

# GOOD times BAD times

## Survey of economic perceptions and political attitudes

As the effects of the global economic crisis began to be felt by South Africans between late 2007 and 2008, the public's attitude of the national economy worsened substantially, with a year-on-year percentage decline in satisfaction of 37%. BEN ROBERTS and JARÈ STRUWIG, analyse the survey.



In many countries economic discontent by voters often leads to a switching of allegiances from the ruling party to an opposition party; in the South African elections in 2009, this did not happen.

Of particular importance is the finding that the effects of the majority of survey participant's assessments of the economic conditions did not influence their voting preferences. The perception of economic conditions does however substantially influence other aspects that were measured in the survey, namely confidence in national government, satisfaction with democracy, feelings of well-being, and hopes for the future. ▶



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Since 2007, the HSRC's South African Social Attitude Survey (SASAS) has asked respondents aged 16 years and older to rate their level of satisfaction with current national economic conditions. The sample size in 2007 was 3 164 and 3 321 in 2008.

The specific question posed was: 'How satisfied are you with the general economic situation in South Africa at present', with answers captured on a five-point scale ranging from very satisfied to very dissatisfied.

The percentage of South Africans aged 16 years and older satisfied with national economic performance in 2007 decreased from 43% to 27% in 2008, while those that were dissatisfied increased from 36% to 52%.

The 2008 national results for economic satisfaction were disaggregated by a range of socio-economic characteristics. There was not a large difference in economic satisfaction by age group, ranging from 25% among 30–44 year-olds and those older than 60

years, to 29% among 45–59 year-olds. Dissatisfaction exceeded 50% in the case of the 16–29 and 30–44 age groups. Male respondents were moderately more satisfied with economic conditions (30%) than female respondents (25%), with at least half of both groups again voicing dissatisfaction.

With respect to population group differences, Indian South Africans expressed the highest level of economic dissatisfaction (60%), followed closely by white and black South Africans (both 53%). While Coloured respondents were somewhat more upbeat, 43% remained dissatisfied with the economic situation. Examining perceptions by living standards, we found that people with a low Living Standards Measure (LSM) score were significantly more dissatisfied with the general economic situation than those with medium and high living standards.

### SATISFACTION WITH DEMOCRACY

The 2008 survey results show a strong gradient in

the level of satisfaction with democracy based on reported economic perception (Figure 1). Those that were satisfied with the state of the national economy were demonstrably more satisfied with the democratic system in the country (71%) compared to those expressing either a neutral or dissatisfied perspective on the economy (32% and 20% respectively).

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High inflation, unemployment and the economic downturn recorded in the country in late 2007 and 2008 brought on some change in the percentage of respondents satisfied with democracy, based upon their views of the economy. For those that were satisfied or ambivalent about economic performance, satisfaction with democracy declined moderately (around 5%, Figure 1), with little percentage change evident among the economically dissatisfied.

### CONFIDENCE IN NATIONAL GOVERNMENT

Those who provided a more negative economic performance evaluation in 2008 reported a notably lower level of confidence in national government compared to those who were satisfied with economic conditions. About half (49%) of the economically dissatisfied stated that they trusted national government, whereas two-thirds (67%) of those who were satisfied with economic conditions also expressed confidence in national government.

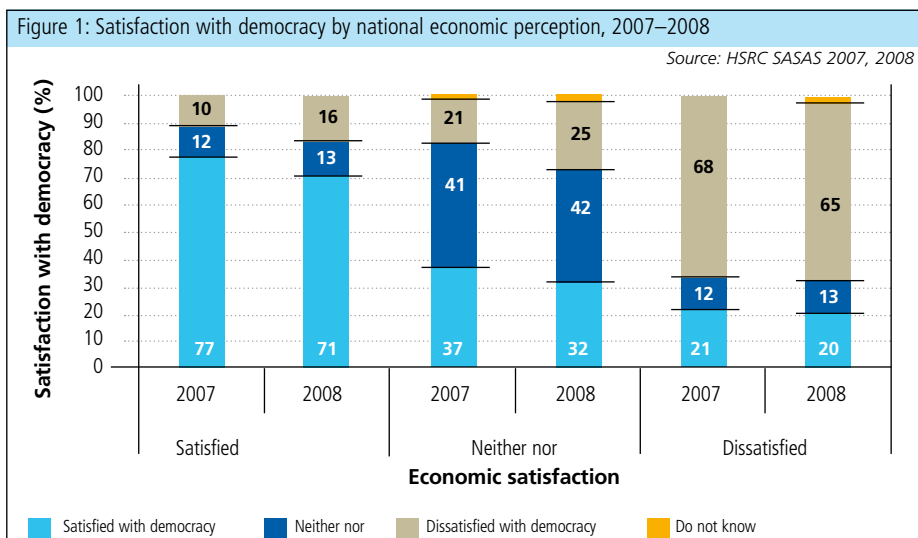


Figure 2: Voter intention by national economic perception, 2008

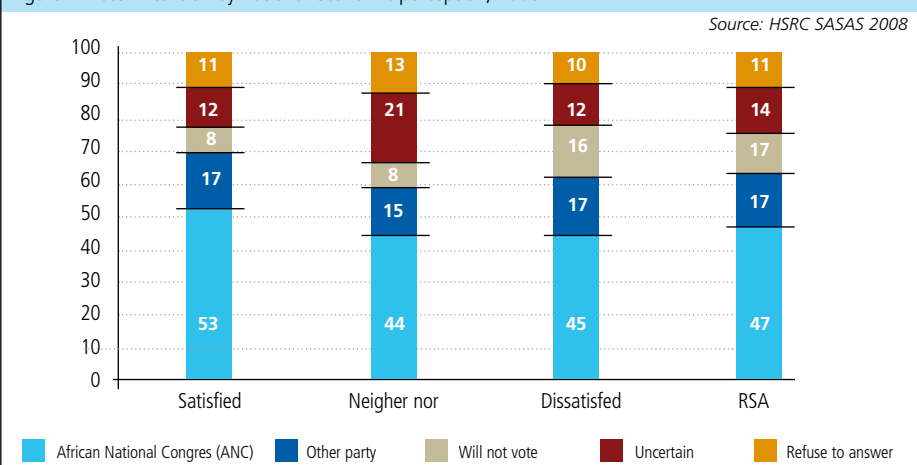


Table 1: Retrospective, current and prospective assessments of personal wellbeing by national economic perception, 2008

	Economic satisfaction			
	% Satisfied	% Neither nor	% Dissatisfied	% South Africa
Current life satisfaction	60	41	40	46
Life improved in the past five years	62	39	31	41
Life will improve in the next five years	63	44	40	47

**ECONOMIC PERCEPTIONS AND ELECTORAL BEHAVIOUR**

International evidence suggests that national economic perceptions exert a significant influence on voting decisions in democracies. In South Africa, examining voter intentions among the voting age public six months prior to the general elections, we find that, relative to the economically satisfied, those who were discontent with national economic performance did not appear to have shifted loyalties away from the ANC and realign themselves politically towards opposition parties (Figure 2). Instead, they indicated that they were inclined to abstain from voting. Nonetheless, close to half of the economically dissatisfied voting-age population still stated that they would vote for the ruling ANC.

**SUBJECTIVE WELLBEING: PAST, PRESENT, FUTURE**

Economic satisfaction demonstrates a positive association with subjective well-being, as measured using a conventional five-point satisfaction with life-as-a-whole scale (Table 1). Therefore, the more dissatisfied one is with present national economic conditions, the greater the likelihood of reporting lower life satisfaction. In 2008, three-fifths (60%) of South Africans that were satisfied with economic conditions expressed satisfaction with life. By comparison, life

satisfaction among the economically discontent was on average 20 percentage-points lower (40%).

A similar pattern is found in relation to retrospective evaluations of recent life improvements, with 62% of the economically satisfied proclaiming that their life had improved over the last five years. This figure is double that of those dissatisfied with national economic conditions (31%).

*Those who provided a more negative economic performance evaluation in 2008 reported a notably lower level of confidence in national government compared to those who were satisfied with economic conditions*

Following the 2009 election, attention has quickly shifted to delivering on the ANC’s election manifesto. Economic matters have featured prominently in post-election statements of intent, especially with regard to minimising the potential impact of the global economic crisis. Yet, in spite of this government resolve,

expectations of life improvements over the next five years are being moderated by economic perceptions, as well as by past and current assessments of individual well-being.

The 2008 SASAS data indicate that 63% of South Africans that were positive about national economic conditions anticipated that their life will improve during the 2009–2014 term of office. By comparison, only 40% among the economically dissatisfied envisaged improvements in their quality of life over the coming five years, with 23% believing that the status quo will persist and 30% expecting reversals. This less optimistic future outlook among the economically dissatisfied is influenced strongly by assessments of life improvements during the last term of office. Of this group, 79% of those that perceived improvements in their lives believed that life will continue to improve in the next five years, while 61% of those who felt life had worsened in the last term are of the opinion that life will continue to worsen for them in the coming period, and a further 15% feel it will remain unchanged.

*Although economic dissatisfaction rose significantly since late 2007, the public continues to vest their hopes in the ruling party’s ability to fulfil their economic expectations and other basic needs*

**CONCLUDING REFLECTIONS**

The study findings are important in that they show that the effects of public assessments of economic conditions extend beyond their impact on electoral behaviour to have a discernible influence on confidence in national government, satisfaction with democracy, expectations of life improvements and hopes for the future.

While to some these findings may be disconcerting, from an accountability perspective they offer a notable opportunity. Although economic dissatisfaction rose significantly since late 2007, the public continues to vest their hopes in the ruling party’s ability to fulfil their economic expectations and other basic needs. The implication for the new administration is to ensure that the needs of all constituencies are met in delivering on its electoral mandate, especially those of the impoverished and marginalised. The results suggest that a failure to do so is likely to bear negatively on a number of salient political and social attitudes.

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