



Reach the people you need to know.

SAFEGUARDING ELECTORAL DEMOCRACY IN THE AGE OF GROWING MISTRUST

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SECTION ONE

STRATEGIC CONTEXT



THE RISK OF WORLD WAR

- The world is facing the prospect of **World War III**.
- **NATO** has maintained a **bellicose** stance towards **Russia**. Despite agreements made in 1991, NATO has **incorporated** previously **Warsaw Pact countries** into the alliance.
- In **2014 the pro-Russian** Ukrainian government was **overthrown** with the monetary assistance of the US who assisted the **extreme right-wing ultranationalists Svobda Party** and the **neo-Nazi Azov Battalion** militia to name but two. This triggered civil war within Ukraine.
- In 2018, the US expressly stated the **National Defence Strategy** of reorienting the military priorities towards both **Russia** and **China**.
- Over the past years, **NATO** has **deployed troops** and **military equipment** to Russia's borders, culminating in **massive naval exercises** last year in the Black Sea. These exercises were in **preparation for war**, with Ukraine being the main theatre.
- **Russia**, – which views Ukraine joining NATO as an existential threat – launched a **catastrophic invasion of the Ukraine**, which has set in motion a series of events that can **spiral out of control**.
 - Russia has placed its **second largest nuclear arsenal** in the world on alert. There is a real danger that the conflict can devolve into a global catastrophic conflagration.
- The US and its allies have imposed a **devastating sanctions** regime against Russia. This includes cutting off access to the **SWIFT** international financial messaging system and halting the foreign exchange operations of the Russian Central Banks.
- **Russia and Ukraine** account for approximately **one third of global grain exports**. In addition, Russia supplies a **significant** portion of **natural gas and oil** to the EU. The open hostilities means significant global food and fuel price **inflation**.
- **China is also in the crosshairs**, with the “one China policy”, negotiated in the 1970s being repudiated. China maintains that Taiwan is part of China.
 - In August the US Secretary of State visited Taiwan, escorted by naval battle groups.

STATE OF THE COVID-19 PANDEMIC

- The **COVID-19 virus** has continued to evolve, and there is a real threat that the virus **can mutate** into a **more dangerous** form.
 - However, many countries have relaxed public health measures and declared the citizens must learn to **“live with the virus”**.
 - The number of infections are expected to increase once again as winter approaches in the northern hemisphere, providing the COVID-19 virus **ample human material** to continue to **evolve**.
 - The full impact of post-COVID ailments, commonly referred to as **“long COVID”**, are not yet fully understood. However, the **long-term burden of disease** is likely to impact adversely on the **healthcare industries**.
- Over and above the healthcare consequences, previous waves of **COVID-19** have **seriously disrupted global supply chains**. These disruptions have had a significant and adverse **impact on global inflation**.

FINANCIAL MARKET INSTABILITY

- The **United States GDP** is just under **\$23-trillion**, and the European Union GDP is about \$14.5-trillion. In comparison, **South Africa’s GDP** is **\$420-billion**. The actions of the **Federal Reserve Bank (Fed)** and the European Central Bank (ECB) **profoundly affect** the South African economy.
- In **March 2020**, at the beginning stages of the **COVID-19** pandemic, the global financial **markets** went into **free-fall**. This led to the Fed having to **bail** out the financial markets, **increasing** its **balance** sheet from about **\$4-trillion** to about **\$9-trillion**. In addition, the Fed instituted a monthly **quantitative easing** programme.
- Since the onset of the crisis, the Fed has maintained an **interest rate** of **0.25%**. The financial markets not only recovered, but spurred on by **ultra-cheap money**, has gone into a massive speculative binge.
- The US Stock Market Index shows the **unprecedented rise of the stock market** from a low point in March 2020 of 18,590 to a high point of nearly 37,000 in January 2022. The **divorce** of **financial markets** from the **real economy** however cannot be maintained indefinitely and **cracks are appearing**.

INFLATIONARY PRESSURE

- The Fed, having pumped unprecedented sums of capital into the financial markets, has compounded inflationary pressure. The **US inflation** rate, currently at 8.5%, is the **highest in 40 years**.
 - Across the US there have been numerous strikes with workers pushing for wage increases in line with inflation. In the absence of inflationary adjusted wage increases, real income for significant sections of the US population has fallen.
- In response to the massive surge in inflation, the **Fed** has **indicated** that it intends to significantly **push up interest rates** in 2022. The US interest rate is now 2.5% and continues to rise, sending the US economy into recession. US GDP growth is -0.6% devastating millions of households.
- At present it is **unclear** whether the financial markets will be able to absorb the interest rate increase. This **interest rate hike** may lead to a significant and **adverse** effect on **financial markets**.
- Globally, for the first time in nearly forty-years the spectre of **stagflation** (high interest rates and low economic growth) looms large.

GLOBAL INEQUALITY

- At the World Economic Forum *State of the World* conference in January 2022, Oxfam released a report analysing the state of global inequality.
- As discussed, the growth of the stock markets has triggered the **largest wealth transfer in human history**, from the **bottom** to the **top**. Oxfam notes that “A new billionaire has been created every 26 hours since the beginning of the pandemic in early 2020.”
- Oxfam warns of **consequences** which include “a violent economy in which **billionaire wealth booms**, in which millions of people are killed, and **billions of people are impoverished** due to inequality...”
- South Africa is already one of the most unequal societies in the world. According to the latest **figures** from the **World Inequality Database**, income inequality in South Africa has deepened with the top 1% of South African earners taking home almost 20% of all income in the country, while the top 10% take home 65%. The remaining 90% of South African earners get only 35% of total income.

SOUTH AFRICAN CONTEXT

THE ECONOMY



ECONOMIC FALLOUT FROM COVID-19

- The COVID-19 economic crisis exacerbated already latent weakness.
- In 2019, South Africans believed that the most critical problems facing the country were **unemployment**, **crime** and **poverty/destitution**.*
- Like so many countries around the world, COVID-19 did not only usher in death and illness, but also a **massive economic contraction**.
- StatsSA estimates that presently there are **15.5-million employed** South Africans. This level of employment was **last seen in 2015**. South Africa's attempt at dealing with employment has been **set back seven years**. The recent increase in the number of employed people however has been spurred by **nominal decrease in wages** – despite **inflation increasing** to 8.5%.
- To offset **extreme poverty** and **endemic hunger**, the government instituted the Special **COVID-19 Social Relief of Distress Grant** of R350.
- Just prior to the **July 2021 unrest**, State **suspended** the **grant**. What followed was the looting of businesses (although there were two other major factors also at play).

- **Social grants** are a form of **insurance** against mass **social unrest**, driven by extreme poverty and destitution.
- Nonetheless, the **austerity budget** is driving state to **cut** it's the overall number and value of **social grants**, inviting further social pressure.

GROWTH OF THE SOUTH AFRICAN ECONOMY

- President **Ramaphosa** has **pushed** for businesses to **invest** in South Africa in order to accelerate economic growth.
- One of the **main impediments** to growth is the **Eskom** crisis. During beginning of President Ramaphosa's first term in office, he explicitly referred to Eskom as **a sewer of corruption**.
- Even if there was massive investment within the South African economy and factories were to be built, **Eskom** is **unlikely** to be able to provide **sufficient electricity** to power the **economic growth**.
- In order to address this problem, steps have been taken to **liberalise the energy sector**. However this form of intervention takes time.
- **Electricity prices** are set to increase, where the **poorest pay the most**.

SECTION TWO

THE GSM5 SEGMENTATION MODEL
THE IMPACT OF COVID-19 ON SOUTH AFRICANS



GSM5 SEGMENTATION - SOUTH AFRICA IS HETEROGENEOUS



S1 RURAL POOR 27%

WHO ARE THEY?

Poor, mainly African people, who are community-focused and religious. They rely on mobile for communication. Mainly very young and old.

INCOME AND EMPLOYMENT?

Remittances and social grants. 17% Full-time and part-time employment, 41% unemployment.

WHERE ARE THEY?

KZN, LMP, EC, MPL, NW.

LANGUAGES?

Zulu (26%), Xhosa (21%), Setswana (12%).

EDUCATION?

69% High School, 16% Primary School, 8% uneducated (highest).



S2 URBANIZED WORKERS 42%

WHO ARE THEY?

Mainly African people who have migrated to urban areas in search of work, or whose parents did so. The connection with rural areas is strong, with many calling them "home".

INCOME AND EMPLOYMENT?

Mainly semi-skilled or informal work. 24% Full-time and part-time employment, 45% unemployment.

WHERE ARE THEY?

GT, KZN, WC, FS, EC.

LANGUAGES?

Zulu (28%), Xhosa (20%), Sesotho (13%), Setswana / Afrikaans (9%).

EDUCATION?

80% High School, 10% Junior School levels.



S3 MIDDLE-CLASS CITY 16%

WHO ARE THEY?

Middle-class families either by birth or who have moved up from S2. Able to access credit due to employment, but vulnerable to rising costs.

INCOME AND EMPLOYMENT?

Skilled work, entry or middle-management level. 32% Full-time work, 22% unemployed.

WHERE ARE THEY?

GT, KZN, WC, FS, EC.

LANGUAGES?

Zulu (26%), English (22%) Afrikaans (12%), Xhosa (10%).

EDUCATION?

70% High School, 17% Vocational Tertiary, 8% University Tertiary



S4 AFFLUENT TOWN 9%

WHO ARE THEY?

Affluent people living in urban areas outside cities, or who are employers in rural areas, or S5 retirees who have left the cities.

INCOME AND EMPLOYMENT?

Middle/senior managers, entrepreneurs, or pensioners. 42% Full-time and part-time employment, 23% unemployment.

WHERE ARE THEY?

WC, GT, MPL and NW.

LANGUAGES?

Afrikaans (22%), Zulu (23%) English (15%).

EDUCATION?

72% High School, 11% Vocational Tertiary, 11% University Tertiary.



S5 WEALTHY CITY 6%

WHO ARE THEY?

Affluent city-dwellers who were born into this segment, or moved up from S3. We have high education levels, disposable income, and media/data usage.

INCOME AND EMPLOYMENT?

Senior or executive management, business owners. 45% Full-time employment, 15% unemployed.

WHERE ARE THEY?

GT, WC, KZN.

LANGUAGES?

English (49%), Afrikaans (27%), Zulu (12%), Xhosa (5%).

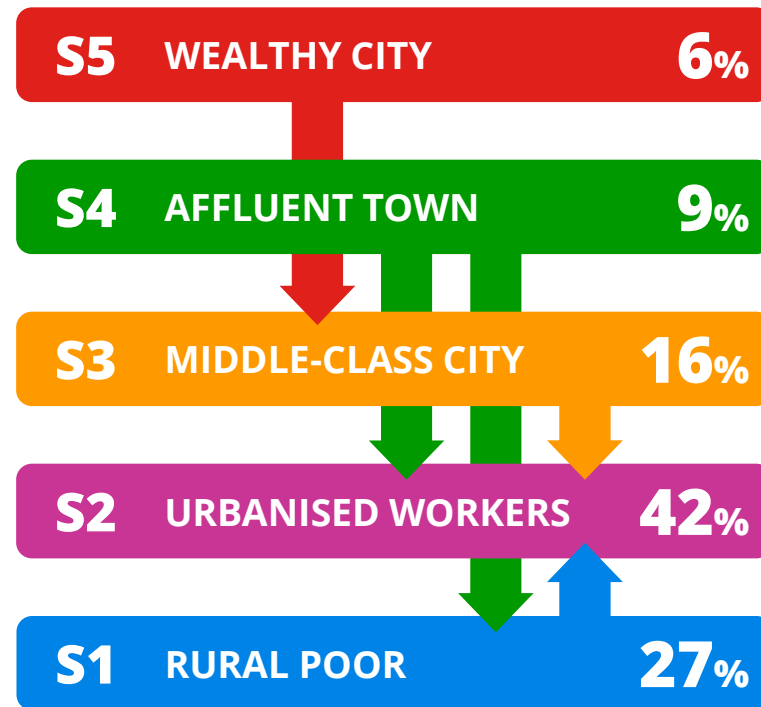
EDUCATION?

43% High School, 28% Vocational Tertiary, 24% University Tertiary.

GLOBAL SEGMENTATION MODEL (GSM5) DYNAMICS

DOWNWARD SOCIAL MOBILITY

- The GSM5 model allows us to understand the lived circumstances of South Africans. Our GSM5 is the South African government's official segmentation model.
- The **GSM5 segments** are constituted across two principal dimensions: **household affluence** and **geographic location**.
- The segments are dynamic; the measure of segment size is an expression of either upward **social mobility**, downward social mobility, or stability.
- The COVID-19 period has led to significant downward social mobility. In brief:
 - If a *Wealthy City* (S5) household's financial situation deteriorates significantly, they join the *Middle-Class City* (S3) segment.
 - If a *Middle-Class City* (S3) household falls, they join the *Urbanised Workers* (S2) segment.
 - If a member of the *Affluent Town* (S4) falls, they will either form part of the *Urbanised Workers* (S2) or the *Rural Poor* (S1) segments.
 - When the *Rural Poor* (S1) migrates to either the townships outside of towns, or to the city they join the *Urbanised Workers* (S2) segment, and vice-versa.

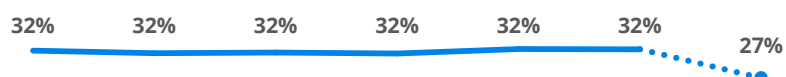
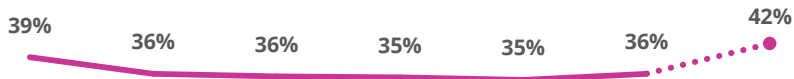
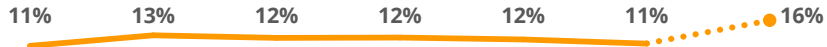
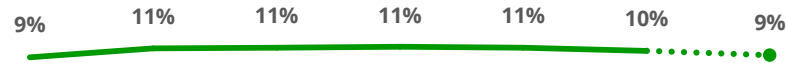


DOWNWARD SOCIAL MOBILITY

SEGMENT MOVEMENT OVER TIME



- Data from the Mobile Tracker Study of 43,200 interviews (from Q2 2016 until Q2 2018), shows a period of segment stability and a modicum of upward social mobility.
 - However, this trend was reversed in the August–December 2021 period, when the FinScope survey was conducted.
1. The *Wealthy City* segment contracted by the largest amount recorded over the past decade of tracking, from 10% down to 6%.
 2. Many of these households fell into the *Middle-Class City* (S3) segment, increasing the size of this segment by 5 percentage points, from 11% to 16%.
 3. The *Urbanized Workers* (S2) segment saw the largest growth, from 36% to 42% – mainly as a consequence of the migration of the *Rural Poor* (S1) from rural areas to townships around the cities or big towns.



Q2-Q1 2017 Q3-Q2 2017 Q4-Q3 2017 Q1-Q4 2017 Q2-Q1 2018 Q3-Q2 2018 Aug-Dec 2021



S1: RURAL POOR



S1: RURAL POOR

KEY STATISTICS

- Approximately 27% of the population or 11.4-million people fall into the *Rural Poor* (S1) segment.
- This segment is mainly located in Limpopo (28%), KwaZulu-Natal (25%) and Eastern Cape (21%).
- Over the past three years, a significant portion of this segment have from the rural area to the city/large towns in search of a better life.
- The segment has the lowest levels of education and the highest proportion of unemployed, and is thus the most dependent upon social grants for survival.
- About 84% of the *Rural Poor* is banked, with just over 36% of banked S1 customers having a SASSA account.
- The COVID-19 economic fallout has affected the *Rural Poor* (S1) segment adversely: 16% stopped working, 13% could not operate and 12% are still unemployed.
- Smartphone penetration within this segment has grown over time, although the rate of growth has slowed significantly. In mid-2018, penetration was at 41%; now it is at 48%.

S1

RURAL POOR

SEGMENT SIZE

27%

NUMBER OF PEOPLE

11,396,000

BANKED PEOPLE

BANKED

84%

UNBANKED

16%

SMARTPHONE PENETRATION

48%

GENDER SPLIT

FEMALE

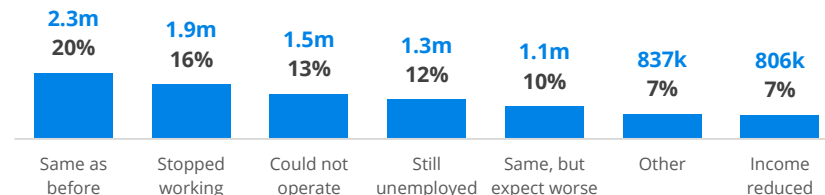
60%

MALE

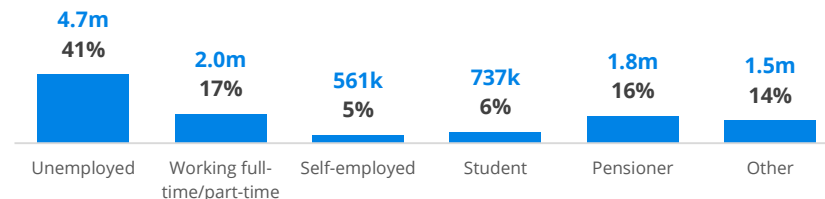
40%



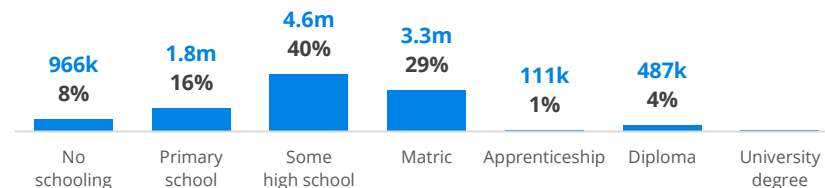
IMPACT OF COVID-19



EMPLOYMENT STATUS



HIGHEST EDUCATION LEVEL ACHIEVED





S2: URBANISED WORKERS



S2: URBANISED WORKERS

KEY STATISTICS

- The *Urbanized Workers* (S2) segment can be referred to as the “bottom of the pyramid”.
- It is the largest segment, consisting of 42% of the South African adult population or 17.5-million people.
- The *Urbanized Workers* (S2) segment can be found primarily in townships around cities and large towns in Gauteng (34%), KZN (16%), and Western Cape (14%). Smaller cohorts can be found in Eastern Cape and Free State.
- The life situation of the S2 segment has always been precarious. The brunt of the impact of COVID-19 was felt by S2, with now just under one-in-four working full-time or part-time.
- Approximately 42% of S2 have only achieved some high school education. In 2021, the UCT NIDS-CRAM study estimated that approximately 750,000 children dropped out of school since the onset of COVID-19, mainly from the S2 and S1 segments.
- About three-quarters of S2 are banked, with 30% of this segment receiving SASSA grants.

S2 URBANISED WORKERS

SEGMENT SIZE

42%

NUMBER OF PEOPLE

17,484,000

BANKED PEOPLE

BANKED

76%

UNBANKED

24%

SMARTPHONE PENETRATION

59%

GENDER SPLIT

FEMALE

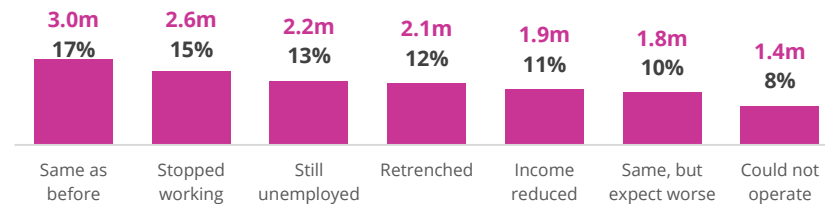
52%

MALE

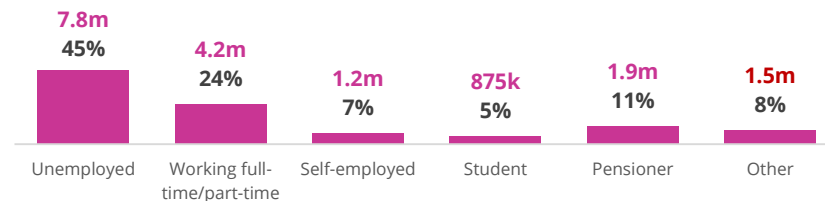
48%



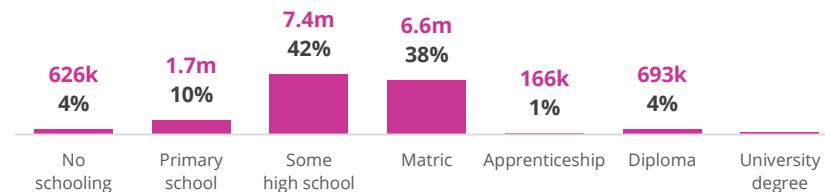
IMPACT OF COVID-19



EMPLOYMENT STATUS



HIGHEST EDUCATION LEVEL ACHIEVED





S3: MIDDLE-CLASS CITY



S3: MIDDLE-CLASS CITY

KEY STATISTICS

- The *Middle-Class City* (S3) is the lower-middle class living principally in Gauteng (60%), Western Cape (21%), and KwaZulu-Natal (14%).
- The population profile of the *Middle-Class City* (S3) is more diverse than that of S1 and S2, with 63% being African and 16% White.
- S3 has significantly higher levels of education, with 46% having matric but more importantly 25% holding either a diploma or university degree.
- There is a correlation between higher level of education and employment, with about two-thirds (64%) holding a post-matric being either employed or self-employed. However, around 19% (or 330,000) people with a post-matric qualification are unemployed.
- This segment has grown significantly as a result of COVID-19 and downward social mobility.
- From focus group discussions in early 2022, S3 respondents who worked in the tourism, hospitality, leisure and affiliated industries, described the adverse impact that COVID-19 has had on their households.

S3 MIDDLE-CLASS CITY

SEGMENT SIZE

16%

NUMBER OF PEOPLE

6,579,000

BANKED PEOPLE

BANKED

81%

UNBANKED

19%

SMARTPHONE PENETRATION

82%

GENDER SPLIT

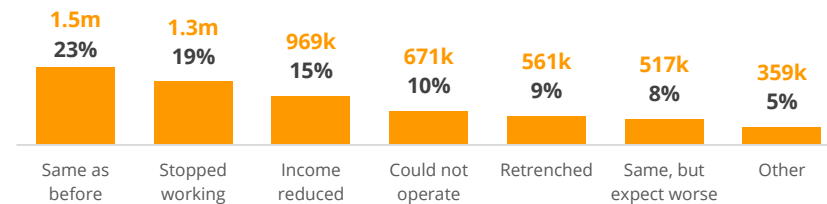
FEMALE

49%

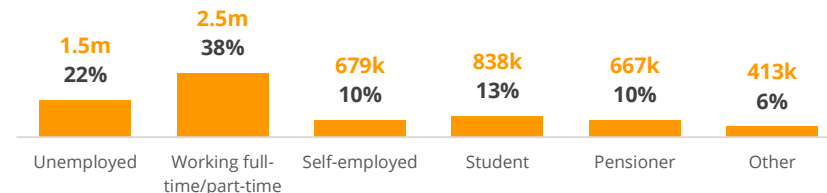
MALE

51%

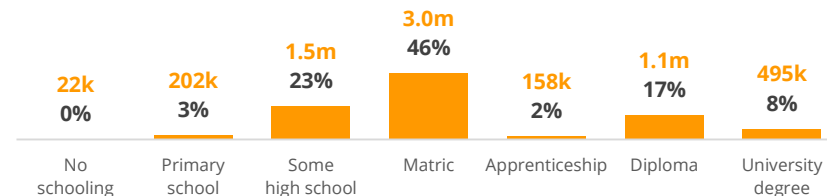
IMPACT OF COVID-19



EMPLOYMENT STATUS



HIGHEST EDUCATION LEVEL ACHIEVED





S4: AFFLUENT TOWN



S4: AFFLUENT TOWN

KEY STATISTICS

- The *Affluent Town* (S4) segment are largely located in big towns (87%) and rural areas (13%) in mainly Mpumalanga (26%), Kwa-Zulu Natal (17%), and Western Cape (13%).
- There is a disproportionately higher representation of Whites (23%) who fall within the segment, although the dominant population group is African (62%). This is expressed in the diversity of languages spoken, with 22% speaking Afrikaans as their home language and 16% speaking English.
- There is social polarisation within this segment between the upper-income strata (LSM 9-10) and lower-income strata (LSM 7-8).
- Over the past 4 years, there has been a migration from the rural areas towards the towns. The lower-income strata of S4, however, is significantly better off than the *Rural Poor* (S1) and *Urbanized Workers* (S2) segments.
- As with the other segments, COVID-19 has had a significant impact on this segment, with 18% having stopped working, 17% experienced a reduced income, and 8% could not operate their businesses.

S4 AFFLUENT TOWN

SEGMENT SIZE

9%

NUMBER OF PEOPLE

3,943,000

BANKED PEOPLE

BANKED

84%

UNBANKED

16%

SMARTPHONE PENETRATION

81%

GENDER SPLIT

FEMALE

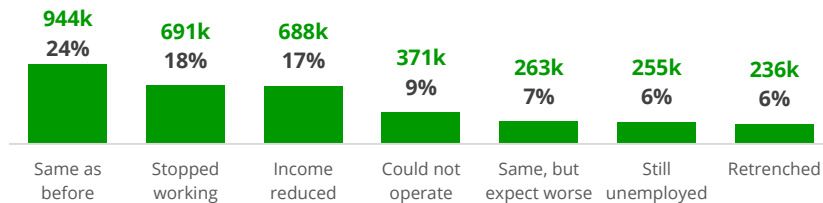
44%

MALE

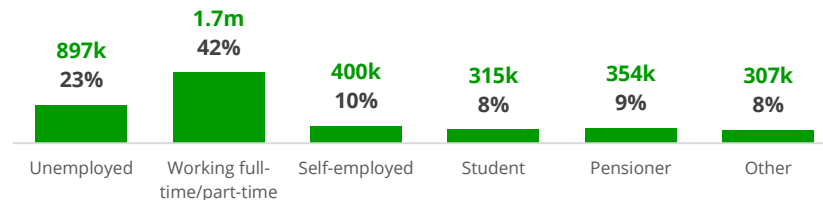
56%



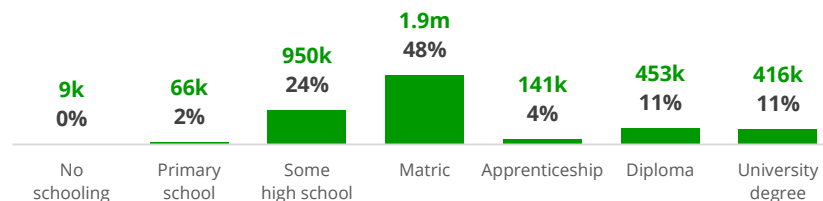
IMPACT OF COVID-19



EMPLOYMENT STATUS



HIGHEST EDUCATION LEVEL ACHIEVED





S5: WEALTHY CITY



S5: WEALTHY CITY

KEY STATISTICS

- The size of the *Wealthy City* (S5) segment has shrunk since Q2 2018, from 10% of the population down to 6%. Many of these South Africans have fallen into the *Middle-Class City* (S3) segment.
- The *Wealthy City* (S5) segment represents the top 6% of South Africans living in the metros of South Africa.
- The segment has the highest level of education, with just over half (52%) holding either a diploma or university degree.
- The S5 segment has the highest incidence of smartphone penetration with 94% of this segment using data.
- The segment has the highest proportion of banked customers. Furthermore, the range of financial products held by the S5 segment is generally more extensive, diversified and complex than the other segments.
- Just over three-quarters (76%) of this segment speak either English (49%) or Afrikaans (27%).
- Just under half (44%) of this segment is White and about a third (34%) are African.

S5 WEALTHY CITY

SEGMENT SIZE

6%

NUMBER OF PEOPLE

2,704,000

BANKED PEOPLE

BANKED

88%

UNBANKED

12%

SMARTPHONE PENETRATION

94%

GENDER SPLIT

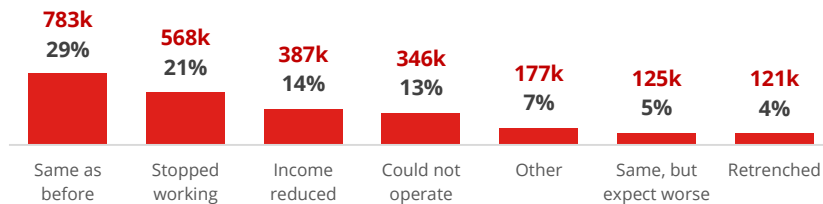
FEMALE

35%

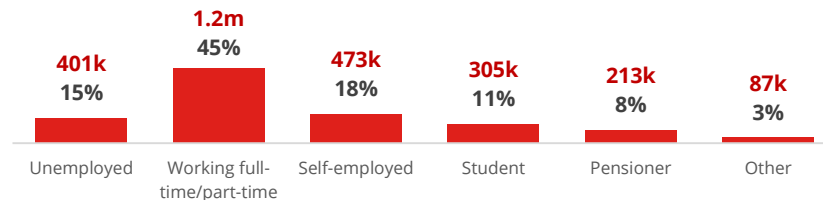
MALE

65%

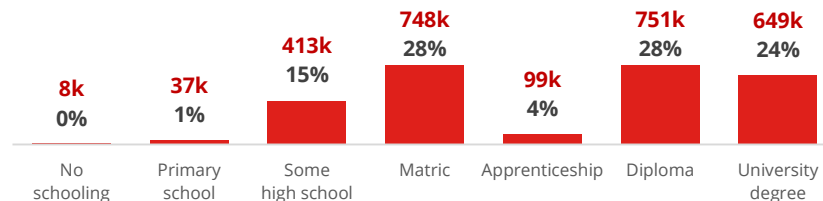
IMPACT OF COVID-19



EMPLOYMENT STATUS



HIGHEST EDUCATION LEVEL ACHIEVED



IMPACT OF COVID-19 ON SOUTH AFRICANS

IMPACT OF COVID-19



- Severe consequences of COVID-19 include four income categories: 1) those who were retrenched; 2) those who could not operate due to restrictions; 3) those who stopped working; and 4) those whose income has been reduced. In total, 19.8-million (47%) of South Africans were subjected to this. Collectively this has impacted, not only on South Africa's economic performance, but also the social conditions and financial health of a significant portion South Africans.

EFFECTS OF COVID-19

MAIN IMPACT OF COVID-19 ON YOUR LIVELIHOOD /INCOME



SECTION THREE

SOUTH AFRICAN STATE OF DEMOCRACY



MOST IMPORTANT PROBLEMS FACING SOUTH AFRICA

Q3 2019



According to South Africans, the most pressing issues requiring proactive attention are unemployment, crime, corruption, poverty and destitution, and basic service delivery.

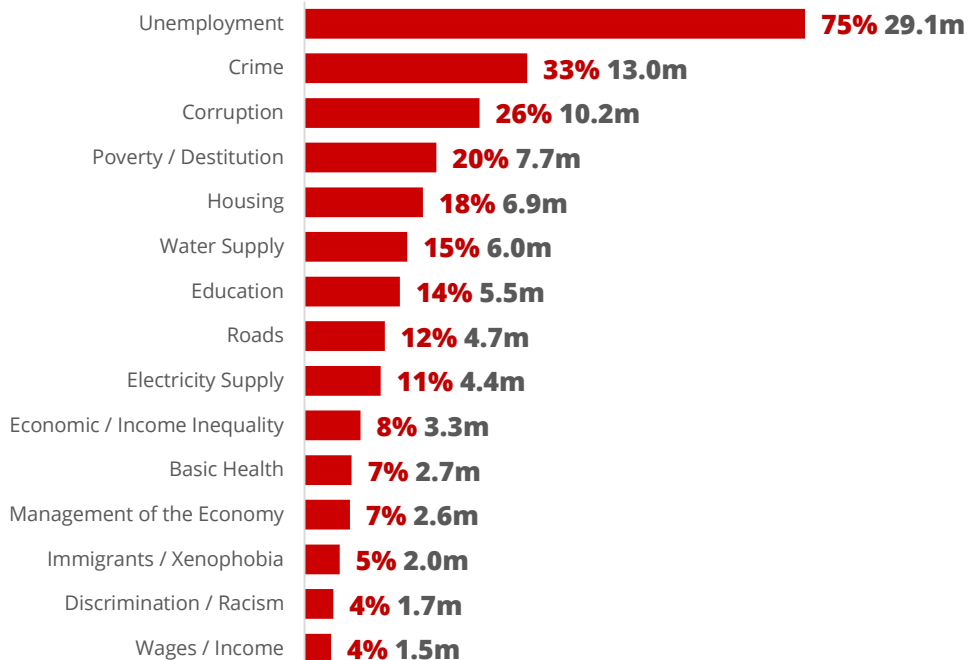
Unemployment has been consistently viewed as the biggest problem facing the country, as expressed by 29.5-million (78%) of South Africans. The gap between unemployment and the rest of the issues has also remained consistently large.

Among the other aspects, *Crime* (39%) has also been consistently mentioned, as has *Poverty / Destitution* (20%).

Crucially, *Corruption* (23%) has steadily increased in prevalence over time, reflecting the growing awareness of state capture and corrupt activities.

MOST IMPORTANT PROBLEMS

IN YOUR OPINION, WHAT ARE THE THREE MOST IMPORTANT PROBLEMS FACING SOUTH AFRICA ?



SATISFACTION WITH DEMOCRACY

SATISFACTION WITH DEMOCRACY (JULY 2019)

Just over half (52%) of South African adults aged 18 years and older were either very satisfied (23%) or fairly satisfied (29%) with the way that democracy works in South Africa.

On the other hand, just over one-in-five (23%) of South African adults were not very satisfied with the way democracy works in this country, and a similar proportion (22%) were not at all satisfied.

SATISFACTION WITH DEMOCRACY

OVERALL, HOW SATISFIED ARE YOU WITH THE WAY DEMOCRACY WORKS IN SOUTH AFRICA?

VERY SATISFIED



FAIRLY SATISFIED



NOT VERY SATISFIED



NOT AT ALL SATISFIED



DON'T KNOW / NO RESPONSE



SATISFACTION WITH OUR DEMOCRACY

DEGREE OF DEMOCRACY (JULY 2019)

South Africans tended to be largely positive about the degree of democracy experienced in the country, although the results have become less positive over time (i.e. more South Africans believe that our democracy has problems).

In July 2019, 10.5-million South African adults (28%) said that South Africa was a full democracy, while roughly 12.7-million adults (34%) said that it was a democracy with minor problems.

On the other hand, 10.0-million South Africans (27%) believed that the country was a democracy with major problems.

Finally, roughly 3.2-million South Africans (9%) believed that South Africa was not a democracy at all.

DEMOCRATIC LEGITIMACY

IN YOUR OPINION, HOW MUCH OF A DEMOCRACY IS SOUTH AFRICA TODAY?

A FULL DEMOCRACY



A DEMOCRACY, WITH MINOR PROBLEMS



A DEMOCRACY, WITH MAJOR PROBLEMS



NOT A DEMOCRACY



DON'T KNOW / NO RESPONSE



INTEGRITY OF THE ELECTIONS

INTEGRITY OF 2019 NATIONAL ELECTIONS (JULY 2019)

Elections were held on 8 May 2019, on a national and provincial level.

Just under half (49%) of South Africans adults aged 18+ believed that the elections were completely free and fair, while over one-in-five (23%) believed that the election were free and fair but had minor problems.

On the other hand, approximately 5.5-million South African adults (15%) said that the elections were free and fair but had major problems.

At the extremely negative end of the spectrum, roughly 2.7-million South Africans adults (7%) felt that the elections were not free and fair at all.

INTEGRITY OF THE 2019 NATIONAL ELECTIONS

ON THE WHOLE, HOW WOULD YOU RATE THE **FREENESS AND FAIRNESS** OF THE LAST NATIONAL ELECTION, HELD IN MAY 2019 ?

COMPLETELY FREE AND FAIR



FREE AND FAIR, WITH MINOR PROBLEMS



FREE AND FAIR, WITH MAJOR PROBLEMS



NOT FREE AND FAIR



DON'T KNOW / NO RESPONSE



SATISFACTION WITH DEMOCRACY

TRUST IN POLITICIANS AND POLITICAL PARTIES (JULY 2019)



In an attempt to unpack the reasons for the low voter turnout, we presented respondents with a selection of statements, which were based on verbatim responses collected in previous quarters of the SACS study.

We then asked respondents whether they agreed or disagreed.

These results support the low voter turnout:

71% of adults agreed that they did not trust political parties to keep their election promises.

Almost eight-in-ten South Africans (77%) agreed that politicians were corrupt and could not be trusted.

Over eight-in-ten adults (82%) agreed that political parties wanted their vote and would then do what they wanted anyway.

Finally, and perhaps crucially, over eight-in-ten (83%) South Africans agreed that political parties kept fighting each other instead of resolving the country's issues.

83%

"POLITICAL PARTIES KEEP FIGHTING WITH EACH OTHER AND NOT SOLVING SOUTH AFRICA'S PROBLEMS"

82%

"POLITICAL PARTIES JUST WANT MY VOTE, AND AFTERWARDS DO WHATEVER THEY WANT"

77%

"MOST POLITICIANS ARE CORRUPT AND CANNOT BE TRUSTED"

71%

"I DO NOT TRUST POLITICAL PARTIES TO KEEP THEIR ELECTION PROMISES"

SOUTH AFRICAN CONTEXT

THE POLITICAL SITUATION



POLITICAL ALIENATION AND THE STATE OF DEMOCRACY

- **Voter-turnout**, as measure of democratic participation, **dropped** significantly in both the 2019 National and Provincial elections and the November 2021 Municipal elections.
 - In 2019, 17.6-million South Africans went to the polls (compared to 18.6-million people in 2014), despite the population growing by nearly 4-million people.
 - In the 2014 Municipal elections, 15.2-million people turned out at the polls, while only 11.9-million turned out in 2021.
- These **voter turnout statistics** serve as a measure of **political alienation**.
- In previous periods, the ANC could appeal to the progress made in addressing the issues associated with Apartheid. This is no longer possible. There is an **entire generation** of “*born free*” South Africans who have known **no life other than that under the ANC**.
 - When asked about reasons for not voting, just over 80% * explained that politicians just want their vote and do whatever they want afterwards.

THE INTERNECINE STRUGGLE IN THE RULING PARTY

- The ANC is a heterogonous party with two major factions engaged in a life-and-death struggle.
- On the one hand, there is President Ramaphosa’s faction who has directly intervened to adjust the trajectory of the South African economy. On the other hand, there is the Radical Economic Transformation (RET) faction who has largely been implicated in the wholesale looting of the State. These factions are at war.
- It has been estimated that the quantum of money lost to **State Capture** is about **R1.5-trillion**. In perspective, this is nearly **120% of SARS’ full tax revenue collection for 2019**. This has brought SA to it’s knees, discrediting the ANC in the eyes of most South Africans.
 - The Zondo Commission into State Capture report has been released and acknowledged by the ANC. **Action** is necessary to maintain a modicum of **democratic legitimacy** as it pertains to the rule of law.
 - It is just as important that some of the stolen money is recovered. However, there was **no mention of recovering monies** during the February 2022 Budget Speech.

SECTION FOUR

BACKGROUND AND SAMPLE



BACKGROUND TO THE STUDY

FINSCOPE 2021



THE SURVEY

- The FinScope Consumer Survey has been conducted in 20+ countries in Africa and 7 countries in Asia.
- In South Africa, it has been conducted on an annual basis since 2003. The survey tracks the context and financial behaviour of South Africans aged 16 years and older.
- The Finscope 2021 survey was conducted between August and December 2022.
- Face-to-face interviews were conducted on computer tablets with a nationally-representative sample of 5,664 South African adults, which includes a booster sample of 600 foreign nationals living in South Africa.
- Interviews were conducted in English, Zulu, Xhosa, Afrikaans, Sotho, Sepedi and Setswana.

THE SAMPLE

- The sample was designed as a complex, multi-stage, stratified probability sample, based on the Census EA sample frame.
- The sample was stratified by province, municipality, main place, EA code geographic area type, population group and foreigner/non-foreigner areas to improve the representativeness of the sample and to ensure the best possible precision per stratum.
- EAs were considered as the primary sampling units (PSUs), households as secondary sampling units (SSUs), and adults as ultimate sampling units (USUs). The number of households per EA served as the measure of size.
- The sample has a 95% confidence with a $\pm 1.5\%$ margin of error, and was weighted and benchmarked to the latest population statistics by province, population group, gender, age, and geographic area type.



5,664

UNWEIGHTED SAMPLE



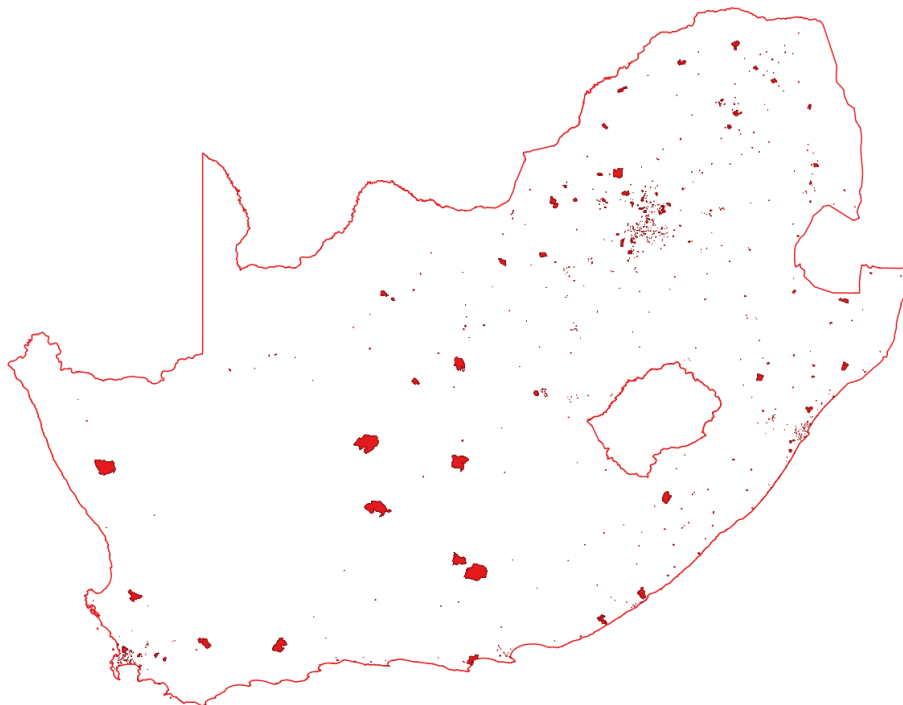
42-MILLION

WEIGHTED SAMPLE

BACKGROUND TO THE STUDY

WHERE WERE THE INTERVIEWS CONDUCTED ?

- Over the course of the Finscope 2021 survey, 945 Enumeration Areas (Stats SA) were sampled in order to ensure that all South Africans – from the cities and towns to the villages and remotest regions of South Africa – had the opportunity to have their voices heard.
- Alongside is a map of the Enumeration Areas where just over 5,664 interviews have been conducted.
- The sample coverage, combined with scientific sampling and rigorous quality controls, means that the Finscope 2021 data is representative of all South Africans, and can be relied upon for crucial and strategic decisions.



THANK YOU.

