Review Article

Africa and the Middle Class(es)

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United Nations Development Programme (2013), *The Rise of the South: Human Progress in a Diverse World*, Human Development Report 2013, New York: United Nations Development Programme, ISBN 978-92-1-126340-4, 203 pp.

Keywords: Africa, development, middle class, United Nations Development Programme

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The United Nations Development Programme (UNDP) released its 22nd Human Development Report (HDR) for 2013 worldwide on 14 March of that year (quoted as UNDP 2013). Published annually since 1990 almost uninterruptedly, the report has become an essential tool, not least for the establishment and presentation of data and the ranking of countries in the Human Development Index (HDI). It also provides many related social indicators in comparative perspective. The HDR has also made significant contributions to the general debate on current developmental issues by selecting a particular theme for each year's narrative and identifying trends of that theme that are considered significant. This year's focus is on the new global players in the South, but unfortunately the report's revelations are disappointingly sparse. Indeed, what is surprising is its optimism, which surpasses even that of the assessments made by multilateral financial institutions. The rosy future scenario is at least occasionally punctuated by some more sober observations.

Global Realignments: (In)equality and Development

First, the seemingly good news:

> Between 1990 and 2012, almost all countries improved their human development status. Of 132 countries with a complete data series, only 2 had a lower HDI value in 2012 than in 1990 (Lesotho and Zimbabwe). (UNDP 2013: 12)

However, throughout the report the difficulties in accessing reliable data, especially in African countries – a problem repeatedly discussed in greater detail by Morten Jerven (2012, 2013a, b, c; see also Fioramonti 2013) – seem to evoke no concern, at least none that is mentioned. There is no indication that the foundations for the prognosis are at best fragile, if not downright speculative.

Less problematic at first sight are the assessments and conclusions the report makes based on the observed shifts and restructuring of the global economy as a result of industrialisation since the turn of the century in the previously so-called "emerging economies". However, as one reads on, some arithmetical problems become clear. For example, under the heading "Global rebalancing", the report illustrates these rapid changes by stating that for the first time in 150 years the combined GDPs of Brazil, China and India more or less equal the combined GDPs of Canada, France, Germany, Italy, the UK and the US (one wonders if the situation was indeed similar 150 years ago). Just a few sentences later, it goes on to declare that the combined GDPs of Argentina, Brazil, China, India, Indonesia, Mexico, South Africa and Turkey now equal the GDP of the US, which is "still by far the world's biggest national economy" (UNDP 2013: 17). If this is the kind of applied mathematics that guides the analyses in the report, one does not need to be a Morten Jerven to see the limits of these statistics, not to mention the deficient arithmetical skills and logic.

The report at least concedes that, whatever the changes, the developmental challenges have not been significantly reduced:

> An estimated 1.57 billion people, or more than 30% of the population of the 104 countries studied for this Report, live in multidimensional poverty. (UNDP 2013: 13)

For many of the rapidly growing Southern economies, the number of people living in such *multidimensional poverty*, whose definition augments the per capita income level by including measures of human deprivation in health, education and standards of living, exceeds the number of those living in *income poverty*. In addition, income inequality is on the rise, with 23 per cent of the combined HDI value lost to inequality in 132 countries based on 2012 calculations (UNDP 2013: 14).

This actually brings us closer to the core of the matter, the tendency toward growing inequality within as well as between societies. This does not go unnoticed in the report, which identifies

> a "south" in the North and a "north" in the South. Elites, whether from the North or the South, are increasingly global and connected, and they benefit the most from the enormous wealth generation over the past decade, in part due to accelerating globalization. (UNDP 2013: 2)

The report therefore stresses "the imperatives of ensuring that concerns of equity and sustainability are fully incorporated into future policies and strategies", since "continued human development progress is unlikely if inequality and environmental destruction are not moved to the forefront of policy discussions". It continues:

> Under worst-case scenarios, a business-as-usual approach to development combined with the environmental crises could reverse human development gains in the South or make this progress unsustainable. (UNDP 2013: 2, 3)

One is tempted to add that this collateral damage will, of course, not only affect societies in the Global South. As the Civil Society Reflection Group on Global Development Perspectives (2012) outlined in its report on the occasion of the Rio+20 summit, if the dominant, unsustainable development paradigm is not decisively reversed, we face a likely setback for human development on a global scale. These concerns about the future and its alternatives are shared by many others. However, such fundamental considerations are largely lacking in HDR 2013 – notwithstanding the concession quoted above concerning the worst-case scenarios. Also missing were any insights into the fact that the concerns about the future apply to the North, as well, save for the report's observation that "low economic growth, high unemployment rates and austerity measures threaten the high level of human development" or its caution that ruling elites everywhere "cannot afford to ignore these threats to social inclusion and social welfare, given the rising call for fairness and accountability" (UNDP 2013: 3).

By striking contrast, the report displays an almost touching inability to call a spade a spade:

> While there is much awareness at the global and regional levels that the world is in transition, leaders, institutions and academics seem-

> ingly find it difficult to put forward principles, institutions and policy recommendations that can secure the next steps in creating a more just and sustainable world. (UNDP 2013: 4)

Are the authors ignorant of class interests and how they are manifested and reproduced, not only by apologists but also by those who remain passive instead of seeking decisive intervention in pursuit of fundamental change?

Development and the Middle Class(es)

The class-related approach shifts the focus onto the effects and role anticipated to be played by the middle classes, the proclaimed bearers of the "development torch". The ominous middle classes have emerged as a flavour of the month even in development studies concerning Africa. They have sneaked into African Studies as a popular subject as well, as witnessed, for instance, by a recent special issue of *Afrique Contemporaine* (2012). This trend requires us to reflect on the inflationary use of the category "middle class(es)", its definition and its relevance, something many have started to do.

The HDR's contributions to such reflections can be conceded as thought-provoking, though they also generate doubts as to their merits and implications. The report predicts the massive expansion and global reconfiguration of the middle class:

> Between 1990 and 2010, the South's share of the global middle class population expanded from 26% to 58%. By 2030, more than 80% of the world's middle class is projected to be residing in the South and to account for 70% of total consumption expenditure. (UNDP 2013: 14)

The prognosis assumes that two-thirds of this middle class will be in Asia and the Pacific, one-tenth in Central and South America and a bare 2 per cent in sub-Saharan Africa (ibid.).

This outlook on Africa's future is less optimistic and reminds us that the resource boom is not necessarily feeding the majority of people on the continent. A recent performance analysis of 42 countries in sub-Saharan Africa suggests that, compared to other countries similarly placed socio-economically, most of them are still at the lower levels of the performance index and will find it difficult to keep up (Kappel and Pfeiffer 2012). And this will be the case despite recent significant increases in growth rates. A report by UNIDO/UNCTAD (2011: 105) has already come to the sobering conclusion that the share of manufacturing value added in Africa's GDP fell from 12.8 per cent in 2000 to 10.5 per cent in 2008, while the share of manufacturing in the continent's total exports fell from 43 per cent to 39 per cent during the same period. Furthermore, labour-intensive manufacturing played a limited and even further-reduced role – not a promising trend in the fight against growing unemployment. Despite above-average economic growth rates during the last decade, mainly as a result of extractive industries as part of the resource boom, "the size of the labour force, already characterized by significant open unemployment and under-employment, [is] set to surge", leaving "no room for complacency" (International Monetary Fund 2013: 19). But how can a middle class consolidate while high unemployment remains a chronic feature of their societies? Not surprisingly, then, "Africa continues to be the least competitive region on average worldwide, trailing more advanced economies across all competitiveness indicators" (World Economic Forum 2013: 26).

The asserted social stratification associated with a significantly growing middle class not only verges on wishful thinking in the context of Africa, but is also at odds with trends elsewhere: The middle class in Europe, for example, is expected to stagnate (as Figure 4 in UNDP 2013 illustrates), and may even be at considerable risk, under threat and in decline (Boyle 2013). But over and above all of this, what is particularly problematic is the current definition of middle class (even setting aside the almost-exclusive emphasis on the financial/monetary aspect at the expense of considerations of professional and social status and political influence). "Middle class" is increasingly used in an inflationary sense to cover almost everything "in between", thereby signifying little or nothing. This definition is a far cry from the petite bourgeoisie of class analysis, and is devoid of almost any analytical substance.

Using a category developed by the Brookings Institution (Kaufmann et al. 2012), the HDR uses a daily income or expenditure of between ten and one hundred dollars (US) to define a middle class (see also Kharas 2010). This is a very generous numerical definition that embraces a wide range of middle classes in the plural, right down to the precariat in the industrialised countries, which display fast-growing social disparities even within the proclaimed pluralist category of "middle classes" (Standing 2011). World Bank Chief Economist Martin Ravallion (2009: 17) advocates an even more flexible definition of middle class in the developing world, with a household consumption per capita of two to thirteen dollars a day at 2005 purchasing power parity. The two-dollar threshold was also used as a reference point in a 2011 briefing by the African Development Bank (ADB) at which it declared that over 300 million Africans, or one-third of the continent's population, had entered the middle classes. A review in 2012 reconfirmed the bank's almost obsessive gospel about the role of the middle class in the continent's rapid and accelerated development: The "rise of Africa's middle class, now thought to number between 300 and 500 million people" is identified as a "key factor" (African Development Bank 2012: 13). Since then, the (non-)existence of significant middle classes and the prospects for meaningful socio-economic development have given rise to a vibrant debate even in the public media – most prominently in publications such as *The Economist*, but also as the subject of a vibrant debate initiated by *BBC NEWS* and other established media outlets – on the proclaimed rise of Africa (cf., Akwagyiram 2013, Enaudeau 2013, Jerven 2013c, Rowden 2013).

It requires substantial creativity to visualise how the defined minimum income or expenditure (be it a paltry two dollars a day or even the substantially higher ten) allows for a lifestyle and social status that qualifies as middle class, even in African societies. It definitely requires more than those amounts to escape poverty even in, for example, semi-industrialised but socially fragmented South Africa. That, in turn, gives rise to considerable doubts that such a middle class could play a pioneering role in the transformation of societies toward greater social justice and less inequality (cf., Furness, Scholz and Guarín 2012). Ravallion is honest enough to admit that such a definition of middle class is at best precarious, since "the vulnerability of this new middle class to aggregate economic contraction is obvious: one-in-six people in the developing world now live between two and three dollars a day" (Ravallion 2009: 17) – and they are all part of a so-called "middle class"?

The Middle Class(es) and Development

The discovery of the middle class(es) is by no means new, but their enthusiastic welcome in the report as the light at the end of the developmental tunnel for Southern societies *is* rather new – and there is not the faintest concern that this light might only be the train approaching. What feeds the belief that such a middle class is indeed promoting sustainability and contributing to more equality and fairness, whose importance HDR 2013 acknowledges? As recent results in the Afrobarometer survey suggested,

> middle-class persons display a pervasive suspicion that their fellow citizens are incapable of casting a responsible vote. Afrobarometer surveys repeatedly show that, as education rises, individuals are more likely to agree that "only those who are sufficiently well educated should be allowed to choose our leaders" and to disagree that "all people should be permitted to vote, even if they do not fully understand all the issues in an election." (Bratton 2013: 281)

The conclusion warns that neither economic growth nor the proclaimed rise of a middle class automatically heralds the spread of democratic values. At the same time, as Sumner (2012: 36) points out, the existence of such a growing middle class might not necessarily have redistributive impacts in terms of social policy if there is little support for paying more taxes among the more secure middle classes.

A recent IMF Working Paper conceded that economic growth rates – considered a precondition for the expansion of a middle class and redistributive effects – do not automatically translate into social progress. Examining the correlation between growth dynamics in sub-Saharan Africa and social indicators, Martinez and Mlachila (2013: 22) concluded that "for the most part there is little correlation between growth and social indicators in general" and that "growth is but an ingredient in the dynamics". They state further: "While in principle growth should increase the amount of available resources to undertake social programmes, the success hinges crucially on a complex interaction of a number of institutional and policy factors." However, a middle class is no guarantee of policy factors conducive to greater socio-economic equality and improved living standards for the poor.

Seeing the middle class(es) as a source of hope is wishful thinking, if not evidence of an ideological smokescreen. The middle classes in Africa are currently demonstrating the flip side of the "continent of hope" propaganda, the prevailing currency for promoting investment opportunities for external actors in resource extraction. Middle classes seem to come in handy as justification for the notorious "trickle-down" effect, in the absence of any meaningful employment creation or local capital accumulation through value-added activities. Looking at the emerging middle class in South Africa – a much praised post-Apartheid phenomenon – its members are in large part roaming the fancy shopping malls, spending the money they earn as well as borrow on an over-consumptive lifestyle they cannot really afford, without creating value by investing in lasting assets (if one does not classify houses and cars as such). Once the bubble bursts, this over-indebted segment of society simply crashes, without making a significant contribution to social transformation for the majority of the still-poor in a society with one of the highest levels of wealth inequality in the world (as confirmed by the HDR and HDI – using calculations based on the figures presented). As even the ADB (2012: 13) must admit, income inequality as measured by the Gini coefficient has widened in recent years, and six countries in sub-Saharan Africa are among the world's ten most unequal. At the same time, none has achieved the first Millennium Development Goal, poverty reduction.

As other analytical projects show, it is neither the middle class(es) nor the upper fifth of the income pyramid that has any influence on the distribution of wealth in societies; they, too, are on the receiving end. It is indeed the top decimal (if not the top 5 per cent or an even smaller share) among the "haves" that has grasped the steering wheel. Their forms of appropriation and enrichment are the ultimate determinants of the scope and limits of poverty reduction by means of redistributive measures in favour of those in the bottom half of society. To understand inequalities and the mechanisms of their reproduction, the motto coined by Palma (2011), based on his own pioneering work, is fitting: "It's the share of the rich, stupid." Even Nancy Birdsall (2010: 11), who has high hopes for the indispensable middle class, admits that in many developing countries "the relevant political economy might better distinguish between the rich – with political salience – and the rest".

Pinning hopes for social advancement on the emerging middle classes is like trusting those who row the galley to decide its course. Meanwhile, the captain and his adjuncts are navigating from the commanding bridge, and not rowing at all. The rowers keep the galley moving, but the course coordinates are defined, decided upon and followed by a handful of others – unless or until there is a mutiny.

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