



**Kenyans and the Economy: Disillusionment
Despite Improved Performance**

The National Alliance Rainbow Coalition (NARC) came to power in Kenya in early 2003 after an election in which it had promised, among other things, to end corruption, institute free primary education, democratize the constitution, and foster economic regeneration. Apart from introducing free primary education, the government's other main achievement seems to be its contribution to boosting economic growth. According to official statistics, the Kenyan economy grew by about 4.3% in 2004, and is projected to have grown by 5.8% in 2005. In addition, the Kenya Revenue Authority reports a significant increase in tax collection, while activity at the Nairobi Stock Exchange has also risen.

Nonetheless, despite these positive trends, Kenyans remain disillusioned with the economic prospects of the country. According to a recent Afrobarometer survey, Kenyans are far more pessimistic about the economy now than they were two years ago.

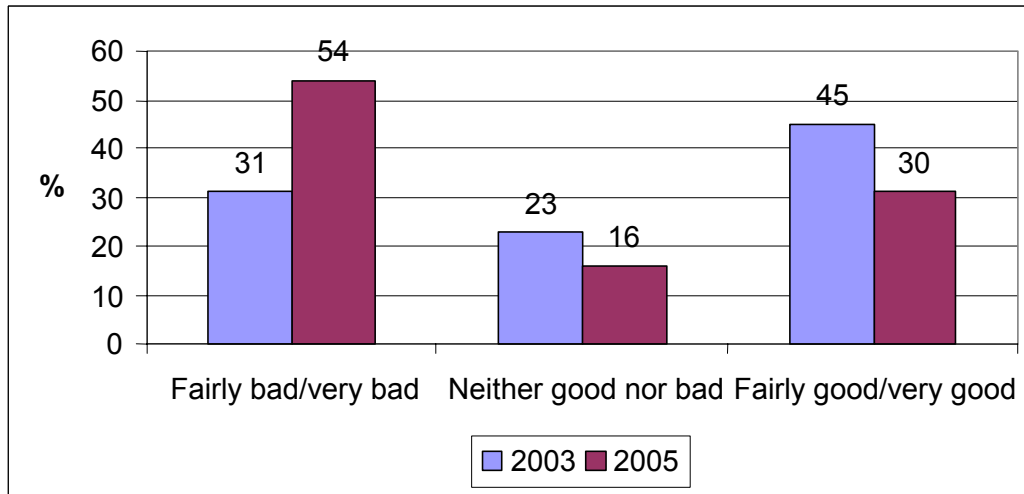
The Afrobarometer survey, carried out by the Institute for Development Studies of the University of Nairobi, was conducted between 6th and 28th September 2005. It involved face-to-face interviews with 1278 Kenyan men and women of voting age, selected through a scientific random sampling procedure in accordance with international polling standards. Interviews were conducted in all eight of the country's provinces, and 51 of its 72 districts. Citizens of each province are represented in the weighted sample in proportion to their share in the national population. The overall margin of sampling error for national results is +/- 3%. This survey follows a similar one carried out by the Afrobarometer in August-September 2003.

Worsening Perceptions of Economic Conditions

The Afrobarometer finds that only 30% of respondents consider current economic conditions in the country to be either "fairly good" or "very good," compared to 45% who gave a positive rating in 2003 (see Figure 1). In contrast, more than half (54%) of respondents are now of the view that economic conditions in the country are "fairly bad" or "very bad." In the 2003 survey, just 31% made the same assessment. Thus, perceptions of the economic conditions in the country have swung sharply negative.

It is rather puzzling that in 2003, when most of the key indicators were at their lowest, Kenyans were more optimistic about their economic conditions than they are now, at a time when there seem to be better economic prospects. What explains this counter-cyclical change in attitudes? While in 2003, popular perceptions may have been inflated by post-election euphoria, it also appears that the effects of better economic growth are yet to be felt by the masses. Recent political tensions and squabbling within the leadership of the NARC government may also have soured current assessments of economic conditions. Negative economic ratings could also be the price the NARC Government is paying for its failure to fulfill key campaign pledges, such as its promise to create 500,000 jobs per year.

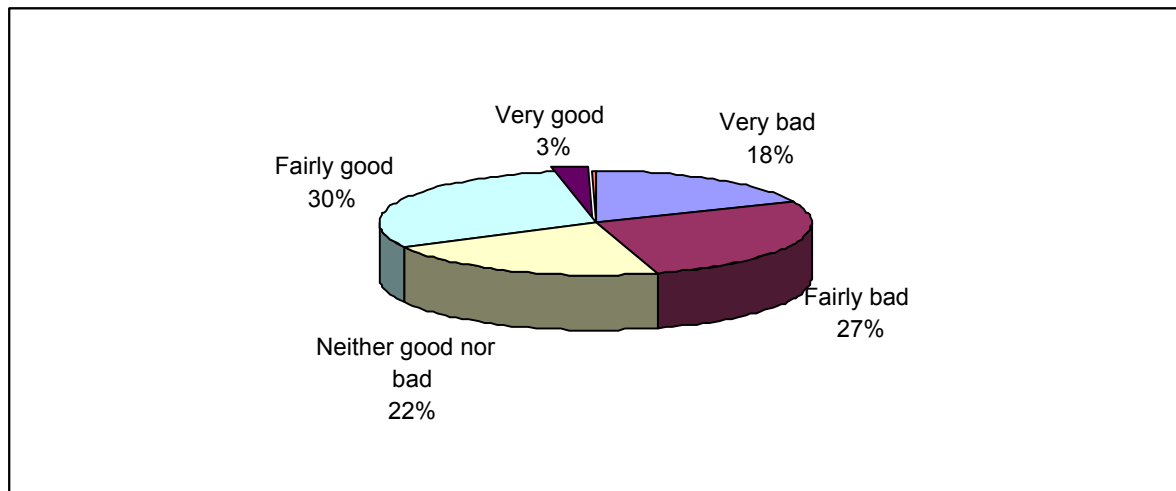
Figure 1: Views on National Economic Conditions



In general, how would you describe the present economic condition of this country? (%)

A similar pattern is evident when respondents were asked about their own personal living conditions (see Figure 2). About 45% assess them as fairly or very bad, compared to 33% who consider them to be fairly or very good. In the 2003 survey, 35% of respondents rated their own living conditions as bad, while 39% gave them a positive rating.

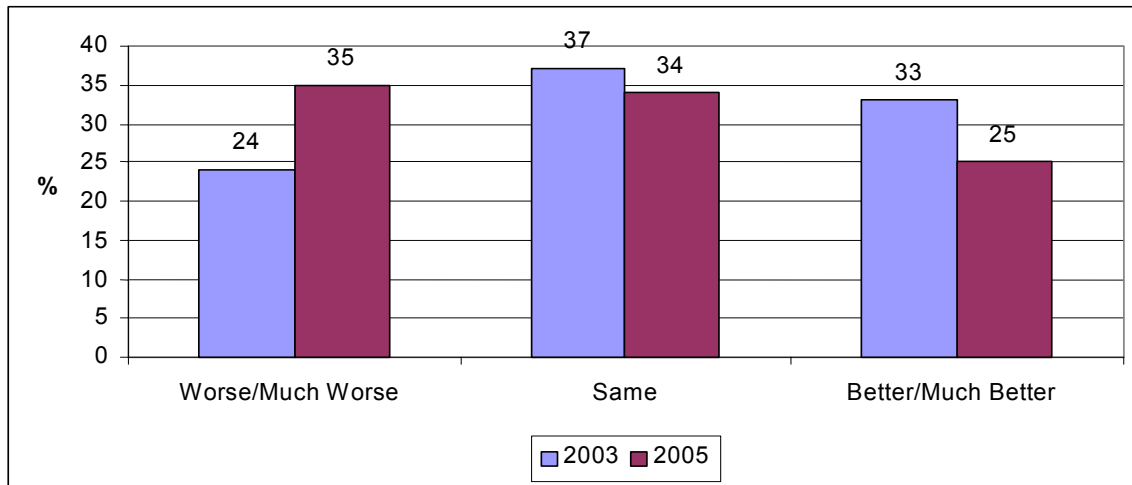
Figure 2: Assessments of Personal Economic Conditions



In general, how would you describe your own present living conditions? (%)

Respondents were also asked to compare their living conditions to those of other Kenyans. Again, a reversal of perception is evident (see Figure 3). While the proportion that feels that their conditions are “worse” or “much worse” has increased from 24% in 2003 to 35% in 2005, the share that perceives their situation to be “better” or “much better” than others declined from 33% to 25%. The increase in perceived relative deprivation is matched by sharply worsening views of the overall level of economic inequality in Kenyan society. When asked in 2003 whether the gap between the rich and the poor was better or worse than it had been a few years before, 38% of respondents said it was getting worse, while 22% thought things were improving. Some 34% said things were about the same as they had been. However, by 2005, more than two-thirds of respondents (69%) now believe the gap is growing and that inequality in society is getting worse.

Figure 3: Comparative Individual Economic Conditions



In general, how do you rate your living conditions compared to those of other Kenyans.

Urbanites have a more negative view of the national situation than their rural counterparts, but a more positive view of their own personal economic conditions (compare Figures 4a and 4b). Just 22% of urban residents rate the national situation as fairly or very good, compared to 32% of rural inhabitants. But 47% of rural dwellers rate their personal situation as fairly or very bad, compared to 39% of urbanites.

Figure 4(a): Rural-Urban Differences: Views on National Economic Conditions

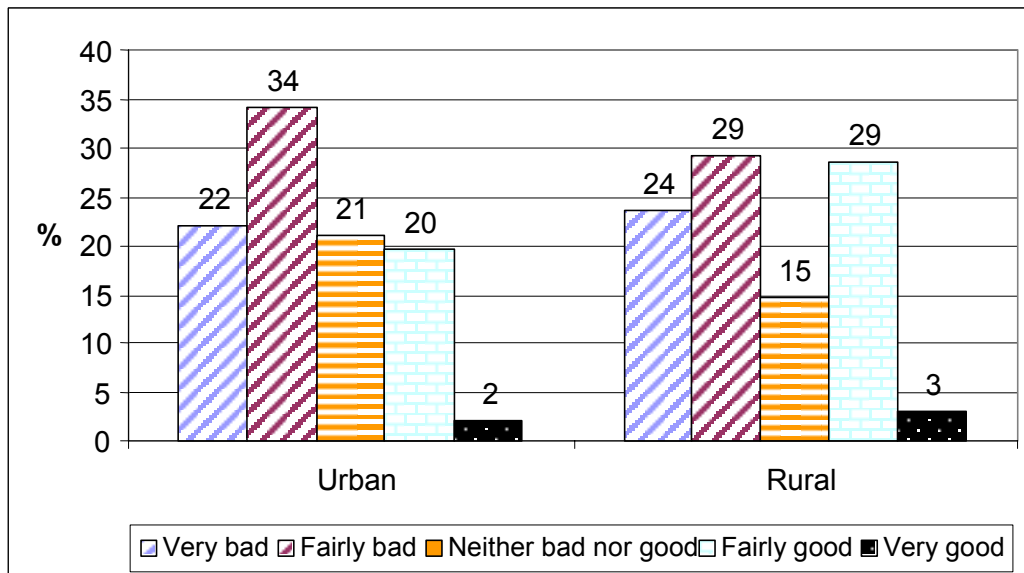
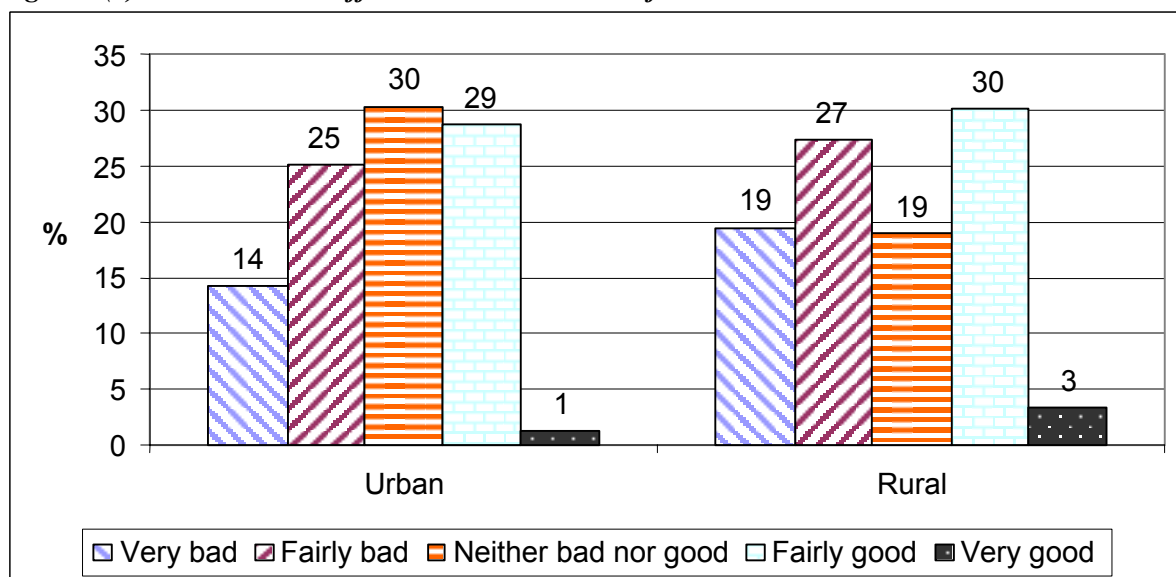
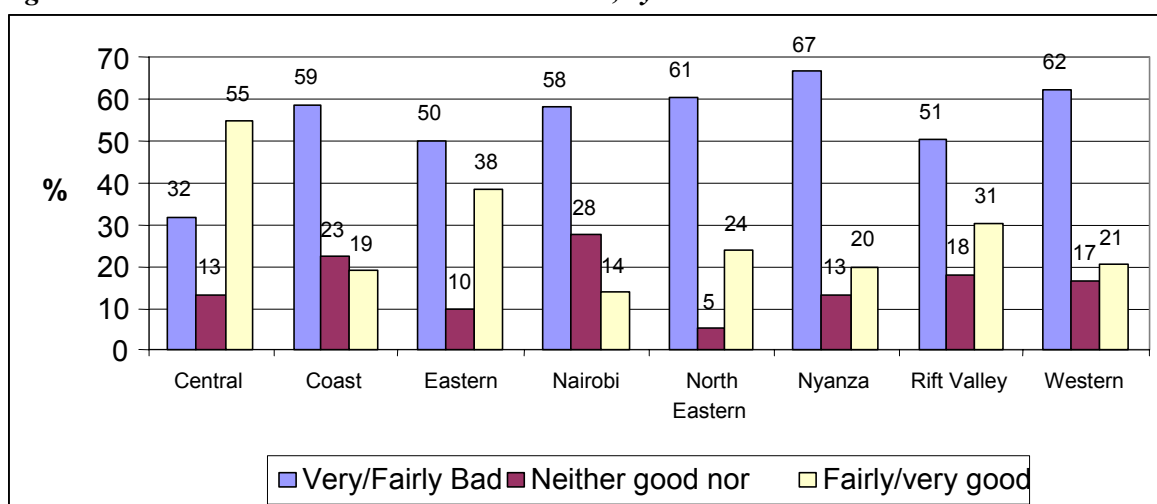


Figure 4(b): Rural-Urban Differences: Assessments of Personal Economic Conditions



The Afrobarometer survey results also show that there are striking differences in perspectives on economic conditions across the country’s eight administrative provinces (see Figure 5). Central Province, which according to official statistics has the lowest incidence of poverty, also predictably displays the most favorable economic evaluations. More than half (55%) of Central Province residents think that the country’s economic conditions are fairly or very good. This stands in sharp contrast to the perspective in the rest of the country. In all of the other provinces a majority gives the economy a negative rating, ranging from 50% in Eastern Province up to 67% in Nyanza. North Eastern and Nyanza Provinces offer the worst evaluations: 38% rate national economic conditions as very bad in Nyanza, and 42% do so in North Eastern.

Figure 5: Views on National Economic Conditions, by Province



Kenyans are also less hopeful than before about the economic future (see Table 1). When asked two years ago about their expectations of economic conditions in 12 months time, Kenyans were extremely optimistic: more than three-quarters of all respondents expected both national and personal economic conditions to improve within a year (79% and 77%, respectively). A mere handful (4%) thought things

might instead get worse. Today, while still expressing more optimism than pessimism, the proportions expecting things to improve within the next year have plummeted: less than half now hold on to their optimism, while nearly one in four expects things to get worse. Certainly the euphoria of 2003 may have been excessive, but the clear dampening of the public's hopes for the future is nonetheless sobering.

Table 1: Perspectives on the Economic Future

	2003			2005		
	Worse/ Much worse	Same	Better/ Much better	Worse/ Much worse	Same	Better/ Much better
National economy in one year	4	7	79	25	16	45
Personal living conditions in one year	4	9	77	22	17	48

Looking ahead, do you expect the following to be better or worse? (i) Economic conditions in the country in twelve months; (ii) your living conditions in twelve months. ("Don't know" responses not reported.)

Key Economic Concerns

Despite the modest growth experienced in the economy over the last few years, Kenyans' perspectives seem to suggest that there are still serious problems with the country's material wellbeing. What are the specific reasons for Kenyans' deep concerns about the state of the economy?

The state of the economy clearly ranks as a paramount concern for many Kenyans. When asked about the most important problems facing the country that government should address, first responses were dominated by economic issues, including 9% who cited overall economic management, 10% who mentioned poverty and destitution (along with another 8% who cite food shortage and famine), and fully 20% who mentioned unemployment.

But ratings of the government's handling of these critical issues are quite mixed, and have again declined considerably since 2003 (see Table 2). Notably, the government gets its highest ratings for overall management of the economy; a majority of 51% says it is handling this task fairly or very well. But this is down from 83% who gave it high marks for economic management in 2003. And on all other economic issues, only around one in five Kenyans gives the government a good review in 2005, and the frequency of positive assessments has plunged. While, again, we suspect that economic enthusiasm in 2003 may have been inflated by post-transition euphoria, the generally poor assessments of 2005 offer troubling news for the government.

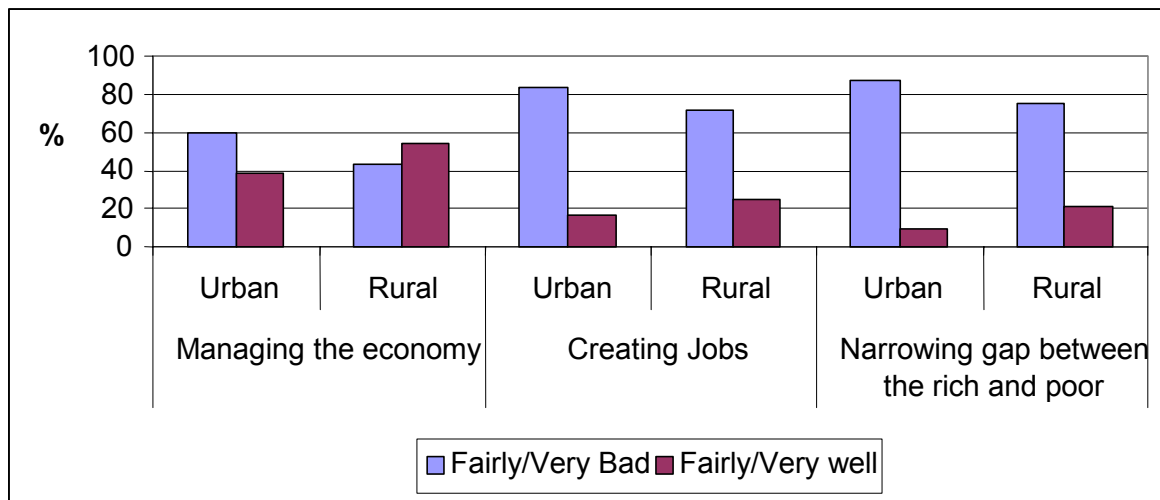
Table 2: Government Handling of Economic Issues

	2003		2005	
	Fairly or Very Badly	Fairly or Very Well	Fairly or Very Badly	Fairly or Very Well
Managing the economy	13	83	46	51
Creating jobs	42	52	74	23
Keeping prices stable	45	49	81	17
Narrowing gaps between rich and poor	54	38	77	19
Ensuring everyone has enough to eat	60	35	76	20

How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say? (%)

Urbanites are harsher in their assessments of government performance than their rural cousins, especially when considering overall management of the economy: a solid majority (60%) of urban residents gives the government poor marks, while in rural areas a majority (54%) is satisfied with the government's efforts (see Figure 6). But with regard to other issues, while rural dwellers are somewhat happier than urbanites, on the whole they give the government a very negative review. Even in rural areas, nearly three out of four say the government is doing a poor job of creating jobs and reducing the income gap. With respect to price stability and access to food, urban-rural differences were relatively small.

Figure 6: Rural-Urban Differences: Government Handling of Economic Issues



Once again, striking differences are evident across regions (see Figures 7a and 7b). Respondents in Central and, to a lesser extent, Eastern Provinces are quite happy with the government's management of the economy, and majorities are satisfied in Rift Valley and Western Provinces. In contrast, just one in three residents in Nairobi and Nyanza (34% and 35%, respectively), one in four in Coast (26%), and one in five inhabitants of North Eastern Province (21%) think the government is succeeding in this task. When it comes to job creation, though, there is considerable disappointment even in Central and Eastern Provinces, although these areas still give the government's efforts far more positive reviews than respondents in other provinces.

Figure 7a: Government Handling of Managing the Economy, by Province

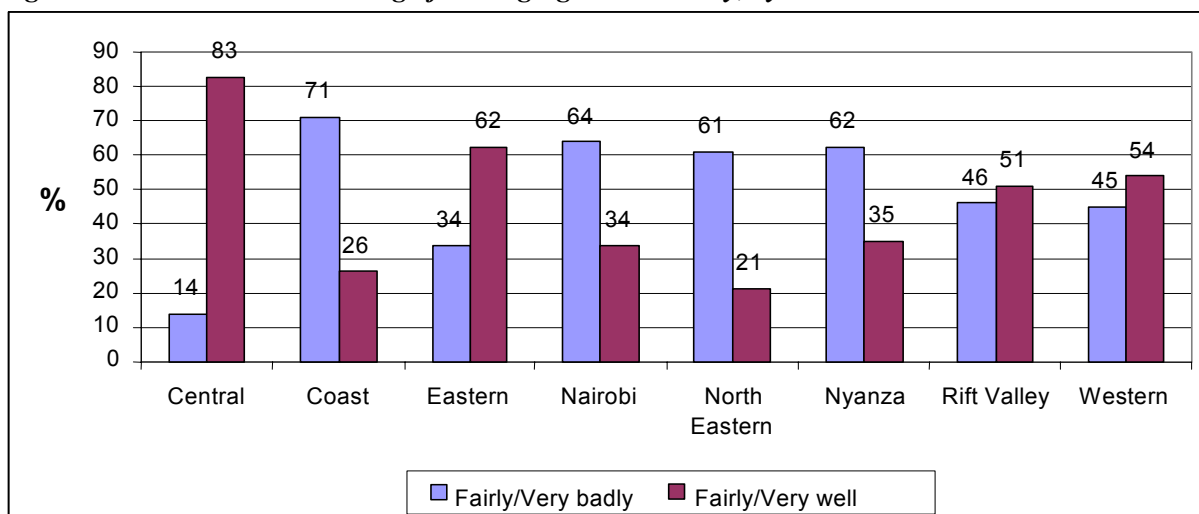
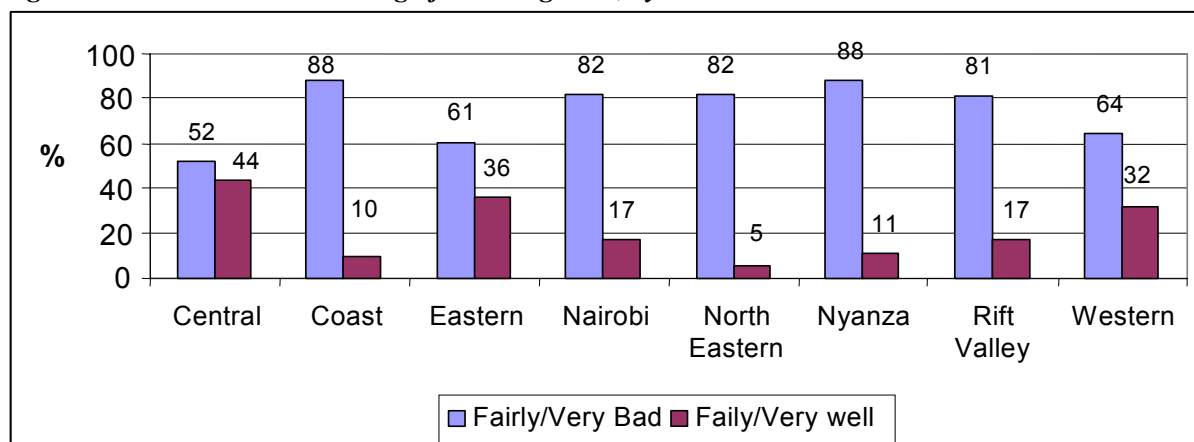
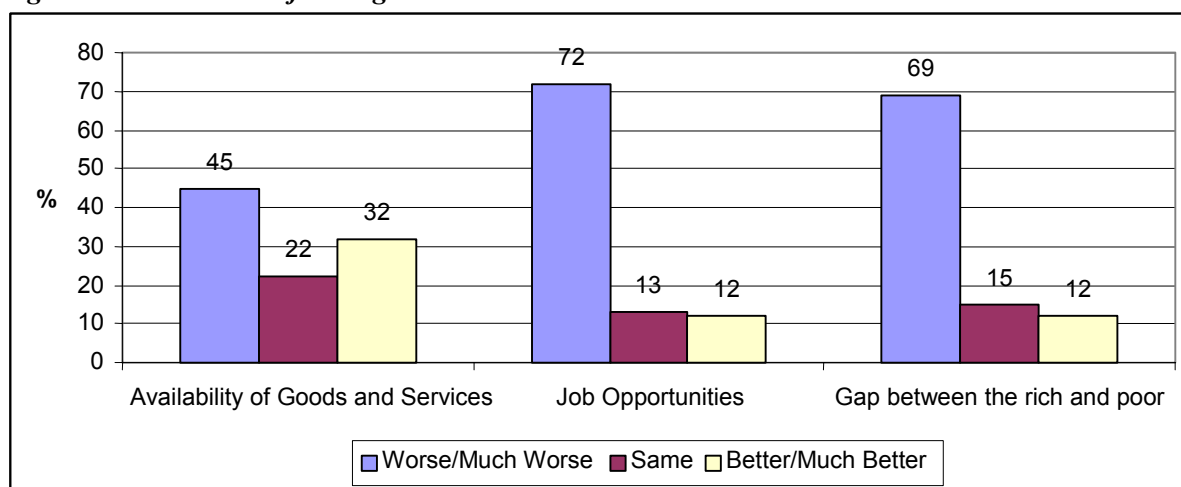


Figure 7b: Government Handling of Creating Jobs, by Province



We also asked respondents to indicate whether various aspects of the economic situation had improved or worsened in the last few years. Similar patterns are again revealed (see Figure 8). A plurality (45%) indicates that the availability of goods is getting worse, whereas in 2003 a majority of 56% said things were getting better. And as previously noted, a large majority sees a growing gap between the rich and poor. However, the greatest concern is with job opportunities: 72% of respondents report that chances of finding a job in the country have diminished in the last few years, up from 34% who said this in 2003.

Figure 8: Evaluations of Changes in the Economic Situation



Please tell me whether each of the following aspects of our economic situation in this country are better or worse than they were a few years ago, or whether they have remained the same?

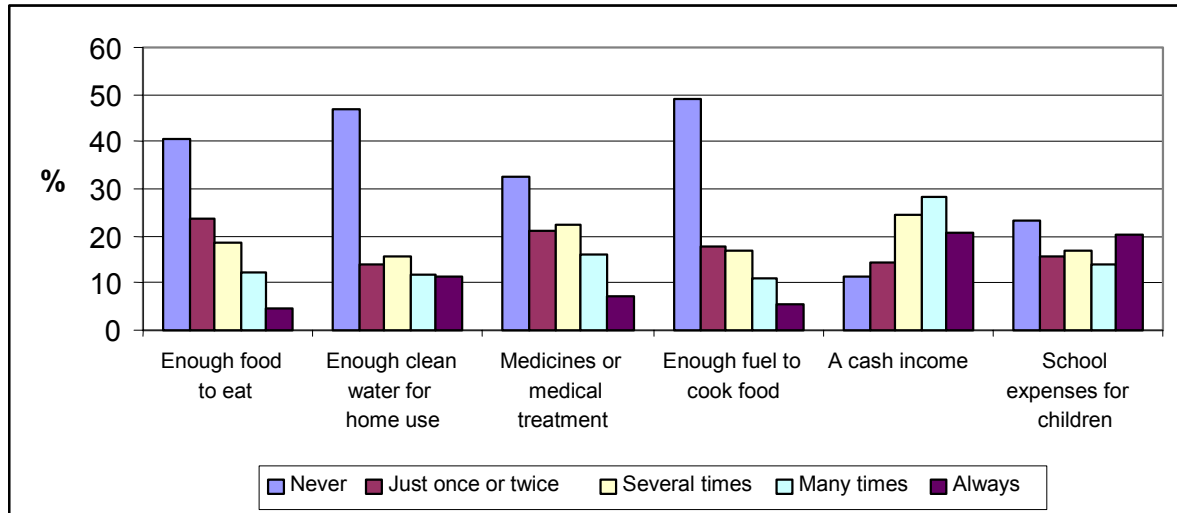
The Experience of Poverty

Why do Kenyans focus on economic concerns? And why do they offer harsh assessments of the government's economic management efforts? The Afrobarometer finds part of the answer in people's difficult daily living conditions. The survey asked a number of questions about access to food and availability of income.

The evidence is clear: poverty is a menace that is still rampant in the country (see Figure 9). Only about 40% of respondents say that they and members of their families have always had enough food to eat in the past year. The remaining 59% fell short at least once, and nearly one in five (18%) did so "many

times” or “always.” Over the same period, sizeable proportions have also gone without clean drinking water (52%), medical care (68%), cooking fuels (50%), cash income (90%) and school expenses (56%) on at least one occasion.

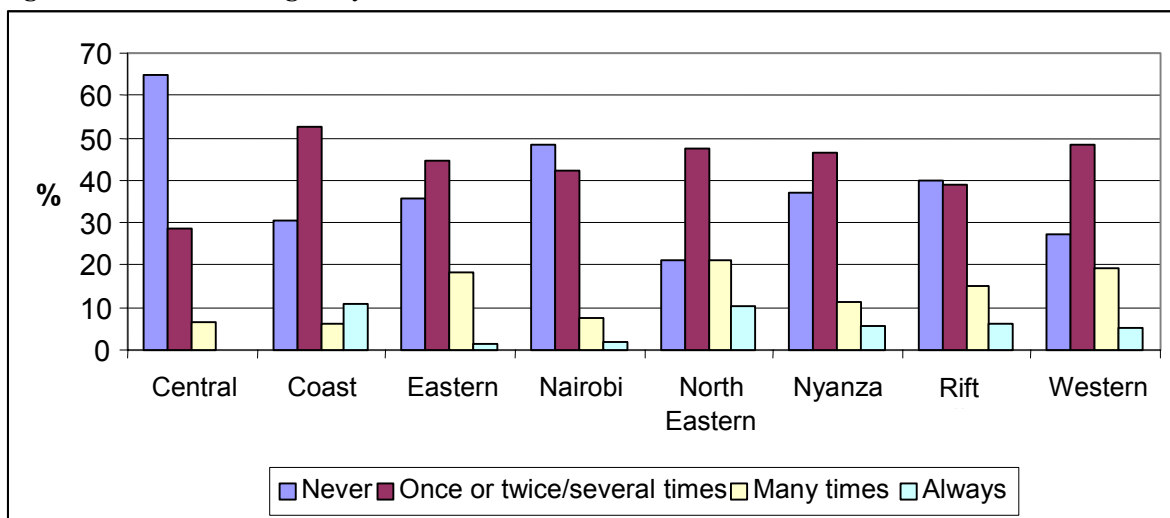
Figure 9: The Poverty Status of the People



Over the past year, how often, if ever, have you or anyone in your family gone without:

Focusing on the availability of food alone, the results show widespread disparities among the country’s provinces. The experience of shortages is most severe in North Eastern, where one in three respondents (32%) report going without food many times or always in the past year, followed by Western (25%), Rift Valley (21%) and Eastern (20%) Provinces. In contrast, only 7% experience such shortages in Central Province (0% “always), and 10% of Nairobi residents do so.

Figure 10: Food Shortages, by Province



And the evidence is also clear that individuals’ personal experiences of poverty and hardship are linked to negative perceptions of the economy and of the government’s economic management (Figures 11 and 12). Forty-two percent of those who never experienced food shortages rate the country’s economic conditions as fairly or very bad, compared to 72% of those who experienced such shortages “many times”

or “always.” Likewise, 59% of those who always had enough food think that the government has been doing fairly or very well in managing the economy, but among those who experience frequent food shortages, less than half this number (28%) give the government a positive performance rating.

Figure 11: Interaction between Food Shortages and Ratings of the National Economy

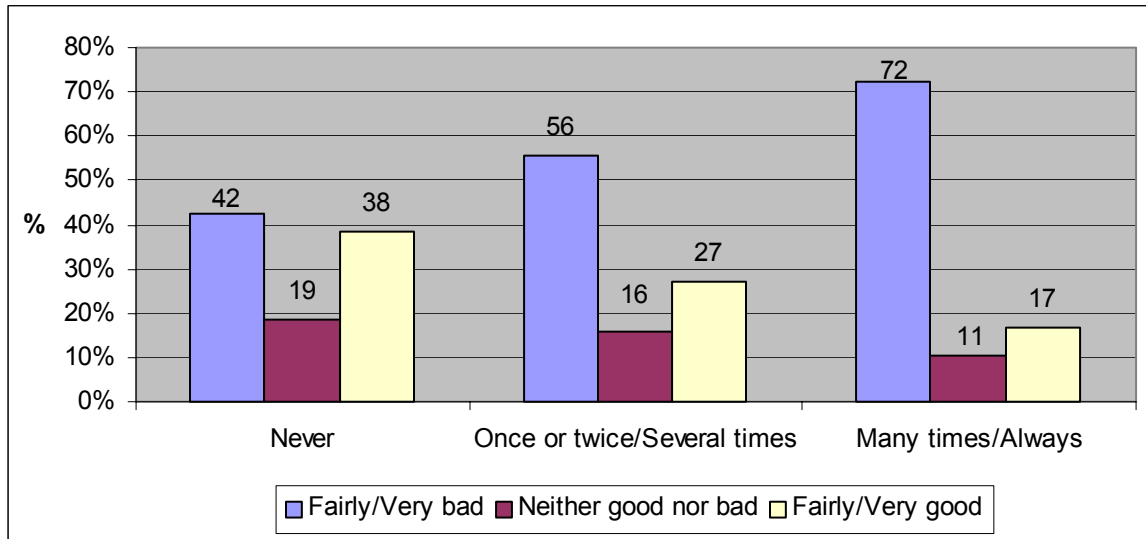
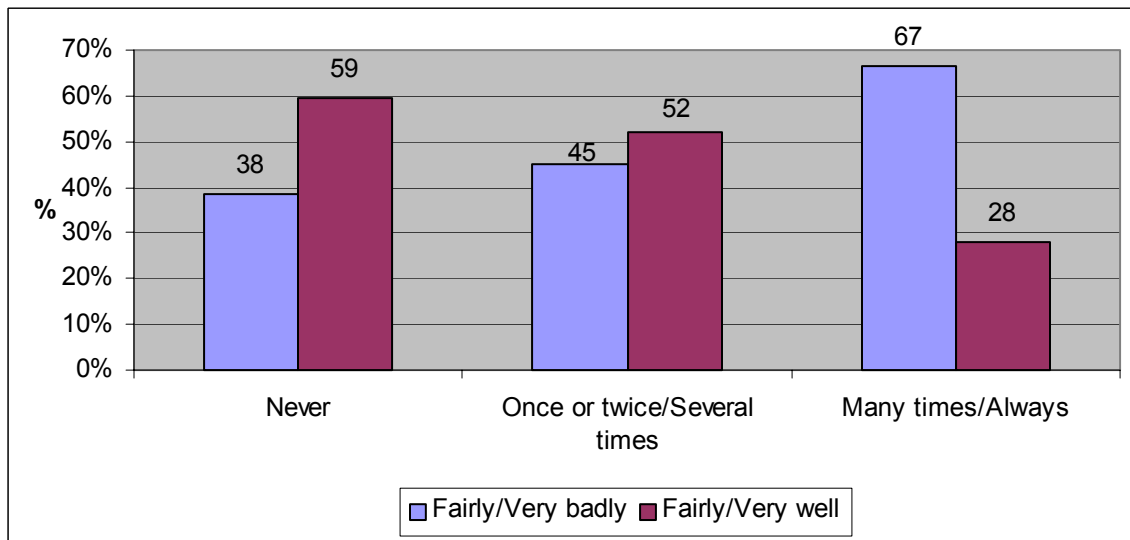


Figure 12: Interaction between Food Shortages and Ratings of Government’s Economic Management



Conclusions

The results of the latest Afrobarometer survey in Kenya show rising disillusionment with the economic conditions in the country. This is despite signs that the country’s economic performance has been improving in the last several years. Compared to two years ago when the first Afrobarometer Survey was conducted, Kenyans’ optimism has eroded significantly. It was clear at the time of the 2003 survey that the very positive results were, to some extent, shaped by the euphoria that initially followed the country’s political transition. As a result, some evidence that the public was “coming down to earth” was virtually inevitable in the 2005 survey. Nonetheless, the extent of the shift toward more negative evaluations of the current economic situation and the government’s efforts to address the problems, as well as the

decline in hopefulness about the country's future, are troubling trends that the government must renew its efforts to address.

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. Several donors support the Afrobarometer's research, capacity-building and outreach activities, including the Swedish International Development Cooperation Agency, the Netherlands Ministry of Foreign Affairs, the Royal Danish Ministry of Foreign Affairs, the World Bank, the African Development Bank, the Department for International Development (UK), and the U.S. Agency for International Development. For more information, see: www.afrobarometer.org.