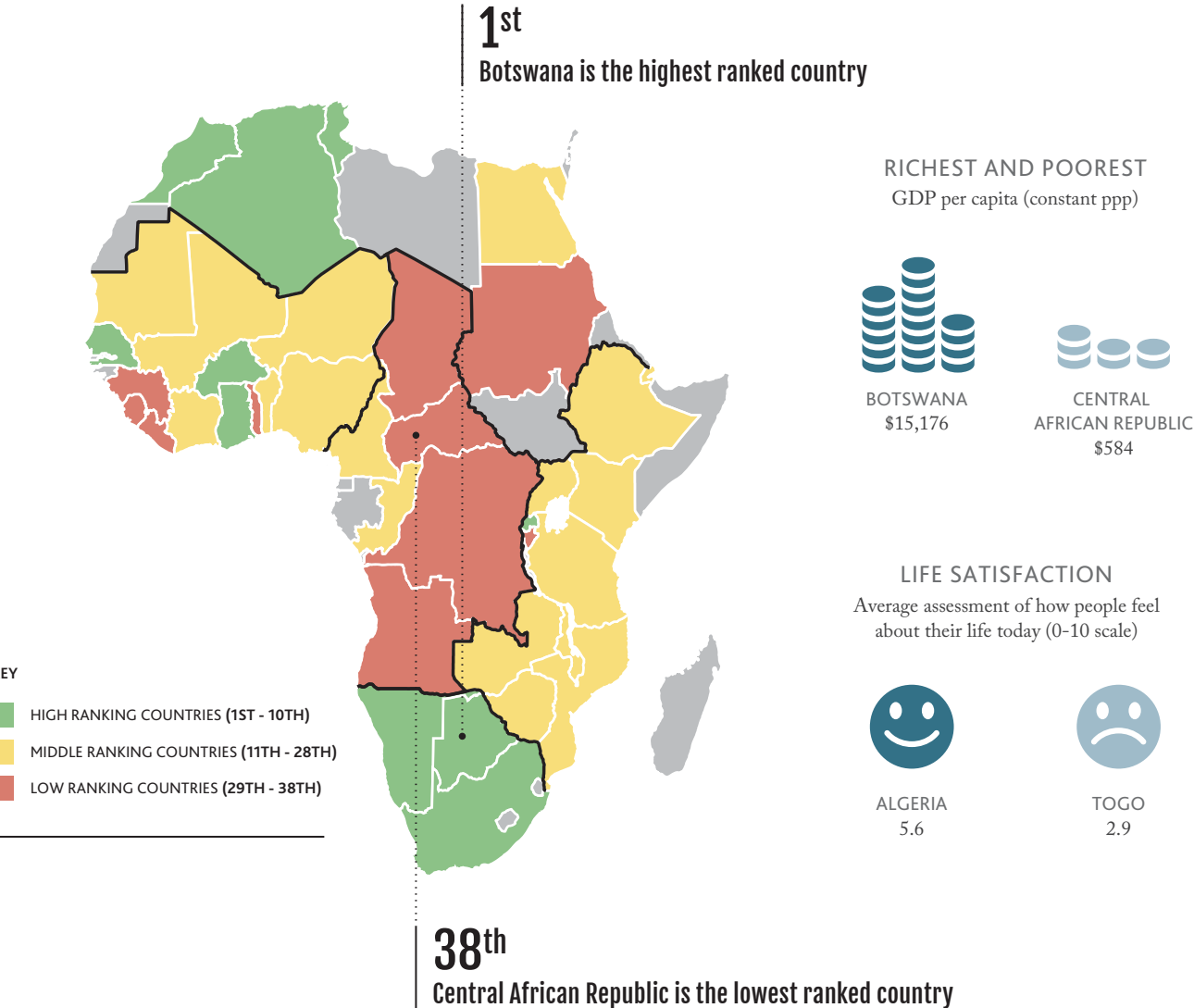
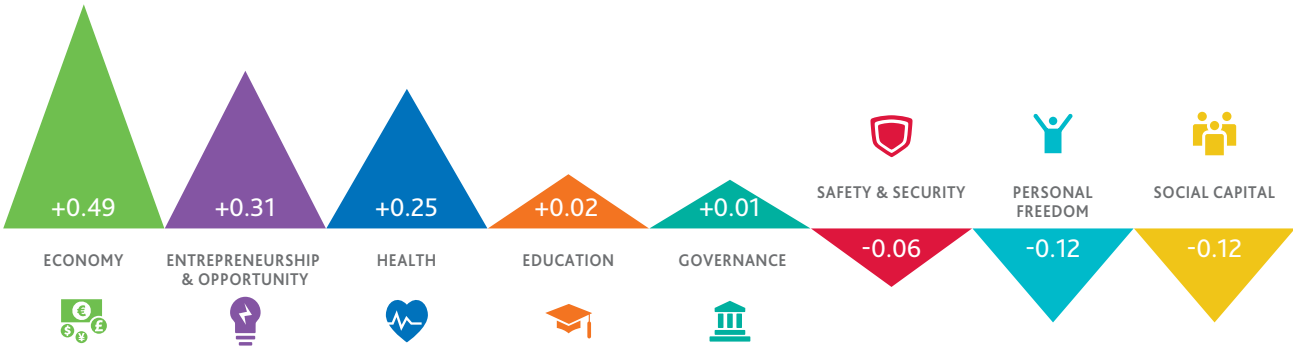


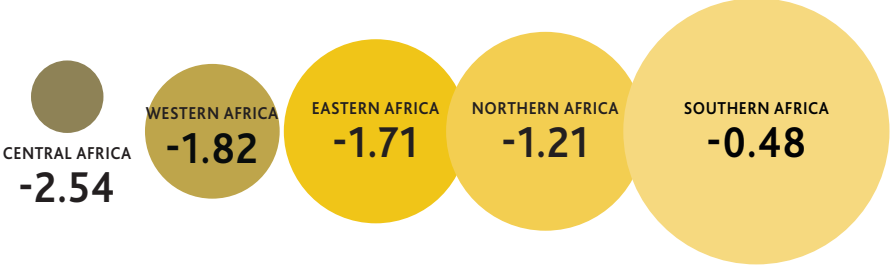
Prosperity in Africa 2014



CHANGES IN PROSPERITY INDEX SUB-INDICES FOR AFRICA BETWEEN 2012 AND 2014

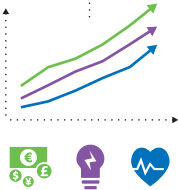


Regional Findings



2014
AVERAGE SCORE IN PROSPERITY

African regions have negative values due to the fact that these scores are extracted from the global Prosperity Index that covers 142 countries around the world. The scores are standardised using the global average (and standard deviation) and since, on average, African countries under-perform in comparison, their scores are negative.



Southern Africa

All countries in Southern Africa are in the top ten for Education, Governance, and Entrepreneurship & Opportunity.

Northern Africa

All Northern African countries are in the bottom third for Personal Freedom but four out of the top five countries for Health are in Northern Africa.

Eastern Africa

Eastern Africa has been the region with the largest increase in Prosperity in the past three years. It has improved most in the Economy, Health, and Entrepreneurship & Opportunity. However, none of the Eastern African countries are in the top ten of the Economy sub-index in 2014.

Western Africa

Seven out of the ten top countries in Personal Freedom are from Western Africa, but the average score for the region has decreased in the past three years. Only two Western African countries, Ghana and Benin, rank above the African average in Education.

Central Africa

All Central African countries included in the Index rank in the bottom third for Governance. However, the region has seen progress from 2012 to 2014 in Economy, Entrepreneurship & Opportunity, Health, and Safety & Security.

Key Findings




Highest scores in Personal Freedom, Economy, and Entrepreneurship & Opportunity

Africa is, on average, performing best in Personal Freedom, Economy, and Entrepreneurship & Opportunity. Africa’s average sub-index score in 2014 is lowest for Education, followed by Health and Safety & Security.



Severe health problems in Liberia and Guinea

Liberia and Guinea are amongst the ten African countries (out of 38) with the highest self-reported health problems. In Liberia, 31% of people reported having health problems, and in Guinea this amounts to 29%, when the average in Africa is 25%. The countries rank 26th and 31st respectively in the Health sub-index. Besides high self-reported health problems, this low score is due, for example, to low sanitation levels, with only 17% and 19% of their populations having access to sanitation facilities.



Botswana most prosperous for three years

Botswana is the most prosperous country in Africa and has been the most prosperous country in Africa for the past three years.



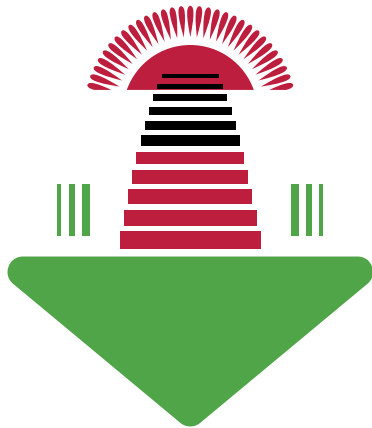
Egypt ranks last in Personal Freedom

Egypt has ranked last (38th) in the Personal Freedom sub-index for the past three years. Egypt is the country with the lowest tolerance for immigrants (40%) and minorities (20%) in Africa in 2014.



Average Prosperity rising since 2012

Average Prosperity in Africa has been rising since 2012. Every country in Africa has risen in at least one sub-index since 2012.



Malawi falls 11 places in two years

Malawi has fallen 11 places from 2012 to 2014 to 20th in overall Prosperity. This has been partly driven by a fall of 18 places in the Economy sub-index to 34th, due to a drop in the 5-year GDP growth rate, an increase in inflation, and a decrease in satisfaction with living standards. Malawi has also dropped 20 places in the Social Capital sub-index, due, for example, to 16% fewer people feeling able to rely on others.



Rwanda rises by five places

Rwanda has risen five places in the Prosperity Index since 2012 and is now ranked 8th amongst 38 African countries.



Burkina Faso's education is the most improved

Burkina Faso is the most improved country in Education in Africa. The country has increased its enrolment rates in primary, secondary, and tertiary education and satisfaction with educational quality has increased in the country. Liberia, on the other hand, is the country that has decreased the most in Education. This is due to a drop in enrolment rates, in particular in primary education.

Unlocking the Potential of Prosperity in Africa

As African economies grow, a chief concern for many governments is how to ensure that the fruits of growth benefit a majority of the population and contribute to true long term prosperity. This report examines in detail three distinct groups of people who are often identified as drivers of African prosperity. They are: the well-educated; female entrepreneurs; and the middle class. By supporting education quality, female entrepreneurship, and the rising middle class, African countries could avoid a future where inequality and chronic poverty persist in the midst of wealth and prosperity. In turn, this will empower disadvantaged groups that have been left out of the current economic boom, raising personal and national wellbeing.





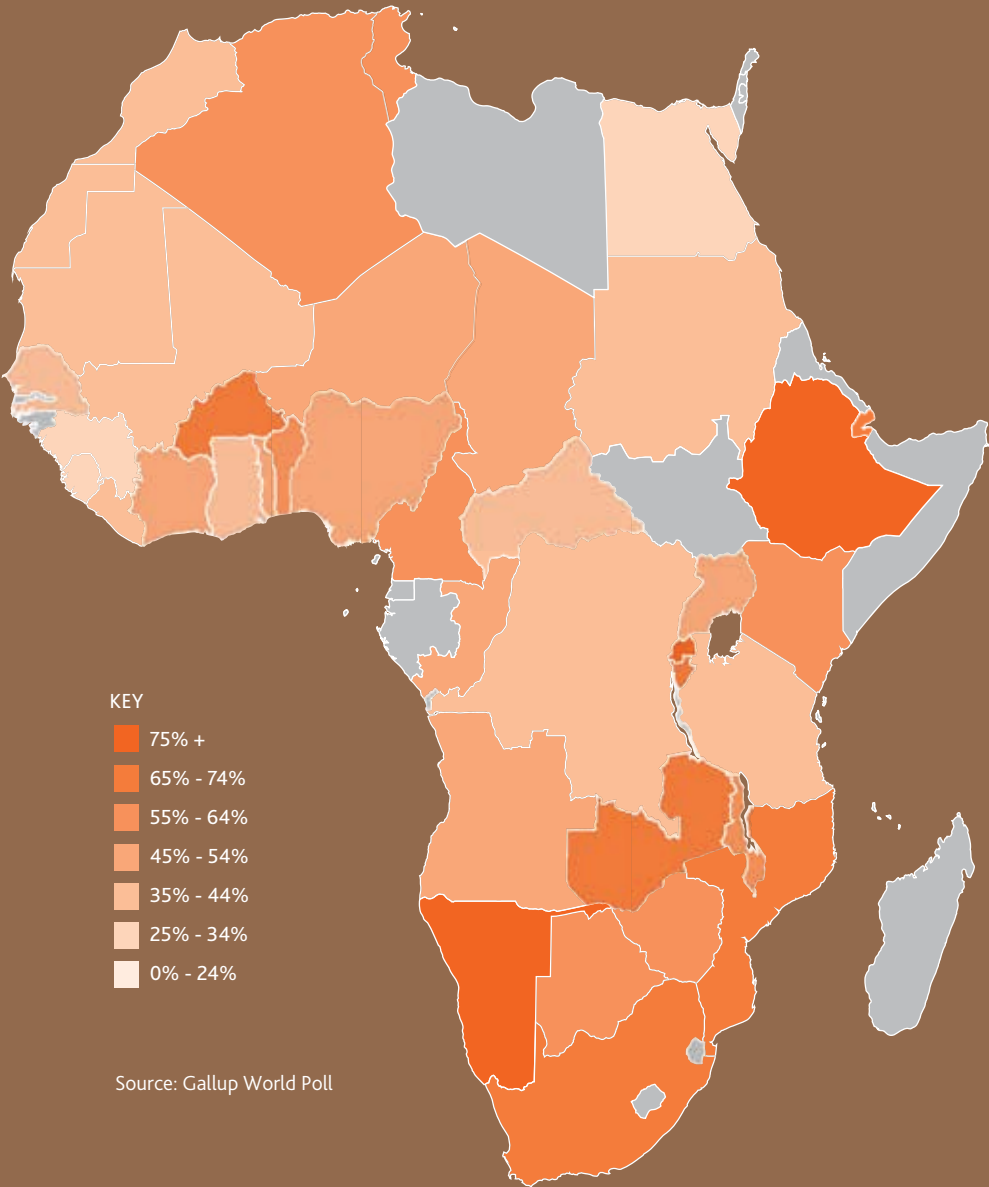
Education Quality in Africa

HOW WELL- EDUCATED PEOPLE WOULD DRIVE PROSPERITY IN AFRICA.

Education is empowering and increases the possibility of people to contribute economically and politically. Educated people also report high levels of personal wellbeing. While African governments spend a relatively high share of GDP on education, the outcomes are disappointing. Increasing enrolment rates is an important goal for improving Africa's future but there must also be a focus on the quality of education, particularly that which teaches useful employment skills.

These issues are discussed in this chapter firstly by examining the education system in Tanzania. Following that two case studies explore how technology and indigenous knowledge might support and foster education improvement and prosperity.

HEAT MAP: PERCENTAGE OF PEOPLE SATISFIED WITH THE EDUCATION SYSTEM



Schooling with little learning: the Tanzanian case

Prof. Suleman Sumra, Consultant in Education and Training, previously Director at TENMET Uwezo

INTRODUCTION:
THE LINK BETWEEN EDUCATION AND DEVELOPMENT

The theory of Human Capital¹ gained a great deal of credibility among leaders of newly independent African countries, guiding their development policies. It is easy to see the source of its appeal. Put simply, the theory argues that investment in health and education leads to economic benefits (both in terms of less overall state intervention and higher productivity) and improvements in personal wellbeing. A well-educated person is more productive (Becker 1964) and more likely to participate in political processes, to fight against corruption, and to develop different values and norms than those without education.

Tanzania, like other African countries, invested in education in the belief that it was an essential prerequisite for national development. Following independence, the government ploughed a large share of GDP into education (Buchert 1994), focusing particularly on primary schooling and ensuring universal access. The provision of education at all levels was seen as the government's responsibility, and the private sector was banned from establishing and running schools.

Yet this investment does not seem to have paid its development dividends. Five decades after independence, Tanzania remains one of the poorest countries in the world. It ranks 23rd out of 38 countries in Africa for GDP per capita (PPP) and 19th in

terms of Prosperity in the 2014 Africa Prosperity Report. Most strikingly, the investment has not delivered on education either. One in four living in rural areas has never been to school (URT 2014a) while more than 30 percent of women are illiterate (URT 2014a). Even the educated do not fare well, with a large number of school graduates unable to find employment in the formal sector.

If Tanzania is to accelerate development, to take advantage of globalisation and of its membership of the East African community, its human resources must be competitive. That means giving its young the knowledge, skills, and capabilities demanded by a 21st-century global labour market.

THE TANZANIAN CASE: MORE SCHOOLING; LITTLE LEARNING

The need to improve education is widely recognised, and programmes to revamp both primary and secondary education started in 2000 in Tanzania. Increased budget allocation and the implementation of both the Primary Education Development Plan (PEDP) and the Secondary Education Development Plan (SEDP) led to significant increases in the number of children enrolled in primary and secondary schools (URT 2012). Tanzania's latest available data points point to a high net enrolment rate in primary education (98% compared to an average of 81% for Africa), but it is still lagging behind in terms of secondary (35% in Tanzania vs. 50% in average for

FIGURE 1: ENROLMENT AT DIFFERENT LEVELS OF EDUCATION

Source: World Development Indicators

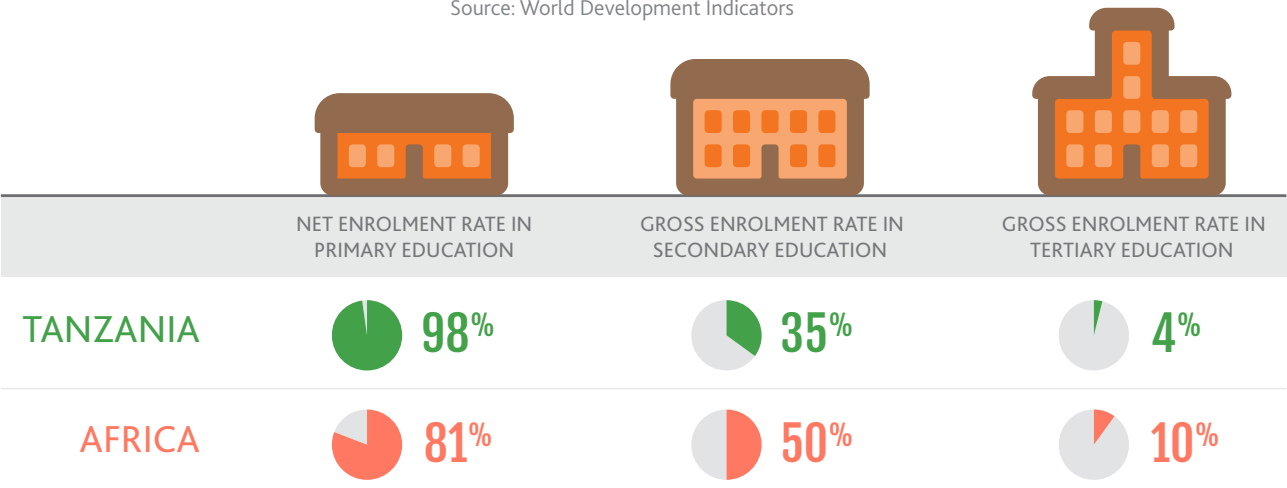


FIGURE 2: NET ATTENDANCE RATE IN SECONDARY EDUCATION

Source: URT 2012

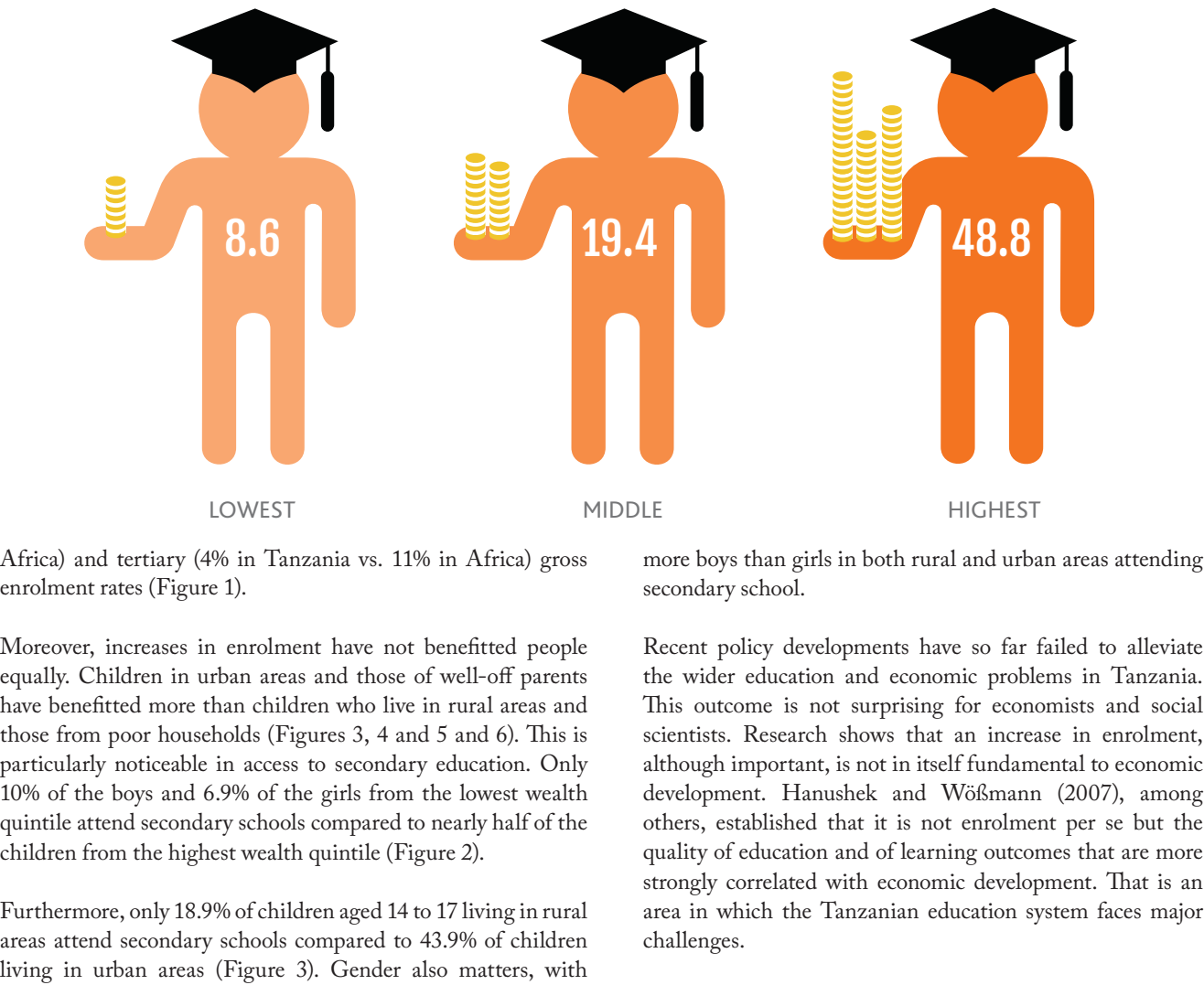


FIGURE 3: NET ATTENDANCE RATE IN SECONDARY EDUCATION

Source: URT 2012

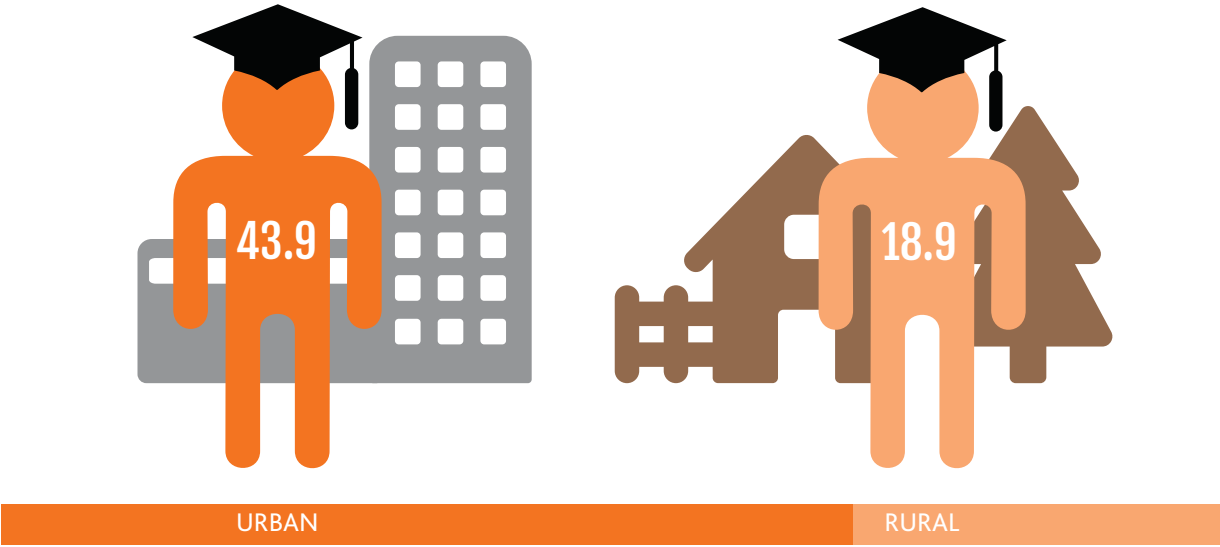
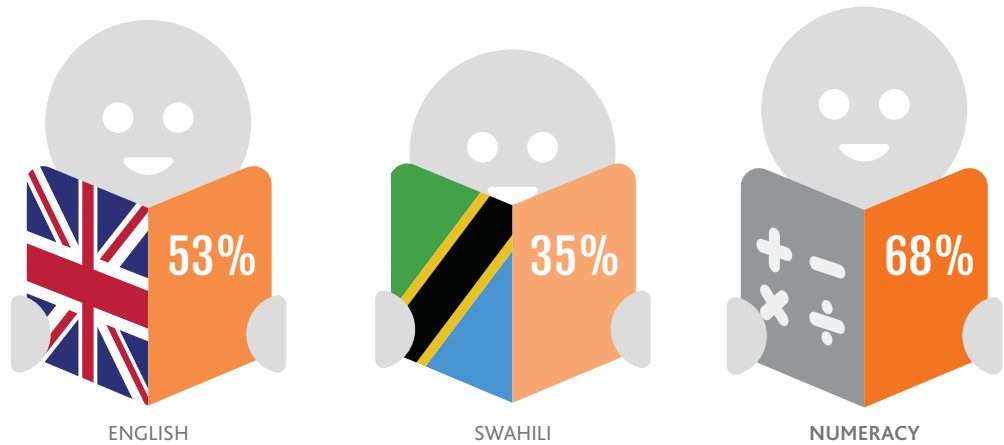


FIGURE 4: TEST PASS RATES FOR CHILDREN AGED 10+ IN TANZANIA
Source: URT 2012



QUALITY OF EDUCATION IN TANZANIA AND EAST AFRICA

Although educational policies, such as the Education and Training Policy (URT 1995) and programmes such as PEDP (URT 2000), state that primary education should ensure that all children acquire basic literacy and numeracy skills, the results don't bear this out. Assessments carried out by Uwezo (2011 and 2013) found that a large number of children finishing seven years of primary education do not have basic numeracy and literacy skills. These results have been fairly consistent over the three years of assessment.

In addition, Uwezo shows that children consistently perform worse in English and Swahili literacy skills (35% of the children in Standard 2 and above were able to read a Standard 2 level English text in 2012) than in numeracy (68% of the assessed children passed the numeracy test in 2012) (Figure 4). The assessments also found that children from urban areas and of wealthy parents performed better than poor children and those living in rural areas (Uwezo 2011 and Uwezo 2013). Similar findings were noted by another study carried out in 2013 (USAID 2014). On the whole, Tanzania underperformed in literacy and numeracy compared to Kenya, but outperformed Uganda in all areas save English literacy.

In addition to its focus on numeracy and literacy, PEDP emphasises the importance of developing character – the skills and attitudes needed for development – in children. This includes communication and problem solving skills, initiative, self-motivation, self-confidence, and workplace skills. Unfortunately, here too the Tanzanian educational system fails to meet its ambition.

Tanzanian employers argue that the educational system fails to teach the skills and the intellectual prowess they require. The result is a small pool of well-qualified people, creating a skills shortage that is one of the factors making Tanzania unattractive for business (ATE 2011). Even those employers impressed by the scientific and technical knowledge possessed by graduates were concerned about their lack of English proficiency, communication skills, problem solving ability, innovativeness, and creativity. They also report negative attitudes towards others, unwillingness to learn, and reluctance amongst workers (ATE 2011).

This mismatch between the education system and the skills required by the labour market is partly responsible for the employment crisis in Tanzania. In 2013, only 7.8% of the workforce was employed in the formal sector. Of these 66% were employed in the private sector and 34% in the public sector. Youth unemployment (between 15 and 29 years old) is particularly prevalent, a serious problem in a country where this age group makes up 28% of the total population and has almost doubled since 1990 to 12.4 million in 2012 (DESA 2013). Kenya and Uganda have similar shares of 29% and 27% respectively (DESA 2013).

Gallup survey data show that in Tanzania just 10% of the young population was employed in 2013 compared to 25% in Kenya and 11% in Uganda.² The two sectors that employed most people were manufacturing and education, employing 19% and 17% respectively of the total employees in the formal sector (URT 2014).

Finally, the subjective evaluation of the education system further underscores these failures. Only 54% of young Tanzanians find that children are learning at school compared to 74% in Kenya and 72% in Uganda. Even more striking, only 37% of young Tanzanians are satisfied with the quality of education in the country, which compares to 60% of Kenyans and 59% of Ugandans (See Heat Map - Page 12).*

THE DRIVERS OF LOW PERFORMANCE OF THE TANZANIAN EDUCATION SYSTEM

Studies have identified different factors, ranging from class size to teacher quality, which may help improve the education system.

A study from HakiElimu (2008) undertaken in six districts in Tanzania showed that quality of education at primary and secondary level was perceived by respondents as a combination of inputs – such as number of classrooms, teaching materials, quality of teachers – and outcomes – such as the probability of passing exams and receiving the right preparation for the labour market and tertiary education. In particular, students were mainly concerned about teachers' behaviour during lessons (they expressed a desire for qualified, amiable, and dedicated teachers)

as well as the relevance of curriculum and teaching content for developing the right skills for employability. Headmasters highlighted the importance of high quality education in enabling students to become problem solving leaders at a community and national level.

It has long been argued that educational inputs in Tanzania must be improved. Tanzania has, on average, 46 pupils per teacher in classrooms, more than the Africa average (42) and more than South Africa (30) (Figure 5). Moreover, the quality of teachers is low. Currently, among the students completing their secondary education, only those who are not selected for other professions decide to become teachers. As a result, those that make it back into the classroom are the students with the poorest grades (URT 2008).

A World Bank study (AERC 2011) showed that the content knowledge of primary school teachers in English and Mathematics was poor: only 11% of the teachers were able to answer all the questions in a test based on the primary school curriculum. The study also found a high absence rate of teachers from school: on any given day 23% of teachers were not in school. Even when they were in school, 53% of them were not in the classroom at any given time. As a result, on average, pupils were taught for only two hours and four minutes per day out of the required five.

Finally, another key element in understanding educational outcomes is the teaching method. In Tanzania, like many other countries in the world, a student is deemed to have learned if he/she gives a correct answer. This leads to rote learning; students memorising answers. Classrooms need to be changed so that

A well-educated person is more productive and more likely to participate in political processes, to fight against corruption, and to develop different values and norms than those without education.

learning is defined not as giving correct answers but as asking the right question and finding its answer. This process of learning contributes also to the self-confidence and self-fulfilment outlined as key objectives in PEDP III (URT 2012).

THE WAY FORWARD

Tanzanian education is not producing graduates with the skills needed to work in the formal sector. The lack of an adequately skilled workforce is a hindrance to investment in sectors such as manufacturing, construction, mining, agriculture, finance, and communications. The main problem seems to be literacy skills, especially in English. Employers also complain about a lack of 'soft' skills such as motivation, innovation, and problem-solving ability. Tanzania needs education that improves students' chances of finding employment.

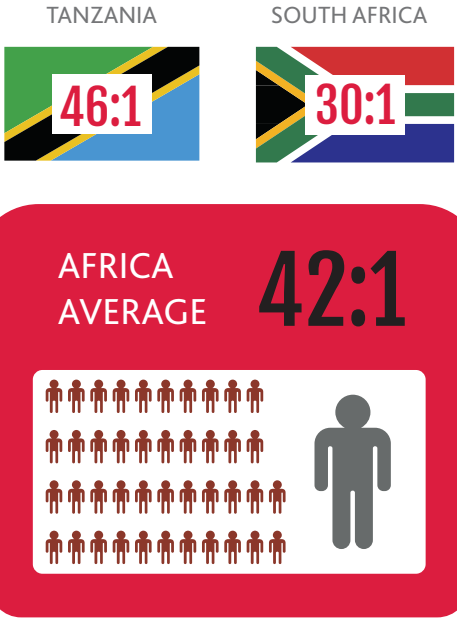
Efforts need to focus on schools, the places where children learn the skills and knowledge they so need in life. For that to happen, teachers have to be in class and teaching. School management must be improved so that teachers are disciplined for poor attendance and held accountable for the performance of the children.

Teachers also need to be better at teaching languages. There should be some specialisation, instead of the current practice where a teacher is required to teach all subjects.

Moreover, national budgets for education should be allocated more effectively. As shown earlier, resources need to be shifted to rural areas and to policies that support the poorest children.

National education policy has so far failed to provide Tanzania's youth with the knowledge, skills, or capabilities that are required in the 21st-century global labour market. Designing policies based on evidence could really make a difference for the future of Tanzania. The experiences of other countries over the last 50 years show that this is possible.

FIGURE 5: PUPIL TO TEACHER RATIO



Source: World Development Indicators

*Survey data are taken from the Gallup® World Poll.
¹ In 1960s, Theodor Schultz, a Nobel Prize winning economist, established the term "Human Capital" (Berger 2006) to differentiate between types of workers. Human Capital is the stock of competencies, knowledge, and social and personality attributes, including creativity, embodied in the ability to perform labour so as to produce economic value.

CASE STUDY 1

Indigenous knowledge, education quality and prosperity

Dr. Chika Ezeanya, Senior lecturer, College of Business and Economics, University of Rwanda

High-quality education is an essential component of economic transformation and wider prosperity. Central to that quality is the content of curricula. The Dakar Framework for Action in 2000 declared access to quality education as a fundamental right of every child in Africa (UNESCO 2000) – but it did not explain what an appropriate curriculum really means.

In much of sub-Saharan Africa, curricula have not fundamentally changed since independence (Brock-Utne 2000). They are often detached from local realities, biased towards Western knowledge, and do not emphasise African cultural heritage and history (Le Grange 2010). The result is a mismatch between what students learn at school and the challenges they face in their countries. One way to remedy this is to include indigenous knowledge and local languages in curricula and teaching methods. Indigenous knowledge is both culture and context specific. It is generally orally transmitted and non-formal, dynamic, and adaptive (UNESCO 2003). Evidence shows that teachers teach better and students learn better in local languages (Bangura 2012). Moreover, approaches to learning which are more in line with sociocultural characteristics help the interpretation of scientific concepts and long-term storage of information in the memory (Jegele 1995). Indigenous knowledge is also an invaluable tool to foster students' motivation and self-esteem (McKinley 2005).

Indigenous knowledge is fundamental to most sectors of the economy: food security and health, environmental preservation (Nyong, Adesina and Elasha 2007), and efficient public administration (Ayittey 2006). It is also a considerable source of inspiration for innovations (Flavier 1995, SAIS 2013) which, if not protected, can lead to widespread biopiracy (Battiste and Henderson 2000). Indigenous knowledge can help to develop a cohesive worldview, which can give Africans the opportunity to take charge of their own development and minimise the dependence on external intervention, including foreign aid (Moghalu 2014).

However, indigenous knowledge is often seen as being at odds with modernity, formal schooling, and science (Semali 1999). Studies have shown that teachers have a negative attitude to indigenous science (Shizha 2007). Combined with the use of foreign examination systems, this places constraints on changes to the curriculum and teaching methods. Research in the utilisation of indigenous knowledge in curriculum development should be encouraged to overcome these constraints.

In particular, it is important to support the exploration of new ways to support indigenous knowledge alongside globally accredited

knowledge. Teacher training can improve understanding of the need to integrate indigenous knowledge in the curricula, as shown in a study for South Africa (Ogunniyi and Hewson 2008). In short, indigenous knowledge is not a relic of the past, but central to Africa's future.

Research suggests that knowledge-management systems (libraries, archives, media centres, the World Wide Web) in Africa are often not suited to the promotion of indigenous knowledge as the latter is not codified (Msuya 2007). Moreover, most African universities use textbooks that are published outside the continent (Ezeanya and Satya 2012) and therefore neglect the contribution of African scholars to knowledge. To overcome these impediments, the quality and quantity of African-produced educational resources must improve. Furthermore, African governments and interested external bodies should strongly encourage local authors and support the local publishing industry.

African governments need to take urgent action to improve the quality and relevance of education. One example is the Second Decade of Education for Africa (2006–2015) plan signed by the heads of state and government of the African Union, which prioritises African knowledge systems as a way to improve education. The document also mentions the role of technical and vocational education and training in preserving and fostering indigenous knowledge and cultural practices (such as traditional arts and crafts).

Efforts in this direction, although very limited, are under way in certain parts of the continent. In South Africa, for instance, the curriculum review of 2005 mandates instructors to integrate indigenous knowledge systems into courses related to the sciences. This reform has been widely discussed in the literature and policy circles, giving useful guidelines for other African governments on implementation of similar policies.

Indigenous knowledge can help to develop a cohesive worldview, which can give Africans the opportunity to take charge of their own development

CASE STUDY 2

Improve the education system in Nigeria: the role of technology

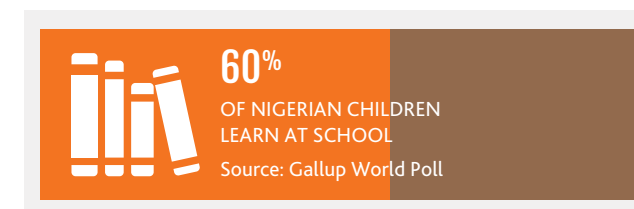
Njideka U. Harry, Founder and chief executive, Youth for Technology Foundation

Education is a major pillar of a knowledge economy and a basic human right. Educational achievement leads to improved health and earning potential in the short and long term. Yet education is still a widespread problem in Africa. Consider Nigeria, where improvements in the economy have been substantial but education performance still lags behind.

In Nigeria, there are around 64 million people between the ages of 15 to 35 (more than one third of the overall population). Secondary school enrolment has grown significantly at 8.2% per year between 2000 and 2010 compared to a 2.7% population growth in the same period (Dalberg 2014). However, enrolment rates are still low and stand on average at 64% (primary) and 44% (secondary) in 2014 compared to 82% and 50% for 38 African countries.

Moreover, in this same period, the out of school population has also grown. Nigeria now has an out of school child population of 10.5 million, the highest in the world (UNESCO 2014). This deprivation is concentrated in Northern states (Adejoro 2014), and is higher for girls and women (UNESCO 2014). For those that do attend school, educational quality is a serious concern. Only 50% of Nigerians are satisfied with it and just 60% of the population believes that children are learning at school (Figure 1).*

FIGURE 1: ARE CHILDREN LEARNING AT SCHOOL?



A number of factors, both on the demand and supply side, contribute to the poor performance of the Nigerian educational system. On the demand side the main factors decreasing access to education include economic constraints and cultural norms, which predominantly penalise girls. On the supply side, the provision of inadequate school infrastructure (most Nigerian universities have a rejection rate of over 90%), insufficient quality, inadequate curricula, and poor learning outcomes play a role in keeping children out of school.

The use of education technologies and open educational resources, like the Massive Open Online Course (MOOCs), may be a solution to Nigeria's education problems. First of all, technology improves access, by giving more the opportunity

to attend 'remote' lessons. A group of Nigerian universities, in partnership with the private and public sector, is planning to launch the first major e-learning degree in the country. However, to be really effective, e-learning in Nigeria should be adopted also in primary and secondary schools and not only at university.

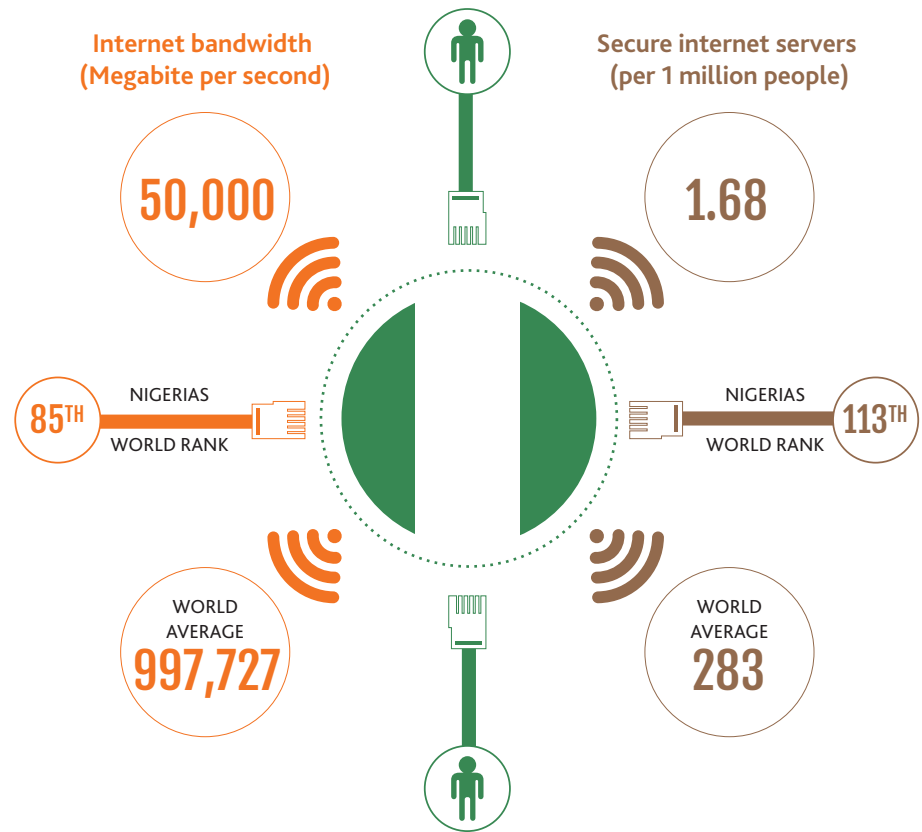
UNESCO Dakar, which has been running the PAJEF literacy project in Senegal since 2011, showed that ICT may help decrease the gender bias in education since 'mobile phones, computers, internet and TV make literacy courses much more attractive for illiterate women' (UNESCO Dakar 2014). A similar project was launched in Nigeria in May 2014. Moreover ICT makes books cheaper and available to a larger share of the population.¹ The American University of Nigeria recently opened a multimedia library containing the largest e-book collection in Africa.

In addition, the use of portable digital devices (including laptops but also solar batteries and charging facilities) will allow scholars to remain engaged with their schoolwork when they are not able to attend classrooms as a result of health crises (for example, Ebola),² family emergencies, bad weather, and local/regional conflicts related to current (and future) political/religious extremism (such as the Chibok girls in Nigeria kidnapped by Boko Haram). UNICEF Uganda, for example, developed MobiStation, a solar-powered 'classroom in a suitcase', which features a projector and off-line educational content. Educational programs that utilise tablet computing and rural localised Wi-Fi connected to Remote Access Community Hotspots for Education and Learning (RACHEL Pis) ('hubs') started in Nigeria in early 2014.

Technology can also increase educational quality by introducing new ways of teaching, alternative learning methods, and new subjects not included in the traditional curricula. Some low-income countries are considering using the Khan Academy – a widely known educational website – not as a tool for students, but rather to help teachers learn the content they are supposed to teach. Many teachers that have been introduced to the Khan Academy are willing to use it as a complement to their traditional teaching methods: students could use the online courses as an additional source of information after the traditional lecture is delivered.

With regards to the curricula content, the 'Bridges to the future' initiative in South Africa supported the diffusion of indigenous knowledge (see page 17) by enabling children and

FIGURE 2: NIGERIA'S CONNECTIVITY
Source: Int. Telecommunication Union



adults to learn reading in their mother tongue. In order to tailor the online course to its specific needs, Africans should play a more active role in developing online courses and not act as a passive consumer of content produced elsewhere. Kepler from GenerationRwanda is a good example of a Rwanda-based MOOC. ICT may also be used to disseminate extra-curriculum information. For example, ALISON (Advance Learning Interactive Systems Online) puts online a new course to better understand and help prevent Ebola. Similarly, China has used online courses to increase awareness of the SARS epidemic.

Africa is lagging behind other regions in terms of MOOCs diffusion. The poor condition of infrastructure is the main obstacle to a larger diffusion of online educational platforms. For example, international internet connection in Nigeria has a capacity of 50,000 megabytes per second versus a world average of more than 900,000 mbps. Also, the diffusion of servers using encryption technology in internet transactions is limited (1.67 per million people in Nigeria versus 283 globally) (Figure 2). Moreover, only 48% of the population³ and 35% of primary schools⁴ have access to electricity.

There are, on the other hand, good opportunities for future expansion of ICT in education in Africa, and in Nigeria in particular. Indeed the large diffusion of mobile phones (Nigeria ranks 8th among sub-Saharan African countries in terms of household ownership of mobile phones), access to the internet

(here Nigeria ranks 5th amongst African countries) and the falling price of ICT devices would support the success of this new educational approach. In order to increase access to educational technologies, the America University of Nigeria provides each student with a laptop on entry. Similarly, the Osun State government started distributing 150.000 laptops to school pupils in 2011 (Rwanda and Kenya have promoted similar initiatives).

In order to improve the education system and allow more people to lead prosperous lives, a transformation is needed within the 'education ecosystem' in Nigeria and technology may support this change. To increase the impact of these alternative learning approaches it is important to increase awareness of the benefits of digital literacy training and ICT in general, improve access to reliable ICT infrastructure, support the creation of a peer education network, improve the ICT skills of teachers and facilitate the utilisation of modern learning equipment and material (e.g. digital learning technologies). A partnership between government structures, NGOs, local communities, and the private sector is critical for the success of these initiatives.

* Survey data are taken from the Gallup® World Poll.
¹ It is worth keeping in mind that printed and digital books are not perfect substitutes.
² In response of the threat of Ebola across West Africa, the governments of Nigeria, Liberia, Sierra Leone and Guinea temporarily closed their schools.
³ World Bank Development Indicators, 2011.
⁴ Unesco Institute for Statistics, 2008.



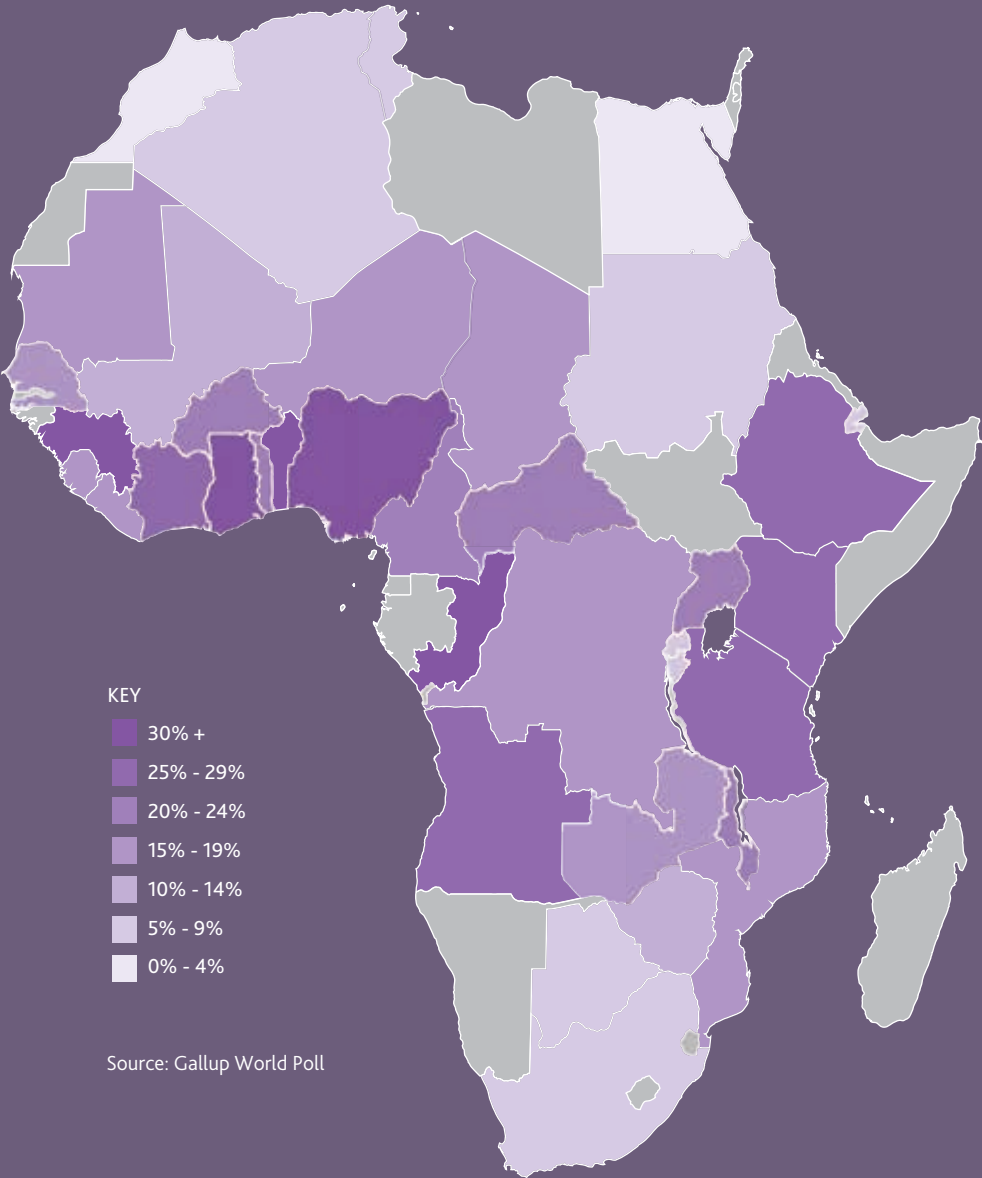
Gender and Entrepreneurship in Africa

HOW MORE FEMALE ENTREPRENEURS WOULD DRIVE PROSPERITY IN AFRICA

Africa's women represent a very large under-used resource for business. This needs to be unlocked in order to release female human capital that could revolutionise the African labour market and the wider business environment. Female entrepreneurs are constrained by a variety of factors including social prejudice, poor access to education, limited access to finance, and exclusion from business networks.

This chapter firstly explores the gender imbalance in African entrepreneurship caused by the many impediments to female entrepreneurship. Following that, two case studies analyse the impact of the Arab Spring on female business activities in Egypt as well as the state of Rwanda's business environment for women.

HEAT MAP: PERCENTAGE OF WOMEN WHO REPORT CURRENTLY OWNING A BUSINESS



Source: Gallup World Poll

Women entrepreneurs drive prosperity: what hinders them?

Prof. Anita Spring, Professor Emeritus, Department of Anthropology, University of Florida
Prof. Lettice K. Rutashobya, Professor of Business and Management, University of Dar es Salaam

Today, Africa has one of the fastest and strongest economic growth rates and highest return on investment in the world. Coupled with its vast array of resources, Africa has the potential to contribute to economic and social development around the world. The positive growth of African countries cannot be sustained if over half of its human capital is not fully utilised. In order to maximise the continent's growth opportunities, economic participation of both men and women needs to be prioritised. In particular, female entrepreneurship should be scaled up to realize current and future opportunities.

GENDER INEQUALITY IN AFRICA

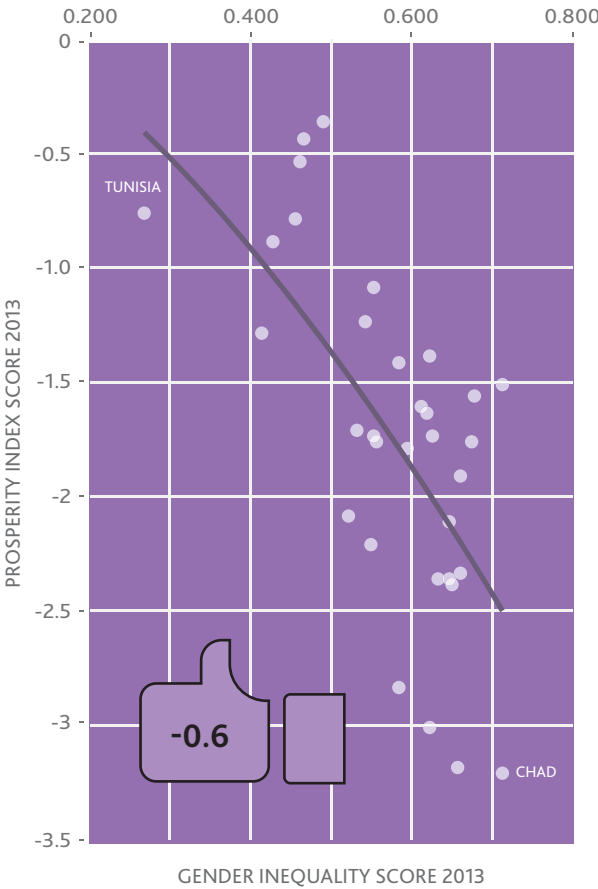
Gender inequality is a major constraint to female entrepreneurship and it is also costly for economic growth and social development. The Global Gender Gap Report (2013) confirmed a correlation between gender equality and the level of competitiveness, GDP per capita, and human development (World Economic Forum 2013). Studies from Uganda (Ellis, Manuel and Blackden 2006) and Kenya (Ellis, Cutura, et al. 2007) indicated that these countries could gain 2% of GDP growth and 2% to 3.5% of yearly GDP respectively, if gender inequality was eliminated. Other studies have shown that increased earnings and income for women is correlated with increased education attainment for children, wellbeing, and business development and expansion (Ernst and Young 2011). A static correlation between the gender inequality index and the Legatum Prosperity Index™ shows a significant negative correlation of -0.6 (Figure 1).

TYPES OF WOMEN ENTREPRENEURS

According to polling data from Gallup, women and men own approximately equal numbers of businesses on average across the continent (22% and 24%, respectively). However differences are substantial between countries (see 'heat map', page 22). Female ownership of business is high in Madagascar (67%), Ghana (34%), Guinea (33%), Benin (32%), the Democratic Republic of Congo (DRC) (31%), and Nigeria (31%). Ownership among women is significantly lower in Morocco (3%), Egypt (4%), Botswana, and Tunisia (both 6%).*

Despite the small difference in average male/female business ownership across the continent, women and men strongly differ in the type of firms they own. Women dominate in small/micro-enterprises, while men dominate in larger and higher-end enterprises. Several studies in the early 1990s and 2000s

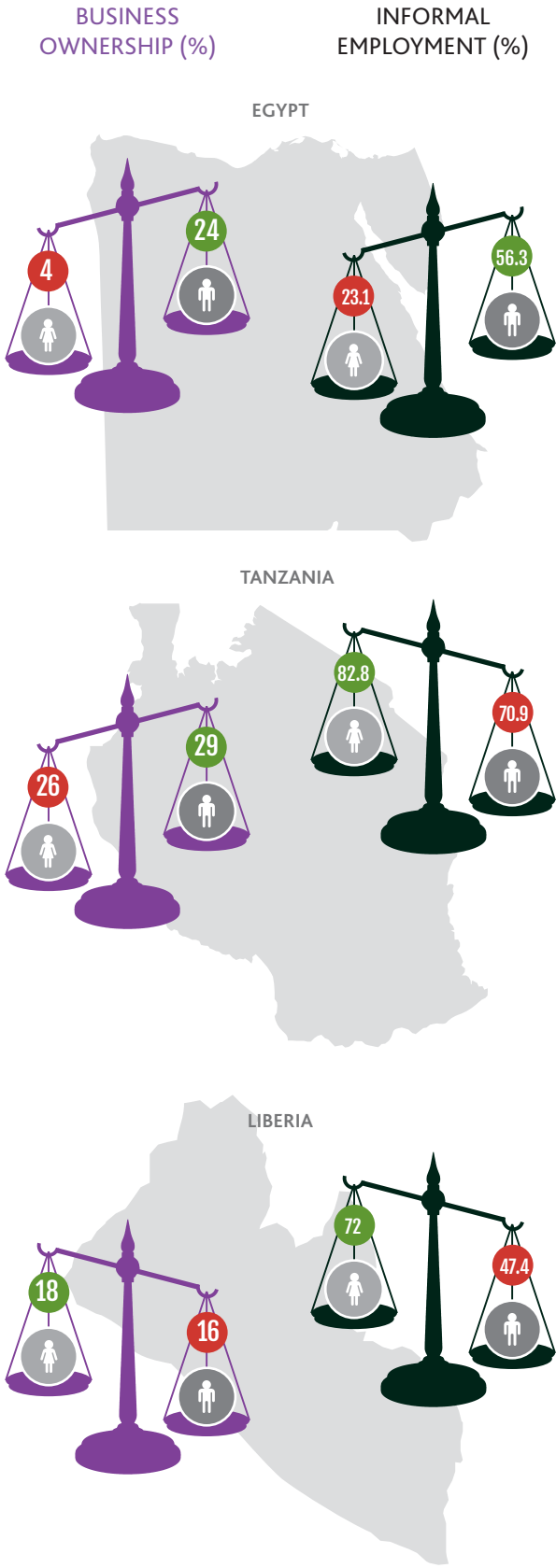
FIGURE 1: GENDER INEQUALITY AND PROSPERITY



looking at the start and growth of micro enterprises in sub-Saharan Africa have demonstrated how women are dominant amongst those starting micro enterprises but the numbers of these who go on to expand and become formal small business owners is dramatically lower (L. Rutashobya 2003).

Due to the fact that many women venture into entrepreneurship for necessity and reasons of poverty alleviation rather than for economic empowerment, there is a higher probability that they begin and remain within the informal sector. It is estimated that African women account for a significant part of the informal economy, from 23% in Egypt to 82% in Tanzania (Gallup World Poll 2014, ILO 2013) (Figure 2). A study of 600 Ghanaian unregistered, female-owned businesses showed that these firms had fewer employees and lower sales than male-

FIGURE 2: GENDER GAP IN THE FORMAL AND INFORMAL SECTOR
Source: Gallup World Poll 2014 and ILO 2013



owned businesses. In Tanzania, women made up 43% of micro and small enterprises; their businesses were smaller, had fewer employees, and had bleaker growth prospects (IFC 2007). The same is true in Egypt as discussed at page 27.

The informal sector also includes large-scale women traders (with revenues of thousands to millions of dollars) who import textiles, apparel, household goods, and appliances/electronics and sell them locally. These kinds of businesses are very common in DRC. These types of traders do not pay taxes and their businesses, although generating profit and noticeable turnover, do not contribute to official GDP figures (Coquery-Vidrovitch 1997, Spring 2000).

Although significantly lower in number than in the informal sector, female business owners are present also in the formal sector with both small to medium-size and high-profile large-scale activities. The small to medium-sized businesses are involved in manufacturing and retailing of textiles, clothing, agricultural/food products, household goods, and appliances. They also offer businesses services such as transport, tourism, computer training schools, and print shops. Large formal-sector farms and manufacturing facilities (food processing, clothing, textiles, timber, cement, and construction materials, etc.), as well as large retail and service-sector businesses (accountancy, computers/electronics, transport, construction) are owned by well-established African women that are touted and/or have media profiles in their countries.

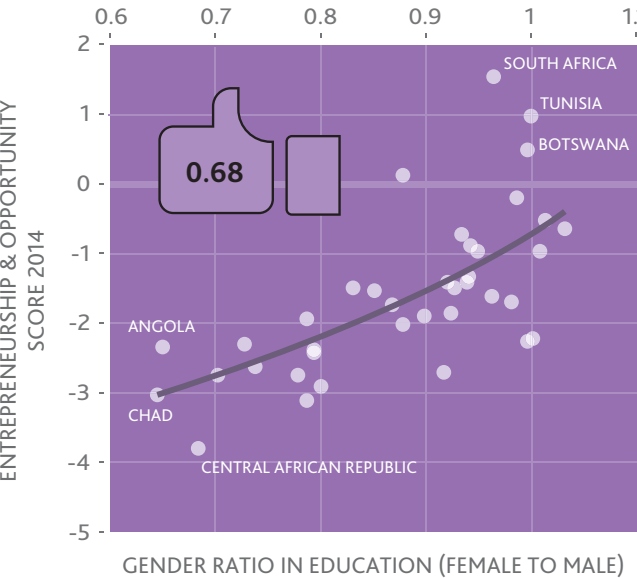
These successful women entrepreneurs serve as role models for younger women, especially college students and those starting out with salaried jobs (Fick 2006, Spring 2009 (a)). In addition to entrepreneurial activities, women's involvement in prestigious paid jobs is increasing. Quantitative data show a positive trend in the number of companies hiring women and appointing them to boards and managerial positions. This is a significant achievement since companies with women board members and managers have been shown to be more successful than those without (Ndhlovu and Spring 2009, BWA 2011).

BARRIERS FOR WOMEN ENTREPRENEURS

Nowadays in Africa there are many constraints inhibiting women's participation in entrepreneurship. In addition to the general business environment, regulatory constraints, and lack of entrepreneurial skills, there are specific economic and social factors that discourage or hinder entrepreneurial activity of women.

Interactions between the regulatory and the financial systems deserve attention. African customary laws and the social system have strongly restricted women's access to resources. A government report revealed that only 19% of Tanzanian women owned land or had customary rights (Hampel-Milagrosa and Frickenstein 2008). In a collateralised banking system, limited access to land denies women access to entrepreneurial finance (Hallward-Driemeier 2013). This may explain in part why start-

FIGURE 3: GENDER RATIO AND EDUCATION



up capital obtained by male owners of small/medium formal firms in Tanzania is more than twice the amount (average US\$14,000) received by female owners (US\$5,800). Moreover, both receive much more than informal-sector men (US\$1,600) and women (under US\$1,000) entrepreneurs (Hallward-Driemeier 2013), which shows that women in the informal sector are particularly disadvantaged.

Education is the key to women's upward mobility both financially and socially. Most formal-sector businesswomen have attained tertiary education that includes business training courses and college degrees. Indicators in the Prosperity Index show that the girls-to-boys enrolment ratio was lower in sub-Saharan Africa (874.9 girls to every 1,000 boys) than in MENA countries (1,003 girls to every 1,000 boys). Among the sub-Saharan African countries, Namibia, Rwanda, Congo Republic, Botswana, and Malawi had the highest rates (either equal numbers or more girls per every 1000 boys enrolled). Among the lowest rates are Chad, Angola, Central African Republic, Djibouti, and Sierra Leone. According to Gallup data, more women than men completed elementary school (68% vs. 61% in 2013 on average for 32 African countries), while fewer women than men attained tertiary education.*

Lack of education makes women less prepared to start and manage formal and large businesses. In fact, the correlation between the gender ratio in education (female to male) and the Entrepreneurship & Opportunity score of countries in 2014 is 0.68 (Figure 3).

The social system is also a barrier to social and business networks. Traditional 'divisions of labour' disadvantage women: by giving women the burden of domestic responsibilities, it decreases their opportunity of networking and investing in their firms' expansion. Findings from Ghana and Tanzania show women

have more business ties with kin, conditioned by preferences for social insurance rather than for economic benefits, while men have more ties with non-family businesspersons. Also cultural inhibitions, by limiting the relations with the opposite gender, pose a disadvantage for women's networking opportunity (Spring 2009 (b), Kuada 2009, Rutashobya, Allan and Nilsson 2009). As a result, the quality of entrepreneurs' networks varies by gender, with men associating with more professional colleagues than their female counterparts. Formal-sector businesswomen frequently state that they feel obstructed by the 'gender divide' prevailing in most African countries where traditional 'attitudes' inhibit women's inclusion into business and financial activities.

SOLUTIONS TO SOCIAL BARRIERS FOR WOMEN ENTREPRENEURS

Various solutions to ameliorate the social and financial barriers faced by women entrepreneurs have been proposed and implemented. Solutions that offer women new networking opportunities, access to finance, and business education are among the key factors that sustain and incentivise formal-sector businesses.

The 'New Generation of African Entrepreneurs' is a good example of such a policy. It is an experimental network of women and men in formal sector businesses set up by the World Bank, the U.S. Agency for International Development (USAID), and Club de Sahel between 1993 and 2004. As part of this project, that focused on fiscal transparency, anti-corruption, and global business practices (McDade and Spring 2005), members helped develop national stock exchanges (Ghana and Kenya); established cross-national joint-business ventures and venture capital funds; interacted with regional economic organizations (ECOWAS, COMESA, SADC); and contributed to rewriting private-sector regulations.

This experimental network is a great chance for women to interact with men at the same level since they had the same education and professional training, used the same global business practices, and belonged to the same professional business associations as men. Recently, President Barack Obama announced that USAID will invest more than \$38 million in a similar initiative: the creation of four regional Leadership Centres that will train thousands of Africa's emerging leaders and foster connections, creativity, and collaboration in sectors critical to Africa's growth and development. It offers great promise for talented young men and women of Africa, and includes critical education, entrepreneurship, and leadership development opportunities.

Current initiatives facilitating women's business networks include the Africa Businesswomen's Network constituted by Vital Voices Global Partnership, ExxonMobil Foundation. These aim to raise the profile of successful women in business, support policy reforms, and expand economic opportunities for women. Another example is the Business Women's Association



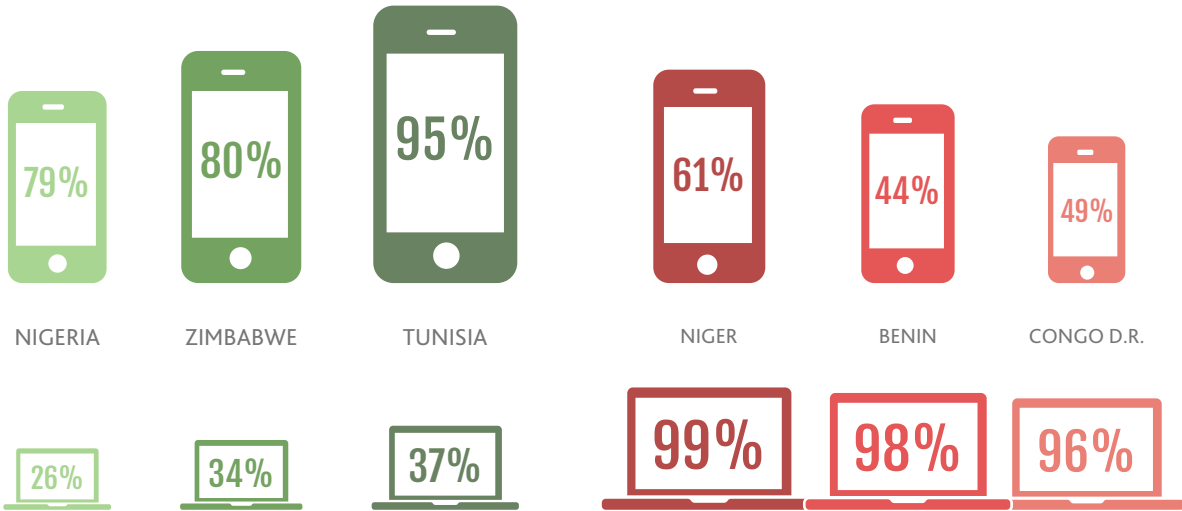
FIGURE 4: HOUSEHOLD HAS ACCESS TO CELLULAR PHONE AND INTERNET

Source: Gallup World Poll



COUNTRIES WITH HIGH SHARES OF WOMEN REPORTING THAT THE HOUSEHOLD HAS ACCESS TO CELLULAR PHONE AND INTERNET:

COUNTRIES WITH HIGH SHARE OF WOMEN REPORTING THAT THE HOUSEHOLD HAS NO ACCESS TO CELLULAR PHONE AND INTERNET:



(BWA) in South Africa that monitors women's progress in serving on corporate boards (a powerful indicator of company success) and in executive and managerial positions.

ICT usage by women has greatly enhanced women's economic gains, independence, empowerment, and network formation, although women are not as well trained, do not have as much access as men and there is a lot of variation across countries (Figure 5). Mobile phones contribute to women's empowerment in the family by facilitating healthcare and children's school attendance. Cell phones and the Internet assist women in their business and allow them a more balanced work-life style. Indeed, businesswomen use mobile phones for product sourcing and market sales; time and labor management; family needs and crises; and financial aspects of home and business. Usage depends on education and literacy, as well as on wealth levels. In many countries women's business networks are linked through the

Internet, email, and social media (e.g., Ghana, Senegal, South Africa, and Zambia). Company websites link suppliers and clients in countries such as Kenya, Uganda, Cameroon, and Ghana.

CONCLUSIONS

Gender inequality, a major problem in most African countries, is mainly a result of socio-economic and cultural factors. Unequal access to education, limited business start-up capital, and restrictions on property ownership and business-associations adversely affect women's entrepreneurship opportunities. A concerted effort by governments and civil society is needed to ensure that the full potential of African women is leveraged for the benefit of national economies, communities, and individual households.

Currently, the number of women in formal-sector businesses and in leadership positions is increasing but that is not enough. The major challenge is to provide all women with greater access to the formal sector, to move them to greater business ownership, and to remove the many barriers to upward mobility.

* Survey data are taken from the Gallup® World Poll.

Solutions that offer women new networking opportunities, access to finance, and business education are among the key factors that sustain and incentivise formal-sector businesses

CASE STUDY 1

Women in the aftermath of the Arab spring: still struggling to become entrepreneurs

Dr. Hala Hattab, Lecturer in Business Administration/ Entrepreneurship, British University in Egypt

Egypt is a country endowed with human capital. It is the most populous in the Arab region with a population of approximately 90 million, of which women comprising half. However, women remain an underutilised resource, as in 2013 82% of Egyptian women were out of the workforce (compared to 23% of men) and only 4% owned a business (compared to 24% of men). The gender gap in unemployment is four times higher than in the rest of Africa and the gender gap in business ownership a staggering ten times higher.¹ (Figure 1)

This unfavourable situation is a reflection of the difficulties facing Egyptian women, namely: the social norms that define women as dependent and their primary responsibility as childcare; harassment and immobility; and problems of access to finance, opportunities and networks.

The Arab Spring took its toll on women's entrepreneurship in Egypt and in particular it has worsened the gender gap and diminished motivations to start a business.

The difference between the number of woman and man owning a business rose from 9% in 2011 to 20% in 2013 (Gallup 2014). According to the Global Entrepreneurship Monitor (GEM), in Egypt in 2010 women comprised 35% of entrepreneurs who owned a young business

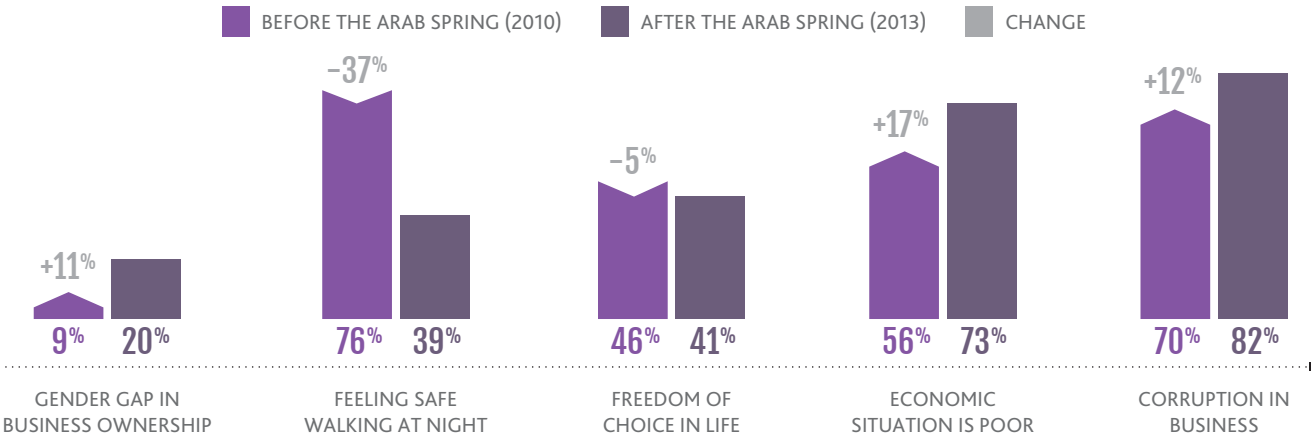
The impact of the revolution on the types of women who run a business was more ambiguous: 2010 data (Hattab 2012) shows that entrepreneurship was most prevalent among women living in rural areas aged 35 to 44 and earning EGP 500-1000 per month; by 2012, female entrepreneurship had grown older (45 to 54 years old), more urban, and more lucrative, earning EGP 1501-2000 per month).

The type of businesses started by Egyptian women has not changed: women still start informal businesses in the consumer-oriented sector with on average 1-5 employees and there is no intention of using new technology or expanding their businesses in or outside of Egypt (Hattab 2012, 2013).

The effect the Revolution had on curbing female entrepreneurship in Egypt was, in part, a combination of business constraints – restricted access to finance and business networks and hostile business environment – and social constraints – family commitments and society's view on women's social status (Adly and Khatib 2014). Yet the major constraints for women before the revolution were related to macroeconomic uncertainty; illegal competition; corruption; and, regulatory uncertainty, very different reasons from those reported in the post-revolution period (Nasr 2010). Hence, the social status of women seems to play a greater role in hindering women's participation in entrepreneurship after revolution compared to before it.

Other factors also seem to negatively impact women after the Revolution. In 2013 only 39% of women said they feel safe walking alone at night compared to 76% in 2010.² Also, 41% of women in 2013 reported having the freedom to choose the course of their life, when in 2010 it stood at 46%. From an economic perspective, 73% of Egyptian women described the economic situation in the country as 'poor' after revolution compared with 56% before. Finally, perception of corruption has also changed: 82% of women reported corruption to be widespread in businesses post-revolution compared to 70% just before it (Figure 1).

FIGURE 1: WOMEN'S PERCEPTIONS BEFORE AND AFTER THE ARAB SPRING



(less than 3.5 years old) and 17% of entrepreneurs who managed to grow their businesses beyond 3.5 years (Hattab 2013). These percentages show a considerable decline in the aftermath of the revolution, since as in 2012 women comprised 14% of all young businesses in Egypt (GEM) and 12% managed to grow their businesses (Hattab 2012).

Before the Arab Spring, women reported that they were driven to start a business by entrepreneurial impulse and opportunity, while in the aftermath they mainly did it out of necessity (Hattab 2012, Hattab 2013). This corresponds with data showing that women have found it difficult to live comfortably with their current household income, which has risen from 20% in 2009 to 31% in 2012 (Gallup world Poll, 2014).

All these factors have an impact on the role of women in Egypt. Policy measures should reflect these concerns and offer more support to women. Media campaigns and educational efforts are ways to address these post-revolution barriers, but social barriers remain. Egypt needs to increase women's access to opportunity, markets, training programmes, and business networks, as well as provide social support so that women can continue to work after they start their families. In this, childcare services matters most given entrepreneurship is more common among married women with children.

¹ In 2013 the gender gap in 'out of the workforce' is 59% in Egypt and 15% in Africa according to Gallup data. The gender gap in 'owing a business' is 20% in Egypt and 2% in Africa.
² Source: Gallup© World Poll, 'Do you feel safe walking alone at night?.'

CASE STUDY 2

Women in Rwanda: forging a new development model?

Jacqueline Musiitwa, Legal Counsel and Assistant to the CEO at PTA Bank, Founder of Hoja Law Group

For over a decade, Rwanda has worked hard and has duly received considerable publicity and positive accolades for its "rags to riches" post-conflict economic growth story. Rwanda is doing well in the Prosperity Index, and in the Entrepreneurship & Opportunity sub-index thanks to a relatively business-friendly environment.

Indeed Rwanda ranks 8th out of 38 African countries in the 2014 Africa Prosperity report and 10th for Entrepreneurship & Opportunity. Rwanda also has the 8th highest score in rule of law; 6th highest in regulation and government effectiveness; the lowest perceptions of corruption in Africa; and the highest level of court approval amongst African countries (Figure 1). Among the factors that contributed to the flourishing of entrepreneurship, Rwanda's inclusivity of women in economic activity as well as government leadership is especially relevant.

FIGURE 1: BUSINESS ENVIRONMENT IN RWANDA



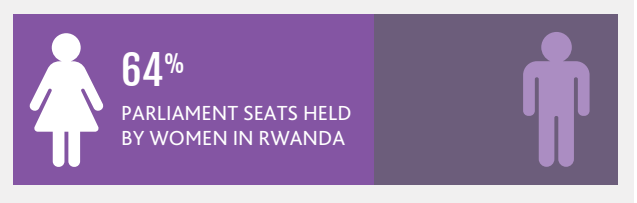
Source: The 2014 Legatum Prosperity Index™

It could be argued that Rwanda's leaders had little choice but to include women in the development of the country. One of the legacies of the devastating genocide of 1994 was a profound gender imbalance. According to some accounts, by the time the conflict was over, women made up over 60% of the population (Evensen 2014). But regardless of whether or not the particular circumstance of history played a part, Rwanda deserves credit for actively encouraging women to play a central role in shaping the future of their country. And it seems to be paying dividends.

According to the African Development Bank, "women account for 55.2%" (African Development Bank 2008) of the economically active population in Rwanda. Furthermore, in 2013, only 9% of women claimed to be unemployed and more women are entrepreneurs than are employed full time.¹

Like most of Africa, many businesses are informal and agriculture remains the largest income-earning activity in Rwanda, where women's involvement is estimated to be over 80%. The challenge now is how to involve more women in entrepreneurial activities outside of agriculture in ways that can be scaled to employ other people. Gahaya Links, a company founded by Janet Nkubana, is an example of this potential: originally set up to employ genocide surviving women, it now exports peace baskets to high-end, international stores all over the world such as Macy's.

FIGURE 2: WOMEN IN PARLIAMENT



The inclusivity of women in governance has enabled them to influence policy and change legislation, encouraging an environment in which women can be equal participants, and beneficiaries of economic opportunities. In 2008, Rwanda became the first country to have a majority female parliament (see figure 2), and since then it has continued to boast large numbers of female parliamentarians: in September 2013 women held 64% of total seats in parliament, much above the required 30% minimum representation of either gender (Rwandan Constitution 2013). The Rwandan Parliament has been credited with enacting many reforms that have made it easier for women (and men) to thrive economically by becoming entrepreneurs, unlike other EAC countries such as Uganda (Ugandan Constitution 1995), Tanzania (Tanzanian Constitution 2000), Kenya (Kenyan Constitution 2010), and Burundi (Burundian Constitution 2005), which also have gender based parliamentary quotas, but none have actively aimed to get higher numbers (Quota Project 2014) or had progressive gender reforms during the same period.

Other laws that have supported female entrepreneurship are the Inheritance and Marital Property Law (1999) that allows women and girls to inherit from their spouses and fathers, the Rwandan Constitution (2003) that prohibits gender discrimination, the Gender Policy (2004), and Law Governing Land in Rwanda (2013) (African Development Bank 2008). In fact, research shows that Rwanda fares better than its neighbouring east African states in the number of women that own land and property in their own names (International Finance Corporation 2008).

Despite the improvements and the supportive legal system, more work needs to be done, the foremost being in education and cultural practices. In education, more women need to be educated in vocational skills and higher learning so they can create higher income businesses. Moreover, women need to be educated about their rights. For example, men traditionally control finances in the home and so it is difficult for women to use marital property as collateral. If women understood that under law they have claim over marital property, their bargaining power would improve. Political will has paved the way as far as establishing institutions and frameworks within which women can prosper. Now it is time for women entrepreneurs to take up the challenge to play their role in Rwanda's development story.

¹ Survey data are taken from the Gallup® World Poll



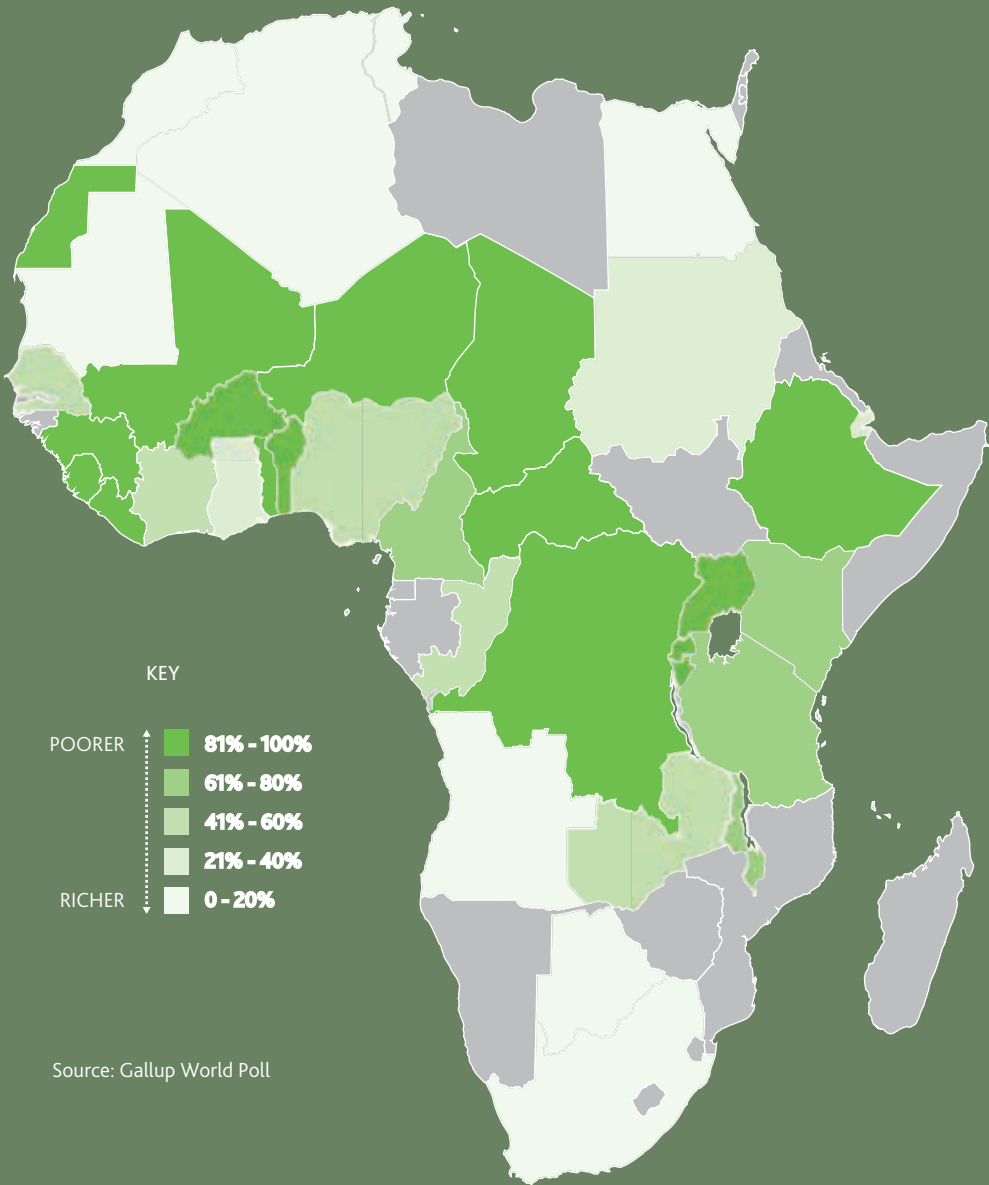
Middle Class in Africa

HOW A RISING MIDDLE CLASS WOULD DRIVE PROSPERITY IN AFRICA

Although the precise definition of the middle class in Africa remains an ongoing discussion, one thing is clear: its number has increased sharply in recent years due to the fast pace of economic growth. The link between the middle class and prosperity is not, however, limited to economic issues; it extends to values and attitudes. Experience shows that the middle class demand from their governments' greater accountability and transparency, better education, and a more business-friendly environment. Africa's middle class could, therefore, play a vital role in shaping the continent's future prosperity.

This chapter firstly explores the middle class's values and attitudes as well as some of the challenges that exist in defining what the middle class is. Following that, two case studies focus on the general consumption patterns of the middle class as well as a specific look at the middle class in Nigeria.

HEAT MAP: % OF PEOPLE WHO LIVE WITH LESS THAN \$2USD PER DAY IN THE FOURTH INCOME QUINTILE



Using survey data we have grouped African nations' into quintiles based on their average household income. The first quintile represents the poorest countries and the fifth quintile the richest. For the purposes of our analysis, the 'middle class' is defined by those countries in the fourth quintile (Algeria, Botswana, Mauritania, Morocco, South Africa and Tunisia). A more detailed explanation of this methodology is contained in the following pages.

What does an emerging middle class mean for Africa?

Prof. Mthuli Ncube, Chief Economist and Vice President, African Development Bank

Strong economic growth over the past two decades has helped to reduce poverty in Africa and to increase the size of the middle class. Today, about one-third of Africans have per capita daily consumption expenditure levels of between \$2 and \$20 in purchasing power parity (PPP) terms, which is characterised as middle class (Ncube, Lufumpa and Kayizzi-Mugerwa 2011). The emerging middle class in Africa will continue to grow: from an estimated 373 million (34% of Africa's population) in 2010 to about 1.1 billion (42% of the population) in 2060 (AfDB 2011).

The emergence of this new middle class has strong positive potential for the region. It has the capacity to increase domestic consumption; contribute to private sector growth and entrepreneurialism; boost demand for better governance and public services; improve gender equality; and raise overall standards of living, allowing many people to exit from poverty.

The middle class in Africa is driving a consumer market for African businesses and a demand for better governance and public services. Faster growth of the middle class requires investment in human development—education and health, with national savings efficiently mobilized and appropriate economic policies and good governance adopted. Overall, economic growth determines the rise of the middle class, but economic growth is, in turn, driven by social and economic factors.

KEY CHARACTERISTICS OF AFRICA'S MIDDLE CLASS

In our forthcoming book on The Emerging Middle Class in Africa by Routledge (Ncube and Lufumpa forthcoming), Charles Lufumpa and I go into greater detail about the dynamics of the African middle class providing both a historical and a contemporary context for its emergence. In Africa the emergence of the middle class has to be viewed in terms of the immediate post-independence period and the more contemporary period. The post-independence middle class evolved differently, and was largely influenced by the strategic decisions taken by post-colonial governments. For example, the post-colonial middle class consisted overwhelmingly of government employees and employees in other public sector corporations that were government entities. The contemporary middle class on the other hand, is larger in numerical terms, and it has a solid basis in private sector growth and diversification. It comprises both government employees and the entrepreneurial class—business owners in activities that

include banking, finance, information technology, retail and industrial processing.

The new middle class can further be characterised by its consumption habits which are reflected in household material living conditions, and changes in the tastes and habits, as well as in terms of increased discretionary income and changing consumption patterns (Deaton and Zaidi 2002). A growing middle-class in Africa requires housing, although financing home purchases is difficult in a number of countries. However, mortgage markets have been on the rise across Africa, and this is a reflection of middle-class opportunity.

The book also discusses the key factors driving the growth of the contemporary middle class in Africa. First, it delves into how people earn their income and the characteristics that distinguish someone who earns more than \$2 a day in PPP US dollars from someone who earns less. Overall, those in the middle class have moved away from agricultural self-employment toward non-agricultural wage employment. The terms of employment for middle class workers and poor workers also differ. Among wage workers, the difference between casual labourers paid on a daily basis and salaried workers typically paid a regular monthly wage is profound. Casual workers lack job security; their hours are unpredictable, and their benefits are few. Salaried employees, on the other hand, enjoy steady and predictable working hours and pay, which enable them to better plan for the future (Banerjee and Duflo 2008).

WHAT NEEDS TO BE DONE TO INCREASE THE SIZE OF AFRICA'S MIDDLE CLASS?

Africa's middle class is most prominent in countries that have a robust and growing private sector, as many members of the middle class tend to be local entrepreneurs. In a number of countries, a new middle class has emerged as a result of opportunities offered by the private sector. Other determining factors include the establishment of stable, secure, well-paid jobs and improved access to jobs, as well as skills, employability, and higher levels of tertiary education. The size of the middle class is rising in most African countries. Prospects for sustaining middle class status in Africa remain fairly high, although challenges still persist in some cases with possibilities for slipping back into poverty in the event of some shocks. From a policy perspective, it is evident that improving governance conditions and investing in education and health

can take countries a long way in improving the size of the middle class.

With expanding entrepreneurship, manufacturing and service industries such as telecommunications and finance, Africa's middle class will also likely continue to grow. This expansion is expected to translate into sustained growth of middle class jobs now and in the future. As African cities continue to grow, they will create an environment conducive to innovation and higher labor productivity.

Nevertheless, despite these positive trajectories, the informal sector will continue to dominate the African labor market in the medium term, as the growth of steady, well-paid employment is starting from such a low level (IMF 2011). Today, around 80% of the non-agricultural workforce in sub-Saharan Africa is informal (IMF 2011). Many enterprises operate informally because the cost, time, and effort of formal registration are too high. Similarly, credit costs are prohibitive for many, because interest rates tend to be too high. In most sub-Saharan African countries, people find remuneration in activities that provide minimal subsistence support (Charman and Peterson 2009). This reflects a weakness of African economies in fostering entrepreneurship and creating more productive jobs.

The emergence of the contemporary middle class must be set against the expansion of educational opportunities over the past four decades. Education is a key driver of the growth of the middle class. Education and spatial mobility are often key factors in procuring a middle-class job. They allow people to move into a new sector or industry with higher wage rates, or to relocate to an urban agglomeration where job opportunities are greater. In so doing, education opens up new avenues for upward mobility. In turn, growth of the middle class helps to bolster education and economic progress.

Between 1970 and 2010, enrollment in primary education rose from 23 million to 129 million.¹ Many African countries have already achieved the Millennium Development Goal of universal primary enrollment. Advances are being made in secondary school enrollment, which grew from 4 million to 42 million during the same period. Enrollment at the tertiary level is lower than at primary and secondary levels, but although considerably smaller in absolute terms, it increased 22-fold, from 0.2 million in 1970 to 4.5 million in 2008. Demand for tertiary technical education is also on the rise. In fact, Africa will need to rapidly reform its higher education system to focus on expanding opportunities for training in technical fields, especially science, engineering and technology.

The middle class is also more likely to seek better health care, and they are more likely to pay for private health care. The health landscape in Africa has transformed dramatically since the independence of many countries, and this is expected to continue over the next several decades as the middle class grows and the continent progresses. Africa has made considerable headway in improving the health outcomes of its populations,

despite the challenges posed by persistent poverty, epidemic diseases, and food insecurity. The rise in the size of the middle class presents an opportunity for private sector engagement in health service delivery, particularly specialized health care. An expanding middle class also provides a bigger tax base to fund much-needed social programs.

Empirical evidence shows that the growth of the middle class is associated with better governance, economic advancement, and poverty reduction. As people gain middle class status, they use their greater economic clout to demand more accountability and transparency from their governments. This includes pressing for the rule of law, clearer property rights, and a higher quality of public service provision.

The growth in the size of Africa's middle class, if well-managed, can also have a positive effect on gender equality in African societies. It can help to narrow the gender gap in education and in terms of access to future employment opportunities. With more women joining the ranks of the entrepreneurial class, property rights would be expected to improve thereby helping more women to move into productive non-farm activities. This, however, would also require changes in cultural practices, and norms that treat women as equal, and regulations and laws that aim at correcting social biases.

CONCLUSIONS

This article presents a multi-faceted picture of the emerging middle class in Africa and its driving forces. Statistics on the political economy, consumption patterns, jobs, education, entrepreneurship, gender and health of the middle class all tell a story about how the middle class in Africa is growing, and the implications for policymakers.

Policies that foster sustained and shared growth, enhanced human resources, private sector participation, and improved accountability and governance also spur the growth of the middle class. Governments will need to focus on bolstering the incomes of those already in the middle class, as well as assisting the mass of the population seeking to escape the cycle of poverty. Social policies can accelerate this emerging trend, for example, through increased spending on higher education, science and technology, and health. Over the next 20 years, with the appropriate policies focused on human capital development and job generation, and increased democratic space, Africa can transform its social fabric, as more and more of its population exit poverty to join the ranks of the middle class.

¹ UNESCO-UIS online; AfDB Data Portal 2013

² UNESCO-UIS online; AfDB Data Portal 2013

African middle class, their values and characteristics

Dr. Christian Kingombe, Chief Regional Integration & Infrastructure Officer, African Development Bank

The middle class, which is more prevalent in countries with vigorous and expanding private sectors, is usually defined as that segment of society, which is economically secure, upholds the rule of law, invests and desires stability. All these elements play a critical role in boosting economic performance and improvements in prosperity. However, quantifying and describing the middle class in Africa is still a remarkably contentious issue both for methodological reasons and for the heterogeneity among countries.

THE DEFINITION OF THE MIDDLE CLASS

The standard definitions of middle class rely on monetary indicators and in particular on the level of income or consumption (based on household per capita income). We can identify two schools of thought that define middle class, one using an absolute, the other a relative approach.¹

Following the ‘absolute income (or consumption)’ approach, middle class is defined as the part of the population whose income or consumption is included in a given range that is constant across countries (Birdsall 2010; Ncube, Lufumba and Kayizzi-Mugerwa 2011; Freeman 2014). For example, the AfDB defines as middle class the population that lives with more than 2USD per day (Ncube, Lufumba and Kayizzi-Mugerwa 2011). In particular they classify the middle class into three categories, namely the “floating” class (US\$2 -US\$4 a day), the “stable” middle class (US\$4-US\$20).² Freemantle (2014) use a more conservative approach and defines middle class as the households who have a consumption of between US\$23-US\$115 per day and in this broad range he identifies four middle class categories.

Following the relative income (or consumption) approach, you need to identify an upper and lower bound that depend on the country’s income (or consumption) distribution. For example, Easterly (2001) defines middle class as those between the 20th and 80th percentile on the consumption distribution, and Birdsall, Graham and Pettinato (2000) those with per capita income in the range of 75 and 125 percent of the median household per capita income in a given country.

Alternative approaches look at non-monetary variables to define the middle class. Evidence shows that the middle class is usually characterized by better education; stable employment; good access to media and communication; and to live in decent houses

in an urban area. In addition, the middle class is characterized by a different set of values that may drive socio-economic change (Ncube and Lufumpa, 2014). For example, Banerjee and Dufo (2008) make a useful distinction between four distinct contributions that the middle class makes of prosperity, namely its contribution to democracy, entrepreneurship (Acemoglu and Zilibotti 1997), human capital and saving (Doepke and Zilibotti 2007).

Using data from the Gallup World Poll³ we identify the middle class using a monetary approach and we look at its own non-monetary characteristics and sets of values. Given the heterogeneity across the African continent, it is difficult to find a unique definition and a clear description that fit for all countries. However, the analysis shows some general patterns that differentiate the middle class from the poorest one.

Gallup data allows us to create groups (quintiles) on the basis of the household (total or per capita) daily income.⁴ Since we are not using individual level data but quintile groups, we cannot properly identify an upper and lower bound for the middle class. To overcome this problem and increase the probability that our ‘middle class’ category is representative of the sample of people we want to capture, we add two additional conditions. First of all, in the quintiles that identifies the middle class the percentage of people who live with less than (<) 2USD per day should be lower than 20%⁵ (see ‘heat map’ page 30). Secondly, we exclude the 5th quintile (i.e. the richest income quintile) to avoid to include the ‘elite’s preferences’ in our analysis and because labour income is either poorly measured at the top and or substantially underreported. Our approach is closest to that of the AfDB (2011) and our middle class group corresponds to their stable middle classes. We decided to exclude the ‘floating’ middle class (US\$2 -US\$4 a day) since it is considered vulnerable to risk of slipping back below the international poverty line (López-Calva and Ortiz-Juarez 2011).⁶ In fact, a substantial majority of individuals in most countries in sub-Saharan Africa still live on or below the poverty line measured as those with a daily income of USD2 or less.

The six countries that respect these selection rules are: Algeria (middle class defined as third and fourth quintile in 2012); Botswana (fourth quintile in 2013); Mauritania (fourth quintile in 2013) Morocco (fourth quintile in 2013); South Africa (fourth quintile in 2013); and Tunisia (third and fourth quintile in 2013).

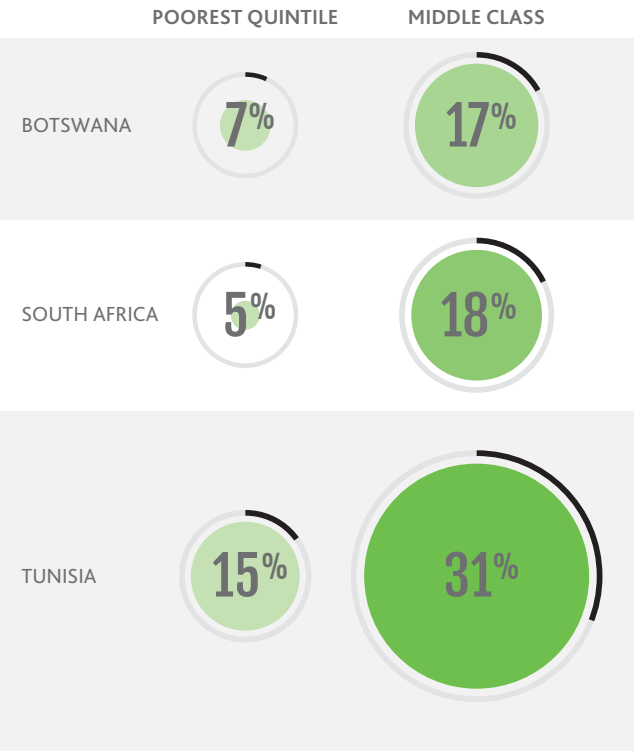
NON-MONETARY CHARACTERISTICS OF THE MIDDLE CLASS

In addition to higher income and consumption spending, evidence shows that the middle class usually resides in urban areas in decent accommodation and is better educated, has stable employment and good access to media and communications (Robertson, Ndebele and Mhango 2011, Ferreira, et al. 2013). Using Gallup data we provide evidence of this although there is a lot of heterogeneity across countries (i.e. some differences are statistically significant in some countries but not in others). To unveil the non-monetary characteristics of the middle class, we compare the middle class responses (i.e. third of fourth quintile depending on the country) to those of the poorest quintile in 2013 (or latest year). Given that the sample in each quintile is relative small (around 300 people) we only consider significant the differences that are larger than 10%.

EDUCATION

Education is key for the middle classes to have better access to job and business opportunities. The ability to move to cities is important in this regard as it enables them to move into jobs or sectors with higher wage rates and matching their qualifications (Ncube and Lufumpa forthcoming). From the latest Gallup dataset, we find that amongst the respondents in our sample of African countries the middle-class has a higher share with secondary education⁷ than the poorest and second quintiles in the case of Algeria, Botswana, Mauritania, and Tunisia.

FIGURE 1: FULL TIME EMPLOYED FOR AN EMPLOYEE
Source: Gallup World Poll



EMPLOYMENT STATUS

The literature shows that a significant part of the African middle class has paid employment (van de Vijzel 2014). Using Gallup we find that the middle class in Botswana, South Africa and Tunisia is more likely to be ‘full-time employed for an employer’ than the poorest (Figure 1). On the other hand there are no significant differences when it comes to full time employment for self-employed, and ‘part-time employment’. But we do detect a difference when it comes to ‘unemployment’ – which is higher for the poorest in Algeria and Tunisia) and ‘being out of the workforce’ – in Botswana and South Africa).

ACCESS TO MEDIA

When it comes to shaping the middle-class, technology has been revolutionary. According to the World Bank, sub-Saharan Africa is now home to about 650 million mobile-phone subscribers - more than in the European Union or the US (Africa Development Bank 2014) and with 11 countries having more than 100 mobile lines per 100 inhabitants in 2012 (Prosperity Index data). More than half of urban African consumers already have Internet-capable devices. Africa’s smartphone penetration, currently at 2 to 5 percent, could reach 50 percent in leading countries and 30 percent overall (Mc Kinsey & Company 2013). Technology is changing not only the way Africans communicate with each other but also how they do business and demand greater accountability from their leaders through newly available technologies and social networks. This has made the middle class more aware of what they lack and what they want.

Gallup data show that while mobile phones are widespread across all the income classes (the difference between the middle class and the poorest quintile is significant only in South Africa), having a television⁸ and access to internet⁹ is more common in the middle class.

HOUSING

The literature show that the middle class usually live in urban areas (Mc Kinsey & Company 2010). Moreover the house is considered as a middle class belonging indicator (Phadi and Ceruti 2011).

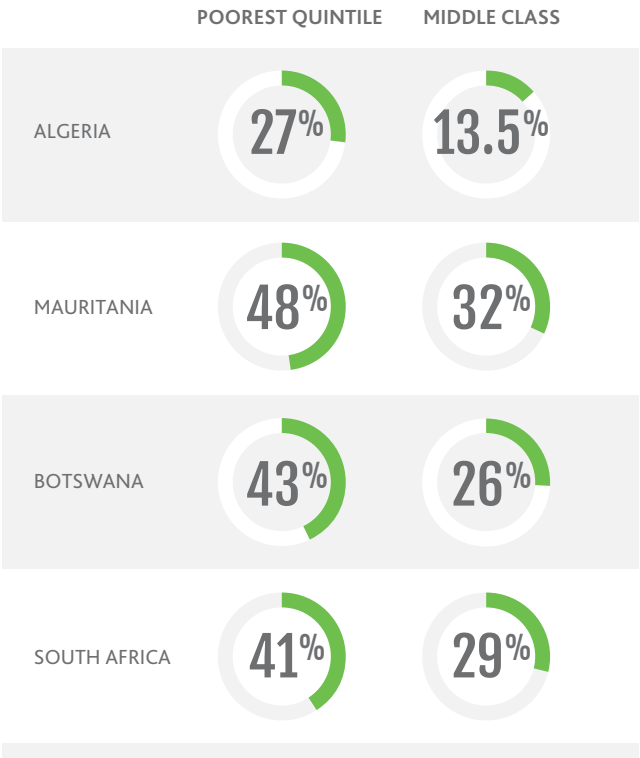
The Gallup survey dataset shows that the middle class has higher probability of living in urban than rural areas (the difference is significant in Mauritania and Tunisia); has more money to provide housing for the family¹⁰ (Algeria, Botswana, Mauritania, and South Africa) (Figure 2). Moreover, the middle class has higher probability of living in a house with access to a landline phone (Algeria, Botswana and Tunisia).

MIDDLE CLASS VALUES THAT CAN DRIVE PROSPERITY

It has often been claimed that the middle classes carry specific beliefs and values that lead to political, economic, and social

FIGURE 2: NOT HAVE ENOUGH MONEY TO PROVIDE ADEQUATE SHELTER OR HOUSING FOR YOU AND YOUR FAMILY

Source: Gallup World Poll



reforms. Middle classes, however, do not need to carry ‘good values’ to push for these reforms. If not well managed, their higher incomes may simply give them greater voice to push for reforms that are beneficial for them (Ferreira, et al. 2013, Ncube and Lufumpa forthcoming).

Below we apply the same methodology described above to identify the set of values that theoretically differentiate the middle class from the poorest part of the population. A clear set of attitudes comes to light: the middle class is generally more satisfied with their living standards and the education system; has more confidence in the government; and it has a better perception of the job and business environment. However, this general pattern masks a lot of heterogeneity across countries. With regards to changes over time (2009-2013), we could see that the middle class is quite stable in its set of values, while the lower and top quintiles (i.e. the poorest and richest people) report the biggest variations.

‘SATISFACTION WITH QUALITY OF EDUCATION’

One assumption is that the middle class saves more and cares more about education. As mentioned above the Gallup Survey covers the ‘educational system’. Looking at the same sample of six countries covered in the preceding section, we find that the middle class is ‘more satisfied with the educational system’ than the poorest quintile (q1) in Algeria and South Africa. Moreover, in Algeria more people in the middle class than those in the

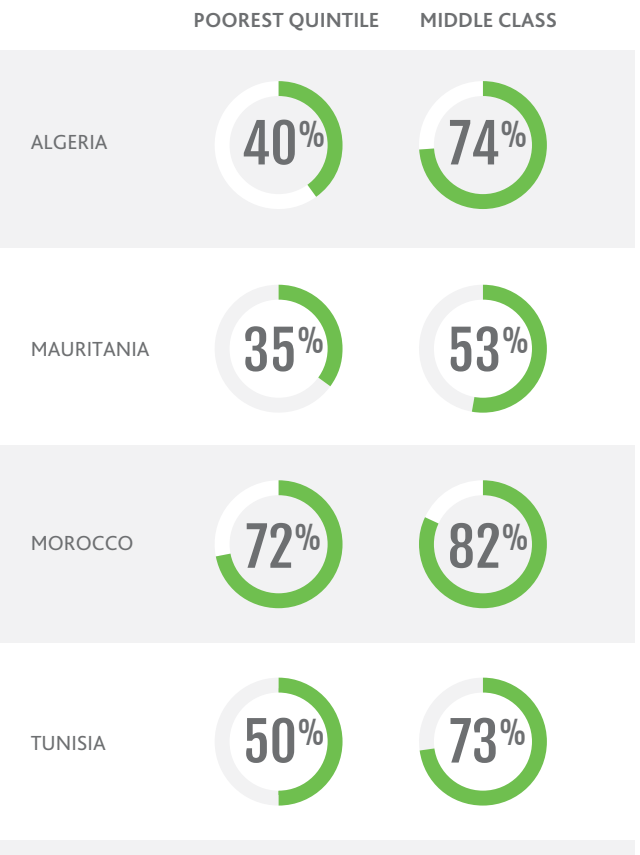
poorest quintile thinks that children learn at school.

‘LIVING STANDARDS’

A growing middle class brings about a rise in purchasing power and, therefore, a change in consumption patterns. The Gallup Survey asks the question ‘Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?’ From our sample countries we find that there is a positive correlation between the ‘satisfaction with the standard of living’ and a household’s wealth in the following cases: Algeria, Mauritania, Morocco and Tunisia (Figure 3). Moreover in Algeria, Mauritania, Morocco, South Africa and Tunisia the middle class is more positive than the poorest quintile about the possibility that their living standards are improving.

FIGURE 3: SATISFACTION WITH LIVING STANDARDS

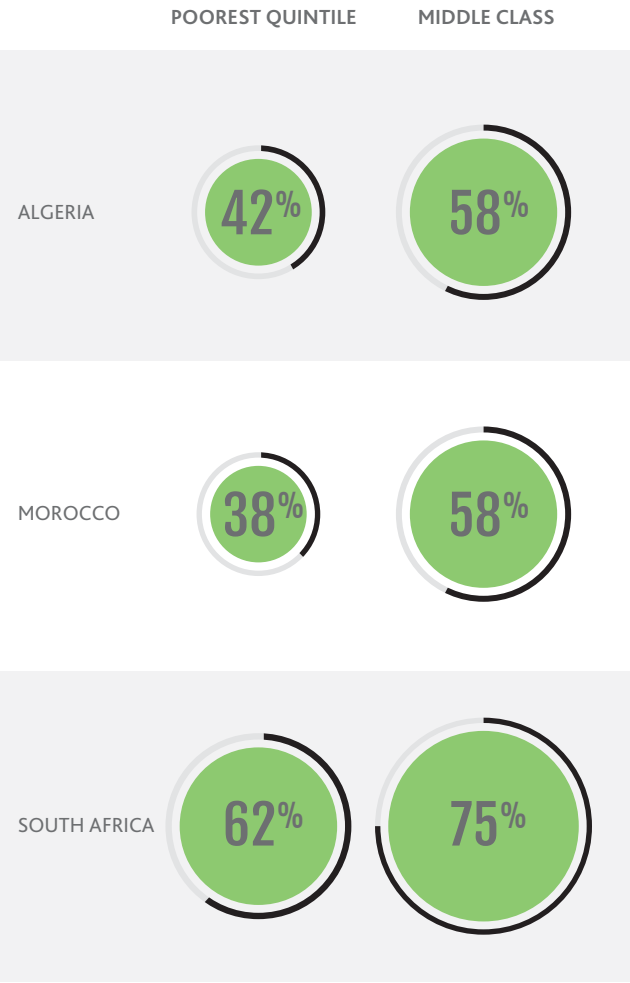
Source: Gallup World Poll



GOVERNANCE

Birdsall (2010) suggests a definition of the middle class in developing countries that emphasizes the alignment of its economic interests with sound economic policies and good governance—and thus indispensability to sustainable economic growth. The Gallup Survey covers both ‘Government and Politics’ variables as well as ‘Law and Order’ variables and to complement those perceptions the survey also covers ‘Citizen Engagement.’

FIGURE 4: SATISFACTION WITH FREEDOM OF CHOICE



Confidence in the honesty of elections is higher in the middle class than in the poorest class in Tunisia. Satisfaction with freedom of choice is higher in the middle class in Algeria, Morocco and South Africa (Figure 4). We also find in Algeria, Mauritania and Morocco that the middle class perceives that there is a significantly higher media freedom than the poorest. In South Africa the middle class reports to have voiced its opinion to a public official more than the poorest quintile.

PERCEPTIONS OF THE JOB AND BUSINESS ENVIRONMENT

It is widely assumed that the job and business environment plays a key role in the formation of the business class (van de Vijzel 2014, Handley 2014, Ncube and Lufumpa forthcoming). The Gallup Survey captures the perception of the job and business environment using different questions. With regards to the perceptions of job availability, the middle class is more optimistic than the poorest quintile in Algeria, Mauritania and South Africa. With regards to the business environment, in Morocco and Mauritania, there is a clear distinction between the middle class and the poorest quintile in term of their perception of living in a place that favours the creation of new businesses. Moreover in Tunisia the middle class is more aware than the poorest

quintile about ‘corruption in government’ and in Mauritania and Tunisia there is more confidence in the financial system among the middle class than the poorest quintile.

CONCLUSION

Although quantifying the middle class and describing its values is still a remarkably contentious issue, it is undeniable that the African middle class is growing at faster pace, its consumption patterns are diversifying towards discretionary expenditure and its set of values is different than other classes.

Our analysis shows that, among the sample of African countries we considered, the middle class has better education, live in better houses, has better access to media and has more stable jobs. Moreover the middle class is generally more satisfied with their living standards and the education; has more confidence in the government and a better perception of the job and business environment. Although there is a lot of variation across countries in terms of how the middle class answers specific questions.

The middle class has a double role in driving prosperity: its higher income and consumption can increase the continent’s economic growth, and its set of values and attitudes can improve the country’s socio-political environment and, ultimately, wellbeing. However, this can only work if the middle class is able to keep and improve its status and definitely escape from the vulnerability of the poverty trap.

The middle class has a double role in driving prosperity: its higher income and consumption can increase the continent’s economic growth, and its set of values and attitudes can improve the country’s socio-political environment and wellbeing

¹ For a hybrid approach see Ravallion (2010).
^{2,3} Gallup conducts nationally representative surveys face to face or via the telephone in 45 out of 54 African countries.
⁴ Since consumption is directly (positively) related to disposable income and households (mainly if poor) spend most of their income, using income instead of consumption should not be considered a weakness.
⁵ The decision to impose a 20% threshold is due to the fact that we want to be sure that the large majority of people in the quintile that we identify as middle class are representative of this group.
⁶ See (Kingombe 2014) for a critical evaluation of the AfDB approach.
⁷ It corresponds to Gallup question: “What is your highest completed level of education? Less than tertiary education”
⁸ The difference is statistically significant in Botswana, Mauritania and South Africa.
⁹ The difference is statistically significant in Algeria, Mauritania, Morocco and Tunisia.
¹⁰ Gallup question: “Have there been times in the past 12 months when you did not have enough money to provide adequate shelter or housing for you and your family?”

CASE STUDY 1

Middle class in Africa: driving prosperity through consumption

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Over the last two decades, solid economic growth has helped reduce poverty across Africa. This has created a new African Middle Class with their own savings and spending behaviours, leading to an emergent new consumer base that creates significant economic opportunities for the future.

The African Development Bank (2011) described the middle class as a group of young and educated people, (generally tertiary level) living in urban areas, residing in modern and bigger houses, and having steady, well-paid jobs (or are small business owners). Looking at their spending behaviour, African Middle Class households have a preference for durable goods such as cars or electronics (televisions and telephones); and services such as finance, health care, and education.

In terms of consumption, the Middle Class is highly brand conscious and selective about what it purchases: it puts quality over quantity (Boston Consulting Group 2014).

That said, their increased spending power creates new opportunities for businesses in sectors such as car industry, telecommunications, apparel, and retail sector. Companies have fully understood this and have begun to increase their local footprint. In Nigeria, the retail sector (a good indicator of an expanding middle class) has recorded strong growth and now the country is the largest market in sub-Saharan Africa (Uroko 2014) with US\$160bn of retail sales in 2014, surpassing South Africa. World class retailers such as Carrefour, Pick n Pay, and Shoprite are keen to enter the market and the increase in households' disposable income will continue to attract international companies. Shoprite, for example, plans to open 44 new shopping outlets in Nigeria in the next 36 months; this in addition to the existing 11 outlets it already operates (Shevel 2014).

In terms of services, the Middle Class's priorities differ markedly from other social classes. Indeed, it prefers to allocate more on education, health, insurance, and other financial services. It tends to opt for private education and private health services, which is not surprising given the poor quality of education and health provided by governments in many African countries.

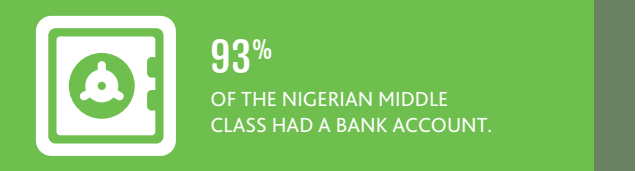
With regard to the banking services, Africa's Middle Class has sufficient income to apply successfully for bank loans and more nascent products such as mortgage finance. Middle Class households devote a larger part of their income to savings compared to lower-income households, due to the fact that they still fear the risk of sliding back into poverty – this is especially true when talking about the so-called 'floating middle-class' (Ncube, Lufumpa and Kayizzi-Mugerwa 2011).

Moreover, the fact that only around 25% of African consumers are banked in 2014, marks significant opportunities for financial services to expand their reach in the continent and contribute further to economic growth. The higher purchasing power of this emergent Middle Class is helping to create a virtuous self-supporting cycle between rising disposable income, demand for financial services, and supply of products and services from banks.

Nigeria is a good example of this. Renaissance Capital (Robertson, Ndebele and Mhango 2011) has found that 93% of the Nigerian Middle Class had a bank account. The main reason to have it was to save money (81%) (Figure 1). Also, whilst just 8% owned a credit card, 42% intended to apply for one in the future.

Increased spending power also creates new opportunities in the hospitality sector and, interestingly, in the fast food industry (Figure 3). In South Africa for example, by June 2013, McDonalds operated 185 restaurants in the country, and Burger King opened its first restaurant in 2013. Pizza Hut first opened in the country in 2014 and Yum brand plans to extend its chains in the next three years (Seeking Alpha 2014) (Figure 2).

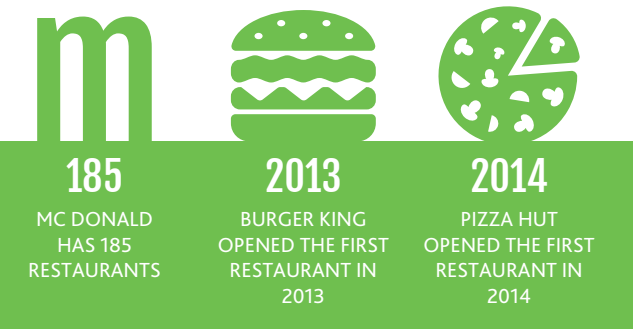
FIGURE 1: MEAL IN A RESTAURANT?



Source: Robertson, Ndebele and Mhango 2011

Nonetheless, to benefit from the rise of the African Middle Class, investors need to understand clearly how consumer preferences and behaviours vary across the continent, which requires in-depth local knowledge. In a survey conducted in 8 key African economies by Boston Consulting Group (Boston Consulting Group 2014), 49% of the South Africans respondents planned to increase their spending in cars and automobiles in the year to come, while 4% of Angolans planned to reduce it. And the same difference applies to mobile electronics: with 36% of Nigerians planning to increase their spending in mobile electronics, and 12% of Angolans planning to decrease it.

FIGURE 2: INFLUX OF FAST FOOD IN SOUTH AFRICA



Source: Shannon 2012

To use a more prosaic example, palm oil, which is used in cooking across much of West Africa, is starting to become a branded good in this region. However, it is relatively unknown in East Africa; therefore African-focused Fast Moving Consumer Goods (FMCG) firms have not yet rolled out a continent-wide marketing strategy to tap into demand. Similarly, Chibuku, a maize beer popular in Southern Africa is generally not brewed in West Africa as maize as a food staple is less common.

It may be too early to identify a solid, prosperous, and growing Middle Class across Africa given the different characteristics and dynamics of the continent's economies. However, we are confident there is an emerging and durable "Consumer Class" that share some basic features but differ from one country to the other in term of consumption preferences. With the expectation that these consumers will move up from what is currently a nascent Middle Class, their consumption will add further support to economic growth in the region and support political and economic institutions that are aligned with greater market competition and better governance.

¹ Standard Bank calculation based on extrapolation of population growth & the expansion of banking services since 2011. According to the World Bank's Global Financial Development Databank, 17.5% of the sub-Saharan African population (aged 15+) were banked in 2011 (Mlachila, Park and Yabara 2013).

CASE STUDY 2

The Middle Class in Nigeria

Minna Salami, Founder and editor, MsAfropolitan blog

Home to 4.1 million middle class households according to the Standard Bank Group, Nigeria leads the number of middle class households in Africa. The country's middle class makes 11% of the population; a number that The Standard Bank Group found grew by 600% between 2000 and 2014. However, although the Nigerian middle class is no different than their global counterparts in being a difficult group to define, they nevertheless share some characteristics with their global counterparts. They have access to better primary education, health care and university degrees. They possess at least one car, have fewer children and like elsewhere, Nigerian middle classes enjoy leisure activities such as holidays, hobbies, fitness and dining out.

However, there are some factors that particularly characterise Nigeria's middle classes. Firstly, in a country where 40% of the population is under fifteen, the rapidly growing middle class is increasingly young. Gallup data confirms these patterns by

FIGURE 1: MEAL IN A RESTAURANT?



Source: Renaissance Capital 2011

showing that among the most financially privileged, 37% of the population is in the age range 30-49 years and only 10% over 50; while among the poorest people the percentages are 27% and 20%, respectively.

Nigeria's middle class leads an active social life. 79% meet with friends outside; 77% consume drinks in cafés or pubs; 56% percent of the Nigerian middle class had meal in a restaurant at least once per month and 46% less than once a month (Renaissance Capital, 2011). However, unlike the middle class consumer in the West who is more likely to shy away from fast food outlets, the Nigerian counterpart is - worryingly, considering a low average life expectancy of 52 years - less health conscious. They are more likely to visit outlets such as Nando's, KFC and Domino's, as a marker of their income bracket.

Although 50.3% of Nigeria's population lives in urban areas - a number predicted to reach 75% in 2050 (UNPD) and Gallup data shows that 21% of the population in the 5th percentile live in urban area VS 7% of the population in the 1st percentile - they are, nevertheless, conservative. Gender roles are pronounced, for instance, and although Western cultures influence them, traditional customs play a significant role too. Nigeria's middle class spends considerable amounts of their disposable income abroad. They are, for instance, the fourth-biggest contributors to overseas shopping in the UK. Moreover, while modernisation and economic growth tend

to go hand in hand with secularisation in most parts of the world, religious commitment in Nigeria has not waned with modernity. According to Renaissance Capital (2011), 96% of Nigerian middle class regularly attend a place of worship or religious service.

Most importantly, Nigeria's middle classes are socially conscious. In fact, 68% of the middle class attend associations or society meetings and 61% volunteer for social work (Renaissance Capital, 2011). In a country marked by poverty, ethnic tension, insurgency and corruption, as Nigeria is, such active participation in positive change plays a key role in bridging the gap between financial growth and structural causes of inequality. It seems that as more Nigerians find themselves impacted by good governance, or lack thereof, the more they are expressing their dissatisfaction in ways which improve not only their situations but also those of the less privileged. From

FIGURE 2: VOLUNTEERED FOR SOCIAL WORK?



Source: Renaissance Capital 2011

petitions against child marriage to Occupy Nigeria protests to rallying around the Bring Back Our Girls campaign, more Nigerians are using their position in society to create positive change using social media as well as cultural production as key tools. For example, Nollywood films increasingly tackle social issues such as witchcraft, ethnic conflict, gender inequality and other pressing concerns. An example is the internationally praised 'B For Boy' by Chika Anadu, a film that shines a light on the troubling culture of favouring boy children over girl children in some regions of the country. Theatre is also making a re-entry on the cultural scene with recent productions such as the sold-out musical 'Kakadu' delivering a strong political message about finding unity in diversity.

Not surprising, Nigerian middle class involvement in cultural activity is relatively high: 80% read books; 97% listen to music; 41% visit public library; 31% go the cinema and 29% attend concerts or stage performance. As stated by the Economist, in 2011 "A significant chunk of Lagosians can afford to spend 5000 naira (\$32) on a theatre ticket". Across the cultural sector, from fashion to music to art, consumption of creative production sends a clear message: socio-political consciousness matters.

As the wealthiest and largest African country, the behaviour of Nigerian middle classes is likely to influence the rest of the continent. However, each African country has its own unique battles and triumphs that they are approaching distinctly. As the president of the African Development Bank (AfDB) Donald Kaberuka warned at the Africa CEO Forum in Geneva in March 2014, "Africa is not a country: it is 54 different economies, all so differently endowed." One thing is certain, though: The extent to which the growing middle classes in Nigeria influence not only financial growth but also social progress is going to impact the entire continent.