



Inequality in middle income countries: A financial inclusion lens using FinScope



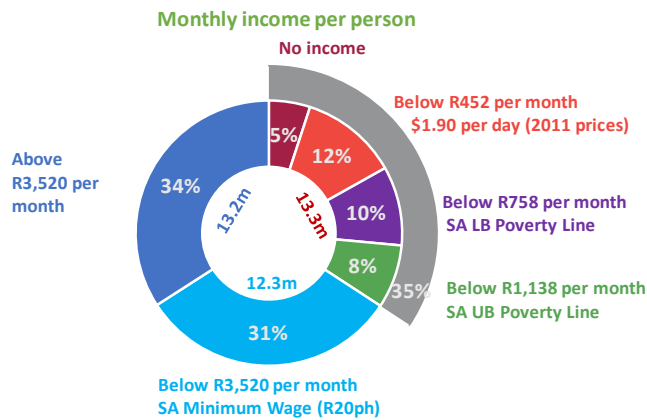
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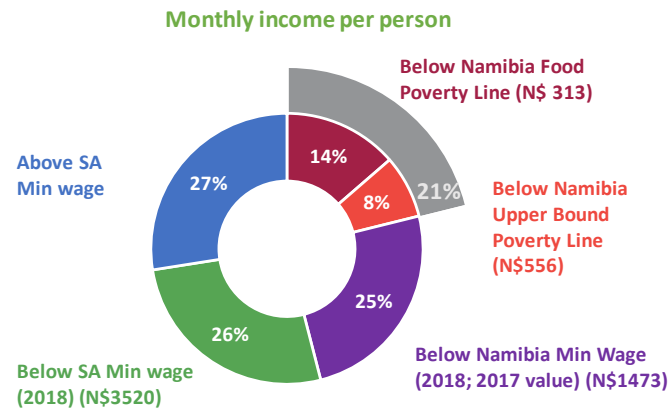
Yet large proportions of the population remain very poor



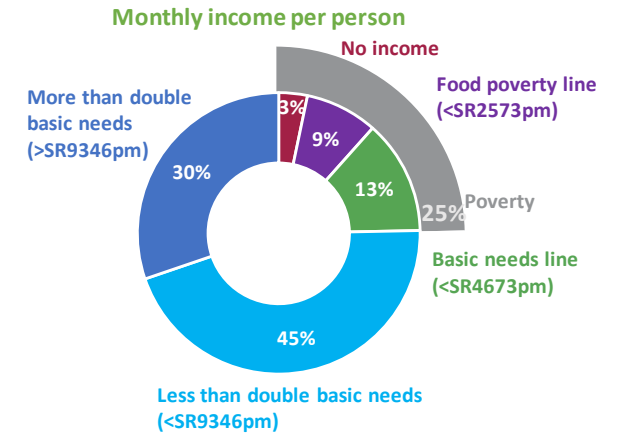
South Africa 2017



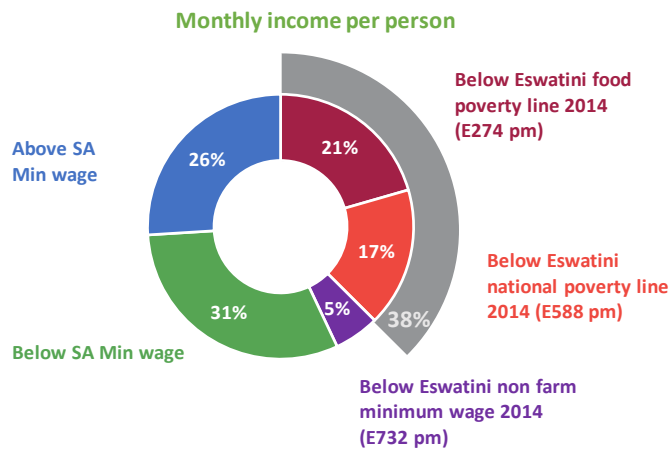
Namibia 2017



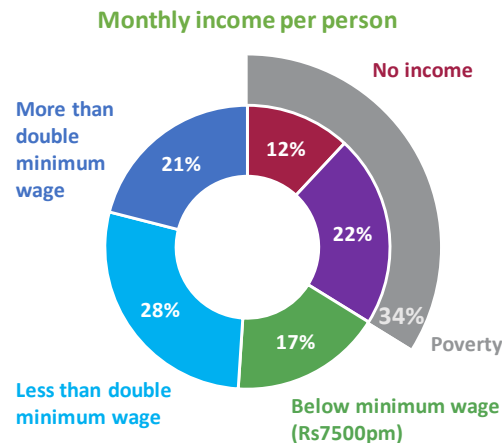
Seychelles 2016



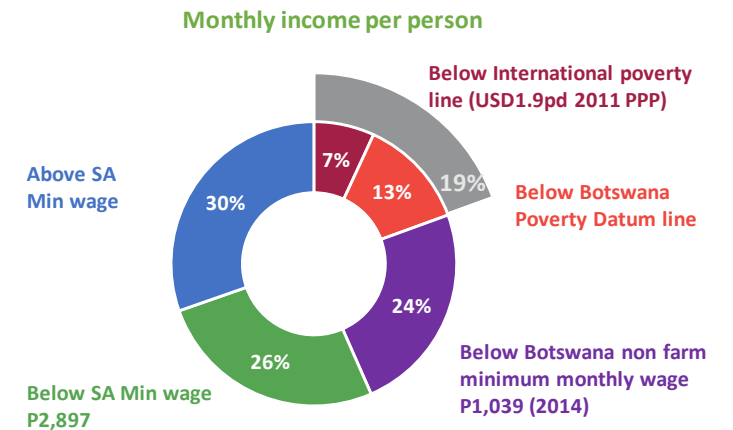
Eswatini 2014



Mauritius 2014



Botswana 2014



Source: FinScope 2014 to 2017



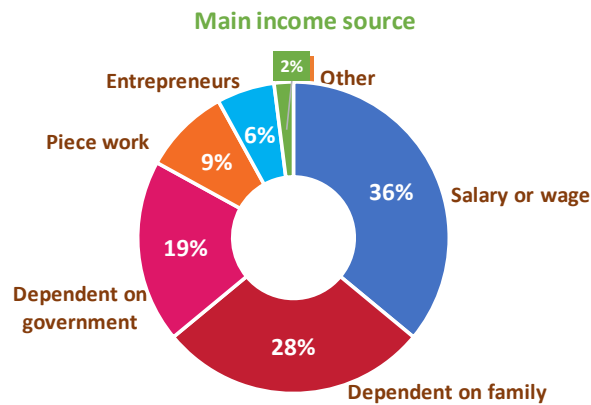
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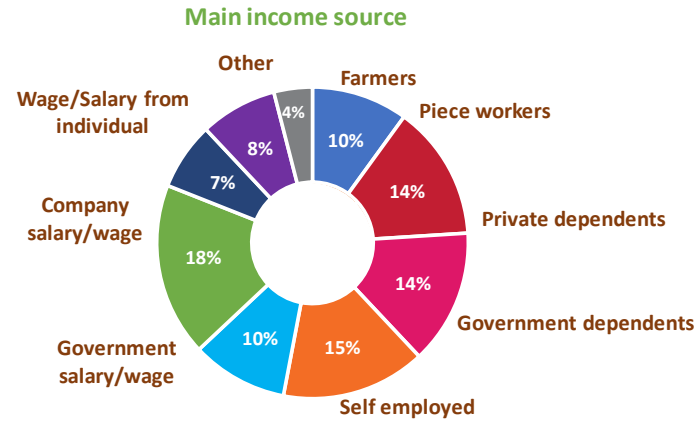
And most people don't have a formal, consistent income source



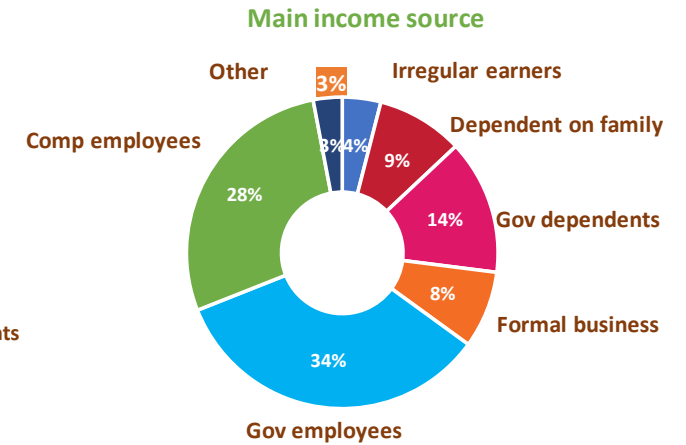
South Africa



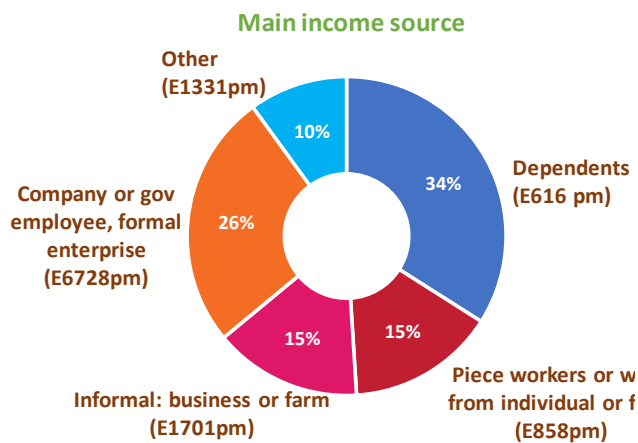
Namibia



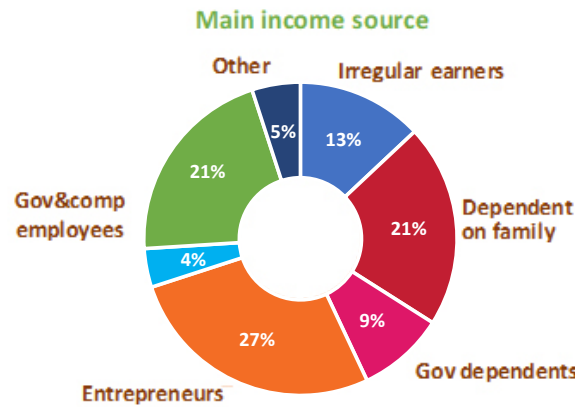
Seychelles



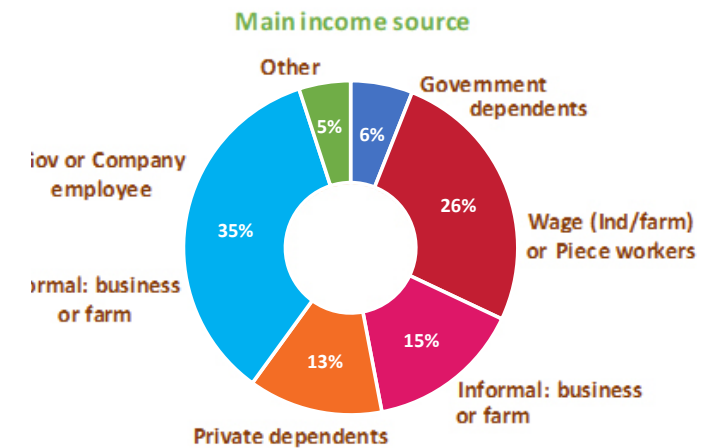
Eswatini



Mauritius



Botswana



Source: FinScope 2014 to 2017

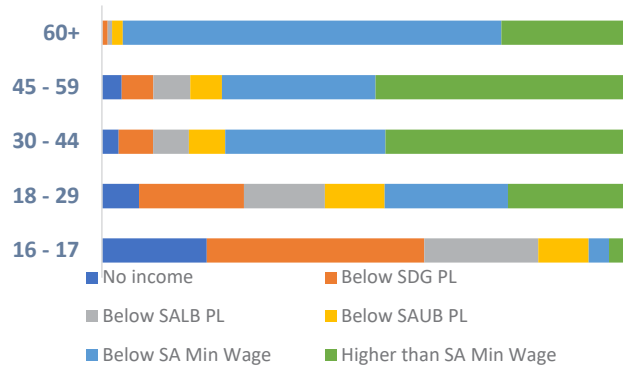


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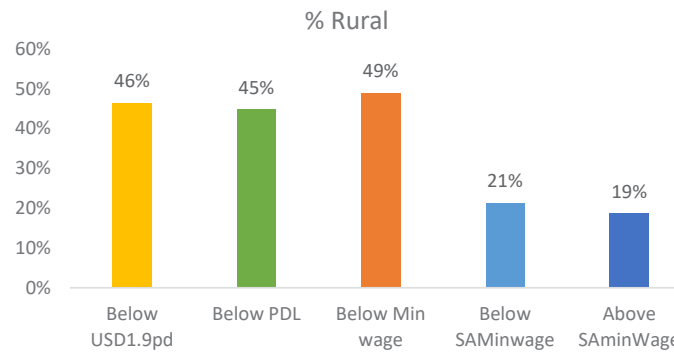
Who are the poor

South Africa



The youth: 64% of the poor are younger than 29 in SA. Elderly also more poor

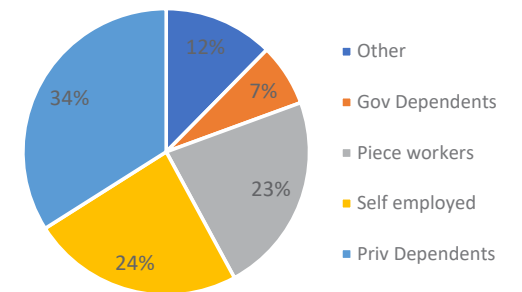
Botswana



Rural: 65% of the rural population in Botswana earn less than the minimum wage

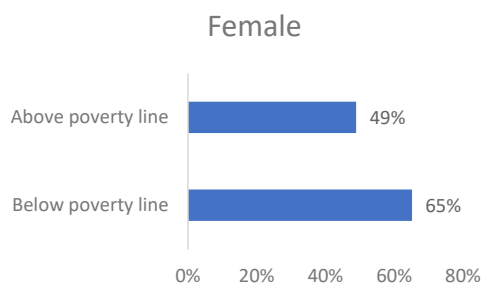
Namibia

Below poverty line



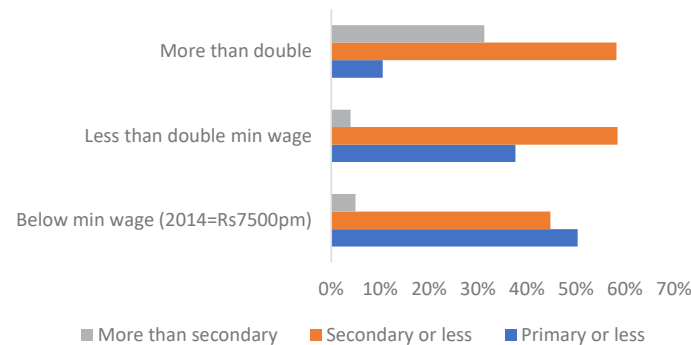
Inconsistent income: 81% of poor adults in Namibia are private dependents, piece workers, or self employed

Eswatini



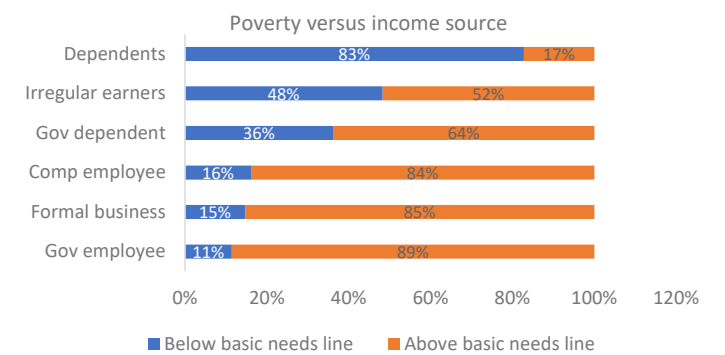
Women: 65% of the poor are female in Eswatini

Mauritius



Less educated: 50% of those earning less than minimum wage have primary education only or less

Seychelles



Inconsistent income: The poor are more likely to be dependents or irregular earners

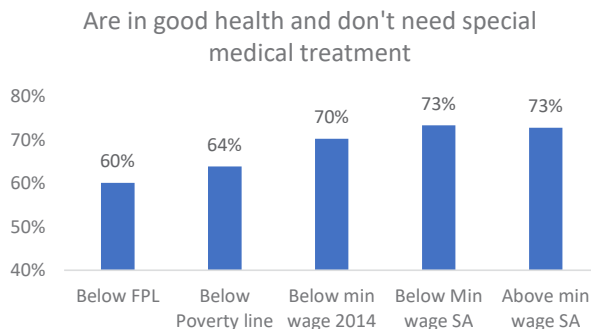


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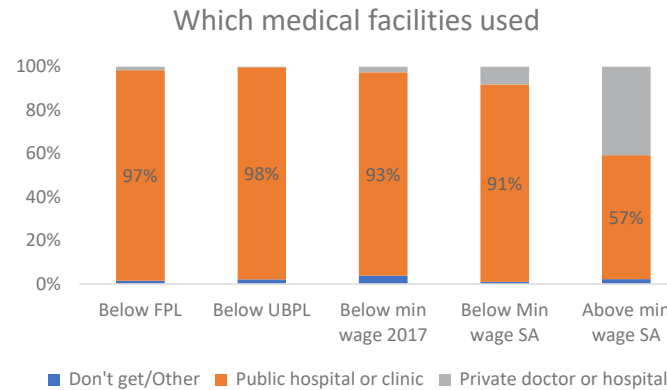
The poor are more vulnerable to health shocks, and less able to cope with shocks

Eswatini



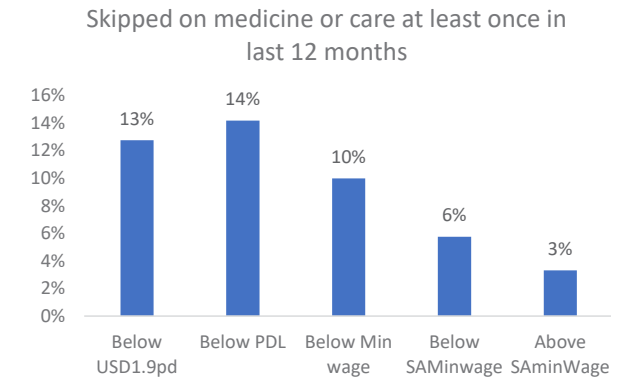
The poor are less satisfied with their state of health and require medical treatment more

Namibia



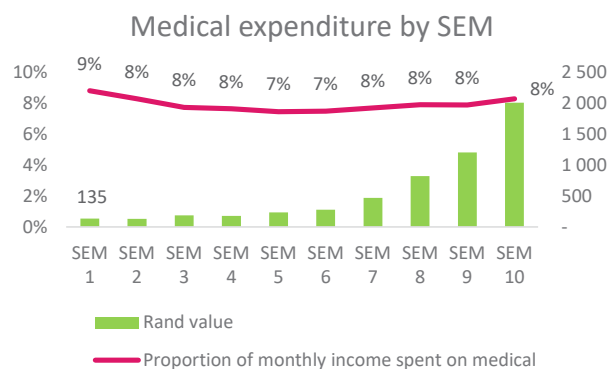
The poor are more reliant on public medical facilities

Botswana



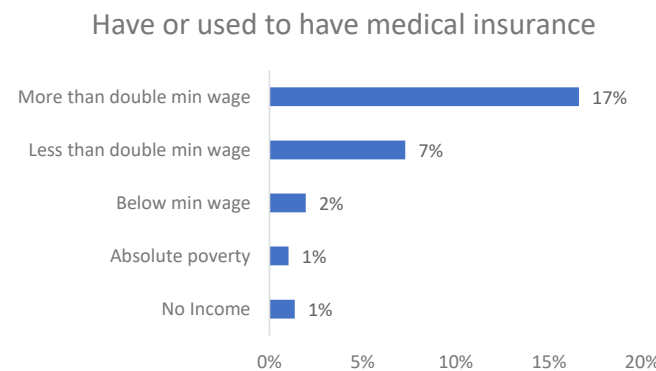
But still, the poor are less able to afford healthcare

South Africa



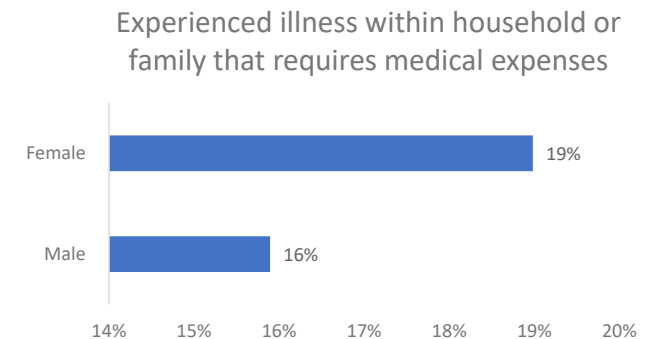
The poor actually spend more as proportion of their income on health

Mauritius



But they are less able to use financial services for health

Seychelles



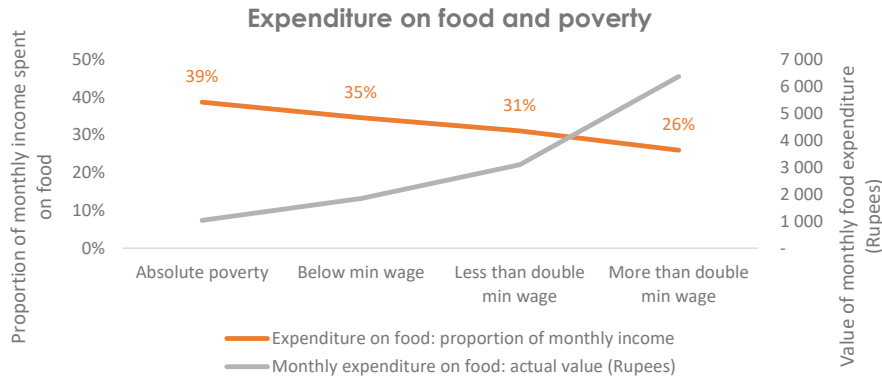
Women also report more instances of illness in the household that require medical expenses



The poor are less able to cope with food and educational expenses

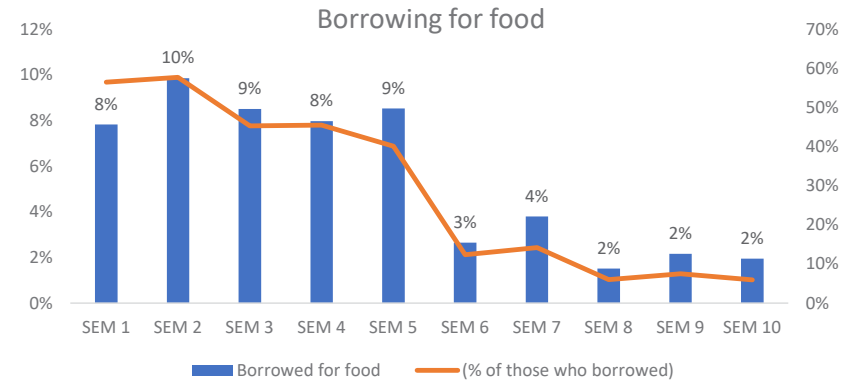


Mauritius



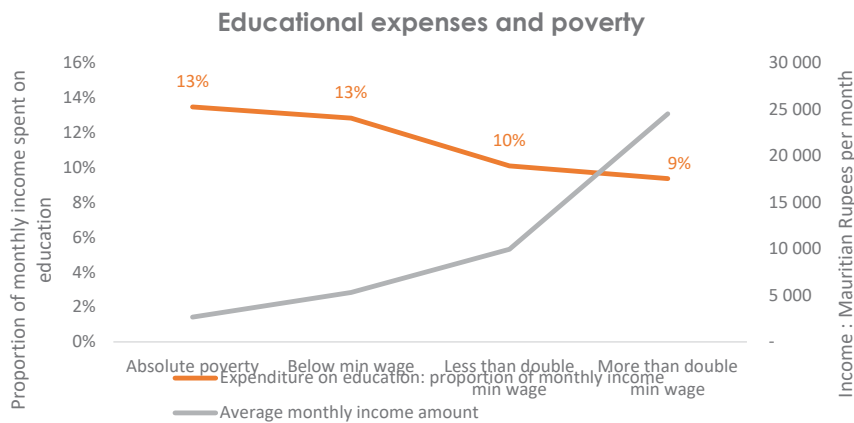
The poor also spend a bigger proportion of their income on buying food, even though the actual value (and therefore quality) is much less

South Africa



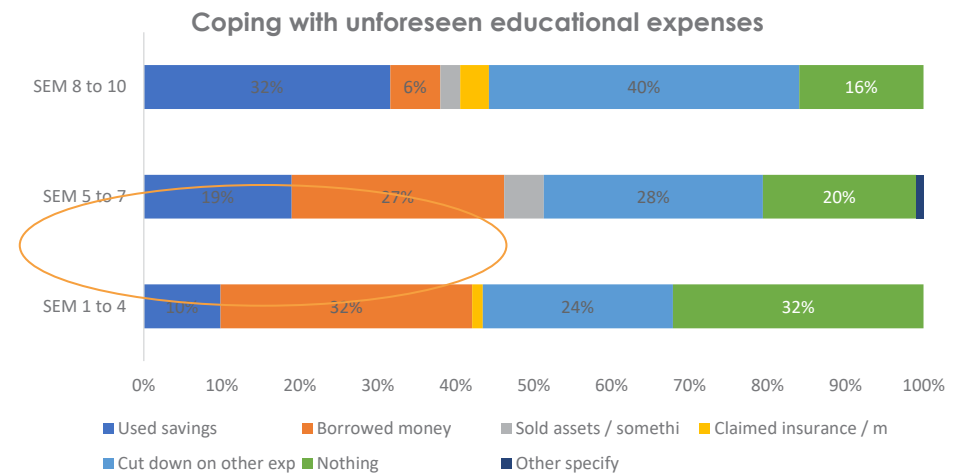
In SA, 52% of adults report sometimes skipping a meal because there is no money. The poor have to rely on credit more to meet basic food expenditure requirements

Mauritius



The poor spend a bigger proportion of their income on education

South Africa



The Poor less likely to save proactively for unforeseen expenses. More likely to borrow or do nothing in an emergency

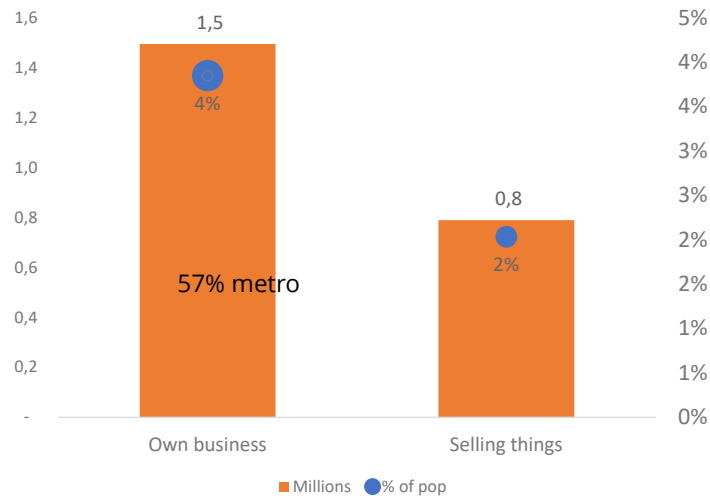


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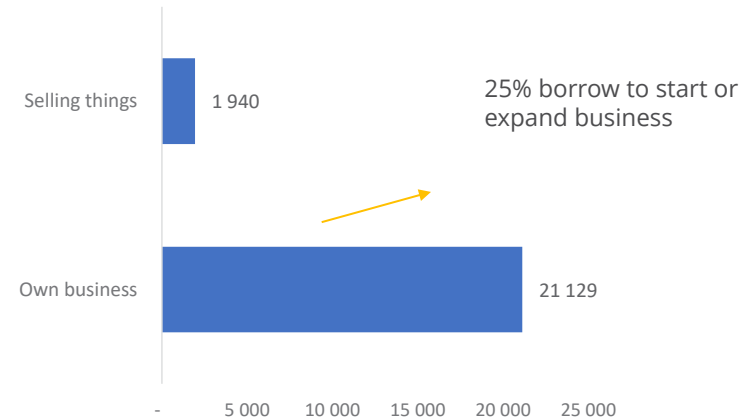


MSMEs: unlocking productivity through better finance?

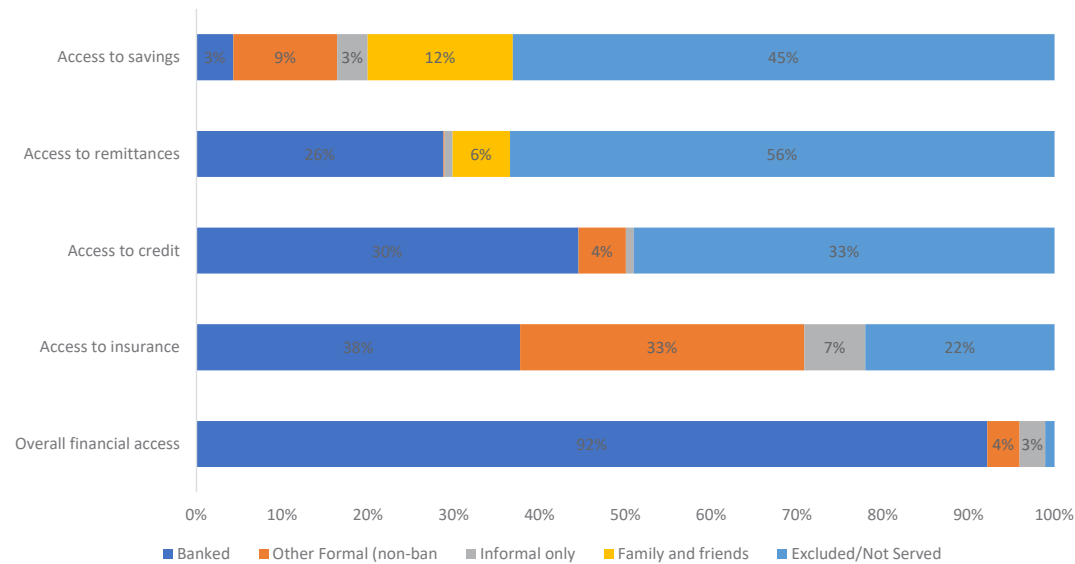
Can SME growth alleviate unemployment?



Average monthly income



Despite high overall financial inclusion, family and friends play a significant role in finances, product usage for business is low



Growing high impact MSME's to contribute to economy with downstream impacts, absorbing surplus labour is key

Source: FinScope SA 2017



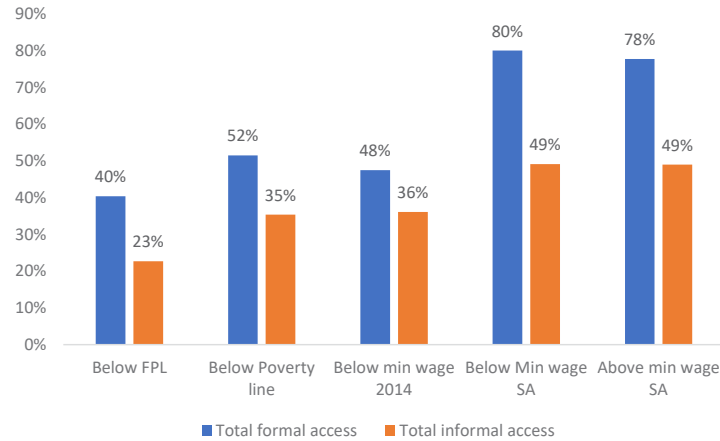
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The poor have less access to financial service

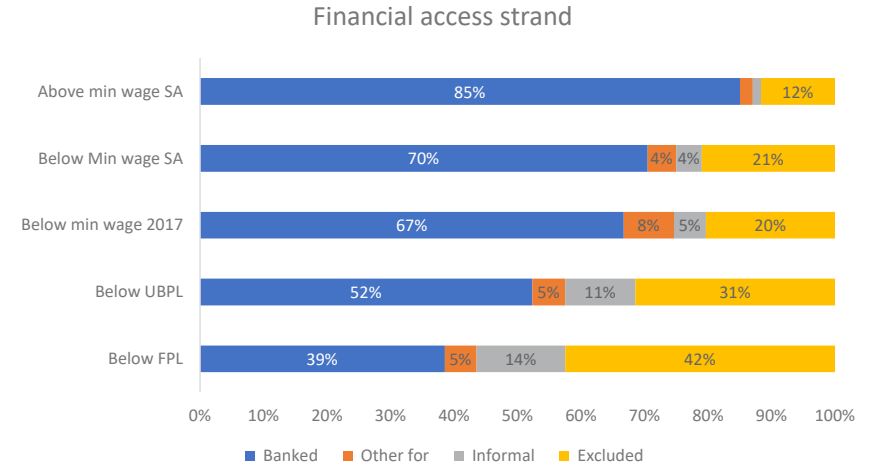


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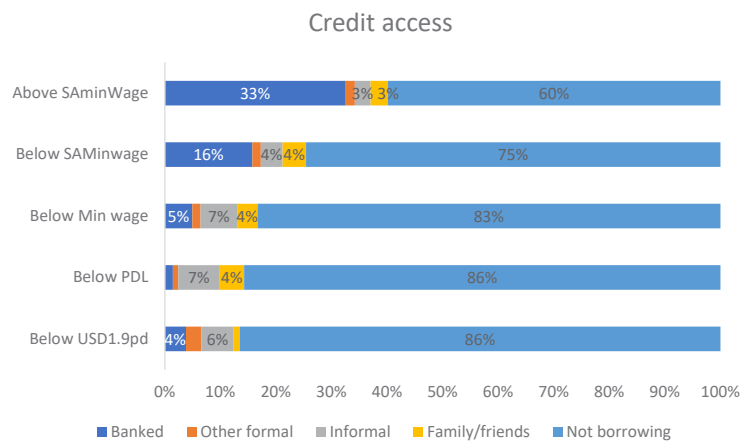
The poor use less formal and informal services

Namibia



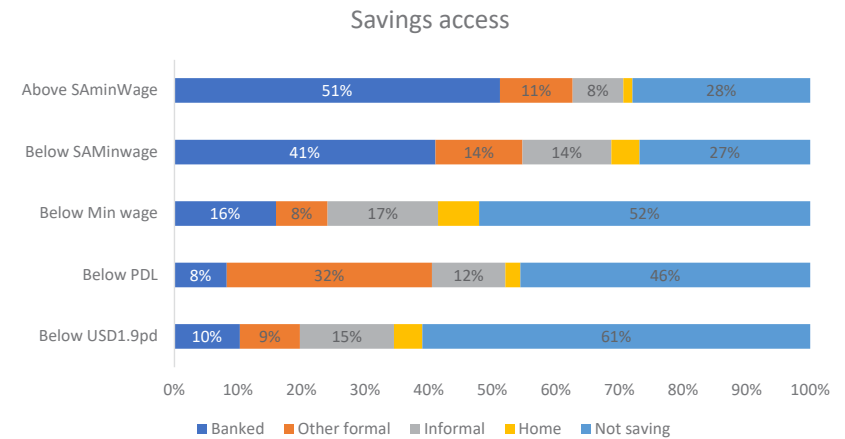
The poor are most excluded, but substantial overlap between bank, other formal and informal products

Botswana



The poor borrow the least, and mostly from informal sources and family

Botswana



But the poor do save, and they even save at banks

Source: FinScope 2014 to 2017



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Thank you



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