

Economic insecurity persists for South Africans

Afrobarometer Dispatch No. 478 | Jaynisha Patel

Summary

In South Africa, the economic hub of Africa, years of stifled growth have been worsened by the COVID-19 pandemic's extended restriction of economic activity. The economy shrank by 7% in 2020 (World Bank, 2020), causing widespread material deprivation, job losses, and anxiety about the future. Signs of recovery, though seen for four consecutive quarters, have been modest (Statistics South Africa, 2021a).

The country's economy is characterized by high levels of poverty, unemployment, and inequality (Department of Trade and Industry, 2018; Alvaredo, Chancel, Piketty, Saez, & Zucman, 2018). The government has laid out a far-reaching Economic Reconstruction and Recovery Plan intended to address these problems by stimulating growth across different sectors (Government of South Africa, 2020). It also announced a R500 billion COVID-19 recovery package, though by February 2021 only one-third of its budget had been spent, mostly on wage relief and social security (Institute for Economic Justice, 2021).

Despite these efforts, economic agency – people's ability to participate in and shape the economy – continues to shrink. Disrupted supply chains and inflation, which climbed to an annual rate of 5.2% in May (Statistics South Africa, 2021b), have pushed up the prices of food (Fokazi, 2021), water, electricity, and sewer services.

These constraints on prosperity have the potential to erode social cohesion and stability (Patel, 2021), as we saw in July 2021 when parts of the country were plunged into rioting and looting of goods ranging from basic necessities to luxury items (BBC, 2021). Although underpinned by factional wars within the ruling party, these events spiraled out of control because of desperation among the population. The impact of the looting continues to affect a wide range of South Africans, from business owners to employees and even locals in affected areas who now must travel farther to access goods and services (Makhaye, 2021).

The most recent Afrobarometer survey findings offer a fairly grim view of South Africa's economic situation. A majority of citizens see economic conditions as worse than a year ago, and fewer than half expect things to get better over the coming months. Large proportions of the population experienced shortages of food, clean water, medical care, and a cash income. And a majority say the government is not only doing a poor job of reducing income inequality and keeping prices stable, but also treats people unfairly based on their economic status.

Afrobarometer surveys

Afrobarometer is a pan-African, nonpartisan survey research network that provides reliable data on Africans' experiences and evaluations on democracy, governance, and quality of life. Eight rounds of surveys have been completed in up to 39 countries since 1999. Round 8 surveys (2019/2021) cover 34 countries. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice.

The Afrobarometer team in South Africa, led by the Institute for Justice and Reconciliation and Plus 94 Research, interviewed 1,600 adult South Africans in May-June 2021. 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, 2006, 2008, 2011, 2015, and 2018.

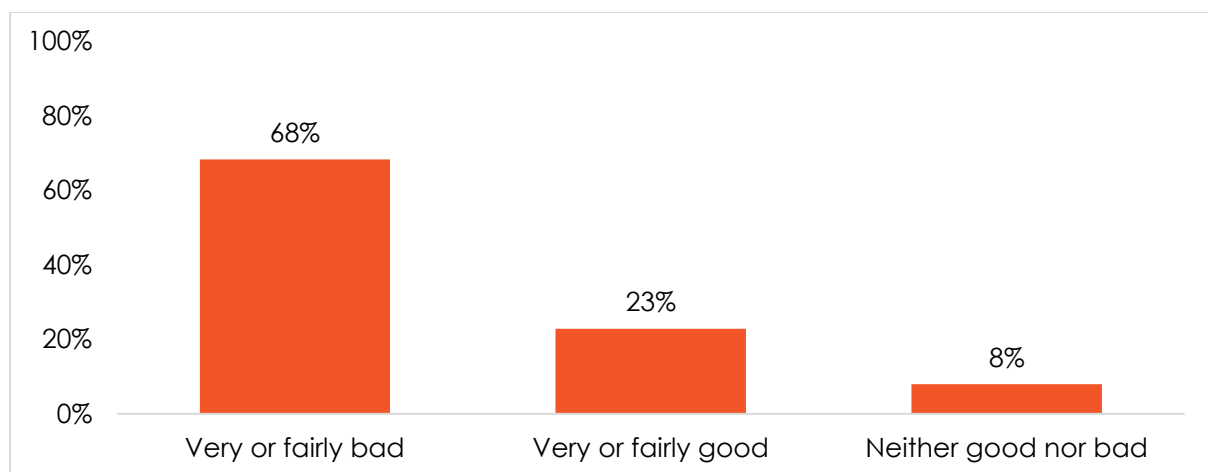
Key findings

- More than two-thirds (68%) of South Africans describe the economic condition of the country as “fairly bad” or “very bad,” a 21-percentage-point increase over the past decade.
 - A majority (58%) say the economy is in worse shape than it was a year ago. And fewer than half (46%) expect things to get better over the coming 12 months.
- Four out of five South Africans say the government is performing poorly on income inequality (81%) and price stability (79%).
- More than four in 10 respondents (44%) assess their personal living conditions as bad, a 5-percentage-point improvement compared to 2018, while about the same proportion (43%) describe them as good.
- Almost half (46%) of South Africans say that they or someone in their family went without a cash income “several times,” “many times,” or “always” during the previous year. About one-third of citizens report having repeatedly gone without enough clean water (34%), enough cooking fuel (33%), or enough food (32%).
- Two-thirds (66%) of citizens say people are at least “sometimes” treated unfairly by the government based on their economic status.

A depressed economy

Given the shrinking economy and weak supply of work opportunities, it is not surprising that two-thirds (68%) of South Africans see the country’s economic condition as “fairly bad” or “very bad” (Figure 1). This is about the same negative assessment as in the 2018 Afrobarometer survey (66%) (Chingwete, 2019), suggesting that the current economic downturn fueled by the COVID-19 pandemic has left a similar impression on the minds of South Africans as the slow growth years prior to 2020.

Figure 1: Condition of the national economy | South Africa | 2021

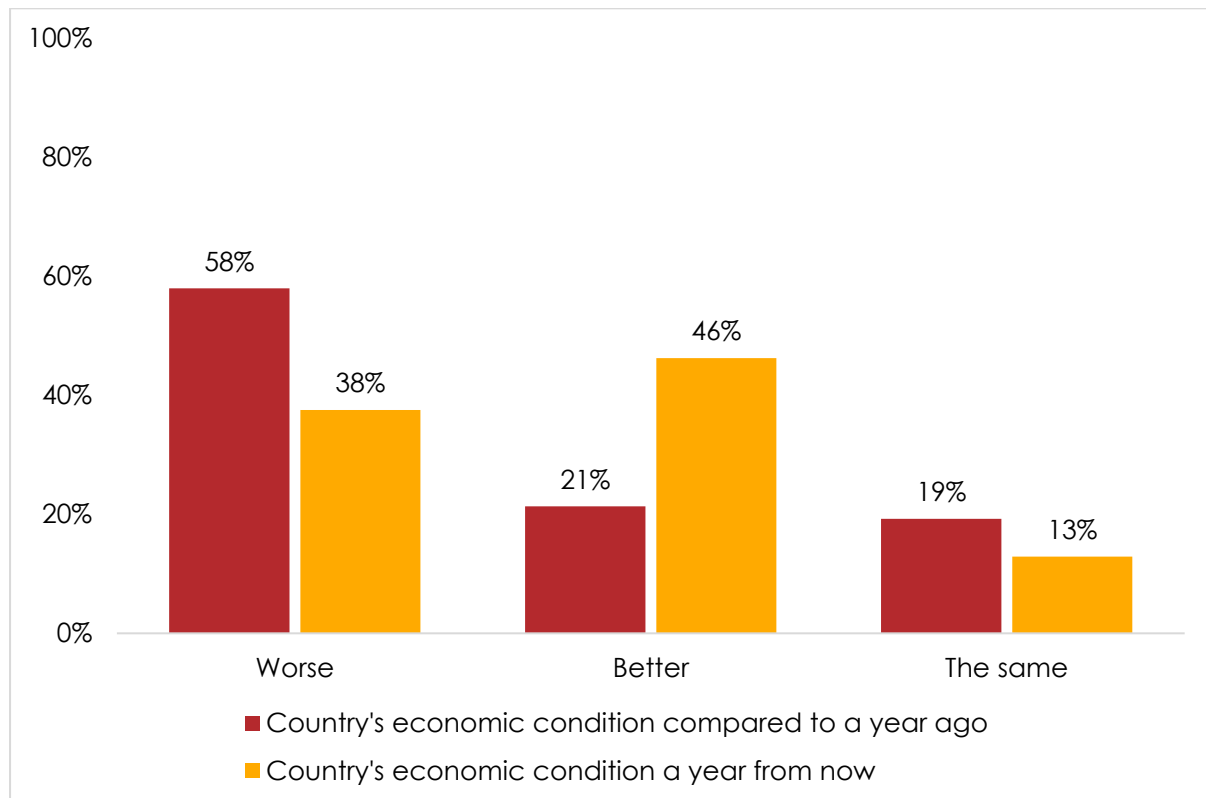


Respondents were asked: *In general, how would you describe the present economic condition of this country?*

When asked to compare current conditions to those one year earlier, at the height of COVID-19 lockdowns, more than half (58%) of South Africans say the economy now is in worse shape (Figure 2).

Citizens' outlook for the future is somewhat more optimistic: Almost half (46%) believe that 12 months from now, economic conditions will be better. But optimism has dwindled slightly since 2018, when 53% expected things to get better.

Figure 2: Economic condition of the country: Looking back and ahead | South Africa | 2021



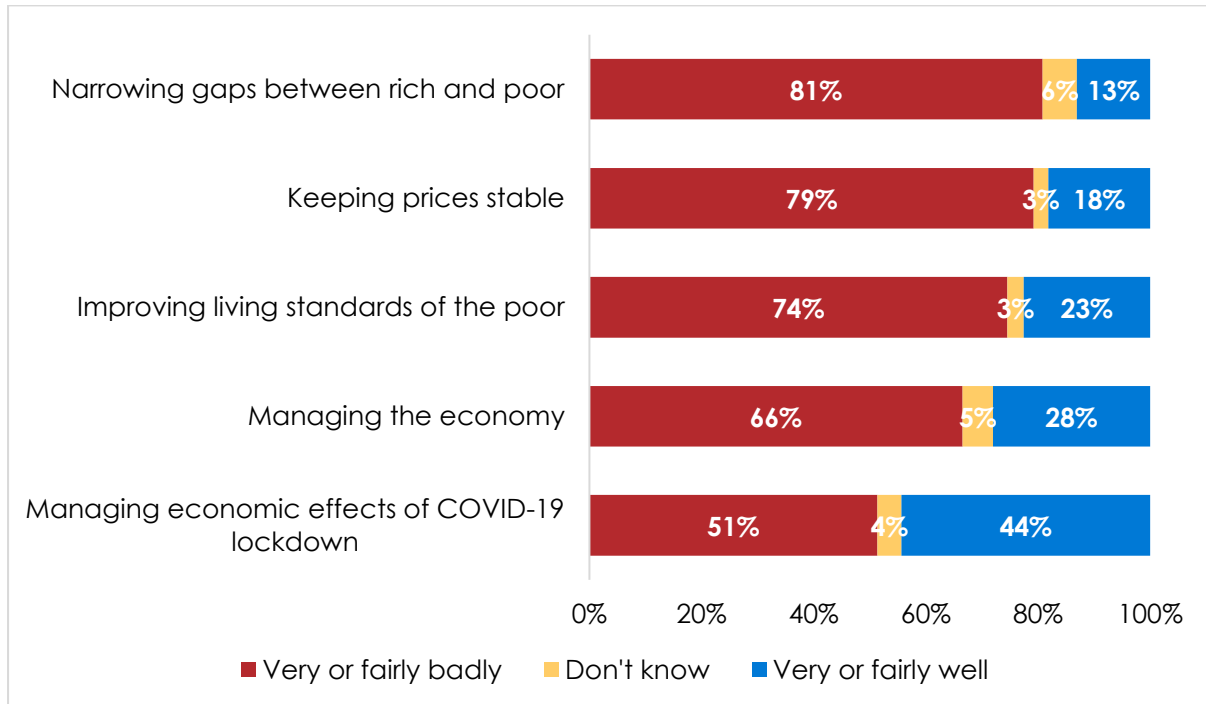
Respondents were asked:

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

If South Africans look to their government to deliver an inclusive economic environment that enables agency and equity, they are largely dissatisfied with the results (Figure 3). Four out of five people think the government is performing “fairly badly” or “very badly” on narrowing gaps between the rich and the poor (81%) and keeping prices stable (79%). Two-thirds (66%) disapprove of its management of the economy.

Assessments are more evenly divided on how the government is handling the economic impact of COVID-19 lockdowns: 51% say badly, while 44% say well.

Figure 3: Assessing government performance in promoting inclusive development
 | South Africa | 2021

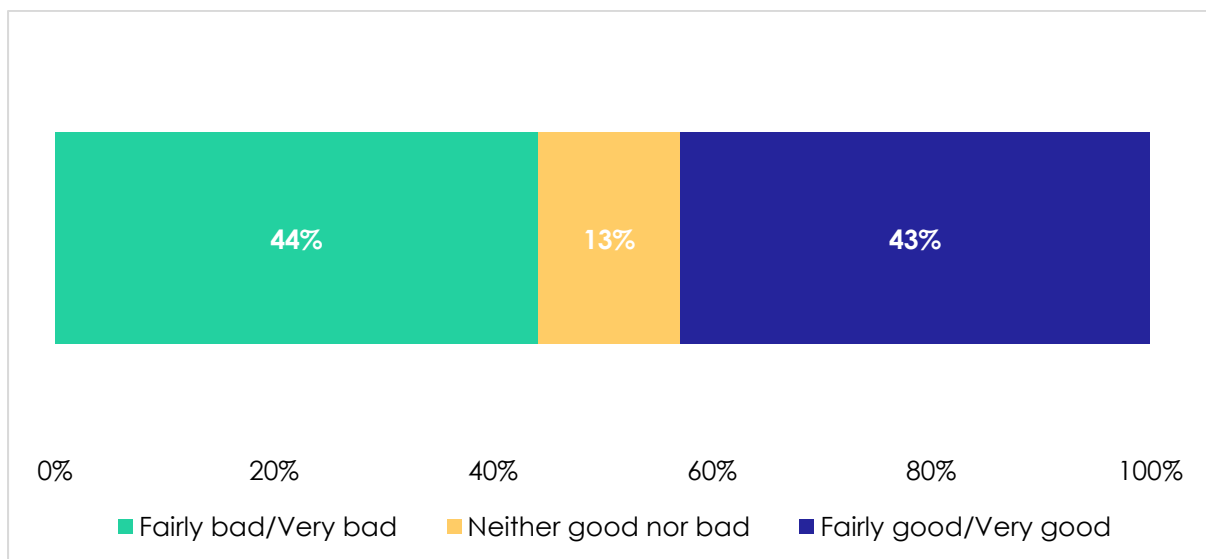


Respondents were asked: How well or badly would you say that the current government is handling the following matters, or haven't you heard enough to say?

Personal living conditions and lived poverty

When it comes to assessing their own living conditions, South Africans are divided: 44% describe them as “fairly bad” or “very bad,” while 43% see them as “fairly” or “very” good (Figure 4).

Figure 4: Personal living conditions | South Africa | 2021



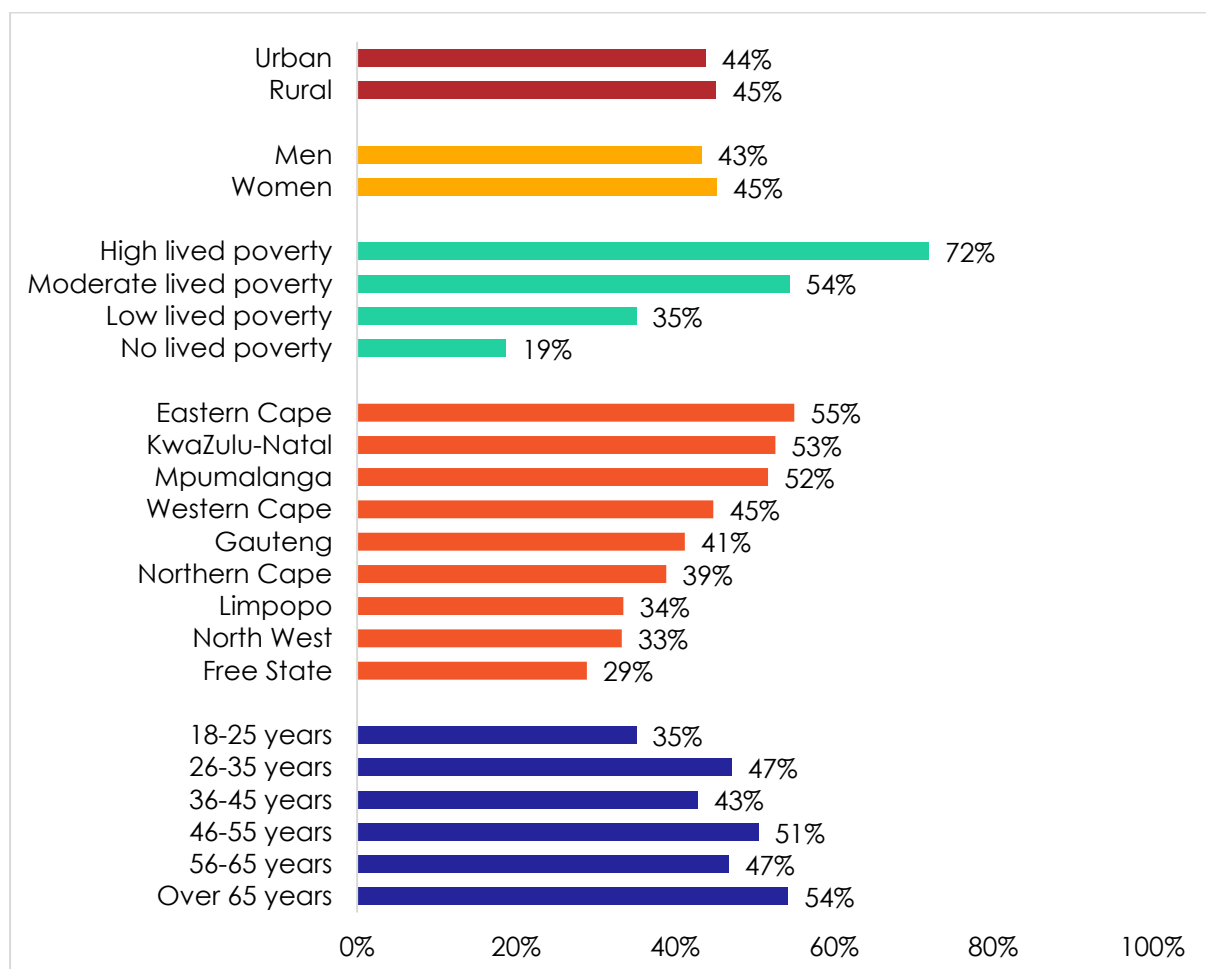
Respondents were asked: In general, how would you describe your own present living conditions?

Women and men are about equally likely to describe their living conditions as bad, as are urban and rural residents (Figure 5).

More than half of respondents in the Eastern Cape (55%), KwaZulu-Natal (53%), and Mpumalanga (52%) say their living conditions are bad, while those living in some of South Africa's least developed provinces are less likely to report negatively on their living conditions, including the Free State (29%), North West (33%), and Limpopo (34%).

As might be expected, negative assessments increase sharply with respondents' level of poverty. The poorest are almost four times as likely to view their living conditions negatively as those who are economically best off (72% vs 19%).

Figure 5: Personal living conditions are bad | by socio-demographic group | South Africa | 2021



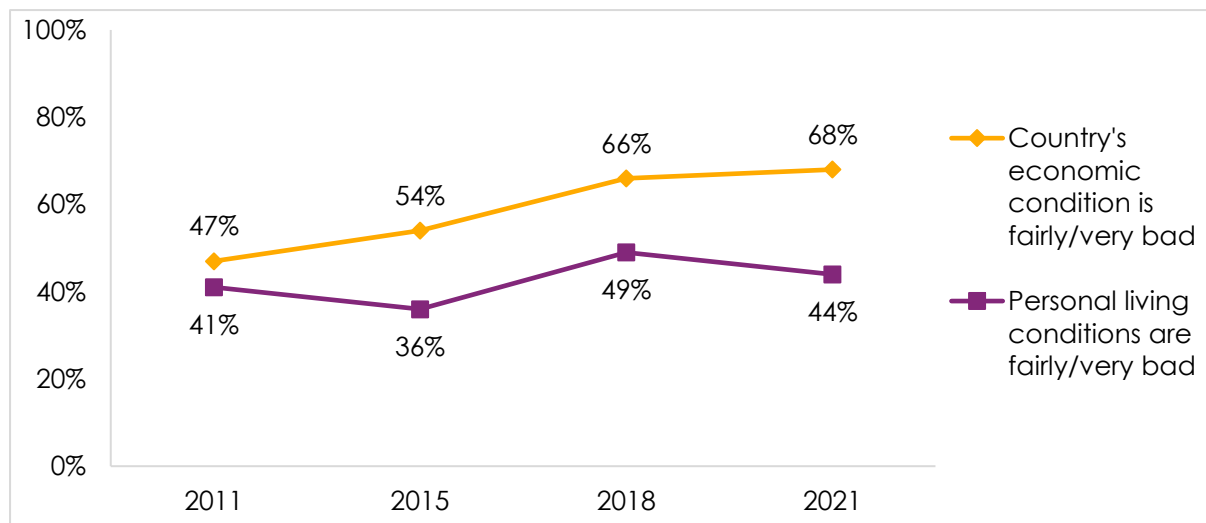
Respondents were asked: *In general, how would you describe your own present living conditions? (% who say "fairly bad" or "very bad")*

The share of South Africans who see the country's economic condition as bad has grown by 21 percentage points over the past decade, although it has not increased significantly compared to 2018 (Figure 6).

On the other hand, while the proportion of citizens who see their personal living conditions as bad climbed to 49% in 2018, it has declined by 5 percentage points since then.

Figure 6: Country's economic condition and personal living conditions are bad

| South Africa | 2011-2021



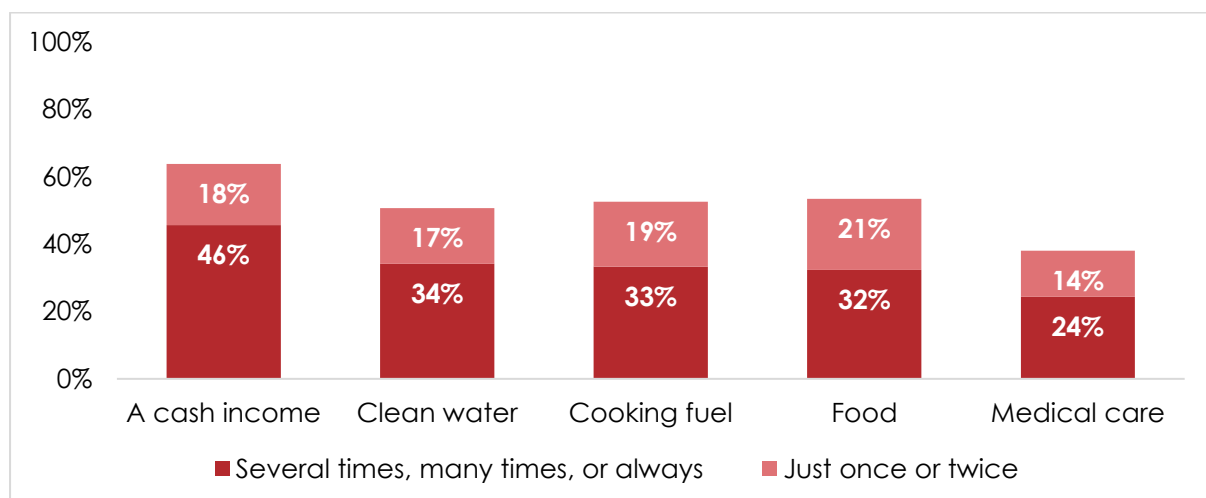
Respondents were asked: In general, how would you describe: The present economic condition of this country? Your own present living conditions?

Access to basic necessities of life is a central part of acceptable living conditions. Afrobarometer's Lived Poverty Index measures households' deprivation of five basic necessities: enough food, enough clean water, medical care, enough fuel for cooking, and a cash income.

Survey findings show that almost two-thirds (64%) of South Africans say that they or someone in their family went without a cash income at least once during the previous year, including almost half (46%) who experienced this "several times," "many times," or "always" (Figure 7).

About one-third of citizens report having repeatedly gone without enough clean water (34%), enough cooking fuel (33%), or enough food (32%) during the previous year, while one-fourth (24%) say they went without needed medical care at least "several times."

Figure 7: Going without essentials | South Africa | 2021



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?

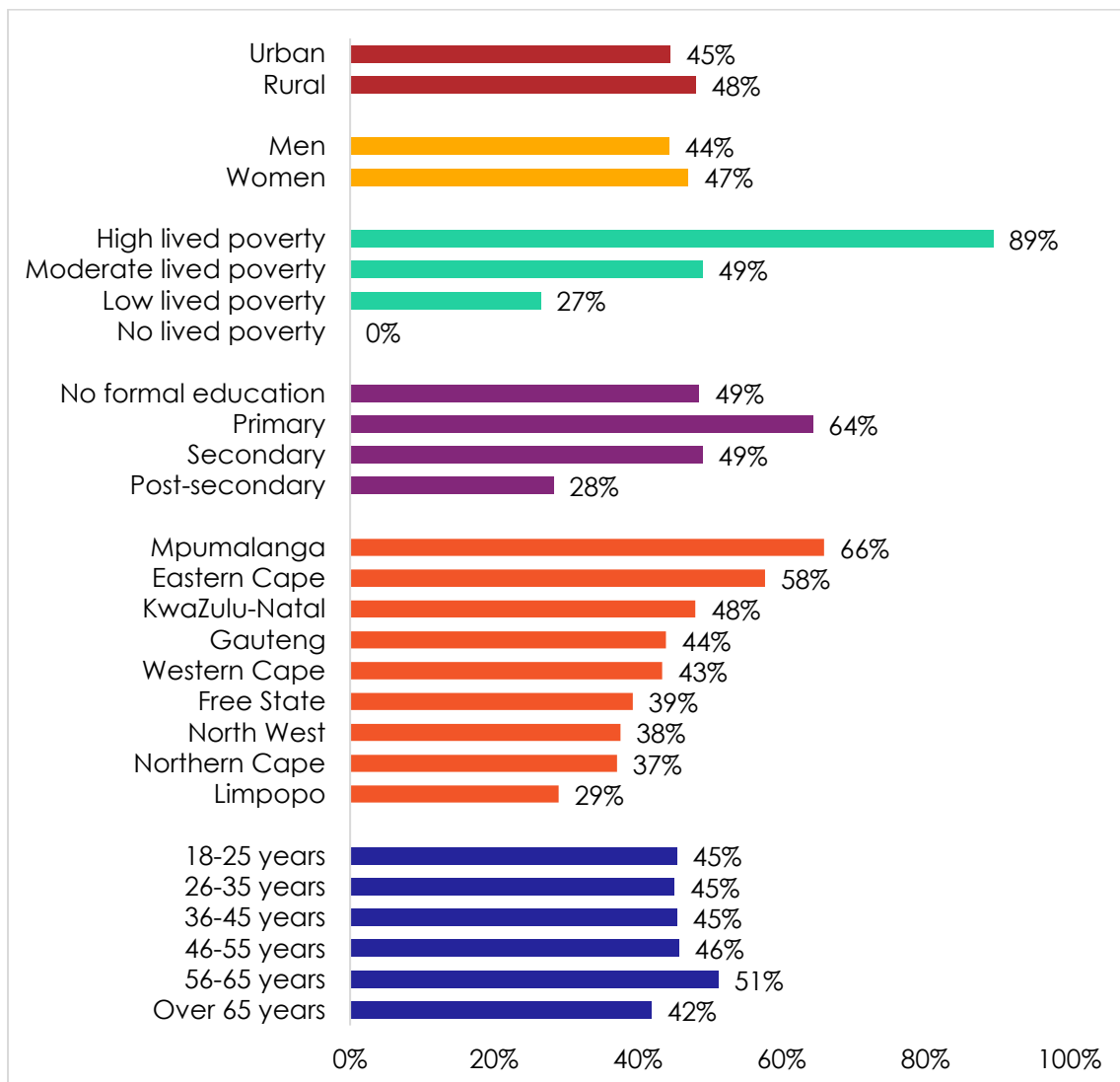
Gender and age groups show little variation in the frequency of going without a cash income, perhaps in part because the question asked about the whole family rather than just the individual respondent. Urban and rural residents also show little difference (Figure 8).

Since going without a cash income is part of how “lived poverty” is defined, it’s not surprising that the two are strongly correlated. Still, the 89-point gap between the poorest and the wealthiest is remarkable.

As in the case of bad living conditions (Figure 5), those most affected by income deprivation live in Mpumalanga (66% at least “several times”), Eastern Cape (58%), and KwaZulu Natal (48%). Limpopo residents are least likely to report having gone without a cash income (29%).

Citizens with post-secondary education are most likely to enjoy income security, but still, 28% say they lacked an income at least “several times” during the previous year. More than twice as many of those with a primary education (64%) report the same experience.

Figure 8: Went without an income at least ‘several times’ | South Africa | by socio-demographic group | 2021

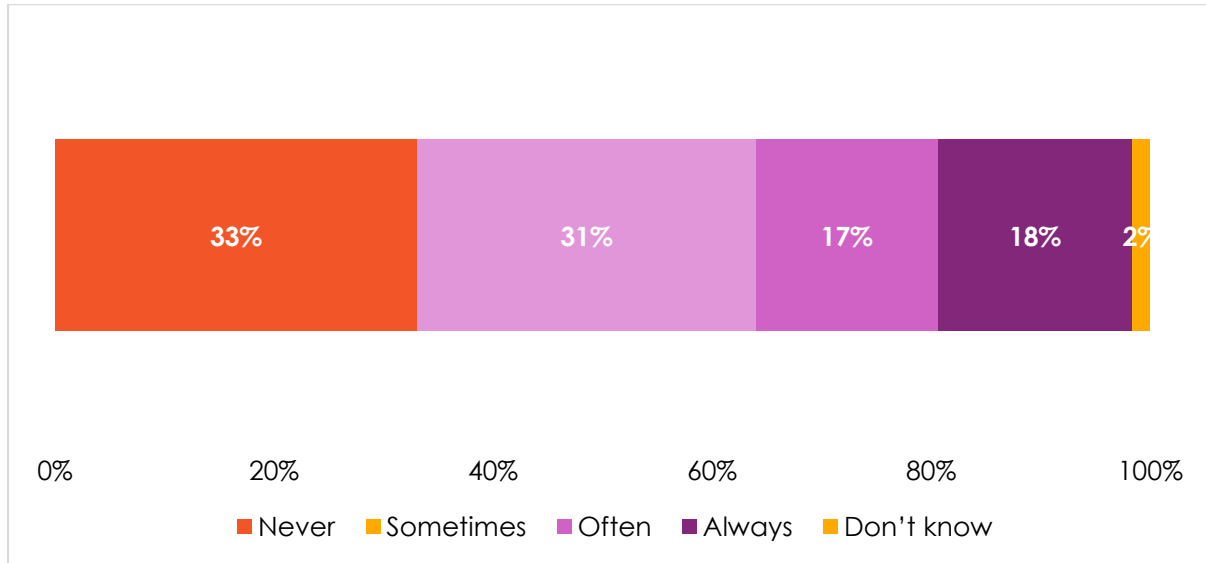


Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without a cash income? (% who say “several time,” “many times,” or “always”)

Economic discrimination

In a country characterized by widespread material deprivation and an acute inequality crisis, two-thirds (66%) of citizens say people are at least “sometimes” treated unfairly by the government based on their economic status. About one-third (35%) say this happens “often” or “always” (Figure 9).

Figure 9: Treated unfairly by the state due to economic status | South Africa
 | 2021



Respondents were asked: How often, if ever, are people like you treated unfairly by the government based on your economic status, that is, how rich or poor you are?

The experience of frequent discrimination based on economic status is more commonly reported by men (38%), urban residents (37%), and citizens with no formal schooling (46%) than by women (31%), rural residents (33%), and more educated respondents (33%-41%) (Figure 10). As might be expected, it is also more common among citizens experiencing

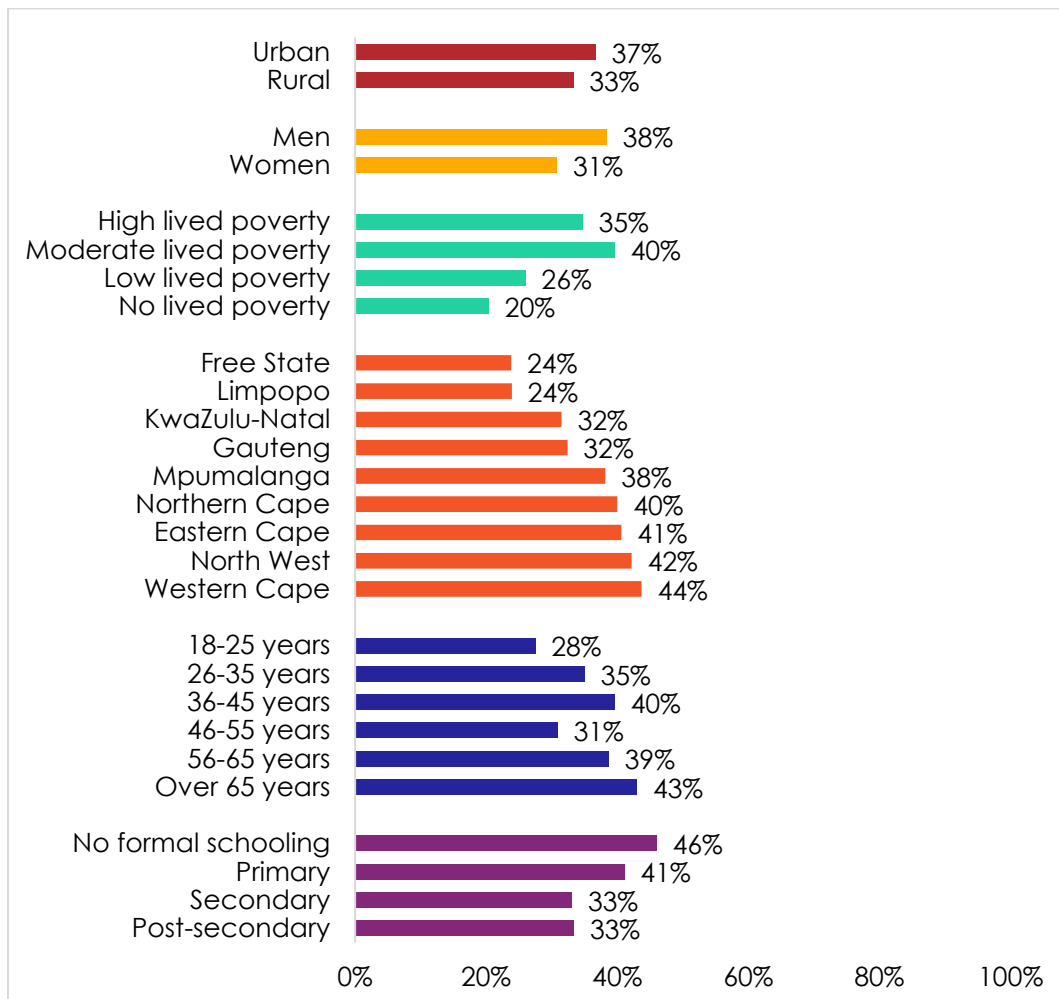
moderate (40%) or high (35%) lived poverty than among their better-off counterparts (20%-26%).

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This feeling is highest among people in the Western Cape, where the ruling Democratic Alliance has come under fire for its treatment of those at the economic margins of society, including forced removals and a heavy-handed approach to the homeless

(Bradpiece, 2021). But similar proportions report discrimination in the North West (42%), Eastern Cape (41%), and Northern Cape (40%). Least likely to report unfair treatment based on their economic status are residents of Limpopo and Free State (24% each).

Figure 10: Often/Always treated unfairly based on economic status | by socio-demographic group | South Africa | 2021



Respondents were asked: How often, if ever, are people like you treated unfairly by the government based on your economic status, that is, how rich or poor you are? (% who say “often” or “always”)

Conclusion

Despite signs of modest economic recovery at the macro level, most South Africans say the country’s economy is bad – worse, in fact, than it was a year ago. Fewer than half believe the national economy will be stronger a year from now. South Africans also express dissatisfaction with how the government is handling income inequality, price stability, and the economy in general.

As for their personal living conditions, citizens are evenly split in their assessments, a slight improvement compared to 2018. But substantial numbers go without a cash income – a reminder of the extent of the country’s unemployment crisis – and experience shortages of food, clean water, and medical care. And most seem keenly aware of the stigma of poverty, saying the government treats people unfairly based on their economic circumstances.

If scarcity and insecurity are threats to national stability, these findings suggest that decisive and targeted government action is a matter of some urgency.

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