The middle classes in Africa
Realities and challenges
The analyses in this document are based on a study conducted by BearingPoint and Ipsos for CFAO during the first half of 2015. Only a portion of the findings is presented here; the detailed results are the property of CFAO.

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Extraordinary economic and societal transformations are unfolding in Africa. And these changes will have repercussions that extend far beyond the African continent.

With a presence in Africa that dates back 160 years, CFAO is a company that anticipates and supports these changes, including gaining a greater understanding of Africa’s rising middle classes, one of the issues most critical to the continent’s development and the Group’s main source of growth.

Although the media has given much attention to the topic in recent years, field surveys remain rare and are often limited in scope. Recognising the importance of the issue to its own development as a company, CFAO decided to conduct a study of its own that would dispel preconceived notions and overly vague perspectives.

With the support of BearingPoint and Ipsos, CFAO organised and funded an unprecedented study comprising analysis of all the scientific research on the topic and interviews with more than 4,000 households in 5 major African countries, to gain insight into the lives and expectations of this emerging middle class.

While the study clearly does not cover all 54 countries in Africa and their varying social and economic conditions, it does provide a meaningful contribution to our understanding of the major shift that is shaping the continent’s future.

Richard Bielle
Chairman of the Management Board
CFAO
In fewer than two decades, the economic situation in Africa has changed radically, with average annual growth of 5.5% between 2001 and 2015. The continent has become fertile ground for investment, as demonstrated by the optimistic influx of international funds and the 33% increase in intra-African investment between 2007 and 2015.

Against a backdrop of rapid urbanisation and population growth among the highest in the world, the middle classes in Africa—a concept that appeared during the era of decolonisation, only to fade from view for two decades—has once again become a vital notion when describing the emergence of potential consumers on the continent.

In 2011, the African Development Bank (ADB) published the study “The Middle of the Pyramid: Dynamics of the Middle Class in Africa”, which made waves among African market-watchers. The study concluded that the middle class, defined as those who earn between $2 and $20 per day, represented nearly a third of the total African population. From a business standpoint, this indicates that considerable opportunities exist for investors. It appears that African population is no longer made up of a small wealthy minority and a huge poor majority forced to focus solely on daily survival. An intermediary group is beginning to emerge.

This “middle of the pyramid”, which mirrors the concept of the “bottom of the pyramid” or “BoP”, could represent a wellspring of consumers with sufficient income to purchase more than just basic necessities.

The main aim of the study conducted by CFAO with Ipsos and BearingPoint is to understand the reality behind the term “middle class”. Based on the findings of the more general ADB study, how can potential new consumers within this population group be targeted? Outside the realm of income, what are the criteria that truly define the middle class? What are the characteristics, specific features and consumption patterns of this emerging class? Which traits exist across Africa and which are specific to certain countries?

This study seeks to answer all these questions by drawing on a combination of insight from researchers in the social and economic sciences, professionals with expertise in the African market and an extensive field survey led by Ipsos comprising over 4,000 interviews.

The field survey was conducted in 5 African countries—Morocco, Cameroon, Côte d’Ivoire, Nigeria and Kenya—selected for their complementary geographic, economic, social and cultural features. In each country, 800 questionnaires were given and a quantitative study was carried out on the data collected. In addition, researchers also conducted ethnographic surveys of 50 households, in the residents’ homes, in order to gain an in-depth understanding of their lifestyle, perspective, financial situation and values.

Unprecedented in scale, this study offers a detailed analysis of the middle class in Africa, its size with regard to the overall population, socio-demographic characteristics, fundamental values and consumption patterns. The results reveal that the middle class is a concept that resonates with those surveyed and that the respondents view themselves as being in the middle ground between rich and poor. The challenge is now to accurately portray this middle class in both qualitative and quantitative terms.

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2 AFDB, “The Middle of the Pyramid: Dynamics of the Middle Class in Africa”, 2011
Review of research on the middle class, a contested concept with multiple definitions

The origins of the theory of an African “middle class”

The term “middle class” was coined in Europe to describe the group Karl Marx referred to as the “petty bourgeoisie” in the late 19th century.

The members of the petty bourgeoisie differed from the proletariat in that the former possessed a small amount of capital—acquired as a smallholder, shopkeeper, craftsman, etc.—freeing them from living hand to mouth, but not enough to retire to a life of “bourgeois idleness”. According to this initial definition, the petty bourgeoisie relied on education more than capital to raise their standard of living and were highly ambitious in their efforts to elevate their social status.

In Western Europe, the middle class developed as a concept throughout the 20th century. A growing share of individuals continued to join the ranks, reaching a high point during the 30 years of prosperity that followed World War II.

In Africa, the concept emerged under the unique circumstances of decolonisation. Historians such as Cheikh Anta Diop and Michel Cahen theorised the middle class as a group educated by colonial authorities, who served as intermediaries between the colonizers and the rest of the population. The historians’ works detail the emergence, in the wake of the colonizers’ departure, of a new African elite made up of these well-educated intermediaries. However, this concept fell out of favour in the academic world from the 1980s to the 2000s. Two separate factors explain this turn of events: firstly, the economic stagnation in Africa during this period, which hampered the growth of the middle class; and secondly, a vision of society that cast doubt on the Marxist model at the root of the concept. The idea was given a new lease on life in the 2000s and regained prominence in research on African development in 2011, when the African Development Bank published a surprising brief estimating that the middle class in Africa represented nearly 330 million people—nearly a third of the continent’s total population.

Few large-scale studies have been conducted on the concept of the middle class. The existing social science research cannot be compared with numerical data, while the quantitative studies pertain to limited areas too small for extrapolation. Writing on the topic draws heavily on the conclusions of the ADB brief.

To provide a fresh perspective on the middle class, a new methodological approach was selected for this study which centres the analysis on households rather than individuals.

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1 Agence Française de Développement, Working document no. 118, “Quelle(s) classe(s) Moyenne(s) en Afrique ?”, December 2011
Understanding the middle class in Africa

The very definition of the term “middle class” is a matter of debate; there is no one accepted meaning. The various definitions put forward are based on numerical (income), social (socio-professional categories) or behavioural (practices) criteria, or a combination thereof.

Definitions are selected in relation to the questions a given study is attempting to answer. This study seeks to gauge the consumer spending potential of the middle class in Africa—a specific aim established in advance of the survey.

An income-based approach

While the concept of the middle class has a long history in Europe, a consensus has yet to emerge regarding the criteria that define membership.

One initial approach is a definition based on income, which can be defined in absolute terms using set minimum and maximum income cut-offs as criteria, or in relative terms using a percentage of the country’s median per capita income (generally 75% and 125%).

The income-based approach has certain limitations, namely that it doesn’t account for the different dynamics of each country. For instance, the African Development Bank sets identical cut-offs based on daily per capita income for all African countries. The median salary can also distort the definition of “middle class”, in particular when this figure is very low: some members of the population group are still living in poverty, and as such, should not be included within the scope of the definition.

The World Bank has established its own international definition of “middle class”: those who earn $12 to $15 per day. These cut-offs seem too high for Africa, especially below the Sahara, where only 32 million people fall into this category. For its part, the African Development Bank uses an Africa-specific definition of $2 to $20 per capita daily, which includes 330 million people, as mentioned above.

2 Clélie Nallet, “Identifier les classes moyennes africaines : Diversité, spécificités et pratiques de consommation sous contrainte”, Ifri, April 2015
The behavioural approach

Researchers have also developed behavioural definitions of the middle class that focus on social rather than economic factors.

Various socio-professional categories—small business owners, craftspeople, public-sector managers, shopkeepers and other “intermediary” categories—can be singled out as non-exclusive criteria for defining the “core” middle class.

More broadly, social behaviours, values and consumption patterns are also relevant criteria for defining the middle class.

Institut Français des Relations Internationales (Ifri), a French think tank, has distilled field research on the middle class into a definition that takes into account three factors:

- “What they have”: income and property;
- “What they are”: self-awareness and fundamental values;
- “What they do”: individual attitudes and consumer behaviour.

One notable element of “what they have” is notion of no longer living hand to mouth. Members of the middle class have enough to eat and do not depend directly on another person for subsistence. They live in more permanent, better-equipped housing than their lower-class counterparts.

In terms of “what they are”, middle class individuals place high value on merit and education. They limit the number of children per household and believe in progressive values.

Finally, in describing “what they do”, Ifri highlights middle class strategies for preventing downward mobility, such as taking on several jobs; acquiring cultural capital and property; and putting aside money.

Combining the income-based and behavioural approaches can thus help achieve an accurate and reliable definition of the African middle classes that is both qualitative and quantitative.

3 Dominique Goux, Éric Maurin, The New Middle Class, 2012
Size of the middle class in relation to the overall population

The middle class as a share of the total population, according to ADB criteria

Working with the definition criteria used by the African Development Bank (which have become a baseline for subsequent research), it is possible to determine the size of the middle class in relation to the total African population:

- Above $20/day: 6%
- Between $10 and $20/person/day: 5%
- Between $4 and $10/person/day: 9%
- Between $2 and $4/person/day: 20%
- Below the poverty line: <$2/person/day: 60% of the total population

Source: BearingPoint, based on ADB data, 2015

The ADB divides the middle class into three sub-categories: the upper-middle class, the lower-middle class and the “floating” class. The latter is a particularly vulnerable group without a steady source of income, who risk slipping back into poverty. The floating class alone represents 20% of the continent’s total population, which explains how the three sub-categories combined make up such a substantial share of the population—more than a third.

Together, the other two middle class sub-categories—individuals who earn between $4 and $20 per day—only represent 14% of the African population.

As these data are averages for the entire African continent, it is also useful to determine the geographic breakdown showing of the size of the middle class in each country. It is important to point out that the ADB study defines an Africa-wide middle class, while in actuality, this social class is concentrated in a handful of regions on the continent.
Mapping the middle class in Africa

Using data from the African Development Bank, a “snapshot” can be created illustrating the size of the middle class within the total population of each country.

The map below shows the middle class in each country according to the most inclusive ADB definition, which includes the floating class.

The Maghreb countries, Egypt and Gabon are shown to have the largest middle classes on the continent in proportional terms, according to income-based criteria. Most West African and Southern African countries—along with Cameroon, Republic of the Congo and Kenya—fall within the average of between 25% and 75% of the population.

Central and East Africa are the regions with the smallest middle class in percentage terms.

As these figures demonstrate, particularly sharp regional disparities exist and the middle classes are developing at a highly uneven pace across the continent.

Effectively, there is not a single African middle class, but a range of “middle classes” with significant gaps between them. This is one of the main findings of the ADB study, underscoring the need to further analyse the middle classes in specific countries.

Source: BearingPoint, based on ADB data, 2015
The limits of secondary research

Interpretation and analysis of the wide-ranging literature on the middle class provides an idea of the extent to which certain aspects of the subject remain unexplored.

Research on the middle class mainly draws from a single source of information, the ADB study mentioned above, which uses daily income as criteria for determining class lines. However, the portrayal of the emerging African middle classes resulting from this approach is skewed towards the positive, as demonstrated by the work of Ifri Associate Fellow Hélène Quénot-Suarez. The researcher details what she terms “exaggerated Afro-optimism”, a tendency to minimise regional disparities, instability and the various crises affecting the continent. In addition, the portion of the African population defined as “middle class” remains highly vulnerable.

Unfortunately, while detailed studies have been conducted on individual countries and cities, their varying research methodology and definitions of the middle class prevent meaningful comparison. This research provides an overview of specific situations, but cannot be extrapolated to shed light on the continent as a whole or used to draw wider conclusions based on the situation observed in other countries.

It is for this reason that research on the African middle classes focuses either on broad-based projections from major international studies or research confined to limited geographical areas.

The latest French research on the characteristics of the middle classes

Only two French institutions have carried out in-depth research projects on the middle classes in Africa: Institut Français des Relations Internationales and the Mixed Research Unit at the French National Center for Scientific Research (CNRS); and Les Afriques dans le monde (LAM), a research laboratory at Sciences Po Bordeaux.

One of the projects, initiated and directed by Joan Bardeletti in collaboration with LAM researchers, studies the emerging socio-economic dynamics in Africa. Conducted from 2008 to 2012, the study is one of the largest ever undertaken on the topic. Bardeletti covered seven countries and combined substantive sociological research with photo essays, presented in an exhibition entitled “The middle classes in Africa: social science and photography”. The project offered a fresh perspective—both sociologically and artistically—on what Bardeletti prefers to call “modest prosperity”. The artist’s works serve as valuable secondary resources that offer a touch of immediacy and a slice of life, paired with astute academic commentary.

To provide a better understanding of the latest French research, Ifri drafted a working document on the topic exclusively for this study. Among the authors of the brief was Hélène Quénot-Suarez, who has written numerous articles on political and social trends in Africa, including “Consumption in an Uncertain Environment: The Paradox of the African Middle Classes”. Clélie Nallet, a doctoral student at Sciences Po Bordeaux and a member of the organising committee for Bardeletti’s exhibition (November 2014-February 2015), also helped author the document.

The Ifri, the working document offers a summary of the viewpoints of the two main French research institutions working on the middle classes in Africa.

5 Hélène Quénot-Suarez, Consumption in an Uncertain Environment: The Paradox of the African Middle Classes, Note de l’Ifri, 2012
6 Joan Bardeletti, Petite prospérité, les classes moyennes en Afrique, Editions Images en Manoeuvre, 2011
According to their analysis, income-based definitions of the middle class are limited and dependent on cut-off points that are still subject to debate. This led Ifri to add a behavioural study to their approach.

One of the primary new insights in their research in relation to previous studies is the self-awareness of the middle classes, who define themselves by what they are not: rich or poor. The middle classes are aware of their intermediary position and have high aspirations to elevate their social status.

Secondly, the Ifri study analyses in detail the strategies used by the middle classes to prevent downward mobility. Educating children is a strategy that has appeared in past research, but Ifri also highlights new factors such as the rising marriage age, young people living with their parents for an increasingly long time, pooling of financial resources, purchase of bulk goods, and the longer distances travelled to buy goods at the lowest possible price. The middle classes are active in community, social and religious life, but take little interest in politics. This observation, which contradicts previous findings, reflects the importance of income from informal employment for these individuals, who prefer the status quo to the losses they would stand to incur if their sector of the informal economy were to be regularised. Putting aside money represents another means of securing the future. Lastly, the African middle classes have internet access and are avid users of social networks.

With regard to consumption patterns, Ifri notes that the subjects keep a tight rein on spending due to their limited budget. Non-essential purchases are rare and for rational reasons. Supermarkets are viewed as a destination where one dresses up to go for an occasional outing; their popularity among the middle classes varies by country.

In summary, the middle classes can be defined as shifting categories of individuals who remain vulnerable and live relatively frugally, but also display “immense African pride”—more so than their upper-class compatriots, who often go abroad for their education.

How French companies view the middle classes in Africa

Interviews were conducted during the first half of 2015 with the directors or managers of Africa divisions and departments at major French corporations, in order to gain a better understanding of their views on the middle classes in Africa.

For the majority of these executives, a middle class is emerging in Africa, but it represents a limited share of the population and varies greatly between countries, due to the differences in standard of living across the continent.

An oft-mentioned definition of middle class among the interviewees was the notion of disposable income: the middle classes possess income that they can use for things other than essential needs.

Other behavioural definitions were also cited, which characterise the middle classes as those who are able to save, invest in the future—particularly in their children—and use mobile banking (they have the financial resources and internet access).

The interviews revealed an ambiguous relationship with western brands. While French products are prized for their quality and reliability, some also spoke of a certain degree of residual distrust from the colonial era. African products and local brands are growing in popularity. However, the middle classes are very wary of locally produced medicines and tend to buy imported products.
Consumers have more confidence in major international brands than in counterfeit products and imitations, which have become ubiquitous.

Finally, the interviewees noted the growth of local competition, which is well established in some sectors and less in others, but quickly becoming more professional. These competitors could become quite formidable, especially if they use their local roots to their advantage with customers. Although this competition is still mainly at country level, there are examples of African corporations (in banking, insurance, telecom, etc.) that are spreading across the continent, suggesting that a rapid paradigm shift could take place in the years ahead.

**Initial profile of a typical middle class individual based on the review of research**

The review of research, the Ifri working document drafted for this study, and the interviews with professionals provide some invaluable information that can be used to give shape to the highly polymorphous concept of the “middle class”.

The chart below summarises the main points:

### WHO?
- Autonomous and not living hand to mouth
- Income between $2 and $20/ day (ADB criteria)
- Good level of education
- Is aware of his or her class
- Limits number of offspring
- Uses new technologies

### HOW?
- Manages budget frugally: pooling of financial resources, bulk purchases, etc.
- Builds up savings: traditional investment plans such as tontines, access to banking and credit
- Invests in the future: children’s education

### CONSUMPTION: WHAT? HOW?
- Likes to buy local
- Considers certain brands or importation as a quality guarantee
- Spends more for his or her children
- Avid user of technology, mobile banking, etc.

Source: CFAO, BearingPoint, 2015

To build on this initial comprehensive approach, it is time to turn to the findings of the qualitative and quantitative field studies, in order to confirm, disprove or elaborate on the data collected on the middle class.
Findings of the field survey conducted in spring 2015

The field survey provides a means of comparing the population groups defined as “middle class” in five different countries, in order to identify their main common traits and the primary points of divergence from one region of Africa to another.

The survey also forms a basis for in-depth work on the social category’s consumption patterns, as well as analysis of its socio-demographic characteristics.

This large-scale undertaking, which included over 4,000 questionnaires and about 50 ethnographic interviews, aims to verify the hypotheses put forward in the first section, using statistical data.

Positioning of the study in relation to the ADB definition

The field survey comprises interviews conducted in urban areas of five countries. In each household, the questionnaire was given to the person(s) responsible for managing expenditure. Income cut-offs were established to verify that the interviewees belonged to the group targeted by the survey, i.e. an intermediary class between rich and poor. The cut-offs were set at $15 and $60 daily per household ($450-$1,800 per month) for Côte d’Ivoire, Cameroon, Nigeria and Kenya. The minimum cut-off was increased to $25 for Morocco to account for the country’s higher standard of living, resulting in cut-offs of $25 and $60 daily per household ($750-$1,800 per month).

It is not possible to obtain per capita income data via a field survey, due to the unknown number of people living under one roof who do not contribute to household income. As a result, the household income was selected as the criterion for the questionnaire, and the number of people living within this household budget was then used to deduce the income per person.

One of the aims of the field survey is to compare the perspective of a company like CFAO with regard to the middle class, based on household income criteria, with that of the African Development Bank, which uses per capita income.

The graph on the opposite page compares the position of the field survey cut-offs, adjusted to show daily per capita income, in relation to the ADB definition criteria. The minimum and maximum income for each country is based on the average number of individuals per household, as recorded during the survey.

This comparison indicates that the definition criteria were not overly inclusive as compared to international criteria. However, the field survey primarily focuses on those defined by the ADB as lower-middle class or upper-middle class. Few respondents from the floating class were surveyed, as this population group remains vulnerable due to its irregular income, and as such, mostly fell outside the survey focus.
### IPSOS SURVEY CUT-OFFS IN RELATION TO THE DEFINITION OF THE AFRICAN MIDDLE CLASSES USED BY THE ADB

<table>
<thead>
<tr>
<th>Country</th>
<th>Upper-middle class</th>
<th>Lower-middle class</th>
<th>Floating class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>13.6</td>
<td>5.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>13.6</td>
<td>10.5</td>
<td>4.8</td>
</tr>
<tr>
<td>Cameroon</td>
<td>13.6</td>
<td>6.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Nigeria</td>
<td>12.5</td>
<td>5.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Kenya</td>
<td>15.4</td>
<td>6.6</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Source: CFAO, BearingPoint, Ipsos, 2015

The upper- and lower-middle classes together represent 14% of the average African population (cf. ADB pyramid), with sharp disparities between countries.
The middle class quest for identity

Invaluable data on the middle classes were collected during the field survey, on topics such as income, standard of living, social factors, marital status, lifestyle and consumption patterns. Most importantly, the data offer a numerical representation that can be used to compare and highlight the correlations between the various household characteristics, in order to establish a much more accurate, nuanced profile of the group surveyed.

Economic identity

The first angle from which the social class was studied is economic identity: income, sources of income, earners and household attitudes toward savings.

As noted above, monthly income was used as an initial criterion for selecting interviewees who are “economic” members of the middle class.

Frequency and source of income

The survey found that almost all the households in all countries—a combined average of 96%—have a regular source of income. While the majority of households have at least one regular source of income in the private or public sector, this in no way prevents them from padding their income through irregular or informal jobs.

The most common form of employment among the respondents is private-sector work (56%), followed by self-employment (48%) and the public sector (33%). The total exceeds 100% because some of those surveyed have several jobs.

Household income-earners

On average, nearly 2 people in each household are income earners. The figure is the highest in Morocco, Nigeria and Kenya. However, differences in family organisation become apparent when one considers the proportion of earners in the household; the figure stands at 63% in Kenya and 36% in Côte d’Ivoire, with the other countries in between the two.

It is also important to note that 17% of those surveyed have not achieved full financial autonomy, meaning that they rely on assistance from friends and relatives (at home or abroad), or the government.

Household savings and debt

The figures collected on the proportion of middle class households with bank accounts are particularly insightful. Africa is by far the continent with the fewest bank accounts per capita—between 15 and 20% of the overall population is estimated to have an account—yet 91% of the respondents have one or several. Close to 70% of the respondents also have a savings account. At the same time, the tontine, the traditional investment plan, still exists and is used by 66% of Cameroonians respondents, although it has all but disappeared in Kenya (3%).

32% of respondents have debts. Indebtedness is common among Moroccans, Cameroonians and Kenyans, but much less frequent in Côte d’Ivoire (17%) and Nigeria (13%).

Another important finding of the survey is that 72% of households say they put aside money every month: 15% of their income on average, or $135. This figure gives an idea of how prudent and frugal the middle classes are.
The impact of steady income on perceived standard of living

Analysis of data points from the field survey confirm certain hypotheses, such as the idea that steady income is of fundamental importance to the middle classes, who seek stability for the members of their household.

The chart below presents income levels for each source of household income, ranked on a scale of 1 to 10 (with 10 being the highest level), as well as the respondents’ perceived standard of living, also ranked on a scale of 1 to 10 (10 also being the highest).

It is particularly interesting to note the absence of correlation between household income and perceived standard of living. Despite being at the upper end of the income scale, the households that receive outside assistance gave themselves low marks for standard of living, at around 4.5-5 out of 10.

On the other hand, while households receiving rent/land rent had lower income overall, these respondents marked their standard of living at nearly 6 out of 10.

The perception of self-employed respondents and those with private- or public-sector jobs most closely mirrored their actual financial situation.

It can be concluded that having a regular source of income results in a higher perceived standard of living. Middle class households place high importance on gaining long-term financial stability that provides a safety net for the future.
**Household structure in relation to number of earners**

Delving further into the analysis, the graphic below provides a closer look at the different types of household organisation. The percentages displayed for each configuration are the three highest documented, listed by country.

**TYPES OF HOUSEHOLD ORGANISATION BY COUNTRY**

<table>
<thead>
<tr>
<th>Number of people in the household</th>
<th>1 income-earner</th>
<th>2 income-earners</th>
<th>3 income-earners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>9.5%</td>
<td>10.5%</td>
<td>8%</td>
</tr>
<tr>
<td>Morocco</td>
<td>9%</td>
<td>12.9%</td>
<td>16%</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>9.3%</td>
<td>13.8%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Kenya</td>
<td>10.1%</td>
<td>11.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>11.2%</td>
<td>15.5%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

It is interesting to note that Cameroon and Côte d’Ivoire favour a household organisation with one income-earner. The average number of people living in one residence is high in both countries, where households with singles or couples without children are more common.

Elsewhere, most Kenyan and Nigerian households are structured around two income-earners, with a greater number of people living under one roof in Nigeria (4 to 5 people on average, compared with 2 to 4 people in Kenya).

In Morocco, the households surveyed have a unique structure comprising 4 to 5 people supported by 2 or even 3 income-earners. The customary arrangement of a couple providing for the household has reached its limits in the country, opening the door to strategies for cooperation and pooling of income among the household members. The third income-earner may be an adult child with a job who lives with his or her parents, a family member or close friend provided with housing, etc.

Understanding how families are organised and their financial strategies offers a window into the social and cultural differences of the middle classes in Africa.
Socio-demographic identity

Defining a socio-demographic profile of the middle classes requires studying aspects such as household structure, education level and leisure activities.

General household structure

An average of 4.6 people live in a single household, including two children under 18, meaning that the adults outnumber the children overall. Structures vary by household; some include young adults living with their parents or relatives and friends living in the home.

One compelling finding is the desired number of children: on average, the respondents say that they would like to have 3 children. In Morocco, the average is only 2 children, 2.7 in Kenya and between 3.5 and 4 in the other countries surveyed.

As this graph shows, the households bear little resemble to the common portrayal of African families with a large number of children. The middle classes restrict the number of births in their family in order to have fewer children to support and more resources to raise each one.

Source: CFAO, BearingPoint, Ipsos, 2015

NUMBER OF CHILDREN DESIRED AND BORN IN MIDDLE CLASS HOUSEHOLDS, IN RELATION TO THE OVERALL POPULATION

Source: CFAO, BearingPoint, Ipsos, 2015
Differences in family organisations between countries

The graph below illustrates the complexity of family organisations. All the households are not structured in the same way, notably in terms of the proportion of adults, children and minors living under one roof.

In Côte d’Ivoire and Nigeria, for instance, the number of minors living at home is greater than the number of offspring, which suggests that some households provide lodging for children outside their immediate family. There are also cases of several families that share a single residence but keep their finances separate.

In Cameroon, a certain number of adult children appear to still live with their parents, but this is not the case in Kenya.

The various configurations observed reflect differences in family organisation and strategies to limit household expenditure and pool income.

Level of education and children’s education

Education plays a vital role in the wide-ranging strategies used by the middle classes to improve their standard of living.

As the topic is often a major focus of secondary research on the African middle classes, the field survey sought to understand the respondents’ level of education and to what extent they invest in that of their children.

The results confirmed the conclusions put forward in the review of research: most of the survey respondents have received post-secondary education at universities, graduate schools, etc. Middle class adults seek to enhance their professional skills, in particular through night classes that they attend after their working day. In addition to their dedication to their own education and skills development, over 80% of respondents with children say they fund the education of one or more of their offspring.

Education is clearly a strategy for preventing downward mobility and appears one of the top priorities in the household budget, below food, housing costs and healthcare.

“I attend evening accounting classes twice a week.”
– Civil servant, 28, Nigeria

“If we didn’t have the taxi to send out for work, we wouldn’t be able to put our children in private school. That’s where the money from the taxi goes.”
– Civil servant, 44, Nigeria
Activities and leisure

40% of survey respondents do sport once a week, making it the top weekly leisure activity cited by the panel. Going to restaurants, cafes and bars is the second most popular activity.

The order of priorities changes when viewed from a monthly perspective—non-food shopping (60%) takes the top spot as the most oft-cited leisure activity. Shopping centres are logically a particularly popular consumer destination. Concerts, exhibitions/museums and cinema were also mentioned as monthly pastimes.

Television is the top source of information for the middle classes: nearly 90% turn on the set daily. The television occupies a central role in the panel households and is the most commonly found appliance, above kitchen appliances and hygiene items.

Collective identity (self-awareness)

A social class defined by what they are not

The collective identity of the middle classes is shaped by how they view themselves. Research in the social sciences has explored how this perception has evolved over time. Until recently, this population group did not display any significant sense of belonging, but researchers have discovered a deep-seated change in attitudes on the issue.

The findings of the field survey depict a class that defines itself as “neither rich nor poor”.

While the middle classes have trouble conveying the characteristics that define them, they see themselves as lying squarely between rich and poor.

In fact, the respondents were very unambiguous in their views of those above and below them: the poor are considered too lazy and dependent on others for survival, while the rich are seen as the dishonest beneficiaries of a corrupt system, who rarely deserve their many advantages.

The survey found that the middle classes rank themselves 5.5 out of 10 in relation to the poorest and the richest individuals in their country. In reality, they lie between 8 and 9.4 out of 10 compared with the overall population, based on the income cut-offs used in the questionnaire. If one disregards the number of individuals who belong to the other social classes, the median figure does indeed match the respondents’ stated position between extreme poverty and wealth. This illustrates the middle classes’ lucidity with regard to their situation—they do not feel self-pity and are aware of their privileges, but also realise that the road to wealth is long.

Middle class characteristics and shared values

The middle classes are ambitious and aspire to climb the social ladder. They believe that their financial and social situation is temporary—a better standard of living is on the horizon. Nonetheless, fear of downward mobility remains very high, which helps explain why they often work several jobs, as well as their frugal spending habits.

The middle classes place high value on work, which they view as a springboard to social mobility.

“On Thursday evenings, I do sport and then have a drink with friends. My wife isn’t too happy about it but I think I deserve it.”
– Legal expert, 35, Cameroon

“Rich people are the ones who have several luxury cars and villas. It’s the class with a lot of material wealth, those who travel and spend without counting.”
– Civil engineer, 28, Morocco

Findings of the field survey conducted in spring 2015 | White Paper 21
Solidarity within the sample group tends to be strongest among one’s immediate family; some are wary of excessive requests for assistance (financial or otherwise) from members of their extended family. This rather individualistic attitude is explained in part by the fact the middle classes mostly live in urban areas, which often results in them being somewhat removed from their family circle.

The middle class and its environment

The field survey offers a more detailed understanding of the lifestyle, homes and equipment owned by middle class individuals, who, it is important to note, mainly live in urban or suburban areas.

Housing

The respondents mainly live in apartments or terraced houses with an average of over 5 rooms. An appreciable difference exists between the quality, cleanliness and comfort of Moroccan middle class homes and those in the other panel countries. Moroccan homes showcase their occupants’ standard of living: a great deal of money is invested in equipment and décor, which is understandable given how central the art of entertaining guests is to Moroccan culture.

Housing arrangements in sub-Saharan Africa are more basic. The parents’ bedroom is generally the most decorated and the other rooms are sparser. Furniture is often worn down or second-hand, except for the television, which is generally relatively new. In some cases, the home also serves as a workplace or a source of income for recent homeowners, who rent out rooms in their newly acquired property.

The photos on the opposite page, which were taken during the ethnographic survey, show middle class families in their homes.

Most of those surveyed are tenants or sub-lessees, except in Morocco, where 92% own their homes. This figure coincides with the fact that 41% of Moroccan respondents say they have debts. While the overwhelming majority of Moroccans have already invested in property, most sub-Saharan respondents intend to purchase a home or property sometime in the next two years.

Home equipment ownership

The item most commonly found in respondents’ homes is a television (98%), which was cited more often than a kitchen, refrigerator, indoor toilet with flush or shower/bath. The television is the centrepiece of the home and the main source of entertainment and information. The televisions are generally relatively new, representing a substantial investment for the families.

Generally speaking, the middle classes are avid users of high-tech electronics and new technologies. They are very “connected”: 85% own a smartphone and there are an average of 2.4 smartphones per household, compared with 2.2 conventional mobile phones. This could be considered a characteristic that divides the middle class from the lower-class families, who mainly use basic mobile phones.

Nearly three quarters of respondents own a computer, despite the fact that availability of high-speed home internet service is limited (except in Morocco).

“I’m aiming higher: I want to start my own business and become rich.”
– Accountant, 32, Kenya

“I bought land but still don’t have enough money to build. I visit every week to make sure no one is living there.”
– Civil servant, 36, Nigeria
As a result, those surveyed tend to connect to the internet directly using their smartphone.

**Buying intentions**

60% of survey correspondents would like to purchase a household appliance or high-tech equipment sometime in the next two years. The figure is especially high in Nigeria.

These intentions should be interpreted with caution, however, given the interviewees’ responses when asked what their spending priorities would be if they had additional income in their budget, based on two scenarios:

- a one-off sum representing 50% of monthly household income (1);
- 10% additional monthly income (2);

Presented with the first scenario, only 6.4% of respondents listed household equipment among their top three spending priorities.

In the second scenario, in which the respondents are given additional monthly income, 11.4% named household equipment as one of their top three priorities.

It can be concluded that the middle classes’ penchant for technologies does not override their rational approach to spending.
The future of the middle class

Overall, the middle class in sub-Saharan Africa is particularly optimistic with regard to the future, a sentiment that is not shared by the middle class in Western countries.

Yet again, Moroccan respondents stand out from the other countries surveyed in their more guarded projection of their standard of living over the next five years.

The graph below highlights the different attitudes toward the future in the countries surveyed, in relation to respondents’ view of the past.

The graph demonstrates that respondents’ attitude toward the future depends in part on changes in their standard of living in recent years, as well as the differing outlook in each of their own countries.

The sub-Saharan population groups surveyed have strong faith in the future, whereas the Moroccans are more disillusioned, with only 13% foreseeing an improvement in their standard of living over the next 5 years and stagnation during the 5 years that follow. In contrast, the four other countries either take the stance that life will continue as is (a minority of respondents) or improve in relation to the past. Morocco is the only country in which part of the middle class does not expect the future to bring a higher standard of living.

The question, then, is whether the other panel countries will share the Moroccans’ pessimism once they reach the same standard of living, or if factors that are purely economic (Morocco was impacted by the economic crisis in 2008), or cultural (predisposition toward the future) have influenced the results.
Middle class consumption patterns

By definition, middle class households earn enough money to cover their basic needs and also have disposable income that they can use for non-essential purchases.

Given the frugality of the persons interviewed, what spending strategies are used by the middle classes? What are their spending priorities?

Everyday expenses

Spending priorities

The middle classes’ top spending priority is food, which accounts for 25% of their budget1. Next comes housing, at 18%, with education a close third. Nigeria and Kenya are unique in that they spend more on education than on housing.

Clothing and transport/travel represent 7% of household spending on average, while car & motorcycle maintenance, healthcare and telephone/internet service each account for 6% of their monthly budget.

The graph below shows the households’ spending habits and how they think they would use additional income, based on the two scenarios detailed above. The various expenditure categories are ranked according to the Maslow hierarchy of needs, which range from survival essentials to social recognition and a sense of achievement. The chart shows the respondents’ three top spending priorities for each type of need.

SPENDING PRIORITIES ASSUMING A ONE-OFF OR REGULAR INCREASE IN INCOME

1 This was the average in France in 1970.

Source: CFAO, BearingPoint, Ipsos, 2015
The results very clearly show rational, controlled spending. The respondents would mainly use additional income to satisfy the most basic needs in Maslow’s hierarchy: physiological needs and safety.

On the scale of spending priorities, the vast majority of respondents—over 75% for the scenario supposing a one-off sum—cited food in the top position, ahead of expenditures related to housing and education, with healthcare close behind.

This rational approach to budget management is a defining characteristic of the middle classes that appears to leave little room for non-essential spending or “treats”, even when factoring in a hypothetical increase in income. This helps explain their needs and receptiveness to selling points rooted in saving time and money, efficiency, durability and health benefits, rather than conspicuous consumption.

**Frequency of buying consumer goods**

The field survey included questions on how often the respondents purchased certain consumer goods. Ipsos has represented these consumption patterns in the form of a pyramid:

![Frequency of buying consumer goods pyramid](Image)  
Source: CFAO, Ipsos, 2015

Based on these results, the middle class consumption pyramid in Africa is not unlike that observed in developed countries, suggesting a certain level of comfort among those surveyed.

For instance, carbonated soft drinks and sweets are non-essential products purchased twice a week on average, raising the underlying issue of the potential public health risk posed by an unbalanced diet with excessive fat and sugar. The middle classes could develop high-risk dietary habits if they are not targeted by an awareness-raising campaign informing them of the health consequences of this type of product, especially for children.
In terms of alcoholic beverages, the respondents purchase beer the most frequently—two to three times a month. While alcohol expenditures are low, purchases are consistently made at least once every two weeks.

**Where everyday consumer goods are purchased**

Middle class families prefer to do their food shopping at small, local grocery stores. Location and convenience are important considerations for everyday purchases.

Markets and street vendors are the next most popular food outlets.

86% of respondents visit supermarkets or hypermarkets once a month and less than 30% of middle class households do so once a week. However, supermarkets are highly valued for their selection of imported and brand-name products and the shopping environment they offer their customers. They are also viewed as an enjoyable destination for an outing—a place that one plans to go to rather than a store well-suited to everyday shopping needs.

Online shopping is even more marginal, with 9% of respondents saying that they make at least one internet purchase a month. There are two major impediments holding back online shopping: the difficulty some have in providing an exact delivery address, and consumers’ hesitance to pay upfront, before they are sure to receive their product. At the same time, this distribution channel will be one to watch in coming years, given the buoyant technology and web sectors in the panel countries.

**Selection criteria for shopping locations**

Cleanliness and security are the top criteria for deciding where to shop, according to the data collected in the survey.

Yet these are not the characteristics of the locations where the respondents shop most frequently: local grocery stores, markets and street vendors.

The results demonstrate the appeal of supermarkets and the respondents’ desire for safe, well-run shopping locations. Nevertheless, supermarkets are visited less frequently due to their less central location, the added time needed to do one’s shopping and the (sometimes mistaken) idea that their products are more expensive than those in small shops.

**Vehicles**

57% of all respondents own at least one car or motorcycle. Car ownership varies widely by country: three quarters of the Moroccans surveyed own a car, 54% of Nigerians, 39% of Cameroonians, 34% of Ivoirians and only 28% of Kenyans.

The panel households mainly purchase vehicles—which represent a substantial investment—using their own money and do not take out a loan from a financial institution. Here as well, the Moroccan respondents differ from the rest in that they mainly buy new cars (67%) and over a third finance their car purchase with a loan. Based on these findings, access to financing could be a factor that would help the middle classes become car owners. Nigeria is by far the country with the most respondents who intend to buy a new car (77%).

While the proportion of Moroccans, Ivoirians and Kenyans who intend to purchase a car in the next two years ranges from 39% to 45%, only 17% of Cameroonians plan to do so.

“I like to go to the supermarket sometimes. I get ready and take the taxi to get there. I love it. It’s a really enjoyable activity. It’s a really classy place.”

– Taxi owner, 45, Cameroon

“I picked [my car] because I was told that it was fuel-efficient and that spare parts were easy to find.”

– Engineer, 32, Kenya

<table>
<thead>
<tr>
<th>62%</th>
<th>86%</th>
</tr>
</thead>
<tbody>
<tr>
<td>of respondents visit a local grocery store at least once a week</td>
<td>of respondents visit a supermarket at least once a month</td>
</tr>
</tbody>
</table>

Own at least one car or motorcycle

57%
With regard to motorcycles, Côte d’Ivoire has the highest rate of buying intentions, at 32%, with the other four countries below 20%.

**Healthcare and pharmaceuticals**

The respondents have a healthcare philosophy that combines certain beliefs based on traditional, plant-based medicine with growing trust in modern medicine and its effectiveness. The latter is the primary choice for operations and serious procedures.

Practices regarding the location of medical consultations differ greatly by country. Ivorians, Cameroonian and Kenyans are more likely to visit a hospital or healthcare centre when ill, while Nigerians and the vast majority of Moroccans (91%) go to see a doctor.

Nearly all medications are purchased in a pharmacy, hospital or healthcare centre, apart from in Morocco, where pharmacies alone are dominant. Cameroonian and Nigerians also tend to buy pharmaceuticals at markets, despite the high risk of counterfeit products. Brand-name medicines are generally preferred over generic drugs, except in Cameroon, where 56% respondents say they regularly buy generics.

Respondents’ attitudes when confronted with illness depend on whether or not they have health insurance or another form of cover. The least fortunate in this regard are found in Nigeria and Cameroon, where 37% and 35% of respondents have cover, respectively, and it is precisely in these two countries where it is common to buy drugs at markets. The difference in price is large enough for these individuals to take such a risk.

**Relationship with brands**

The middle classes care about brands. On average, 63% of respondents pay attention to brands and buy quality when possible. Over three quarters of Ivorians, Nigerians and Kenyans are particularly brand-aware. This is less true in Morocco and Cameroon, where less than half of respondents take a particular interest.

Brands are viewed as a guarantee of professionalism and quality. At times, the middle classes have an ambiguous relationship with international brands, which are seen as reassuring but needing to adapt to the local market. Foreign brands have to prove their commitment to society and avoid attempting to impose a new form of “economic colonialism”.

Local African brands are gaining ground with the middle classes by building credibility in terms of product quality and capitalising on the appeal of their local roots. Ivorians, Nigerians and especially Kenyans (85%) regularly buy products from local brands.

**Payment methods**

The use of payment methods differs by country, but in all five panel countries, payment in cash is by far the most common and used by all respondents.

In terms of the differences between other methods, 55% of Moroccans and 41% of Kenyans have and use a credit or debit card, while only a third of Nigerians, 26% of Cameroonian and 17% of Ivorians are cardholders.
The survey reveals that having a bank account does not automatically result in credit- or debit-card use, as 8 out of 10 Cameroonians and Ivoirians surveyed have an account.

Even starker differences exist with regard to mobile payment, which is used by over 88% of Kenyans but only 42% of Ivoirians and fewer than one in five Cameroonian and Nigerians. Mobile payment is almost non-existent in Morocco.

With the exception of cash, then, the consumers surveyed do not all use the same payment methods, a significant factor to take into account when adjusting to differences in local practices and developing interfaces tailored to certain target populations.

Conclusion: consolidated profile of a typical middle class individual

**WHO?**
- Autonomous and not living from hand to mouth
- Income between $2 and $20/day (ADB criteria)
- Good level of education
- Is aware of his or her class
- Limits number of offspring
- Has a bank account and puts money aside when possible
- Ambitious and optimistic
- Places high value on work
- Solidarity focused on immediate family

**WHAT?**
- Private-sector employee (56%)/ small business owner (48%)/ civil servant (33%)
- Often combines formal and informal employment
- Active in community, social and religious life

**HOW?** (strategies for preventing downward mobility)
- Manages budget frugally: pooling of financial resources, bulk purchases, etc.
- Builds up savings: traditional investment plans such as tontines, access to banking and credit
- Invests in the future: children's education
- Has health insurance/cover (56%)

**CONSUMPTION: WHAT? HOW?**
- Likes to buy local
- Considers certain brands or importation as a quality guarantee
- Spends more for his or her children
- Avid user of technology, mobile banking, etc.
- Spends 25% of income on food and 18% on housing
- Mainly shops for food in local grocery stores
- Shops at a supermarket once a month
- Non-food shopping is a preferred leisure activity
- Over 8 out of 10 have a refrigerator and more than half a freezer
- Plans to buy: equipment (60%), automobile (40%)

In blue: findings of the field survey

Sources: CFAO, BearingPoint, Ipsos, 2015
Outlook based on survey findings

In this section, comparative analysis of the review of research, interviews with professionals from major French corporations and the data from the field survey will first be used to estimate the current size of the middle class—in particular the “consumer class”—and project its growth in coming years. This information will then be utilised to highlight generational impacts and establish profiles of consumers relevant to CFAO’s business activities.

Quantifying the “consumer class” and the middle class as a whole

As noted previously, the respondents in the field survey—which was conducted with a focus on households rather than individual income—can generally be categorised as belonging to the lower-middle class or the upper-middle class, as per the criteria established by the African Development Bank.

On the basis of this observation, the number of people who belong to the middle class can be estimated by calculating the proportion of individuals who fall within these criteria in each panel country. The figures for each country are presented in the table below.

THE MIDDLE CLASSES IN THE COUNTRIES SURVEYED (ABSOLUTE FIGURES)

<table>
<thead>
<tr>
<th></th>
<th>Morocco</th>
<th>Cameroon</th>
<th>Côte d’Ivoire</th>
<th>Kenya</th>
<th>Nigeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle class, excluding the floating class, according to the ADB (%) in 2010</td>
<td>27%</td>
<td>16%</td>
<td>19%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>2013 population according to the World Bank (in millions)</td>
<td>33</td>
<td>22.3</td>
<td>20.3</td>
<td>44.4</td>
<td>173.6</td>
</tr>
<tr>
<td>Number of non-floating members of the middle class (in millions)</td>
<td>9.0</td>
<td>3.6</td>
<td>3.8</td>
<td>7.5</td>
<td>32.8</td>
</tr>
<tr>
<td>... of whom are under 18 (in millions)</td>
<td>2.1</td>
<td>1.5</td>
<td>2.0</td>
<td>2.6</td>
<td>15.3</td>
</tr>
<tr>
<td>Consumer class (in millions)</td>
<td>6.9</td>
<td>2.1</td>
<td>1.8</td>
<td>4.9</td>
<td>17.5</td>
</tr>
</tbody>
</table>

Sources: CFAO, BearingPoint, based on Ipsos, World Bank and African Development Bank data, 2015

When looking at these figures, it is important to make the distinction between the middle class as a demographic group and a potential market—two definitions that differ in scope.

The group relevant to CFAO is the middle class in Africa as a market. As a result, the segment of the population who are not consumers has been subtracted from calculated figure. The survey takes the stance that children, who do not earn income, are not yet consumers even if they benefit from consumption.

The three last rows in the table present all members of the non-floating middle class, the number of minors within this population group, and the consumer class in each country, which comprises all non-floating class adults.
Projections of the size of the middle classes in the decades ahead can also be calculated from the data collected.

**2040 projections in the countries surveyed**

The projection of the middle class in 2040 is based on a scenario in which the growth of the middle class mirrors urban population growth on the continent over the same period (according to UN figures).

The graph below shows the projected growth of the non-floating middle class by country, including both adults and children.

**PROJECTION OF THE MIDDLE CLASSES IN THE PANEL COUNTRIES IN 2013 AND 2040**

Sources: CFAO, BearingPoint, based on Ipsos, World Bank and African Development Bank data, 2015
Between 2013 and 2040, the middle class is expected to more than double in the countries surveyed. This rapidly growing population group therefore holds substantial promise for economic and social development on the continent.

Nigeria is the country with the largest middle class by a wide margin and holds the most potential in the years ahead, due to the numerical superiority of its population.

However, as previously mentioned in this paper, considerable differences exist between the countries surveyed in terms of both culture and standard of living—Nigerians, for example, exhibit different consumer behaviour than individuals from the other countries, and vice versa.

**Projection of the African consumer class in 2040**

In the African continent as a whole, the middle class—including the floating class defined by the ADB—represented about 330 million people in 2010.

Again, it is important to make the distinction between adults and children. The field survey shows an average ratio of 60% adults and 40% children in middle class households, which translates to 200 million middle class adults in 2010.

To determine the number of individuals who belong to the population group targeted by the field survey, the much-debated floating class—which represents 61% of the middle class—is subtracted from the total, leaving a consumer class of 78 million people across the continent.

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1. AFDB, op. cit.

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PROPORTION OF POTENTIAL CONSUMERS IN THE MIDDLE CLASS AND 2040 PROJECTION

(1) AFDB, “The Middle of the Pyramid, Dynamics of the Middle class in Africa”, 2011
(2) Ipsos survey for CFAO, 2015: minors represent about 40% of the households surveyed
(4) OECD, population series
(5) UN-Habitat global urban indicator database

Source: CFAO, BearingPoint, 2015
This same calculation was made for 2040, again based on a scenario that assumes the middle class will keep pace with urban growth on the continent.

905 million people—nearly 500 million adults and 80 million pensioners—are projected to belong to the upper-middle, lower-middle and floating class in 2040. While the pensioners will no longer form part of the working population, they will still remain consumers. In a quarter of a century, children from middle class African families may also have greater spending potential than their counterparts in 2015.

According to the projections, the consumer class will have 224 million members in 2040.

The generational effect

Truly understanding the middle class realities in Africa requires taking into account how recently the social class emerged and the social realities that are passed on from one generation to another.

These two factors became apparent during the field survey, leading Ipsos to develop two profiles of middle class individuals: “descendants” and “self-made men”.

The former benefit from the social status attained by their parents and seek to continue this climb up the social ladder. They generally are well-educated, which enables them to maintain their position in society.

In contrast, self-made men grew up poor and, through hard work, successfully raised their standard of living. They go on to confer their new social status to their children, who grow up to be a new generation of descendants.

Disparities in field survey data between different age groups corroborate these generational trends. The youngest individuals, aged 18 to 24, represent more than half of the lowest income bracket (on a scale of 1 to 6). As the respondents’ age rises, this income gap begins to become less visible.

Age-based divisions also exist with regard to perceived standard of living, both past and future. The youngest respondents generally believe that their standard of living has improved in recent years and 47% expect that it will significantly improve in the future. Members of the 44-55 age group note a slight improvement or levelling-off of their standard of living in the past and foresee an improvement over the next five years, but are less optimistic than the younger generation in that most only predict a slight rise.

So while the youngest members of the middle class start with the lowest income, they have the highest hopes of improving their situation in the years ahead.

It is, however, interesting to note that the age groups have comparable levels of education: about two thirds of respondents (of all ages) have pursued post-secondary studies and the remaining third went to secondary school. The 40-55 age group put themselves through school to attain their current standard of living.

Pursuing an education is not, therefore, a new phenomenon or a characteristic specific to the younger generations.
Profiles of typical consumers

The profiles detailed below were created using data from the field survey. The aim of establishing profiles is to highlight the characteristics most frequently observed in association with a specific consumer behaviour. The handful of consumer profiles presented here were developed using four variables: spending priorities assuming additional income, intention to purchase a new vehicle, shopping at the supermarket, and the type of medications most often purchased.

Analysis of these variables resulted in profiles that reveal sometimes unexpected correlations, offering insight into the target population.

Household profiles based on use of a one-off increase in income

These profiles identify household characteristics based on the respondents’ hypothetical spending priorities if given a sum of money.

The households would mainly use this additional income to cover everyday expenses or to make a one-off purchase, such as to cover healthcare costs or buy a vehicle.

Many households that would make everyday expenses their priority have five or more members, or have been living in their home for over 10 years.

Conversely, the individuals who would prefer to use the funds for a one-off purchase are those without children or with only one child. The education level of this segment of the sample is lower than the average.

CONSUMER PROFILES: HOW THE MIDDLE CLASSES WOULD USE A ONE-OFF INCREASE IN INCOME

The household characteristics listed below, which are independent from one another, represent behaviours that were observed with high frequency.

- **Cover everyday household expenses**
  - Households with 5 people or more
  - Households who have lived in the same home for 10 years or more

- **Put aside as savings**
  - Households in the lowest income bracket
  - If a household has 4 or more earners, the sum would be set aside

- **Pay off a debt**
  - Moroccan and Cameroonian households

- **Give to a family member or friend**
  - Households that rate their standard of living between 1 and 3

- **Make a one-off purchase**
  - Households with 0 or 1 child maximum
  - Families in which the head of household has a low level of education (little or no schooling)

Source: CFAO, BearingPoint, Ipsos, 2015
Profiles of households that intend to buy a vehicle in the next 24 months

These profiles highlight the characteristics that are often correlated with the intention to buy a new car.

It is interesting to note that households with several children make up the majority of respondents who intend to make this purchase, with the highest rate found among those who have four or more. These households have two earners and would use their own funds to make the purchase.

Several characteristics do not have an obvious logical link: households with one member who keeps a separate budget, those who are particularly fond of local brands, and respondents who view their level of wealth as being at the lowest (1-3/10) or highest (9-10/10) ends of the scale. The reasons for wanting a car may help explain this variation: the former need to purchase a car, in particular for their work, while the latter would like to purchase a car because they have the funds to do so.

CONSUMER PROFILES: BUYING INTENTIONS FOR THE NEXT 24 MONTHS

The household characteristics listed below, which are independent from one another, represent behaviours that were observed with high frequency.

**Strong intention to buy a new car**
- Households fond of local brands
- Households that can make the purchase with their own funds
- Households with at least two earners
- Households with a member who keeps a separate budget
- Households with at least 4 children
- Households that rate their level of wealth from 1 to 3 or 9 to 10
- Households living in an apartment

**Possible purchase**
- Households with 2 children
- Households that rate their standard of living as 7-8 out of 10
- Households living in an apartment

**Unlikely to buy a car**
- Households that list medical expenses as one of their 3 spending priorities for the additional income

**Certain not to buy a car**
- Households whose standard of living has worsened over the past five years

Source: CFAO, BearingPoint, Ipsos, 2015
CONSUMER PROFILES: SUPERMARKET SHOPPERS

The household characteristics listed below, which are independent from one another, represent behaviours that were observed with high frequency.

**At least once per week**
- Households that rate their standard of living as 9 or 10 out of 10
- Households with 3 or more earners
- Those who have a car that is less than one year old, or 2-3 years old
- Respondents who do sport daily

**1 to 3 times per month**
- Households not planning to buy a car in the next 24 months
- Respondents who do sport once a week

**Never**
- Households with 4 or more children
- Households funding the education of one or more children
- Households that do not have a freezer
- Those without health insurance/cover

Source: CFAO, BearingPoint, Ipsos, 2015

CONSUMER PROFILES: TYPES OF MEDICATIONS PURCHASED

The household characteristics listed below, which are independent from one another, represent behaviours that were observed with high frequency.

**Brand-name medications**
- Households with one or members who have health insurance/cover
- Households that rate their standard of living as 7 and 10 out of 10
- Households with 2 or more earners

**Generic medications**
- Households without health insurance/cover
- Households planning to have 5 or more children
- Households with one earner

**Solutions prepared by practitioners of traditional medicine**
- Households with several members who have health insurance/cover
- Households that rate their standard of living as 1 and 5 out of 10
- Households with one earner

Source: CFAO, BearingPoint, Ipsos, 2015
Profile of households that often shop at supermarkets

The households that shop at the supermarket at least once a week have interesting profile characteristics.

These households rate their standard of living as being very high (9 or 10 out of 10), have three earners who split costs, and often own a relatively new car.

The Nigerian respondents best fit this profile, as do the individuals who do sport daily.

This is the most well-off segment of the middle class households surveyed. On the other end of the spectrum, the households that never shop at supermarkets are mostly Cameroonian families with 4 or more children which do not have health cover or a freezer.

Profiles of households based on preferred type of medications

The different types of medications sold in Africa have been divided into three categories: brand-name medications, generics and medications prepared by practitioners of traditional medicine.

The profile most relevant to this paper is the segment that mainly buys brand-name medications. As would be expected, these respondents have health insurance/cover and rate their standard of living at between 7 and 10 out of 10. These households often have two earners and are mostly Moroccan, Nigerian and, to a lesser extent, Kenyan.

The findings of the field survey could also be used to study and describe many other profiles defined by socio-demographic characteristics or consumption patterns.

Consumer profile matrix based on respondents’ relationship with money

Delving further into the analysis, consumer segments based on the respondents’ relationship with money have been established by comparing three different variables:

- Two income categories based on data from the field survey—“high income” and “limited income”—that respectively represent the half of the respondents in the upper income brackets and the half in the lower income brackets.
- “Discreet” or “conspicuous” consumer behaviour, based on respondents’ spending priorities, broken down as follows:
  - “discreet” spending categories: food, housing, household equipment, healthcare, public transport and education
  - “conspicuous” spending categories: alcohol and tobacco; clothing and shoes; car or motorcycle expenses; communication; leisure; and wedding costs
- “Profligate” or “frugal” consumer behaviour, calculated by comparing the amount of money households have set aside in relation to their income.
Correlations between these three variables were used to divide the respondents into eight general profiles:

**FRUGAL PROFILES**

- **The planner:** Has money and likes to flaunt it, but still sets aside money for the future.
- **The hoarder:** Has money but doesn’t like to show it off, and carefully builds up savings.
- **The bluffer:** Seeks to exhibit a certain level of wealth among his or her peers, but has limited income and still manages to put aside money in a sensible manner.
- **The thrifty saver:** Has limited income, avoids purchases considered superfluous, and puts money aside whenever possible.

**PROFLIGATE PROFILES**

- **The hedonist:** Has money and enjoys spending without regard to his or her savings, in search of a comfortable lifestyle, not the respect of his or her peers.
- **The big spender:** Makes a decent living but has an extravagant lifestyle and doesn’t put money aside at the end of the month.
- **The month-to-monther:** Has limited income and spends all of it, while avoiding superfluous household expenditures.
- **The spendthrift:** Has limited income and seeks to display a level of wealth above his or her means. Spends all his or her monthly income.

Source: CFAO, BearingPoint, Ipsos, 2015
Over a third of the field survey respondents match the “thrifty saver” criteria. These individuals have limited income but put aside money whenever they can, in particular by completely avoiding non-essential spending.

The second-most common profile, representing 28% of respondents, is the “month-to-monther”. These households have limited income and save little, but avoid “conspicuous” consumption and spend nearly all their income on “discreet” expenses.

9% of those surveyed fit the “hedonist” profile. They have money and tend to spend it without setting any aside, but on non-conspicuous expenses.

Last is the “bluffer”, which represents 7% of the panel. These households have limited income and manage to put money into savings, while at the same time spending rather conspicuously, giving the (false) impression that they are well-off. The bluffers’ spending choices run the risk of limiting funds available for “priority” expenses such as household equipment, healthcare and education.

This analysis confirms a major middle class character trait: reasonable, rational consumer behaviour that, for the most part, avoids conspicuous consumption aimed at displaying outward signs of wealth. Middle class households much prefer to put aside money and invest in the future.

However, there is one category to which this prudent approach does not apply: multimedia and technology purchases. Despite their frugal budget management, the middle classes are generally well-equipped and own new televisions, smartphones, other multimedia equipment and computers, etc. It would be an oversimplification to view the middle classes as living a uniformly thrifty lifestyle, as this penchant for technology demonstrates. This equipment represents a source of entertainment, a window into the larger world and a connection with friends and family. Buying these products can sometimes result in households temporarily depriving themselves of items from other categories.
Conclusion

This study on the middle classes in Africa, which combined various secondary sources, interviews with professionals and an ambitious field survey, confirms that these social classes are a reality on the continent and that its members are aware of their status.

The middle classes define themselves as a group that lies in the middle ground between the richest and poorest members of society. They embody aspects of Marx’s definition, such as possessing a small amount of capital—but not enough to stop working—and investing in education as a means of attaining their high social ambitions.

At the same time, any given definition of the middle class is coloured by the person or institution attempting to analyse it. As a result, the debate on the criteria that define the middle classes has not been settled. With regard to income, this study took an approach based on monthly household earnings. However, absolute income is not an adequate definition criterion if it does not include the concept of disposable income—the amount of money left over after all essential needs have been taken care of.

This study also highlights the more behavioural characteristics of the African middle classes, who are hard-working, frugal and care deeply about the health and education of their children. The middle classes in Africa are aware of their potential and the opportunities they need to seize to improve their standard of living. While fear of downward mobility is an issue, they aim to nip it in the bud by putting money aside and assiduously managing their budget.

Certain criteria could prove to be “inflection points”—conditions that are prerequisites for belonging to the middle class but do not alone suffice. Having a bank account is one example, as is being able to eat three meals a day. Regular income, owning a refrigerator and having at least one smartphone in the household could also be decisive criteria, but factors such as these will have to be re-assessed frequently to keep pace with the rapidly changing equipment present in African households.

The African middle classes are set to represent an increasing share of the total population in the decades ahead, creating substantial development opportunities. Their emergence will clearly have an impact on society as a whole—one that will help shape attitudes, values, lifestyles and consumption patterns.

The middle classes also represent significant opportunities for businesses that are able to grasp their unique features and follow their gradual transformation.

The outlook is particularly promising for a company like CFAO, which has a presence in Africa that dates back 160 years and knows how to adjust to the deep-seated changes underway on the continent, as well as for new market players.

The study serves as a reminder of the great care that must be taken when attempting to accurately depict the African middle class, which may follow a different path than Western or Asian countries. The middle classes on the continent are unique with regard to the importance they place on religion, their progressive leanings paired with fondness for traditions and local products, their sense of community and togetherness, and their optimism. What is more, there is no single middle class in Africa—each country has its own middle class, as the results of this study have shown, time and time again. All the diversity and unique traits of this population group must be studied for it to be truly understood.
The promising outlook for this emerging class must not result in a blind eye being turned to certain risks that have to be forestalled. The foremost of these risks is social in nature. Those living below the poverty line could be left behind by the growth of the middle classes, which would dangerously heighten tensions. There is also a risk that the middle classes will expand at an uneven pace in cities and rural areas, widening the inequality gap.

The study was conducted in a way that avoids the pitfalls of “Afro-pessimism” and the opposite school of thought that succeeded it in the 2010s, “Afro-optimism”. Instead, this work aims to take an “Afro-realist” approach that avoids painting this highly complex group and its regional differences with too broad of strokes.

The question arising from the outcome of this study on the middle classes is not whether they exist, but whether their growth in society will represent a source of tensions or a powerful catalyst for economic and social development.

Market players will only succeed in their positioning on the emerging middle class segment in Africa if they take full measure of these realities.
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Photos
Joan Bardeletti: These photos were taken as part of the “Middle Classes in Africa” project created and led by Joan Bardeletti in partnership with the LAM research centre from 2008 to 2012, which combined photo essays with sociological research. The study is one of the largest ever undertaken on the subject.
[http://www.classesmoyennes-afrique.org/fr/leprojet/Joan-Bardeletti]
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CFAO is a front-ranking specialized distributor and preferred partner of major international brands, serving the high-potential equipment and services, healthcare and consumer goods markets in Africa and the French overseas territories. The Group is active in 39 countries, including 34 African countries and 7 French overseas territories. It employed 12,000 people at end-2014.

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Contact
Françoise Le Guennou-Remarck
Vice President Institutional Relationship and Communications
fleguennouremarck@cfao.com
+ 33 1 46 23 58 70

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Contact
Florence De Bigault
florence.de-bigault@ipsos.com
+33 1 41 98 93 97
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Contact
Jean-Michel Huet
jean-michel.huet@bearingpoint.com
+33 6 21 72 78 44