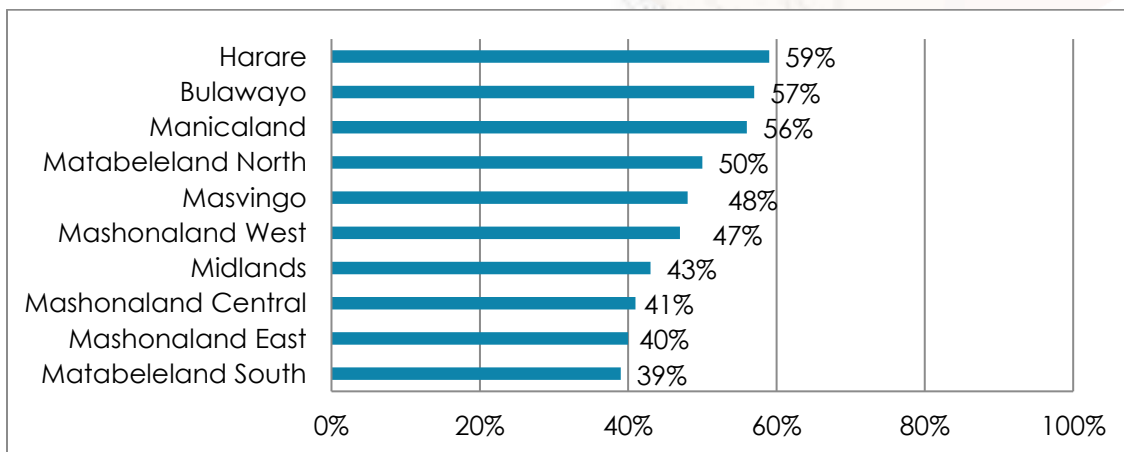
Residents in Harare (59%), Bulawayo (57%), and Manicaland (56%) are most skeptical about a boost from bond notes (Figure 15).

Figure 14: Perception of bond notes as unhelpful | by urban-rural residence, gender, age, and education level | Zimbabwe | 2017



Respondents were asked: For each of the following statements, please tell me whether you disagree or agree, or haven't you heard enough to say: The introduction of bond notes will help ease Zimbabwe's economic problems? (% who "disagree" or "strongly disagree")

Figure 15: Perception of bond notes as unhelpful | by province | Zimbabwe | 2017



Respondents were asked: For each of the following statements, please tell me whether you disagree or agree, or haven't you heard enough to say: The introduction of bond notes will help ease Zimbabwe's economic problems? (% who "disagree" or "strongly disagree")

Conclusion

Despite the government's efforts to address the country's economic crisis, a majority of Zimbabweans see the country's and their personal economic conditions as bad. Only a minority of citizens expect much relief from the government's latest attempt to stimulate the economy and incentivize exports through the use of "bond notes."

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References

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Afrobarometer is produced collaboratively by social scientists from more than 30 African countries. Coordination is provided by the Center for Democratic Development (CDD) in Ghana, the Institute for Justice and Reconciliation (IJR) in South Africa, the Institute for Development Studies (IDS) at the University of Nairobi in Kenya, and the Institute for Empirical Research in Political Economy (IREEP) in Benin. Michigan State University (MSU) and the University of Cape Town (UCT) provide technical support to the network.

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