

Despite decline in lived poverty, South Africans increasingly pessimistic about the economy

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Summary

Considering the barrage of bad economic news to which South Africans have been subjected, perhaps the most remarkable aspect of 2015 Afrobarometer survey findings on the economy is that on a personal level, citizens seem to be doing slightly better.

To be sure, South Africans are increasingly pessimistic about their national economy: Compared to 2011, more citizens say the country's economic situation is bad, conditions are worse than a year ago and not likely to improve over the next 12 months, and the country is headed in the wrong direction.

This will hardly surprise anyone who reads the headlines: Economic growth has fallen far short of national and World Bank projections, dropping to 1.3% in 2015 and a projected 0.9% in 2016 (National Planning Commission, 2013; Statistics South Africa, 2016). Unemployment is averaging 25%, and an estimated 4.5% of the work force is absent on any given day (South African Business Integrator, 2016). After last year's load-shedding and with ongoing drought, electricity and food prices are up. China's demand for South African goods is down, as are commodities prices, the rand, and investor confidence.

While public opinion data from the 2015 Afrobarometer survey confirm South Africans' increasingly pessimistic views at the national level, they also reveal modest improvements in the proportion of citizens who say their personal living conditions are bad and the proportion who had to go without basic necessities such as food, clean water, medical care, cooking fuel, and a cash income.

Still, two-thirds South Africans say the government has performed poorly in managing the economy – a concern for lawmakers facing local elections in August 2016.

Afrobarometer survey

Afrobarometer is a pan-African, non-partisan research network that conducts public attitude surveys on democracy, governance, economic conditions, and related issues across more than 30 countries in Africa. Five rounds of surveys were conducted between 1999 and 2013, and results of Round 6 surveys (2014/2015) are currently being released. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples of 1,200 or 2,400 respondents.

The Afrobarometer team in South Africa, led by the Institute for Justice and Reconciliation (IJR) and Plus 94 Research, interviewed 2,400 adult South Africans in August and September 2015. A sample of this size yields country-level results with a margin of error of +/-2% at a 95% confidence level. Previous surveys were conducted in South Africa in 2000, 2002, 2004, 2006, 2008, and 2011.

Key findings

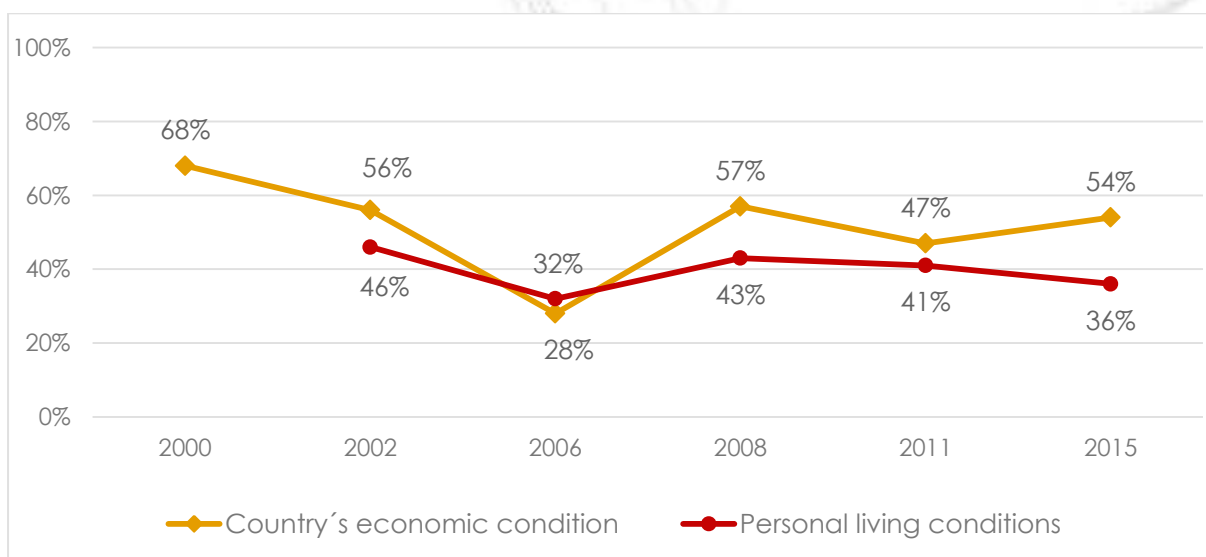
- A majority (54%) of South Africans rate their country's economic situation as "fairly bad" or "very bad," an increase from 47% in 2011.
- Almost two-thirds (64%) of citizens say the country is headed in the wrong direction, an increase of 18 percentage points from 2011. This is the third-highest level of disapproval among 11 countries in southern Africa.
- On a personal level, fewer South Africans than in 2011 describe their own living conditions as bad, 36% vs. 41%.
- Lived poverty has decreased: The proportion of citizens deprived of five basic essentials (food, clean water, medical care, cooking fuel, and cash income) dropped by half (from 16% to 8%) between 2011 and 2015. Access to a cash income remains a challenge for a majority of citizens.
- Indian and white South Africans experience less deprivation than their black and Coloured compatriots. Similarly, lived poverty is less common among citizens who are well-educated and those who live in cities, in more developed provinces, and in areas with better infrastructure.

National and personal economic conditions

A majority (54%) of South Africans assess the country's economic situation as "fairly bad" or "very bad." This reflects a 7-percentage-point increase since 2011, and a near-doubling of negative ratings since 2006 (Figure 1).

On a personal level, however, only about one-third (36%) of South Africans say their living conditions are fairly or very bad, a 5-percentage-point decrease from 2011.

Figure 1: Negative ratings of national and personal economic conditions | South Africa | 2000-2015



Respondents were asked: *In general, how would you describe:*

1. The present economic condition of this country?

2. Your own present living conditions?

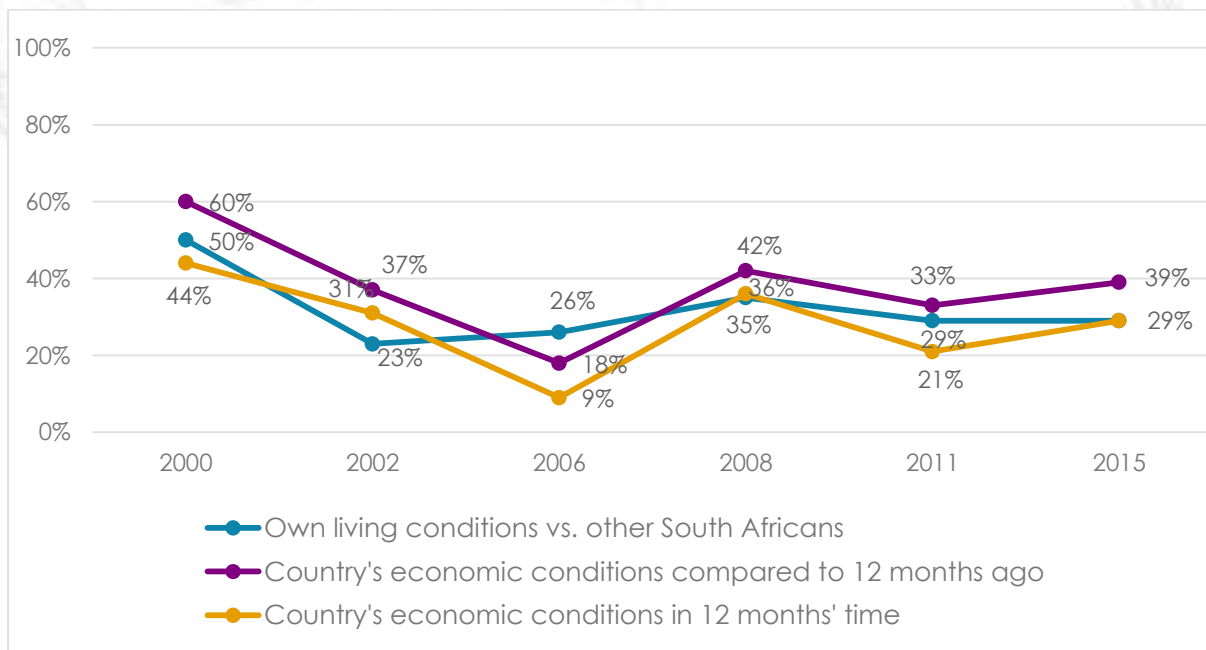
(% who say "fairly bad" or "very bad")

Public perceptions on both questions correlate with the performance of the South African economy. In the early 2000s, the economy recorded strong growth, increasing its annual gross domestic product (GDP) growth rate from 3.7% in 2002 and 4.6% in 2004 to 5.6% in 2006. Many of the gains during those years were then lost during the 2008-2009 recession. Similarly, negative public perceptions of national and personal conditions were lowest in the 2006 survey before bouncing back up in 2008. Typically (except for 2006), South Africans view the country's economic conditions less optimistically than their own living conditions.

Citizens' assessments of recent and future trends in national economic performance follow a similar pattern. Asked how current economic conditions compare to 12 months earlier and how they expect them to be in 12 months' time, South Africans were less pessimistic during the 2000-2006 "honeymoon" period and again around 2011. But as the economy slowed, the proportion saying in 2015 that conditions are "worse" or "much worse" than 12 months earlier rose by 6 percentage points, from 33% to 39% (Figure 2). Similarly, looking ahead, the proportion of those foreseeing worse conditions in 12 months' time grew by 8 percentage points, from 21% to 29%.

Asked how their living conditions compare to those of other South Africans, 29% say "worse" or "much worse," unchanged from 2011 but a 7-percentage-point improvement from 2008.

Figure 2: Negative rating of economic conditions | South Africa | 2000-2015



Respondents were asked:

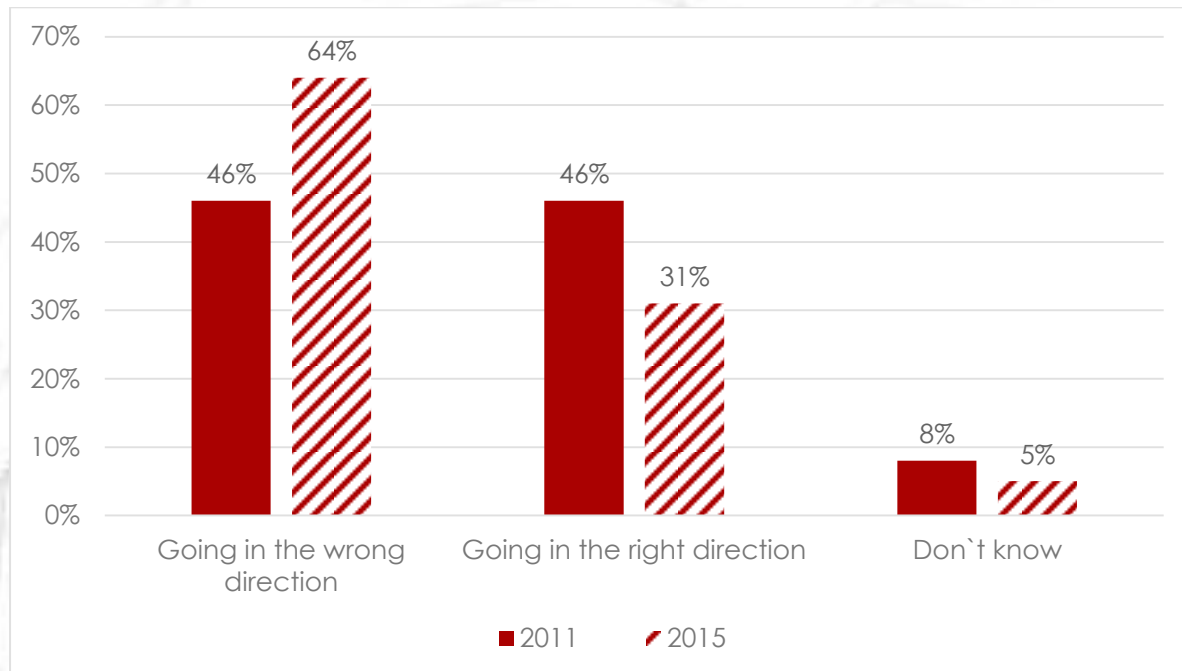
1. In general, how would you rate your living conditions compared to those of other South Africans?
2. Looking back, how do you rate economic conditions in this country compared to 12 months ago?
3. Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time?

(% who say "worse" or "much worse")

South Africans pessimistic about the direction of their country

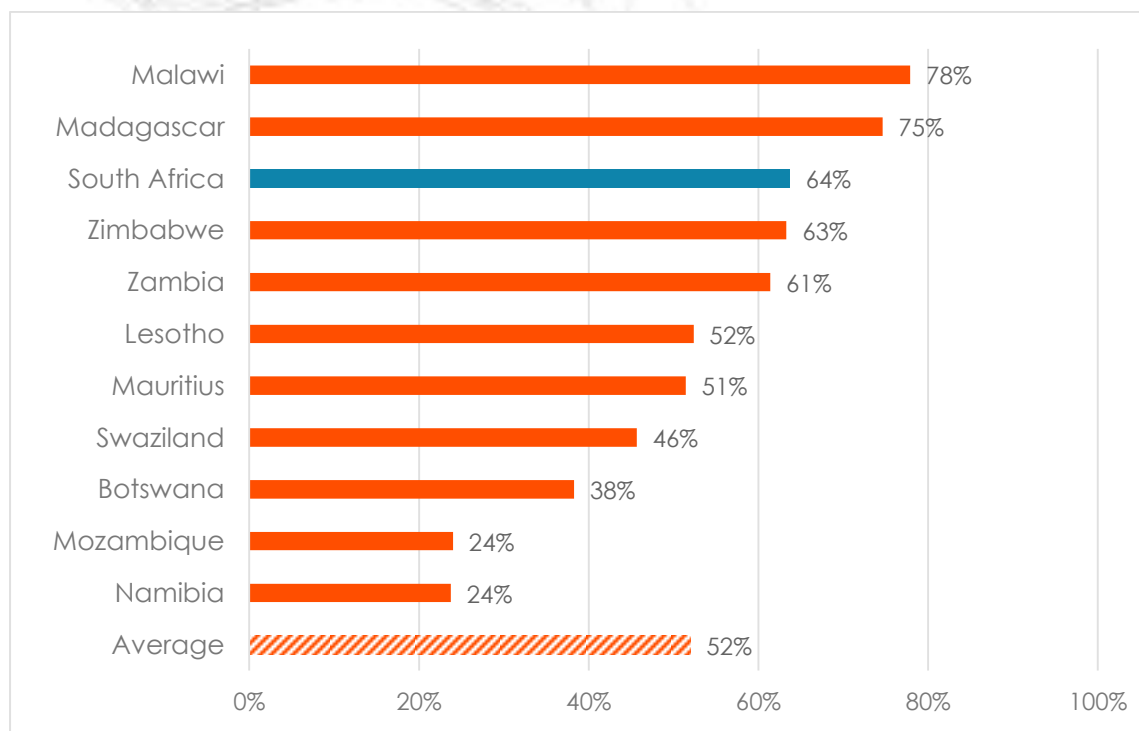
Almost two-thirds (64%) of South Africans say the country is heading in the wrong direction, an 18-percentage-point increase since 2011 (Figure 3). This is the third-highest level of disapproval among 11 countries in southern Africa, following Malawi (78%) and Madagascar (75%) (Figure 4).

Figure 3: Overall direction of the country | South Africa | 2011-2015



Respondents were asked: Some people might think the country is going in the wrong direction. Others may feel it is going in the right direction. So let me ask you about the overall direction of the country: Would you say that the country is going in the wrong direction or in the right direction?

Figure 4: Overall direction of the country | southern Africa | 2014/2015



Respondents were asked: Some people might think the country is going in the wrong direction. Others may feel it is going in the right direction. So let me ask you about the overall direction of the country: Would you say that the country is going in the wrong direction or in the right direction? (% who say "wrong direction")

Lived poverty declines

South Africans' more positive assessments of their personal economic conditions – despite a more negative outlook on the broader economy – are confirmed by indicators of their lived experience of accessing basic necessities of life.

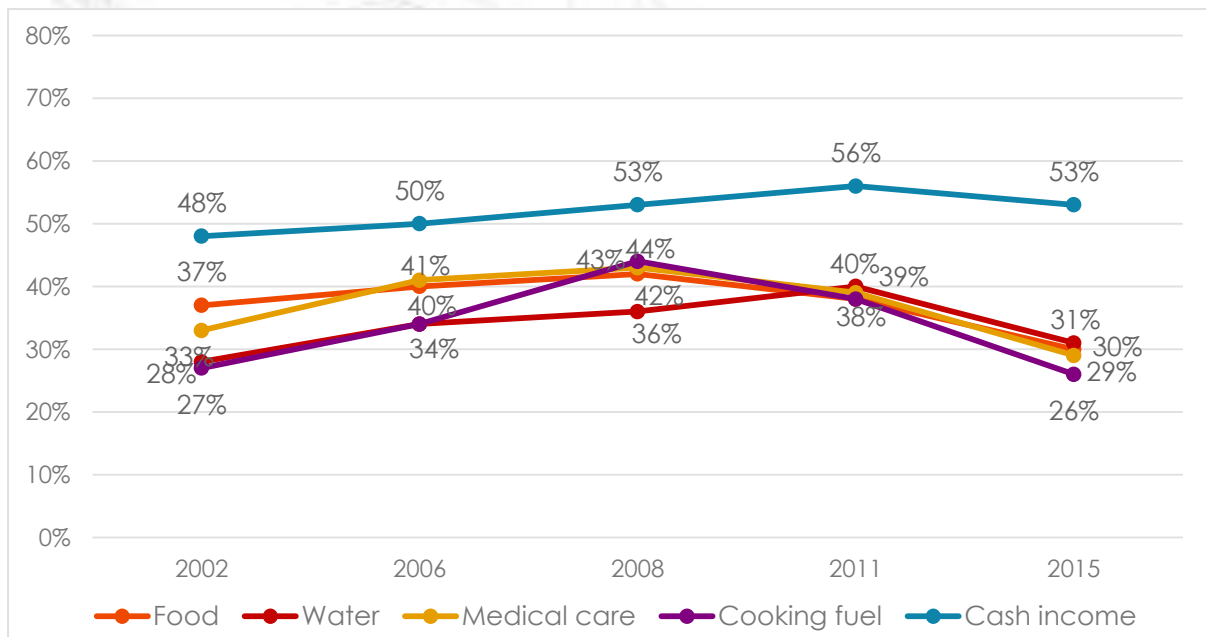
Since 2002, Afrobarometer has asked South Africans how often they had to go without enough food, enough clean water, medicine or medical care, enough cooking fuel, and/or a cash income during the previous year. Respondents who had access to all necessities all the time would report “never,” while those who were deprived of any of these five necessities at some point would respond “just once or twice,” “several times,” “many times,” or “always.”

On all five indicators, South Africans are less likely than in 2011 to report having gone without the necessity at least once (Figure 5). About three in 10 citizens went without food (30%), water (31%), and medical care (29%) at least once, each reflecting a decrease of 8-10 percentage points from 2011.

The smallest decrease (just 3 percentage points) is in the proportion going without a cash income. This problem, perhaps reflective of the country's high unemployment rate, has consistently affected about half of surveyed respondents, with many spillover effects on people's quality of life.

Earlier analysis showed that South Africa is one of 22 African countries in which lived poverty decreased between 2011 and 2015 (out of 33 countries included in both Round 5 and Round 6 of the Afrobarometer surveys) (Mattes, Dulani, & Gyimah-Boadi, 2016).

Figure 5: Going without basic necessities | South Africa | 2002-2015

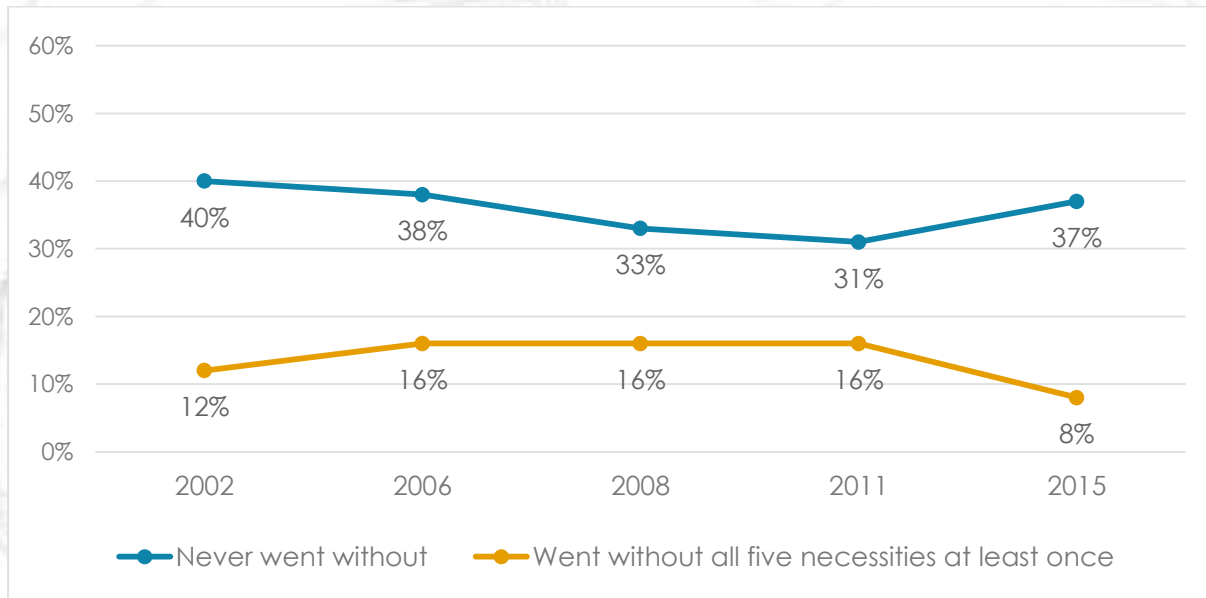


Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income? (% who say “just once or twice,” “several times,” “many times,” or “always”)

Figure 6 shows the proportions of citizens who never went without any of the five basic necessities and those who were deprived of all five necessities at least once in the previous year. In line with respondents' assessments of their personal economic conditions, the proportion of citizens experiencing shortages of all five necessities at least once in the past

year, decreased by half between 2011 and 2015, dropping from 16% to 8%. Conversely, more citizens in 2015 (37%) than in 2011 (31%) report they were “never” deprived of any of the five necessities – well above the average of 19% across 36 countries surveyed by Afrobarometer in 2014/2015.

Figure 6: Basic necessities: Never going without vs. going without all five | South Africa | 2002-2015



Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income?

Lived poverty varies by demographic and social factors

Levels of lived poverty vary significantly by race, province, level of education, and place of residence (rural or urban) (Figure 7).¹ Differences by age and sex are smaller, perhaps in part because questions about lived poverty refer both to the respondent and to members of his or her family, which may obscure age- and gender-related differences.

Analysis by race² shows that never going without enough food, water, medical care, cooking fuel, and a cash income is most common among Indian (81%) and white (79%) South Africans. In contrast, only 28% of black and 47% of Coloured South Africans never experienced deprivation of these five basic necessities.

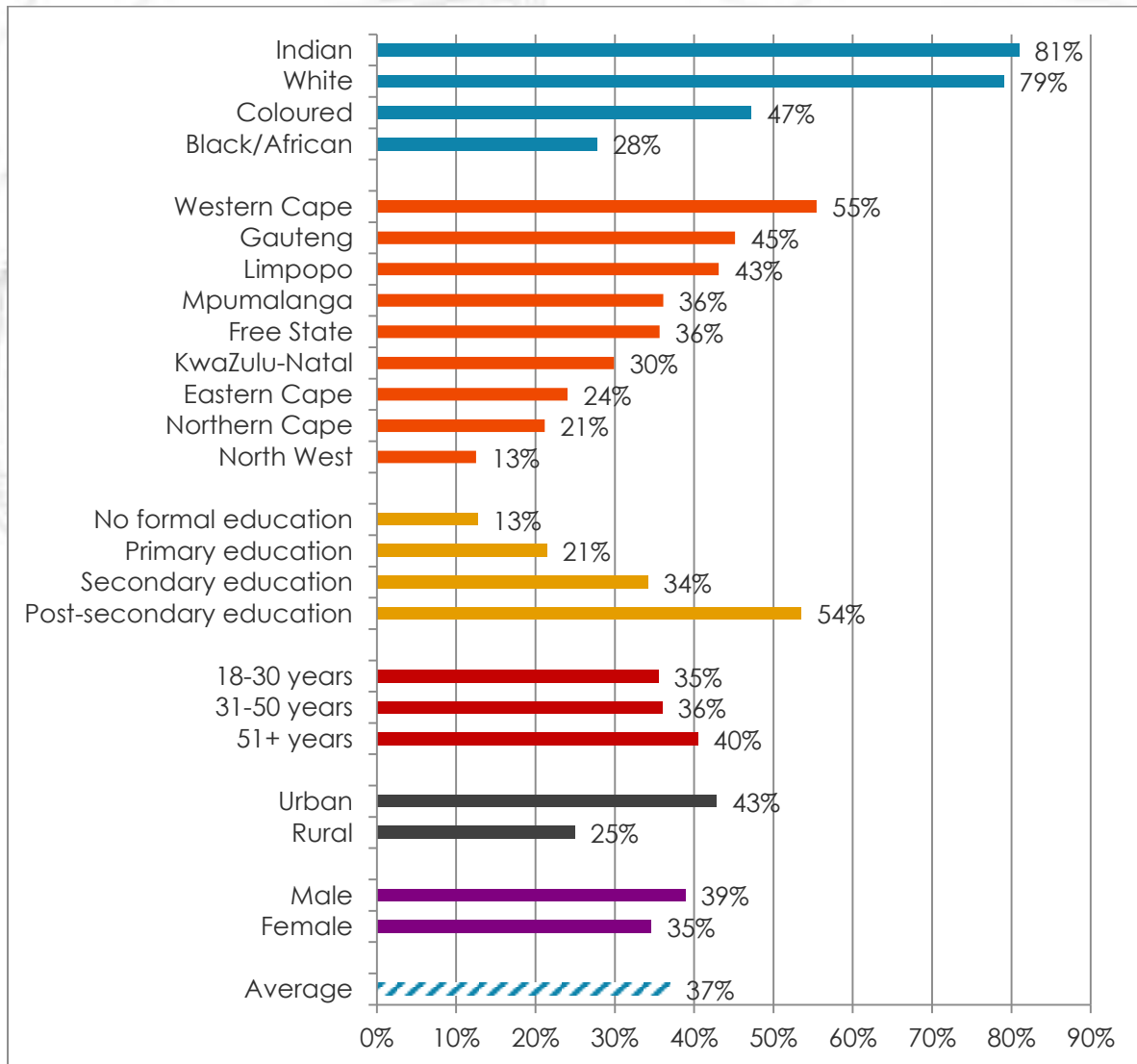
Residents in Western Cape (55%), Gauteng (45%), and Limpopo (43%) provinces are more likely to avoid experiencing any shortages than residents in North West (13%) and Northern Cape (21%) provinces. And more urban South Africans (43%) had adequate supplies of basic necessities than their rural counterparts (25%).

¹ Since sample sizes for population subgroups are smaller than for the total population, margins of uncertainty surrounding generalizations about subgroups are wider than for country-level results, calling for caution in interpreting associated numerical results.

² The racial breakdown of the South Africa survey sample is: 1,799 black/African (70% of the total), 327 Coloured (14%), 251 white (11%), 142 Indian (6%), and 5 “Other” (less than 1%). The sample is then weighted to reflect the country’s population distribution.

As might be expected, higher levels of educational attainment are associated with lower levels of deprivation. More than half (54%) of citizens with tertiary education report a continuous supply of the five basic necessities, compared to only 13% of citizens with no formal education.

Figure 7: Never went without basic necessities | by demographic and social indicators | South Africa | 2015



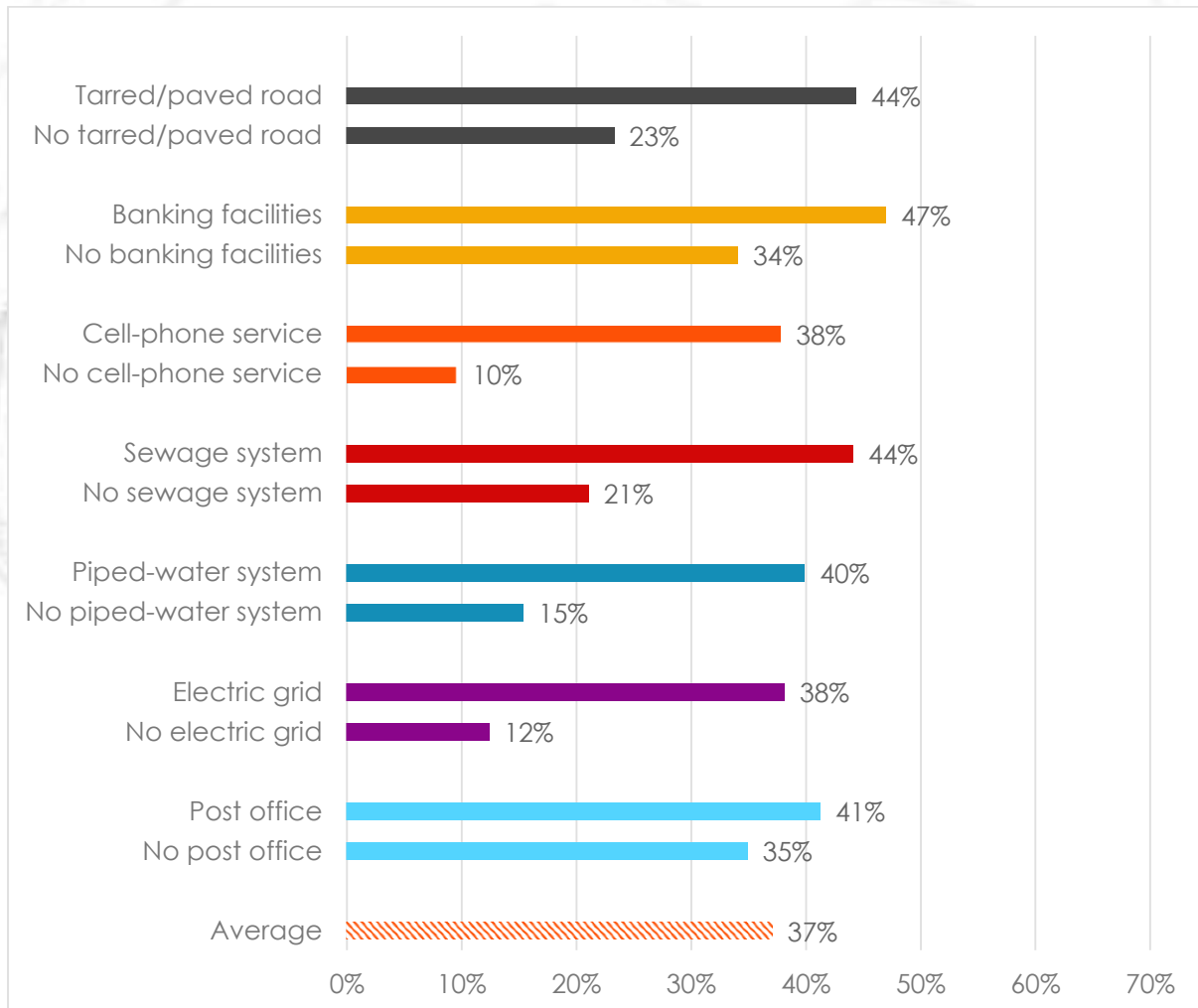
Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income? (% who “never” went without any of these five basic necessities)

Lived poverty also shows some correlation with infrastructure development. In areas with better infrastructure development,³ more residents report never going without the five basic necessities (Figure 8). For example, in survey enumeration areas (EAs) with an electric grid,

³ Afrobarometer field teams make on-the-ground observations about services and facilities that are available in each enumeration area they visit.

38% of residents say they never went without any of the five necessities, compared to only 12% in EAs without an electric grid. Similar differences are seen between EAs with and without piped-water systems, sewage systems, tarred/paved roads, and cell-phone service.

Figure 8: Never went without basic necessities | by infrastructure development
 | South Africa | 2015

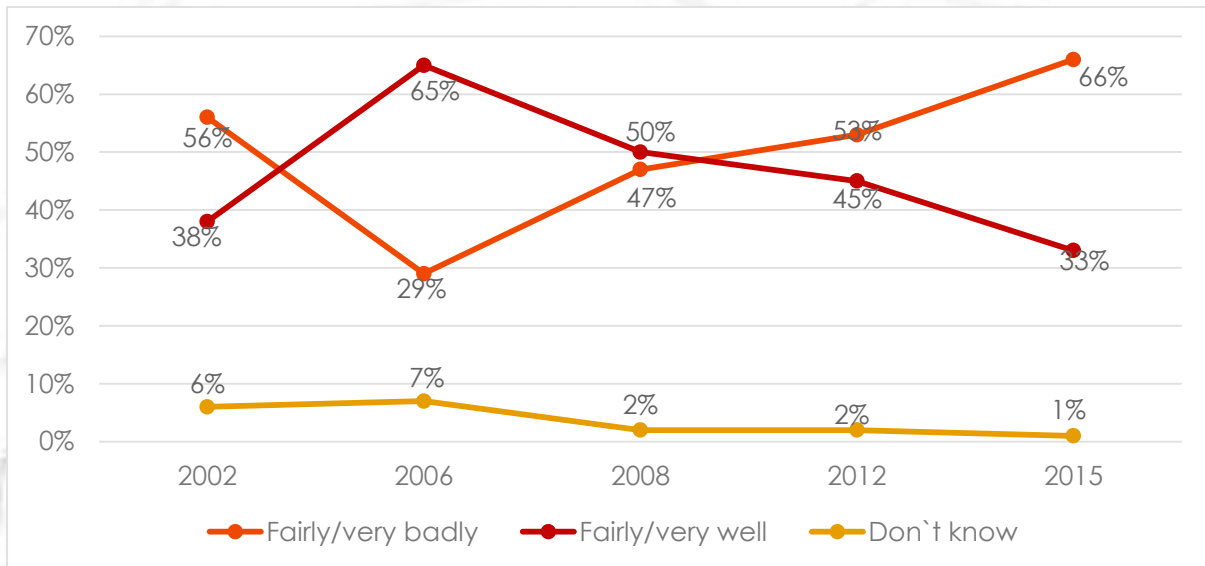


Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income?
 (Figure shows % of respondents who say they “never” went without any of these five basic necessities, disaggregated by whether or not infrastructure facilities or services are available in the enumeration area where they live.)

Government performance rated as poor on managing the economy

In line with citizens' perceptions of the country's economic conditions and overall direction, two-thirds (66%) of South Africans rate their government's performance on managing the economy as “fairly bad” or “very bad”. This is the worst rating since 2002 – more than twice the proportion of negative assessments as in 2006.

Figure 9: Government performance on managing the economy | South Africa | 2015



Respondents were asked: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say: Managing the economy?

Conclusion

While South Africans have seen some improvement in their personal living conditions, stark racial inequalities persist in the experience of lived poverty. And citizens are increasingly pessimistic about the national economy: About two-thirds say the country is headed in the wrong direction and the government has done a poor job of managing the economy.

To further explore this data, please visit Afrobarometer's online data analysis facility at www.afrobarometer.org/online-data-analysis.

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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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