



Cautious optimism marks Kenyans' perceptions of economic conditions

Afrobarometer Dispatch No. 125 | Paul Kamau

Summary

Kenya's credible macroeconomic performance appears to be taking hold, albeit slowly, in its public perceptions: Though still largely skeptical, Kenyans are less pessimistic about the national economy and their personal living conditions than they were a few years ago.

Based on survey responses in late 2014, Kenyans offering positive assessments of economic conditions are still a minority – but a growing minority. Compared to responses in 2008 and 2011, more Kenyans see the country as heading in the right direction, describe the country's economic conditions and their personal living conditions as good, and expect economic conditions to improve. Moreover, fewer Kenyans went without basic necessities in the previous year, and fewer rank economic management as the most important problem that government needs to address.

Still, the skeptical majority points to the fact that the government needs to do more to instill confidence among its citizens.

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. After five rounds of surveys between 1999 and 2013, results of Round 6 surveys (2014/2015) are currently being published. 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 Kenya, led by the Institute for Development Studies at the University of Nairobi, interviewed 2,397 adult Kenyans in November-December 2014. A sample of this size yields country-level results with a margin of error of +/-2% at a 95% confidence level. Previous surveys have been conducted in Kenya in 2003, 2005, 2008, and 2011.

Key findings

- Kenyans' perceptions of national and personal economic conditions are still largely negative but more favourable than in 2011 (see Kamau, 2012):

- Almost twice as many Kenyans say the country is heading in the right direction (43%, compared to 24% in 2011).
- The proportion of respondents who describe the country's economic conditions as "fairly" or "very" bad dropped from 84% to 59%.
- The proportion of Kenyans who say their personal living conditions are "fairly" or "very" bad dropped from 71% to 51%.
- More Kenyans expect economic conditions to improve (43%) than to deteriorate (33%).
- The number of respondent who went without basic necessities in the previous year decreased compared to 2011.
- In a list of Kenyans' most important problems, economic management dropped from No. 1 in 2011 to No. 7, replaced at the top by crime and security.
- More than half (57%) of respondents say the government is performing "fairly badly" or "very badly" in managing the economy, an improvement from 77% in 2011.

Kenya's emerging economy

Like other African countries, Kenya is emerging from a state of "hopelessness in 2000" to a "rising economy" (Nothias, 2014; Economist, 2011; African Development Bank, 2014). Economic growth performance has been relatively strong since 2010 (Table 1). Still, while Kenya has the potential to be one of Africa's best-performing economies, the country has been following, not spearheading, Africa's growth momentum (United Nations Economic Commission for Africa, 2015); at about U.S. \$1,450 (2014), Kenya's average per-capita income is only gradually catching up with the continental average of U.S. \$1,790.

Table 1: Economic growth indicators | Kenya | 2010-2014

	2010	2011	2012	2013	2014
GDP growth (%)	8.4	6.1	4.6	5.7	5.3
Population (million)	38.5	39.5	40.7	41.8	43.0
GDP per capita (Kshs '000)	82.38	94.22	104.82	113.21	124.71
Agriculture (% growth)	28.0	9.1	14.8	20.3	14.5
Manufacturing (% growth)	6.4	13.7	-1.49	10.9	7.1
Wholesale and retail (% growth)	8.0	9.6	11.1	11.0	9.8
Transport and communication (% growth)	4.8	9.1	2.8	4.2	7.3

Source: Republic of Kenya (2015)

Challenges include a high proportion of the population living below the poverty line, high unemployment, and a private sector that would need to be strengthened in order to serve as an engine of inclusive economic growth with improved employment opportunities, especially for youth.

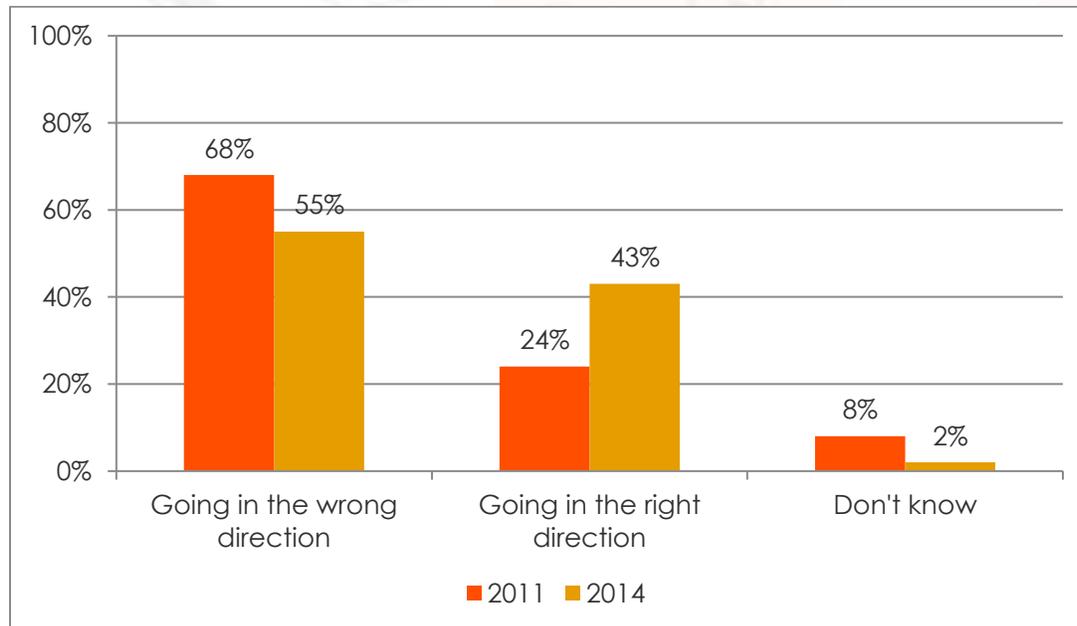
Despite these persistent challenges, Kenya's prospects for success are promising: The country remains the largest economy in East Africa, with a significant potential to further capitalize on regional markets and strengthen its position as the region's economic powerhouse. Recent discoveries of oil, gas, and coal represent a great opportunity for Kenya's overall development, capable of propelling it to middle-income-country status in the medium term (African Development Bank, 2014). Kenya is also implementing a devolved system of governance, instituted by the 2010 Constitution and rolled out in March 2013. Devolution offers an opportunity to reach out to the people and promote more balanced socioeconomic development across the country (Republic of Kenya, 2010).

Finally, Kenya in 2013 adopted its second five-year Medium Term Plan (2013-2017) (Republic of Kenya, 2013) to implement Vision 2030, a solid strategic framework to transform Kenya into a newly industrialized, middle-income country by 2030 (Republic of Kenya, 2008).

Citizen perceptions of national economic conditions

In line with these promising indicators, Kenyans express significantly less pessimism about the country's economic conditions and general direction than they did in the previous survey in 2011. While more than half (55%) of the sample still say the country is heading in the wrong direction, this is an improvement from 68% in 2011. The proportion of Kenyans who say the country is heading in the right direction almost doubled, from 24% in 2011 to 43% in 2014 (Figure 1).

Figure 1: Overall direction of the country | Kenya | 2011-2014



Respondents were asked: *Would you say that the country is going in the wrong direction or going in the right direction?*

Similarly, when asked about the current economic condition of the country, a majority (59%) describe it as “fairly bad” or “very bad,” but this reflects a significant improvement from 84% in

2011 (Table 2). The proportion of citizens who consider the country's economic condition "fairly good" or "very good" more than doubled, from 10% in 2011 to 27%.

Table 2: Country's economic condition | Kenya | 2005-2014

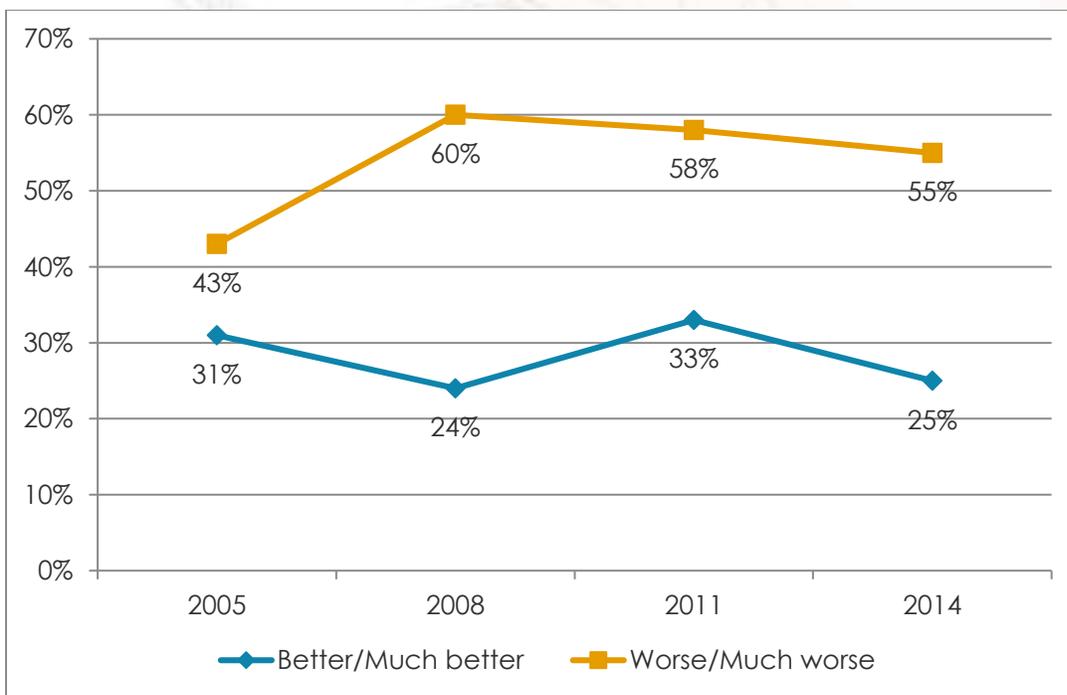
	2005	2008	2011	2014
Very good/Fairly good	28%	12%	10%	27%
Very bad/Fairly bad	54%	78%	84%	59%
Neither good nor bad	16%	10%	6%	14%

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

No improvement is reflected in Kenyans' comparison of the country's economic condition with 12 months prior to the survey: Only 25% say conditions are better, compared to 33% in 2011 (Figure 2).

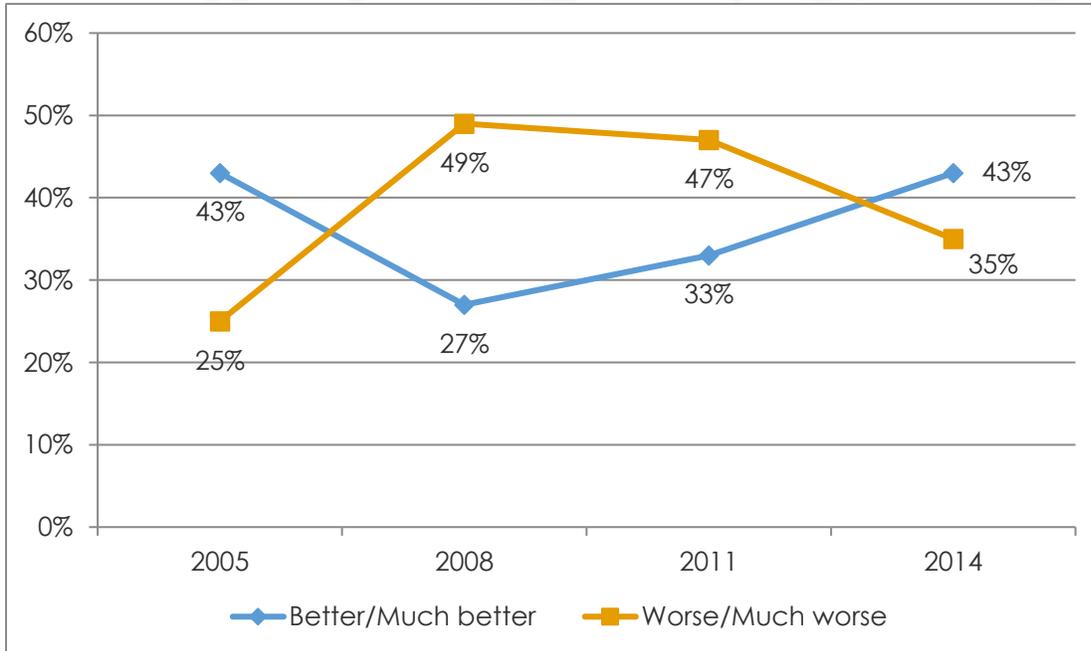
But Kenyans appear to be somewhat optimistic about future economic conditions: 43% of respondents say they think conditions will be better in 12 months' time, compared to 35% who think they are likely to be worse. After dropping sharply between 2005 (43%) and 2008 (27%), the proportion of optimists has been rising consistently, to 33% in 2011 and 43% in 2014 (Figure 3).

Figure 2: Country's economic condition compared to 12 months earlier | Kenya | 2005-2014



Respondents were asked: *Looking back, how do you rate economic conditions in this country compared to 12 months ago?*

Figure 3: Country's economic condition in 12 months' time | Kenya | 2005-2014



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

Personal living conditions

In line with less pessimism about the country's economic condition, Kenyans are more likely to rate their personal living conditions as "fairly good" or "very good" (30%, compared to 15% in 2011), though the majority (51%) still describe them as "fairly" or "very" bad (Table 3).

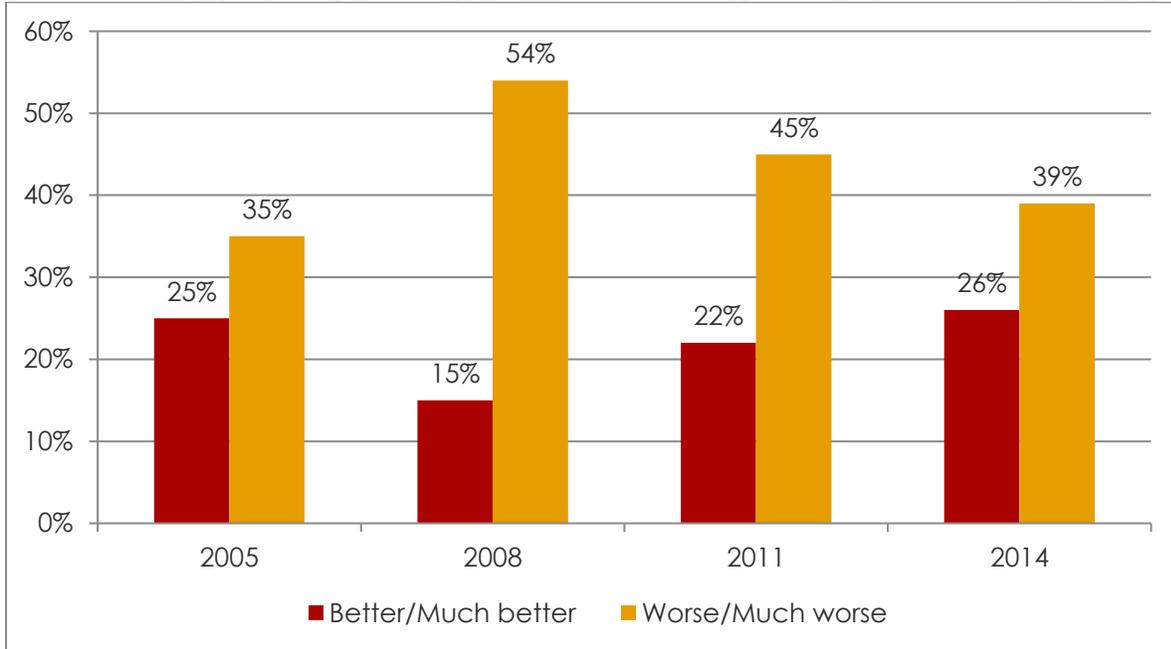
Table 3: Personal living conditions | Kenya | 2005-2014

	2005	2008	2011	2014
Very good/Fairly good	33%	14%	15%	30%
Very bad/Fairly bad	45%	69%	71%	51%
Neither good nor bad	22%	17%	14%	19%

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

Similarly, when asked to compare their living conditions with those of other Kenyans, the proportion of respondents who say they are "better" or "much better" off than others rose from 15% in 2008 to 26% in 2014, while the proportion who say they are worse off than their compatriots dropped from 54% to 39% (Figure 4).

Figure 4: Personal living conditions compared to those of other Kenyans | Kenya
 | 2005-2014



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

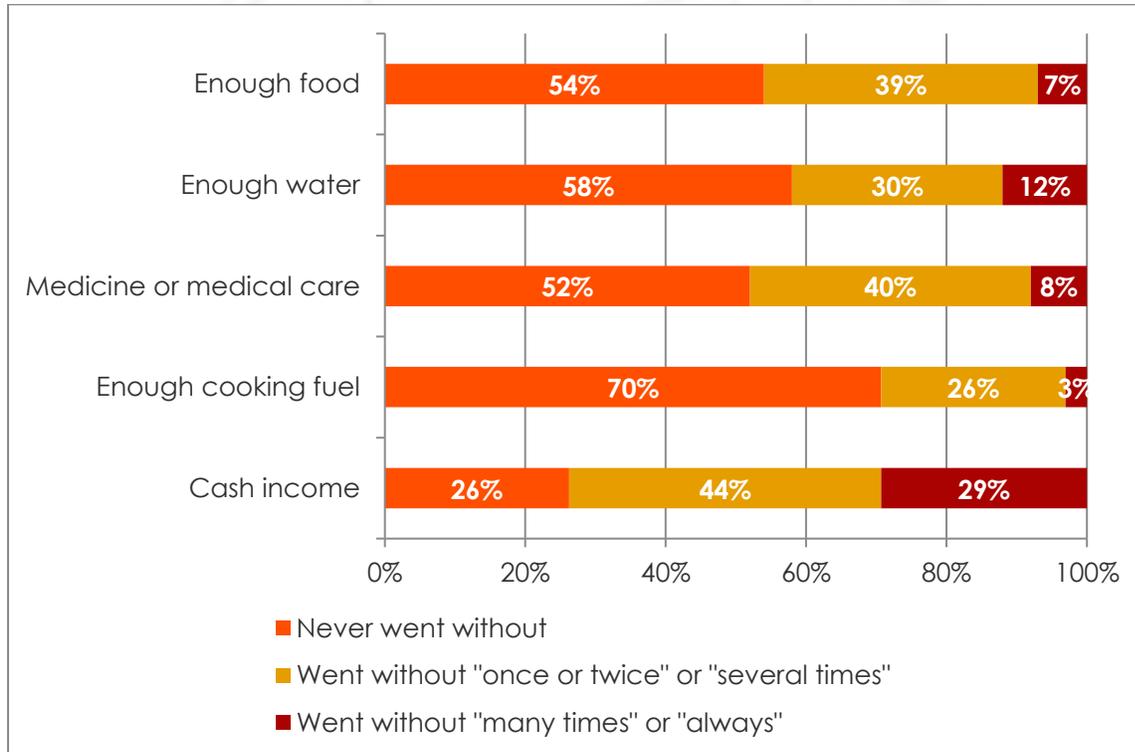
Economic security

The survey assessed several indicators of economic security. Afrobarometer data describe “lived poverty” based on how frequently people went without basic necessities (enough food, enough clean water for home use, medicines or medical treatment, enough fuel for cooking, and a cash income) during the year preceding the survey.

With the exception of a cash income, more than half of respondents indicated that they were economically secure, i.e. they “never” went without enough food (54%), clean water (58%), needed medical care (52%), or cooking fuel (70%) during the previous year (Figure 5). This reflects across-the-board improvements since 2011, of 9 percentage points on food, 3 points on water, 6 points on medical care, and 15 points on cooking fuel (see Kamau, 2012). Still, it leaves more than four in 10 Kenyans who say they went without enough food (46%), water (42%), or medical care (48%) at least once, including some who went without these basic necessities “many times” or “always.”

With regard to a cash income, almost three-fourths (73%) of respondents say they went without at least once during the previous year. This, too, is an improvement from 2011: The proportion of Kenyans who “never” went without a cash income increased from 19% to 26%, and the proportion of those who went without a cash income “many times” or “always” declined from 45% in 2011 to 29% in 2014.

Figure 5: Going without basic necessities | Kenya | 2014



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

Government performance in handling economic issues

When survey respondents were asked to cite “the most important problems facing this country that government should address” and allowed up to three responses, economic management came in at No. 7, mentioned by 20% of citizens (Table 4). Crime and security, unemployment, education, infrastructure, and health are the leading problems that most Kenyans say the government needs to address. In 2011, economic management, food shortages, and unemployment were at the top of the list.

When asked to assess the government's performance in managing the economy, more than half (57%) of respondents give a negative rating (“fairly bad” or “very bad”) (Table 5). Though still negative, this is an improvement of 20 percentage points from 2011. Analysis of this variable by gender and rural-urban residence shows no significant differences.

These assessments seem to run counter to improvements and optimism expressed on other economic variables. One possible explanation could be that Kenyans were expecting much more from the Jubilee government, which was elected on a platform of promises (e.g. laptops for first-year students) and zero tolerance for corruption. In addition, the country's devolved governance system seems not to have worked to the expectations of Kenyans that it would bring development closer to the people.

Table 4: Most important problems that government should address | Kenya | 2011-2014

	2011	2014
Crime and security	16%	40%
Unemployment	29%	31%
Education	21%	25%
Infrastructure/roads	19%	23%
Health	21%	22%
Food shortage/famine	30%	20%
Management of the economy	33%	20%
Water supply	16%	20%
Poverty/destitution	17%	15%
Corruption	17%	15%

Respondents were asked: *In your opinion, what are the most important problems facing this country that government should address? (Respondents could give up to three responses. Reported numbers are % of respondents naming the problem as one of their three responses.)*

Table 5: Government management of the economy | Kenya | 2014

	Urban	Rural	Male	Female	Total
Very well	5%	7%	7%	6%	7%
Fairly well	35%	36%	36%	34%	35%
Fairly badly	28%	24%	25%	26%	25%
Very badly	32%	32%	30%	33%	32%

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

Survey data suggest that the trickle-down effect of Kenya's national-level economic growth is real but slow. The proportion of Kenyans who perceive economic conditions as bleak is still high. Nonetheless, a small but growing number of Kenyans say the country is heading in the right direction and economic conditions are good and likely to get better.

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

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