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“Social Protection Finance for a changing World of Work - Key Considerations For A Responsive Financing Framework For Social Protection In Africa ”

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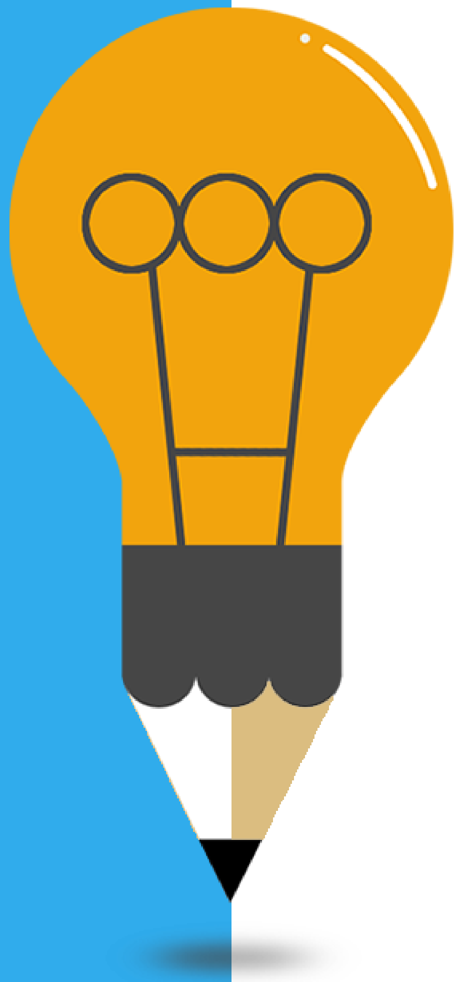
Outline



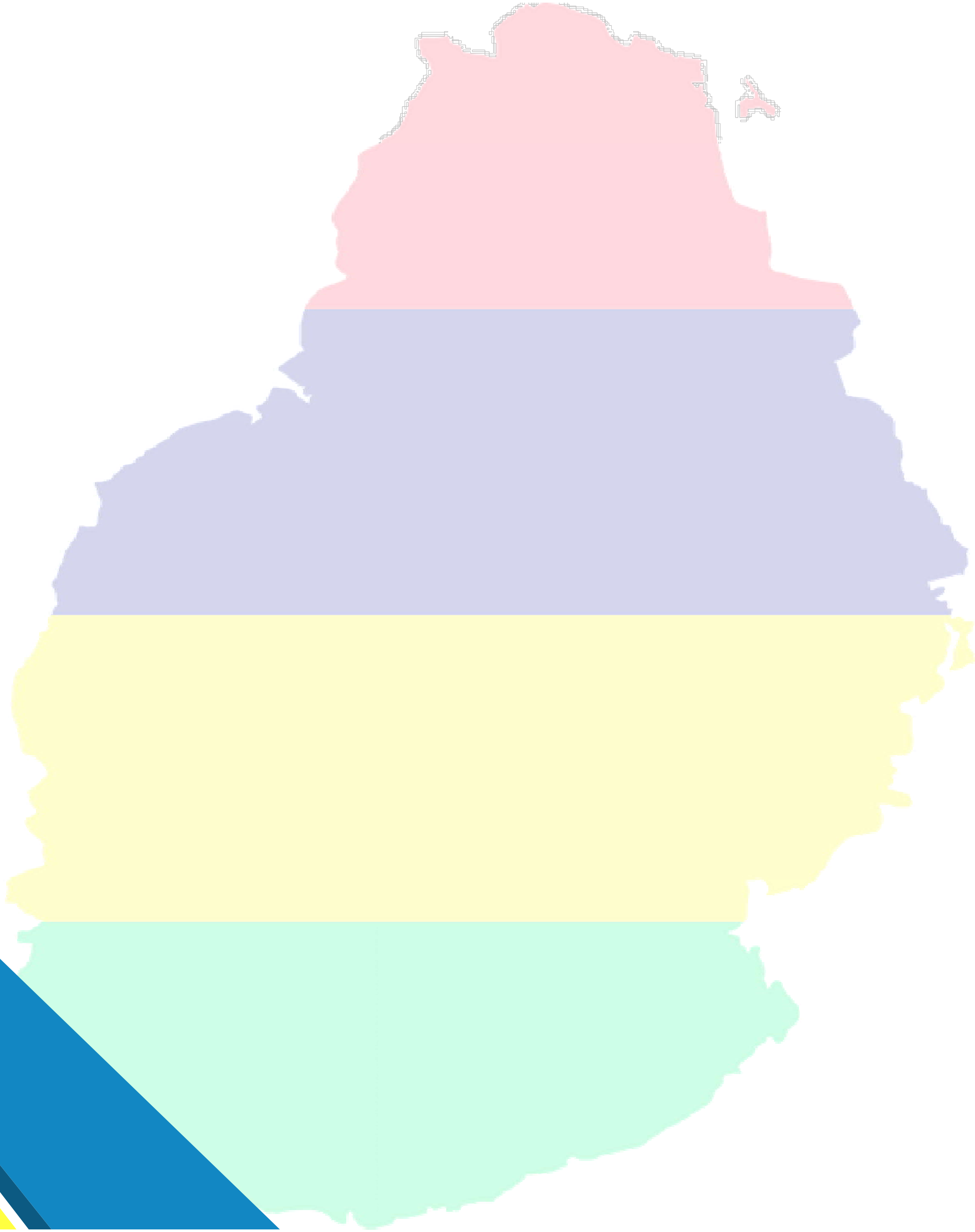
01 Contextual Overview

02 Social Protection in the Region

03 Current SP Financing Architecture

04 African Social Protection Context and the future of work

05 What the future should look like



Poverty and Inequality

POVERTY & INEQUALITY

Differences between Countries are significant

About 43% of Population is Poor
fell from 56% in 1990 to 43% in 2012

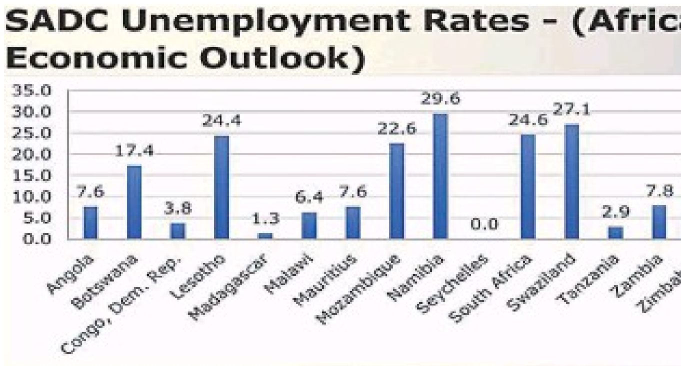
Nominally, more people poor
about 330mn up from 280 million (Africa)

High Inequality
Rural areas much poorer than urban

Welfare Indicators Poor
income, infrastructure, education, health, an
social safety

Employment

- High levels of unemployment
- High levels of informal activit (often more than 90% of the workforce)
- Mostly labour intensive
- High levels of illiteracy
- Highly unskilled labour force



cial Protection
the Region

haracterised by low levels of social protection coverage
%-20%)

ontributory social security coverage (5%)

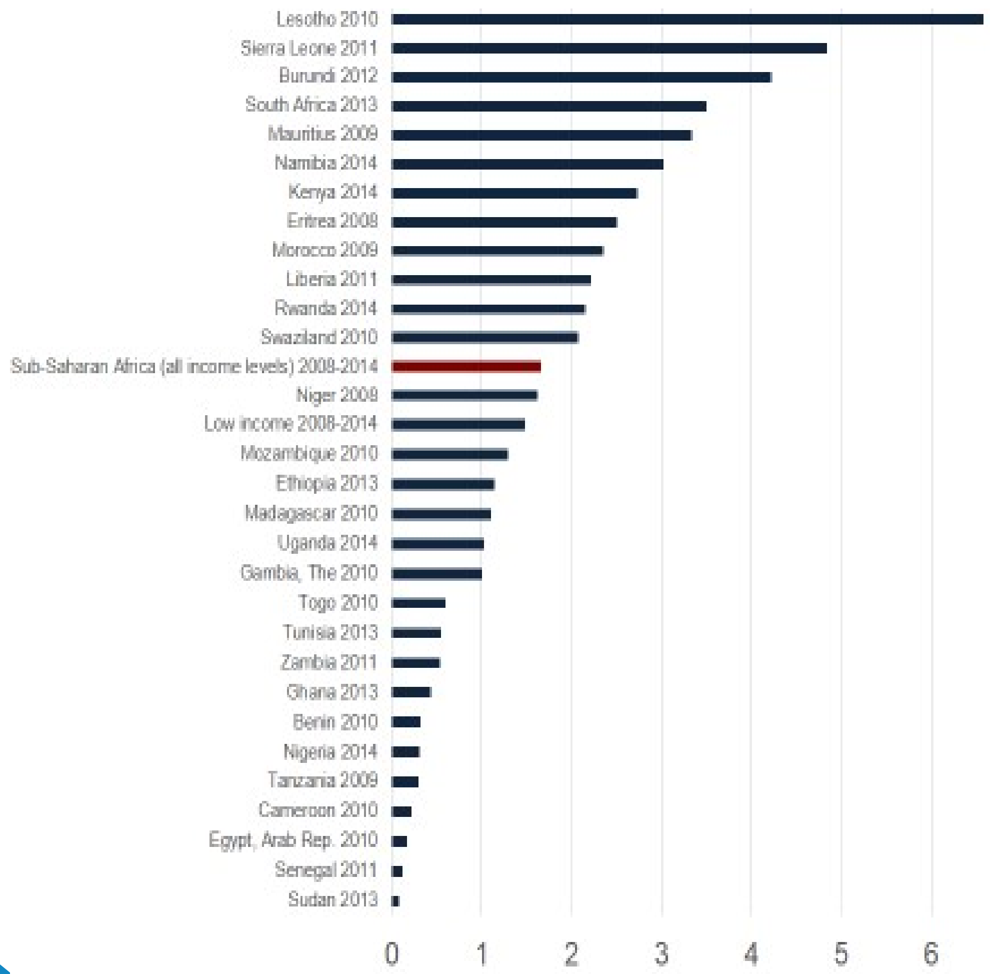
pending on social protection is typically in the region 1.6
of GDP.

ominant programming is Agricultural subsidy, Cash Tran
ers and School feeding

esponse to poverty and vulnerability and lately inequality

till fairly dependent on donor funding

The Current Social Protection Financing Architecture



- Historical Perspective, 0.7% of GNI
- Price Tag for Sustainable Development 5 to 7 trillion, deficit 2.5 trillion
- Challenges with ODA for Social Protection in th SDG Dispensation (peak of $142.6 billion in 201
- World Bank estimated that between 50 and 80 percent of what's required will come from dome resources.
- Blended Finance – Social good versus profit

How much do countries spend on SP?

- Simple mean of GDP allocated to SP:

  On average, 11%.
- Weighted by population:

  8.4 per cent of the GDP.
- In SSA?

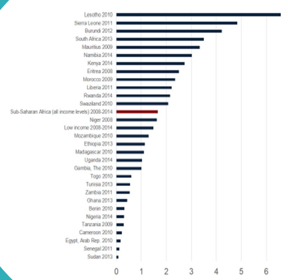
  1.7% of GDP on average to non-contributory

Current Financing Picture

Where it gets Interesting

Banking on Blended Finance and Domestic Resources

ODA



Domestic Resources

Minimally Investing in Social Protection and Banking on ODA

he African Social Protection Context and th future of work

01 Employment

02 Social Protection

03 Financing

- Employment still largely Informal
- Social Protection coverage challenges
- Financing Gap hugely unresolved

Key Considerations for a responsive Social Protection System for the Future of Work

Fiscal Space Expansion

Earmarked taxes or through taxation of natural resource extraction

Domestic Resourcing

ustainability through increased levels of domestic finan cing and Legislation

Restructuring Education

Education system and skills development as a core ele ment of Social Protection provision

Data Systems

Data systems will be pivotal to the identification of Soc Protection Needs and policy design

Benefit Portability

Regulations should be modified and simplified to addre he challenges from changes in work.

Rethinking Tax

Reducing tax reliance on low income earners and curb tax competition

That's it!

Thank you for your Attention