

Surging Economic Optimism Amid Enduring Poverty

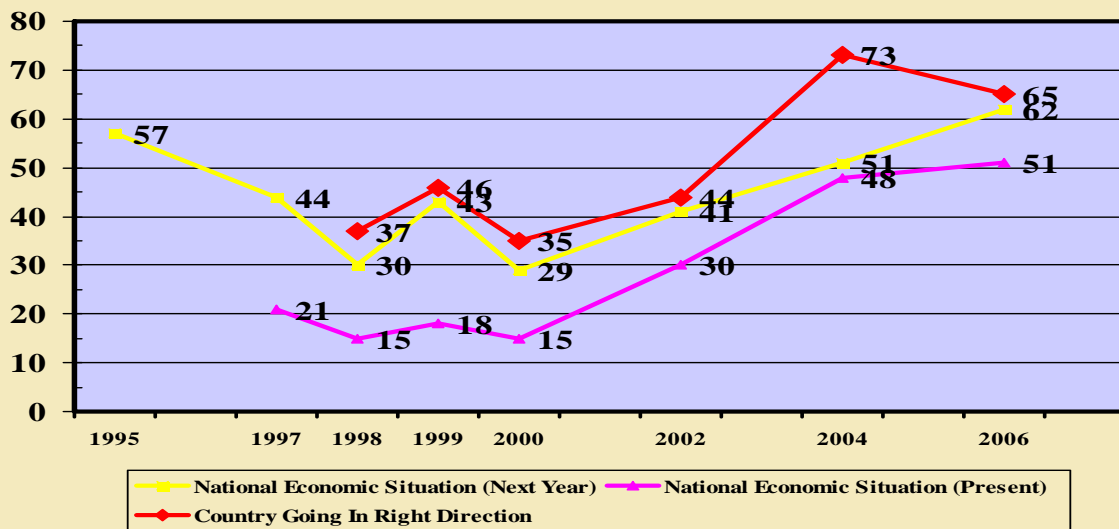
South Africa’s strong economic performance of the past few years has not been registered simply in official growth rates, but also in the positive evaluations of ordinary citizens. At the same time, it seems that economic growth has not yet succeeded in reducing the number of South Africans who regularly go without the basic necessities of life.

This is one of the many important results revealed by the recent Afrobarometer survey of a representative sample of 2,400 South Africans, conducted in January and February 2006 by Citizen Surveys.

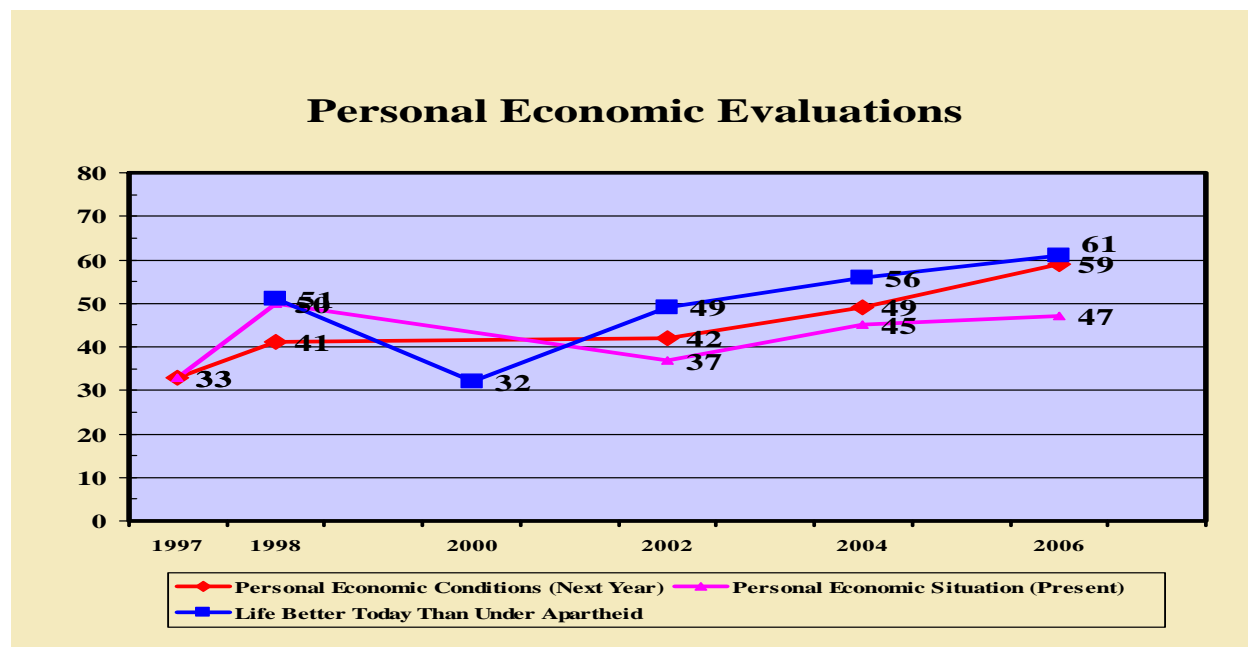
Economic Optimism

- One half (51 percent) of all South Africans are **satisfied with the present condition** of the national economy, which represents an impressive 36 point increase from the low of 15 percent recorded in 2000.
- An even higher 62 percent **expect the economy to improve** further in the next year (also the highest level yet recorded in South Africa by Afrobarometer). As a result, 65 percent of all South Africans say the country is “**moving in the right direction,**”

National Economic Evaluations



- Just under one half (47 percent) now rate their **own personal living conditions** as good or fairly good and 59 percent **expect their personal situation to improve** in the next year. As a result, a record high 61 percent of South Africans say that their **lives are better today than under apartheid**.



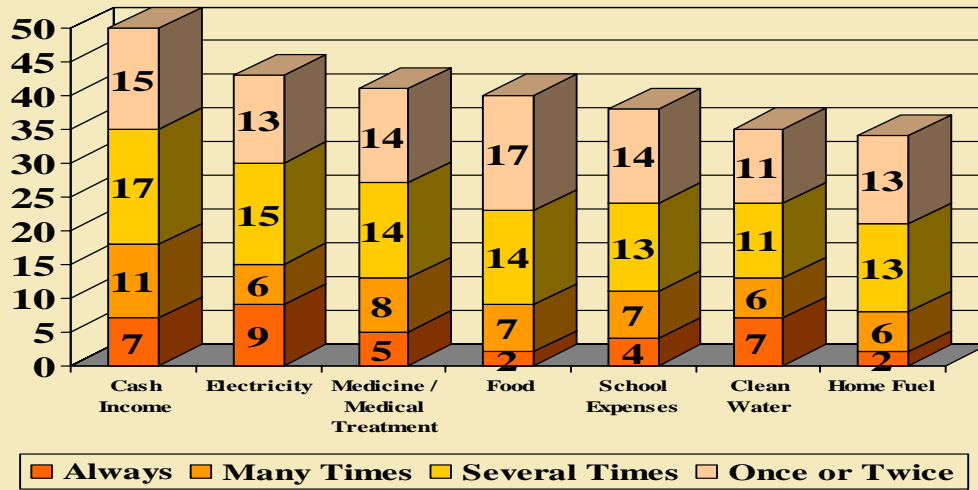
- Yet even after posting such strong growth rates, the country still continues to suffer from extremely high levels of unemployment. “How,” one might ask, “can there be such high levels of satisfaction” if 30 to 40 percent of the potential workforce is unemployed? The survey results demonstrate that while employment status does make some difference, **economic optimism spans across employment status**: 56 percent of the fully employed say the economy is in good shape, but so do 46 percent of the unemployed.

Lived Poverty

Even as we see surging levels of economic optimism, a series of Afrobarometer questions designed to assess what we call “lived poverty” finds that significant numbers of South Africans still go without the basic necessities of life on a frequent basis.

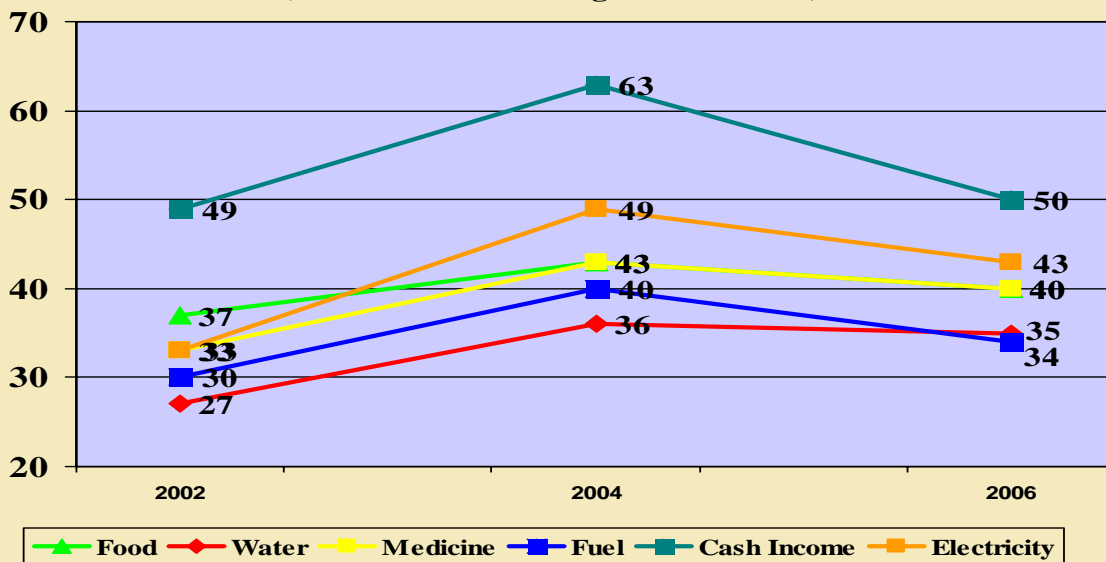
- One half (50 percent) of all respondents said they had to go without a **cash income** on at least one occasion in the previous year, with 18 percent going without regularly (“many times” or “always”).
- Four in ten went without **electricity** at least once (43 percent, with 15 percent going without on a regular basis), **medicine or medical treatment** (41 percent at least once, with 13 percent regularly), enough **food** to eat (40 percent at least once, 9 percent regularly) and **school expenses** for their children (39 percent at least once, 11 percent regularly).
- Approximately one in three went without enough **clean water** to cook or wash their clothes on at least one occasion (38 percent, with 13 percent regularly), or enough **fuel to cook or heat their home** (35 percent, with 8 percent regularly).

Lived Poverty in South Africa (2006)
 (Percent Experiencing At Least One Shortage in Past Year)

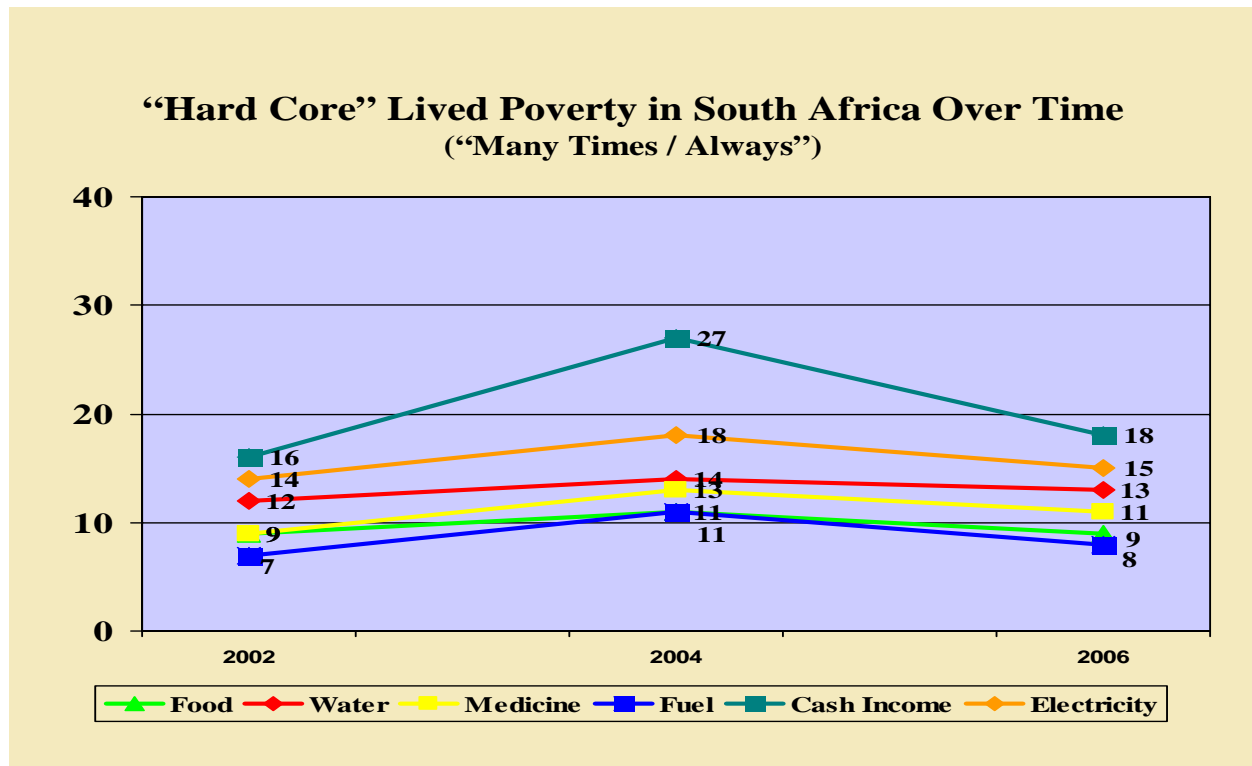


- An analysis of comparable Afrobarometer results over the past four years (focusing on the percentages who experience at least one shortage) shows that the percentages of South Africans going without basic necessities in 2005-2006 remains roughly where it was, and in some cases higher, than in 2001-2002.

Lived Poverty in South Africa Over Time
 (At Least One Shortage in Past Year)



- If we focus only on “hard core” poverty (those who go without “many times” or “always”), we find that while the absolute proportions are far lower, the actual numbers of those destitute in 2005-2006 are not statistically significantly different from where they were over the 2001-2002 period.

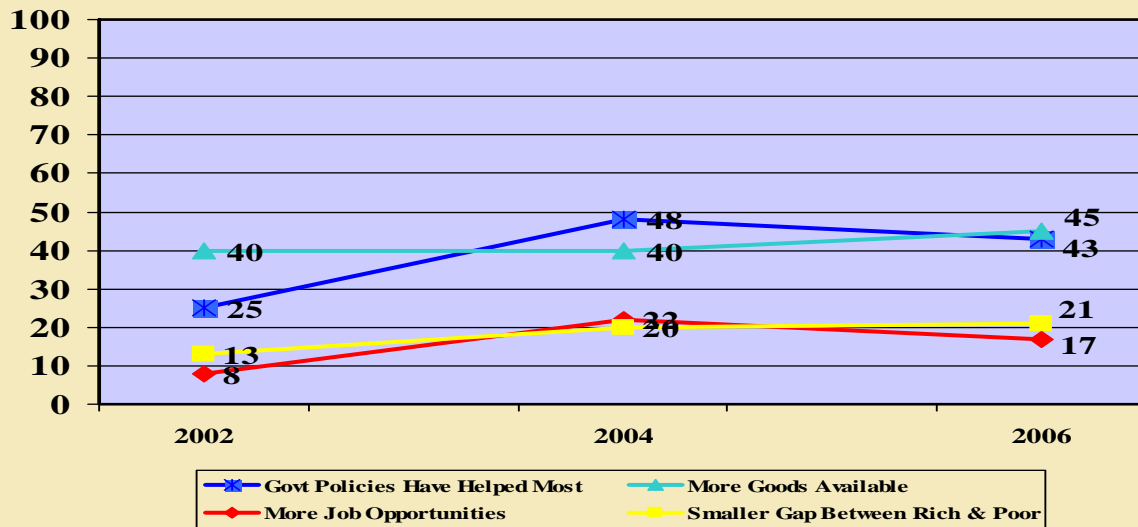


Economic Reform

The South African government has, since 1994, been involved in a larger process of reforming the country with its own “home grown” set of structural reforms aimed at reducing the role of the state and stimulating growth. When we ask people about the impacts of overall government reforms and policies, we find that:

- Forty five percent say that the availability of **consumer goods** is better or much better “than it was a few years ago”: a level that has increased 5 points over that measured in the previous two surveys.
- Yet just one in five think the **gap between rich and poor** has narrowed over the past few years (21 percent) or that there are more **job opportunities** (17 percent).
- And when we ask people to cast an overall judgment, 43 percent agree that “the government’s economic policies have helped most people, only a few have suffered,” against 49 percent who say think the government’s policies “have hurt most people and only benefited a few.” At the same time, this represents an 18 percentage point increase in overall **satisfaction with the reform process** since 2002.

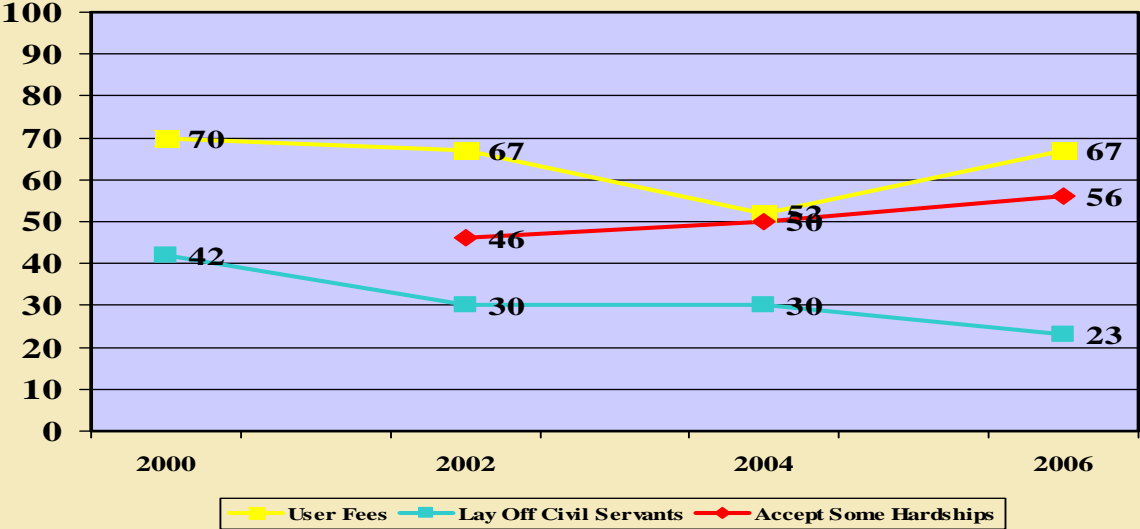
Evaluating the Impact of Economic Reform



Given the co-existence of growing optimism, enduring poverty, and perceptions of unequal impact, do people wish to continue with this process or would they rather move in a different direction? Since 2000, Afrobarometer has asked respondents across Africa for their opinions about various aspects of economic reform common. The recent South Africa survey finds:

- Two thirds of the public (67 percent) agree with the key aspect of **user fees** for public services (in this case, measured by agreement with paying school fees “to raise educational standards” as opposed to “free schooling, even if the quality of education is low”).
- At the same time, just one quarter (23 percent) agree with the idea of **retrenchment** (as measured by agreement that “the government cannot afford so many public employees and should lay some of them off”). Fifty nine percent say rather that “All civil servants should keep their jobs, even if paying their salaries is costly to the economy.” This survey finding reflects a 19 point decline in support for public sector retrenchment over the past six years.
- Yet 56 percent exhibit an overall sense of **economic patience**, as measured by agreement with the statement: “In order for the economy to get better in the future, it is necessary for us to accept some hardships now.” Less than one third (31 percent) say that “The costs of reforming the economy are too high; the government should therefore abandon its current economic policies.” Economic patience is also on the increase, rising by 10 points over the past four years.

Support for Economic Reform



The Survey

Face to face interviews were conducted in the eleven official languages with a nationally representative, area probability sample of 2400 respondents across all nine provinces in January and February 2006. In the first stage of sampling, 600 Census Enumerator Areas (EAs) were randomly selected from a frame of all EAs, stratified by province and race, with the probability of selection proportionate to population size based on the most recent Statistics SA midyear 2005 population estimates. This ensures that every eligible adult has an equal and know chance of being selected. The realized sample was weighted by age, gender, race and province to ensure it matched current population estimates. In the second stage of sampling, four households were randomly selected within each EA. In the third and final stage, one South African citizen over the age of 18 was randomly from a list of all household members to be interviewed. The final sample size of 2,400 supports estimates to the national population of all adults that is accurate to within a margin of error of plus or minus 2 percentage points at a confidence level of 95 percent.

Fieldwork for this survey was conducted by Citizen Surveys. For more information about Citizen Surveys, see www.citizensurvey.com or email them at info@citizensurvey.com.

Afrobarometer

The Afrobarometer is produced collaboratively by social scientists from 18 African countries. Coordination is provided by the Institute for Democracy in South Africa (Idasa), the Centre for Democratic Development (CDD-Ghana) and Michigan State University. For more information, see: www.afrobarometer.org.

For comment, contact: Bob Mattes (27-[0]83-234-0333) bob@idasact.org.za or Paul Graham (27-[0]82-571-3887) paul@idasa.org.za.

We gratefully acknowledge support for the Afrobarometer's research, capacity-building and outreach activities from the African Development Bank, Konrad Adenauer Stiftung, Netherlands Ministry of Foreign Affairs, Norwegian Agency for Development Cooperation, Royal Danish Ministry for Foreign Affairs, Swedish International Development Cooperation Agency, U.K. Department for International Development, U.S. Agency for International Development and World Bank.