

South Africans score their government poorly on its economic performance

Afrobarometer Dispatch No. 816 | Nyasha Mpani and Stephen Ndoma

Summary

Before the COVID-19 pandemic, South Africa's economy was growing slowly as unemployment continued to rise and the country's world-record inequality gap continued to widen (World Bank, 2023). The pandemic triggered a massive economic slowdown in 2020. Severe lockdown measures intended to limit the spread of the virus resulted in reduced economic activity and job losses (Arndt & Robinson, 2020).

The country's economic revival has been slow and bumpy: Gross domestic product growth was 1.9% in 2022 and only 0.6% in 2023 (Statistics South Africa, 2024). While the finance and transport industries have shown resilience and growth, most others continue to struggle (Statistics South Africa, 2024).

Underlying structural challenges hamper inclusive economic growth and exacerbate social and political pressures (Access Bank, 2022). These include poor-quality education, a persistent skills shortage, labour-market rigidity, deteriorating infrastructure, and escalating corruption and violence (Meyer, 2017). The Russia-Ukraine war has added higher costs of living, particularly for essentials such as energy and staple foods.

In trying to alleviate the impact of COVID-19 on households and firms, the South African government stepped up its spending to support small and medium-sized enterprises with loans and introduced emergency social transfers, which are still in place (Government of South Africa, 2020).

Through a newly established unit, Operation Vulindlela (2022), the government embarked on a series of reforms to open key markets to greater private-sector participation, including in energy, logistics, and other network industries. Whether these reforms will be stalled or sped up under the new coalition government remains to be seen.

What do South Africans say about the country's economic condition, their personal living conditions, and the previous government's performance on economic issues?

Findings from Afrobarometer's 2022 survey show that South Africans overwhelmingly think their country is heading in the wrong direction. Fewer than two in 10 citizens say the country's economic condition is good, and only about one in four expect things to improve in the near future. Large majorities give the government failing marks on key economic issues.

Afrobarometer surveys

Afrobarometer is a pan-African, non-partisan survey research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Nine survey rounds in up to 42 countries have been completed since 1999. Round 9 surveys (2021/2023) cover 39 countries. Afrobarometer's national partners conduct face-to-face interviews in the language of the respondent's choice.

The Afrobarometer team in South Africa, based at the Institute for Justice and Reconciliation, interviewed 1,582 adult South Africans in November-December 2022. A sample of this size yields country-level results with a margin of error of +/-2.5 percentage points at a 95% confidence level. Previous surveys were conducted in South Africa in 2000, 2002, 2004, 2006, 2008, 2011, 2015, 2018, and 2021.

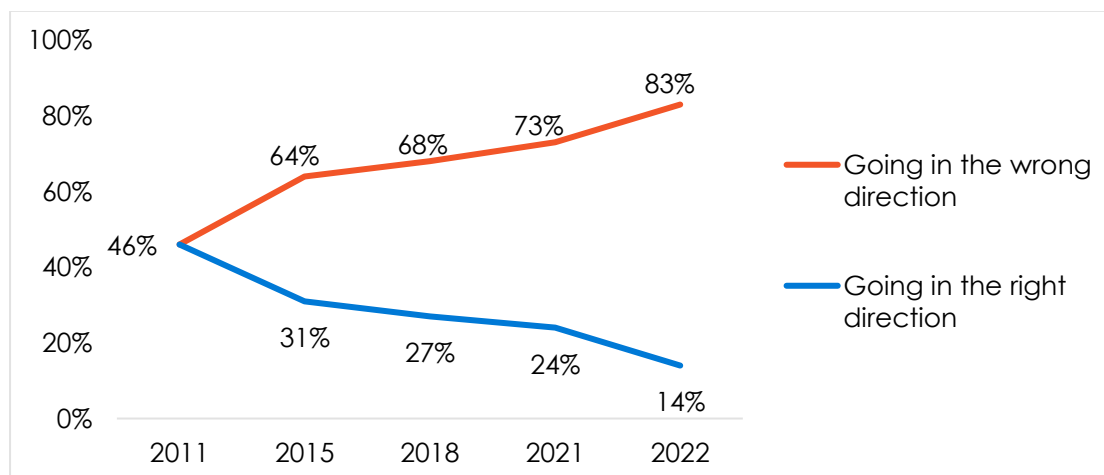
Key findings

- More than eight in 10 South Africans (83%) say the country is heading in “the wrong direction,” a 37-percentage-point increase compared to 2011 (46%).
- Fewer than two in 10 citizens (17%) describe the country's economic condition as good, while 71% say it is bad. Close to half (45%) of citizens rate their personal living conditions negatively.
 - The share of citizens who describe the country's economic condition as “fairly bad” or “very bad” has increased by 24 percentage points since 2011.
 - Poor citizens are far more likely than the well-off to offer negative appraisals of the economy (81% vs. 60%) and their own living conditions (72% vs. 18%).
 - Only about one-fourth (27%) of respondents expect economic conditions to improve in the near future.
- Overwhelming majorities are dissatisfied with the government's performance on key economic measures, including keeping prices stable (93%), creating jobs (90%), narrowing gaps between rich and poor (89%), and managing the economy (81%).

Overall direction of the country

Over the past decade, South Africans have become steadily more pessimistic in their assessments of the country's overall orientation. As of 2022, more than eight in 10 (83%) say the country is heading in the wrong direction, while only 14% see it as heading in the right direction (Figure 1). This marks a significant departure from 2011, when optimists and pessimists could be found in equal measure (46%).

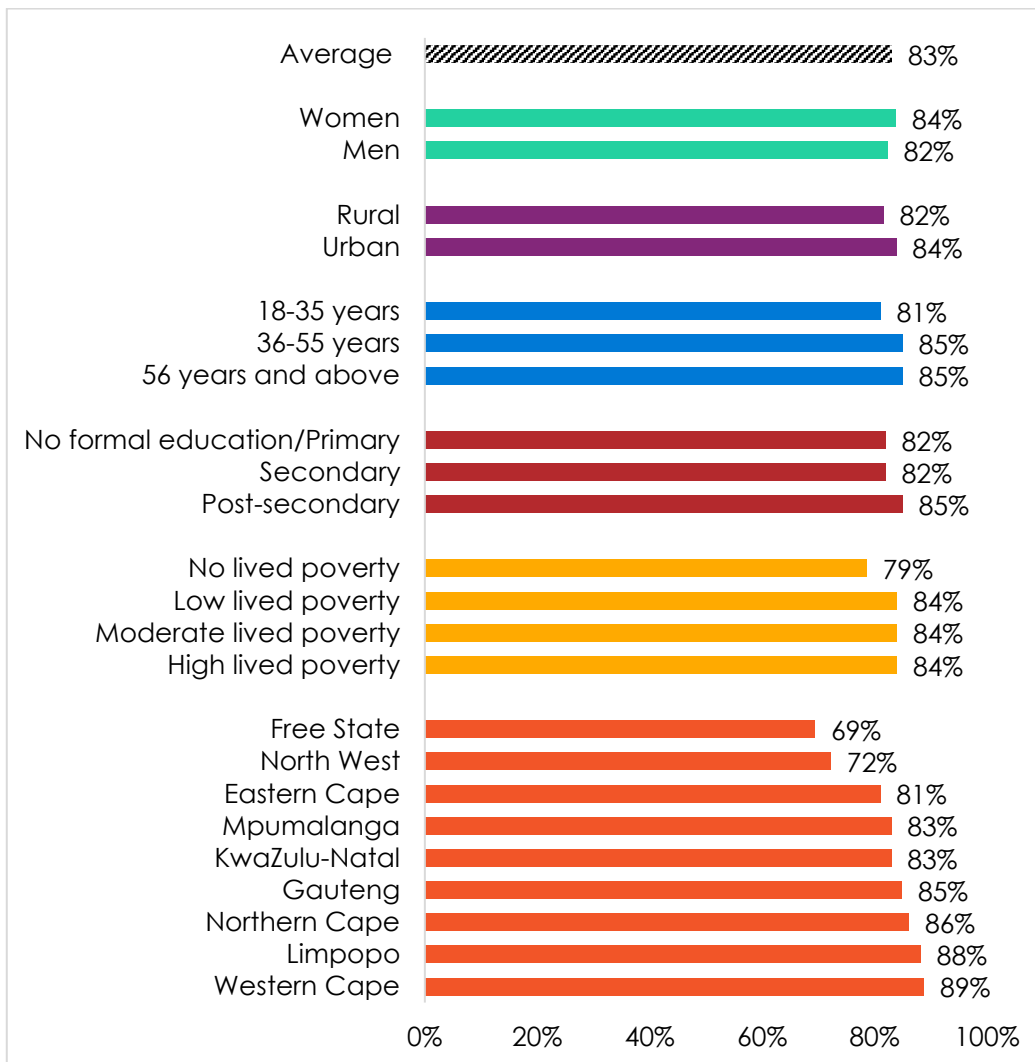
Figure 1: Overall direction of the country | South Africa | 2011-2022



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 going in the right direction?

The view that the country is heading in the wrong direction is remarkably consistent across a range of demographic categories. The wealthy (79%) and youth (81%) are marginally less likely than their poorer (84%) and older (85%) counterparts to be worried about the country's future (Figure 2).¹ However, there are notable provincial differences: Only 69% of Free State and 72% of North West residents share this concern, compared with more than eight out of 10 respondents in all other provinces.

Figure 2: Country going in the wrong direction | by demographic group | South Africa | 2022



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 going in the right direction? (% who say "the wrong direction")

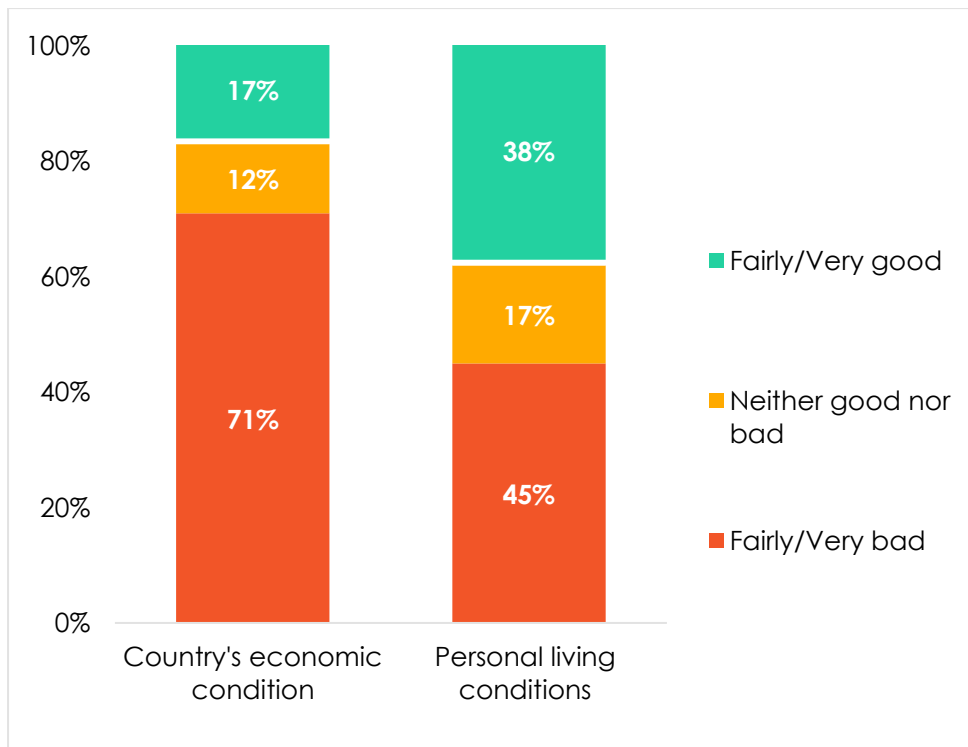
¹ Afrobarometer's Lived Poverty Index (LPI) measures respondents' levels of material deprivation by asking how often they or their families went without basic necessities (enough food, enough water, medical care, enough cooking fuel, and a cash income) during the preceding year. For more on lived poverty, see Mattes and Patel (2022).

Country's economic condition and personal living conditions

Fewer than two in 10 South Africans (17%) describe the country's economic condition as "fairly good" or "very good," while 71% characterise it as bad (Figure 3).

With regard to their personal living conditions, citizens are slightly less negative. Almost four in 10 (38%) find their living situation agreeable, although a larger proportion (45%) say their living conditions are "fairly bad" or "very bad."

Figure 3: Country's economic condition and personal living conditions | South Africa | 2022



Respondents were asked: *In general, how would you describe: The present economic condition of this country? Your own present living conditions?*

While negative assessments of the country's economic condition are a majority view across demographic categories, poorer respondents (77%-81%) are more likely than the better-off (60%-63%) to say that the country's economic condition is "fairly bad" or "very bad" (Figure 4). Again, location seems to matter: More than eight in 10 inhabitants (81%) of the Northern Cape province express this view, compared to 55% of Mpumalanga residents. Surprisingly, there is no meaningful difference in responses across the urban-rural divide.

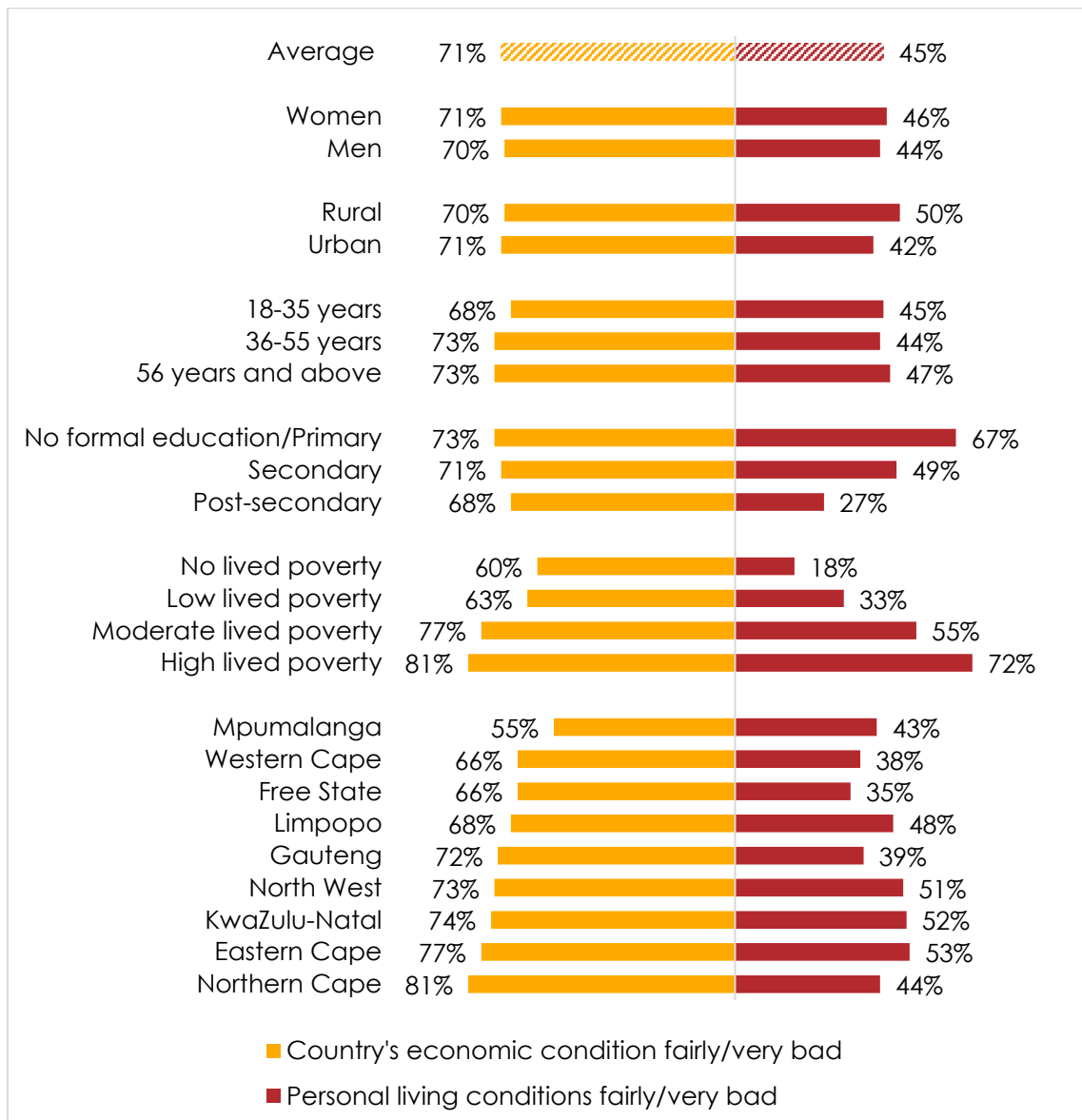
When asked about their personal living conditions, though, rural dwellers are more likely than urban denizens to report dissatisfaction (50% vs. 42%). But there are far larger differences in responses across poverty and education levels: Two-thirds (67%) of the least educated and 72% of the poorest members of society rate their living conditions as bad, compared to only 27% of the most educated and 18% of the wealthy.

Provincial differences are again substantial: More than half of respondents in the North West (51%), KwaZulu-Natal (52%), and the Eastern Cape (53%) describe their personal living conditions as bad, compared to just 35% of Free State interviewees.

The proportion of South Africans who describe the country's economic condition as "fairly bad" or "very bad" has increased by 24 percentage points over the past decade, from 47% in 2011 to 71% (Figure 5).

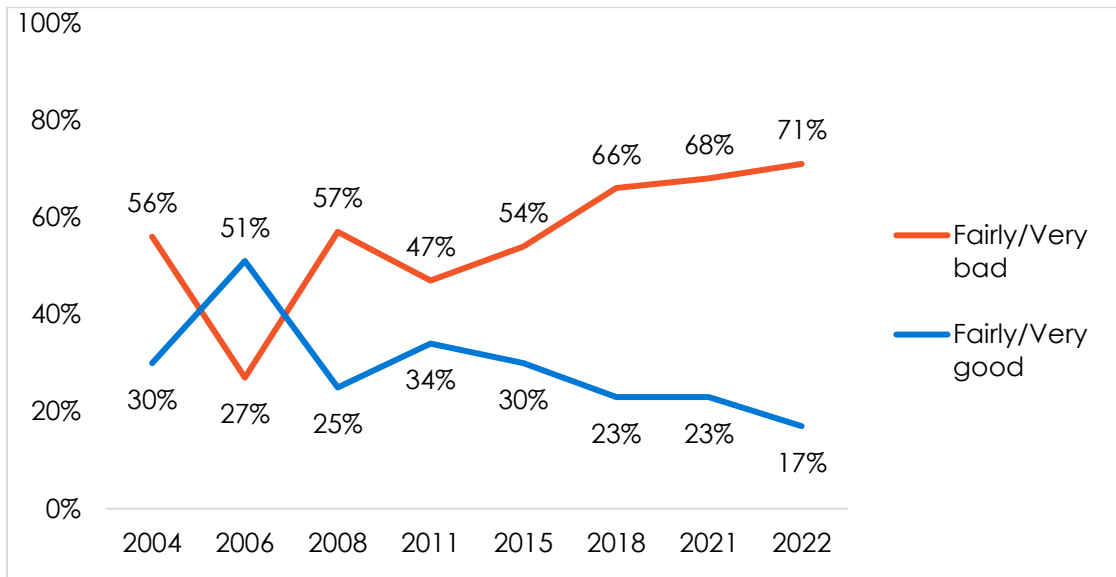
A mere one in seven South Africans (14%) believe that economic conditions improved during the year preceding the survey, while 63% say things got worse (Figure 6). Looking ahead, half (49%) of respondents indicate that they think things will worsen during the coming year, while 27% expect the situation to improve.

Figure 4: Negative assessments of economic and living conditions | by demographic group | South Africa | 2022



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

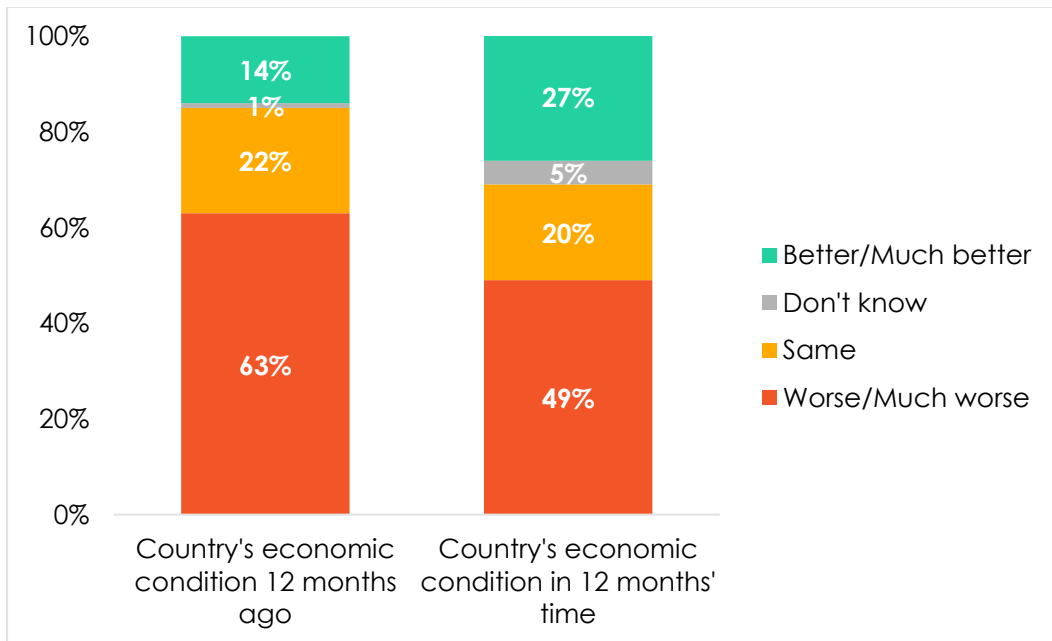
Figure 5: Country's economic condition | South Africa | 2004-2022



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

Figure 6: Economic conditions – retrospective and prospective outlook

| South Africa | 2022



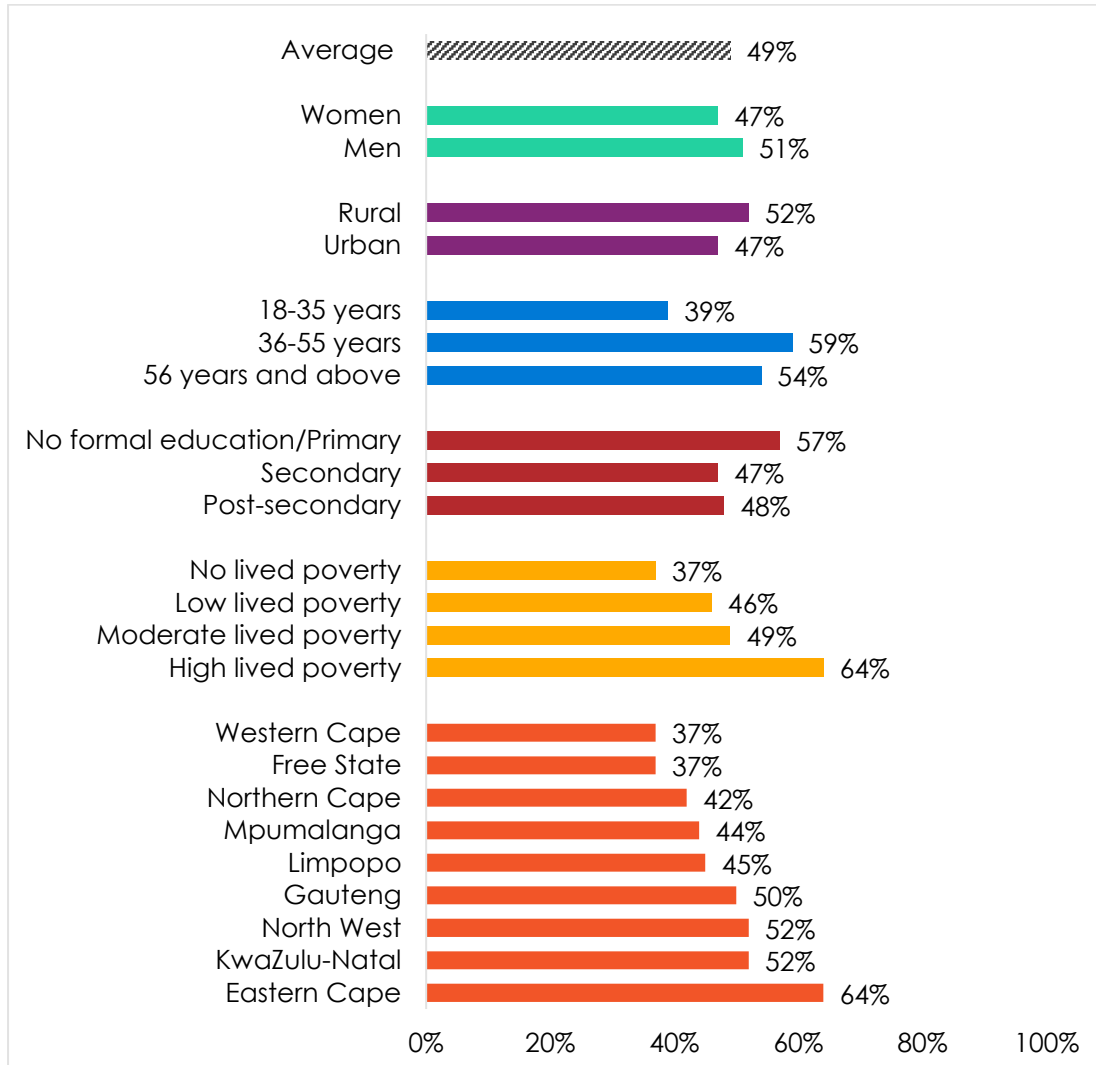
Respondents were asked:

*Looking back, how do you rate economic conditions in this country compared to 12 months ago?
 Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time?*

The most pessimistic respondents are Eastern Cape residents (64%), the poorest citizens (64%), the middle-aged (59%), and the least educated (57%) (Figure 7). On the other side of the

coin, the least pessimistic are young respondents (39%), the wealthy (37%), and residents of the Western Cape and the Free State (both 37%).

Figure 7: Economic conditions will get worse | by demographic group | South Africa | 2022



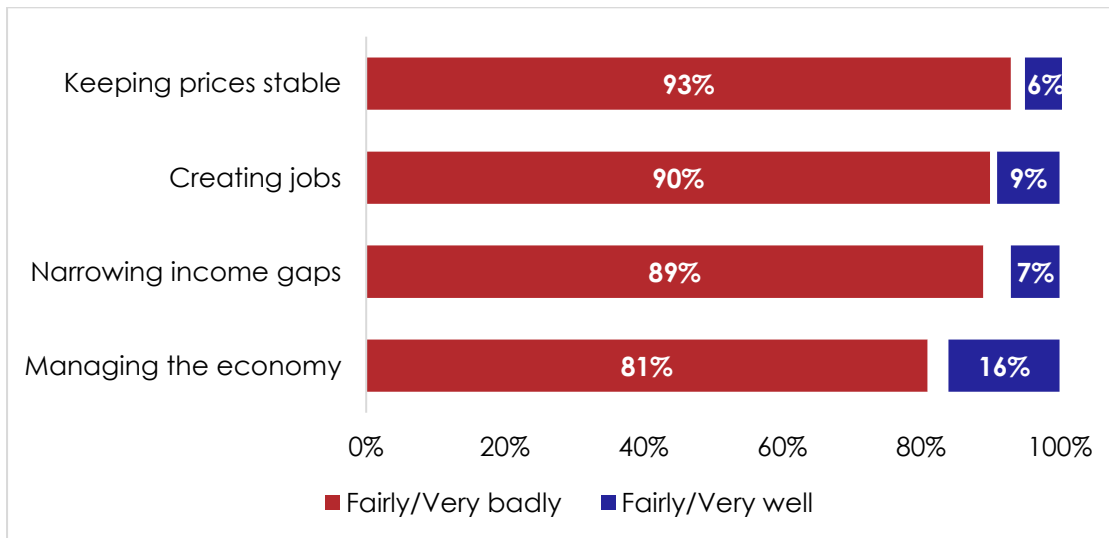
Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time (% who say "worse" or "much worse")

Government performance on key economic issues

South Africans are largely dissatisfied with the previous government's performance on key economic issues: Most lament its failure to rein in inflation (93%), to create jobs (90%), to address income inequality (89%), and to manage the economy effectively (81%) (Figure 8).

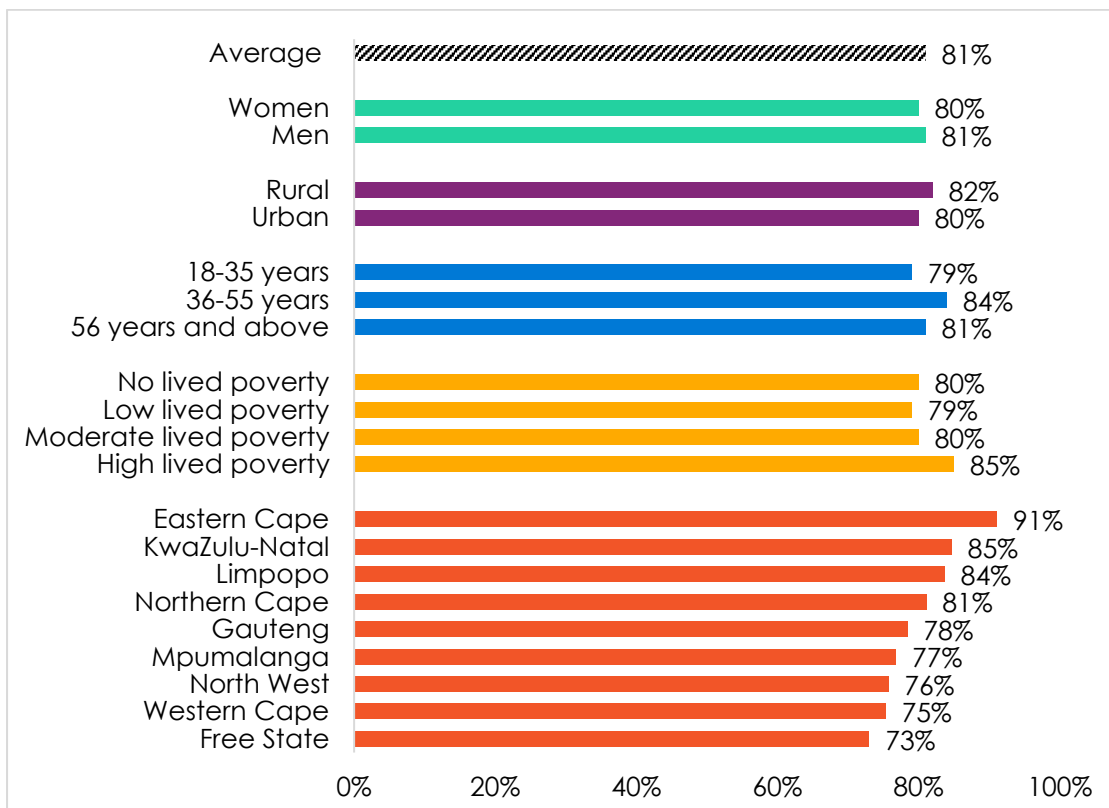
While negative assessments of the government's handling of the economy are widespread across various demographic groups, they are especially pronounced among the middle-aged (84%) and the poorest respondents (85%) (Figure 9). Residents of the Eastern Cape (91%) are more critical of the government's economic management than their counterparts in other provinces.

Figure 8: Government performance on key economic issues | South Africa | 2022



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: Keeping prices stable? Creating jobs? Narrowing gaps between rich and poor? Managing the economy?

Figure 9: Negative assessments of government's economic management
 | by demographic group | South Africa | 2022



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? (% who say "fairly badly" or "very badly")

Conclusion

Afrobarometer's survey findings show that South Africans are deeply concerned about the economy. Gloomy sentiments have been steadily rising since at least 2011. In a context of extremely high levels of unemployment, poverty, and wealth inequality, overwhelming majorities rate the government's economic performance poorly.

Against this backdrop, the new administration faces a formidable challenge to turn the country's deep-seated economic problems around and restore hope and confidence to its people.

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Afrobarometer, a nonprofit corporation with headquarters in Ghana, is a pan-African, nonpartisan research network. Regional coordination of national partners in about 35 countries is provided by the Ghana Center for Democratic Development (CDD-Ghana), the Institute for Justice and Reconciliation (IJR) in South Africa, and the Institute for Development Studies (IDS) at the University of Nairobi in Kenya. Michigan State University, the University of Cape Town, and the University of Malawi provide technical support to the network.

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