



## *Afrobarometer Briefing Paper No. 84*

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### **Green Shoots of Hope: Changing Economic Conditions in Zimbabwe**

#### **Introduction**

For nearly a decade, Zimbabweans were in the throes of a multi-layered and multi-faceted crisis resulting in great material deprivations and mass despondency. By 2005 Zimbabwe had the fastest shrinking economy in the world and the purchasing power of the average Zimbabweans had fallen to levels last seen more than a half century before<sup>1</sup>. But now there are signals of green shoots of recovery and Zimbabweans are beginning to exude hope. The mass citizenry appears to be clambering from the bottom of the abyss. This is part of the evidence from the latest Afrobarometer survey conducted in May 2009, three months after the formation of a coalition government in February 2009. A key finding is the positive impact of economic reforms introduced by the inclusive government which appear to have dramatically altered the economic conditions of the country and the personal living circumstances of its citizens. This Bulletin presents a selection of survey results on popular evaluations of economic conditions.

#### **The Afrobarometer**

The Afrobarometer is a comparative series of public attitude surveys on democracy, governance, markets and living conditions. The survey is based on a randomly selected national probability sample of 1200 respondents representing a cross-section of adult Zimbabweans aged 18 years or older. A sample of this size yields a margin of error of  $\pm 3$  percent at a 95 percent confidence level. All interviews are conducted face-to-face by trained fieldworkers in the language of the respondent's choice. Fieldwork for the Afrobarometer Round 4 survey in Zimbabwe was undertaken between May 9 and 23, 2009.

#### **Economic Evaluations: the Present**

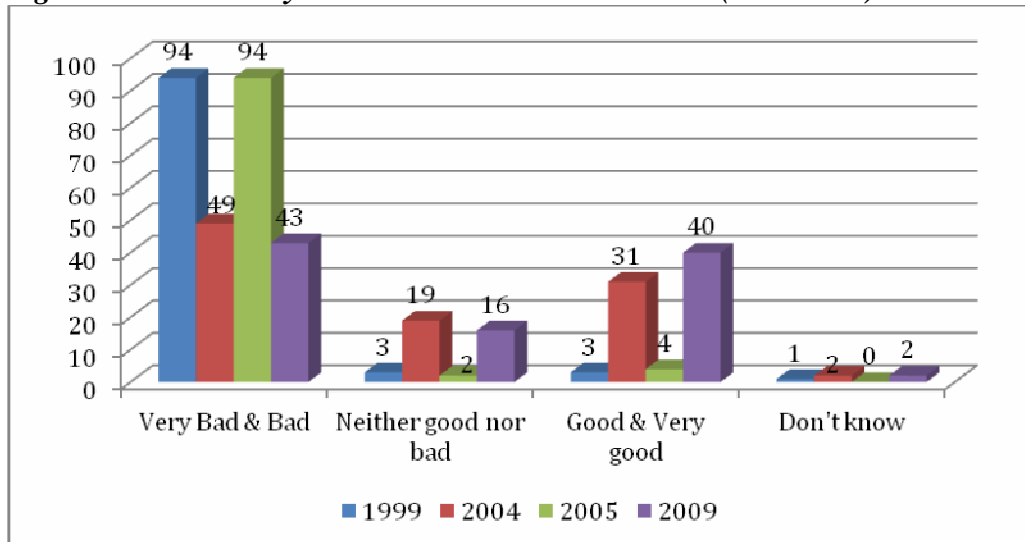
The survey asked respondents to make both macro and micro-economic evaluations of the economy starting with an assessment of the country's present economic condition. A

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<sup>1</sup> See Michael Clemens and Todd Moss, "Costs and Causes of Zimbabwe's Crisis," Centre for Global Development, July 2005. Also see David Coltart, "A Decade of Suffering in Zimbabwe: Economic Collapse and Political Repression under Robert Mugabe," Cato Institute, *Development Policy Analysis*, No. 5, March 2008.

plurality found the national economy difficult to live in with 43% finding the country's economy to be bad, see Figure 1. Public opinion was however split on this question with an almost equal proportion (40%) saying the economy was in a good condition. Viewed on this basis alone i.e. without reference to past survey results, the May 2009 findings would indicate that for many Zimbabweans, the economy is in bad shape. In fact, only 1% described the country's economy as "very good." Viewed comparatively however, Zimbabwe's economy in May 2009 was a vast improvement compared to October 2005 when up to 94% described the state of the economy as "very bad" (81%) or "bad" (13%). Figure 1 demonstrates the strong effect on public assessments of the robust Government policy reforms (monetary policies in late December 2003 and early 2004; monetary and fiscal policies in early 2009) that were initiated a few months before the 2004 and 2009 surveys. In the latter case, the reforms that account for the strong shifts in public perceptions include the abandonment of the Zimbabwe currency and its replacement by a multi-currency system and the liberalisation of economic activities e.g. removal of price controls.

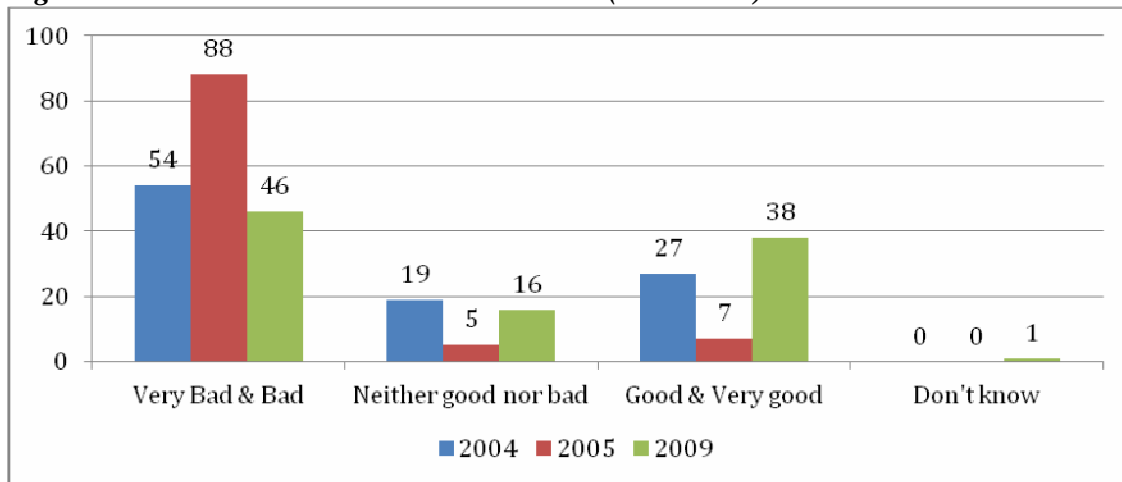
**Figure 1: The Country's Present Economic Conditions (1999-2009)**



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

The macro level assessments were corroborated by micro-economic evaluations, which were pessimistic but still an immense improvement on the previous evaluations in 2005. Figure 2, shows that nearly half (46%) of survey respondents stated that their economic circumstances were "very bad" (20%) or "fairly bad" (26%). This is not good news for any government. However, compared to 2005 when 88% of citizens said their personal living conditions were bad, the May 2009 result signifies huge progress and is still better than the 54% who offered the same response in May 2004. Further, close to four in ten (38%) Zimbabweans said the economy was "fairly good" (37%) or "very good" (1%). This compares very well with only close to one in ten (7%) respondents who in 2005 said their living circumstances were good.

**Figure 2: Present Micro-economic Conditions (2004-2009)**



*Question: In general, how would you describe your own present living conditions?*

What is the profile of those who make the above macro and micro-economic assessments? The survey reveals minor gender differences with marginally more men (44%) than women (41%) saying the national economic condition is bad. On the positive side, more females (41%) than men (38%) describe the economy as good. In terms of their personal living conditions, we again find small gaps with more males (47%) than their female counterparts (44%) lamenting their circumstances. About an equal proportion of men (38%) and women (40%) say their living conditions are good. These findings suggest that the economic crisis was by and large gender blind though the men (presumably the breadwinners) seem to have felt the pinch more than women.

Significant residential, generational and provincial differences are registered on assessments of present economic conditions. It turns out that the chief beneficiaries of economic reforms instituted by the Inclusive Government are urbanites, with nearly half (45%) of them describing the country's economy as good compared to just over a third (37%) of rural people who gave the same judgement. Conversely, significantly more rural folk (47%) than urban residents (36%) say the economy is bad. The same pattern is repeated in respect of micro-economic assessments. A smaller proportion of urban people (40%) than their rural counterparts (49%) lament their living conditions. A similar gap (9-percentage points) separates the 44% of urbanites from the 35% of rural residents who describe their personal circumstances as good. One of the key factors in determining people's livelihoods in the post-Inclusive Government is access to foreign currency and there is far greater access to the new basket of currencies (especially the US dollar and the South African rand) among urban residents than is the case in rural areas where barter trade is becoming a prevalent mode of exchange.

Generationally, negative assessments (both macro and micro) increase with age. Thus, while 38% of the youth say the country's economy is in a bad shape, this figure increases to 45% among the middle-aged and to half of the old people, Table 1. Conversely, positive evaluations decline with age: 45% of the youth say the national economy is in good condition compared to 36% and 33% among the middle and old aged respectively. Micro-economic assessments take a similar pattern. The youth are far less inclined to

describe their personal economic condition as bad than is the case with their older fellow citizens: 39% of the youth, 49% of middle aged and 54% of the old.

Wide spatial variations in assessments are manifest among the country's ten provinces though they do not take an easily explicable pattern. Mashonaland West and Harare stand out as having the largest proportion of respondents who find the national economy in good shape (51% and 47% respectively) followed by the Midlands (43%) and Mashonaland Central (42%). Matabeleland North is the least 'feel good' province with only 22% saying the country's economy condition is good, followed by Manicaland (32%) and Masvingo (34%). At the top of the 'feel bad' provinces are Masvingo (55%), Manicaland (51%) and Matabeleland North (50%). Mashonaland West (31%), Harare (36%) and Matabeleland South (36%) have the smallest proportion of people who said the Zimbabwe economic condition is bad.

**Table 1: Macro and Micro-economic Conditions by Age (May 2009)**

	Present macro-economic conditions			Present micro-economic conditions		
	18-30	31-50	51+	18-30	31-50	51+
Very bad/Bad	38	45	50	39	49	54
Neither Good/bad	16	17	14	17	16	13
Very good/Good	45	36	33	42	35	32
Don't Know	2	1	3	1	0	0

In terms of micro-level evaluations, the same pattern is repeated with Mashonaland West having the happiest residents (54%) followed by Harare (46%), Midlands (41%) and Mashonaland Central (38%). Manicaland and Masvingo are at the bottom of the 'feel good' residents (29% and 30%) respectively. As already noted, the above provincial findings do not follow a comprehensible pattern. For instance, in the same category of 'happy' provinces is urban Harare (98% urban) and Mashonaland Central, the least urbanised province (10% urban).

In the last decade, the partisan divide has been the most visible feature of Zimbabwe politics and society. Is this reflected in the above findings? On the macro-economic evaluations, there are only subdued differences between respondents that said they lean towards MDC-T and ZANU-PF supporters. For instance, 45% of MDC-T partisans said the economic conditions of the country are bad compared to 42% among ZANU-PF. On the positive side of the spectrum, four percentage points separate the 40% of MDC-T people from the 44% of ZANU-PF aligned respondents who found the condition of the economy to be good. It is rather baffling though that the MDC-T supporters were more inclined to pass a negative assessment than their ZANU-PF counterparts and less predisposed to be positive about the state of the national economy. In terms of micro-economic perceptions, there is almost complete convergence between the two groups of respondents: 39% of both said their personal living conditions were good.

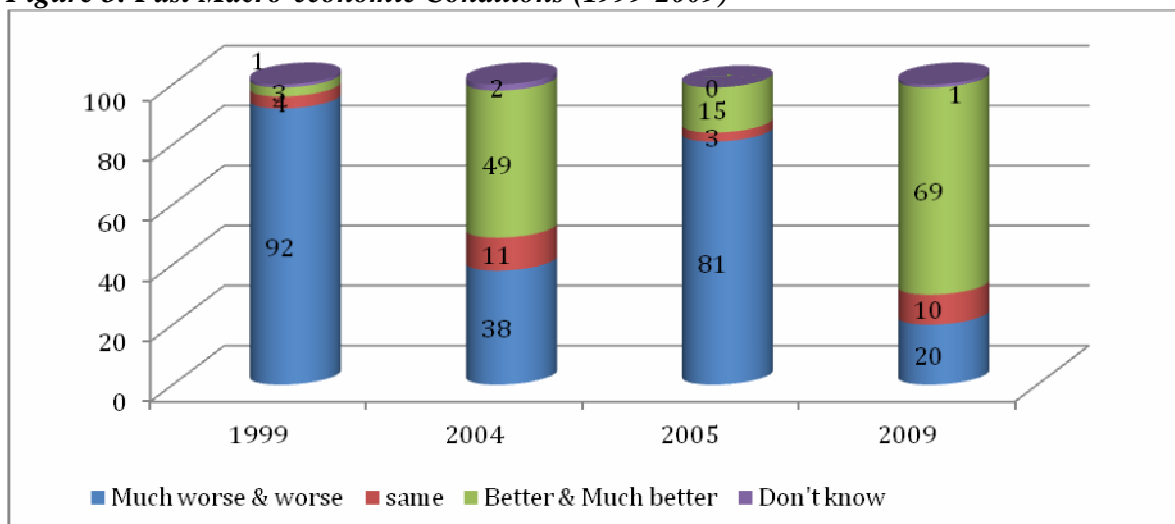
### **Economic Evaluations: The Present versus the Past**

Evaluations of the present macro and micro-economic conditions mask a very significant development in that the bad economic conditions still prevailing in May 2009 were in

fact a big improvement on what obtained in the previous year. This becomes evident when respondents are asked to “look back” and rate the national economic condition and their own living condition “compared to twelve months ago.”

When asked to compare the country’s economic condition in May 2009 to that of the previous year, close to seven in ten (69%) said the national economy was “better” (66%) and “much better” (3%) while two in ten felt the economy had worsened: 8% said “much worse” and 12% said “worse”, Figure 3. Another 10% found no change. How do these findings compare with those of the last (2005) survey? In the latter survey, responses clustered at the negative end of the spectrum: 81% lamented the worsening of the economy while only 15% celebrated an improvement. This was another indication of the dramatic change for the better, thanks to major fiscal and monetary policies.

**Figure 3: Past Macro-economic Conditions (1999-2009)**

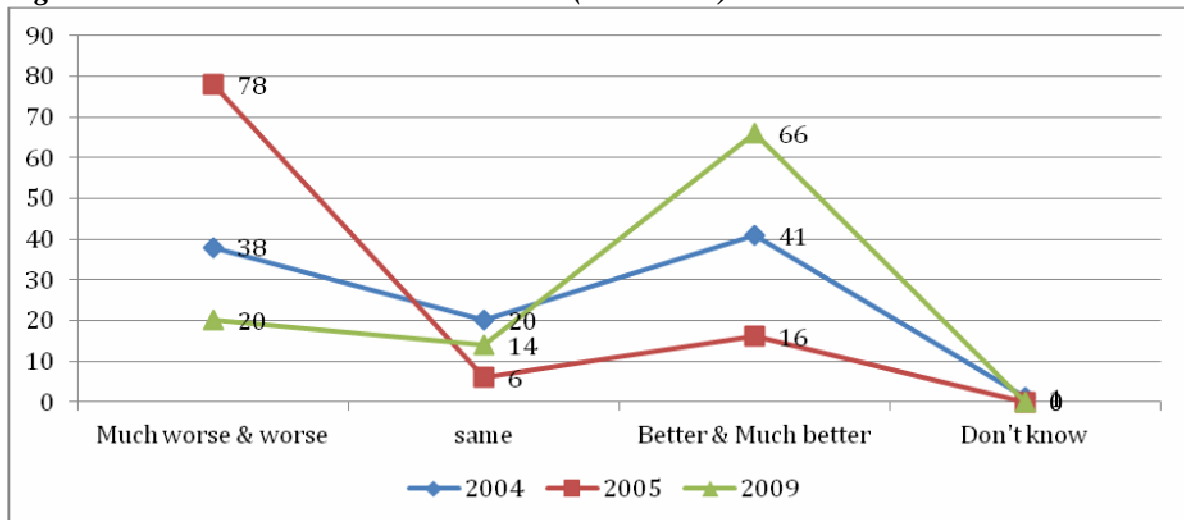


*Question: Looking back, how do you rate economic conditions in this country compared to twelve months ago?*

The same direction and pattern of change observed at the macro-level is repeated at the micro-level. In total, two thirds of respondents found their living conditions in 2009 were “better” (62%) or even “much better” (4%), see Figure 4. But 20% indicated that their living circumstances had deteriorated whilst nothing had changed for 14% of Zimbabweans. Clearly, the Zimbabwe populace was happier in 2009 than it was in mid-2008. In the previous 2005 Afrobarometer Round, close to eight in ten (78%) had said the country’s economy then was worse compared to the previous year. In other words, there is almost a complete turnaround in people’s assessments between the two surveys.

As with earlier findings, there are only small gender differences in responses to this macro-economic question with more men (70%) than women (68%) saying the national economy had improved. Conversely, on the negative side, more females (22%) than males (19%) felt the economy had taken a turn for the worse. An insignificant gender gap exists in evaluations with two thirds of both males (67%) and females (65%) said their living conditions had improved.

**Figure 4: Past Micro-Economic Conditions (2004-2009)**



*Question: Looking back, how do you rate your living conditions compared to twelve months ago?*

An unmistakable generational gap exists especially between the 75% of the youths who perceived an improved economic condition and 62% of their parents who felt the same way. The middle aged (at 65%) is nearer the old aged end of the perceptions spectrum. In respect of proportions who witnessed an improvement in their personal living conditions, the middle aged (62%) and old generation (61%) share the same assessment while up to 72% of the youthful age group sensed an improvement in their welfare.

The rural-urban gap observed earlier is persistent, and most probably for the same reasons. While as more than a three-quarters (78%) of the urbanites noted an improved economy, less than two thirds (64%) of the rural folk felt the same macro-level improvement. Conversely, more rural dwellers (23%) than their urban compatriots (14%) felt that there was deterioration in the previous twelve months. The same residential gap is recorded in respect of micro-economic evaluations. A full three quarters of urban people sensed better living conditions but only six in ten (61%) of the rural folk felt the same way.

Opinions on the state of the national economy also varied widely at the provincial level of analysis. Harare and Midlands recorded the highest proportion (85% each) of people who witnessed an improved economy while as two Mashonaland provinces of Mashonaland West and Central recorded the lowest proportion (48% each). The irony is that it was also Mashonaland West which was at the top of the league of provinces that said the national economic condition was good. In terms of micro-economic evaluations, a wide gulf separates Matabeleland North, which has the lowest proportion (40%) of 'feel better' people, from the Midlands, which has more than twice (85%) as many respondents who felt improved economic circumstances. Joining Matabeleland North at the bottom are Mashonaland West and Central (48% and 47% respectively) while Harare (82%) joins Midlands at the top.

A yawning partisan divide manifests itself in respect of both macro- and micro-economic comparisons with the previous year. While nearly three quarters (72%) of MDC-T

respondents thought that the condition of the economy and more than two thirds (69%) said their living conditions had improved over the previous year, the corresponding figures for ZANU-PF were only 44% and 43%. Thus, in respect of the macro-economic evaluations, there was 28-points gap and 26-points difference regarding the micro-level evaluations between the two major political parties. It would thus appear that the MDC-T people are attributing the better economic conditions to their party and are gloating over it while as ZANU-PF partisans are reluctant to acknowledge improved conditions for the same reasons i.e. that their rival party would reap the accolades.

### Economic Evaluations: the present and the future

When asked to gaze into the future and hazard a prognosis of the country's economic and their own living conditions, Zimbabweans exhibit robust optimism. In terms of macro-economic predictions, nearly three quarters (73%) expect the economy to be better with only 6% disputing this. Another 15% pleaded inability to foresee. This level of confidence in the future is even more impressive, if not spectacular, in the context of the 85% who, in the 2005 survey, had expected the economy to worsen in the following year. The turnaround in the public mood is quite dramatic.

**Figure 5: Future Macro-economic Conditions (1999-2009)**



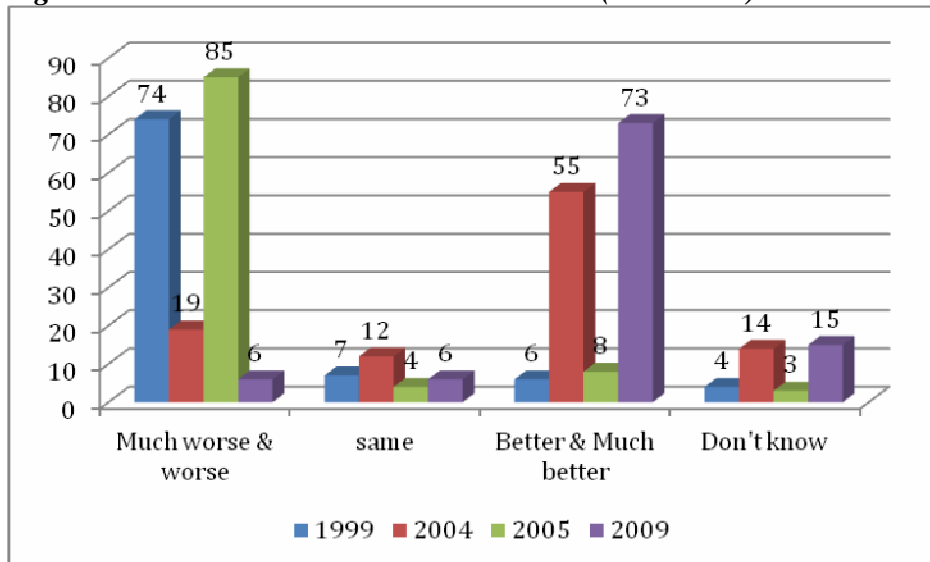
*Question: Looking ahead (in twelve months time), do you expect the economic conditions in this country to be better or worse?*

The same stunning public mood is displayed with micro-level predictions. More than seven in ten (73%) are optimistic that their living conditions will improve in the future and this is eight times the proportion of Zimbabweans who predicted good times in 2005, Figure 6. In May 2009, just 6%, compared to a whopping 85% in 2005, predicted deterioration in their living conditions. Another 15% in 2009, 3% in 2005 said they could not hazard a prediction.

Who are these economic optimists? Both men (74%) and women (73%) share the same buoyancy about the future state of the economy. The same optimism is displayed by 74% of males and 72% of females in respect of their personal living conditions. But sharp differences emerge between the urban and the rural dwellers: while more than eight in ten

(83%) of the former expect the national economy to be better, less than seven in ten (68%) of rural people share this optimism. A similar urban-rural gap manifests itself at the micro-level with 81% of urban residents expecting their personal living circumstances to improve compared to 68% of their rural counterparts.

**Figure 6: Future Micro-economic Conditions (1999-2009)**



Question: Looking ahead (in twelve months time), do you expect your living conditions to be better or worse?

A wide generational gap of 25-percentage points separates 80% of the youth who are sanguine about the future compared to just 55% of their parents who share the same confidence. A full three quarters of the middle aged are also optimistic. Notably, more people in each age group professed incapacity to predict than were pessimistic about the future state of the national economy. This was particularly so with the old folk a third (31%) of whom answered “don’t know” while 6% predicted a deterioration in the economy. Almost exactly the same pattern is repeated regarding prognosis of personal living conditions. The youth (80%) have far more buoyant expectations than their parents (56%) or the middle aged (73%).

Which are the optimistic provinces? At the top of the optimism ladder is Bulawayo where nine in ten (89%) of the people expect a better national economy in twelve months, closely followed by the Midlands (85%), Harare (84%) and Mashonaland West (83%). At the bottom of the heap Matabeleland North where only 42% said they expect a better Zimbabwe economy and in that position the province appears to be a lonely outlier. Two other provinces (Masvingo and Mashonaland Central, both at 59%) are not too enthusiastic that the economy will pick up in the next year. These three provinces also recorded the highest levels of “don’t knows”: Matabeleland North (40%), Mashonaland Central (22%) and Masvingo (21%). Mashonaland East is in the same category with a full quarter pleading ignorance, so does Manicaland where 22% also said they could not predict. These figures are compared to just 3% and 4% in Bulawayo and Midlands respectively.



In terms of their micro-economic circumstances, the same pattern is repeated. The top four optimistic provinces are: Midlands (84%), Harare (84%), Bulawayo and Mashonaland West (both at 83%). At the bottom are Matabeleland North (42%), distantly followed by Mashonaland Central (58%) and Masvingo (60%). We again have a large body of “don’t knows” in these three provinces with a full third in Matabeleland North, a fifth in Mashonaland Central(21%) and Masvingo (20%).

We also find that MDC-T partisans are more buoyant about the future prospects of the national economy and their own living conditions: 78% expect the country’s economy and their living conditions improve. ZANU-PF people are less upbeat with 72% said they expect the national economy to pick up and 69% said their own living conditions are likely to improve in the following year.

### **Conclusion**

What is evident from the above is a major turnaround in the public mood regarding people’s perception of the national economy and their own fate in it. There is an unmistakable brightening of the public mood and there is a rebirth of hope.

Compared to October 2005 when the third Round of the Afrobarometer was conducted, the proportion of those who describe the prevailing state of the national economy as good rose dramatically from 4% to 40%. The same pattern was repeated regarding personal living conditions with up to 38% describing their prevailing living conditions as good compared to just 7% in 2005. Virtually all socio-economic groups sensed considerable improvement in both the economy and their living conditions over the previous year and large proportions expect improvements in the following year. In terms of public mood, Zimbabwe has certainly turned the corner and the key variable in this is the Inclusive Government and the raft of bold policy reforms it embarked on soon after taking office in February 2009. As to how long this buoyant mood will last, only time will tell.

This Briefing Paper was prepared by Eldred Masunungure and Anyway Ndapwadza, Mass Public Opinion Institute.

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