A Case Of Entrepreneurship For Job Creation & Development In Africa: The Informal & Formal Economy

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2ND OCTOBER 2019 AT HELVETAS SYMPOSIUM BERNE SWITZERLAND

AFRICA’S LARGEST STARTUP CAMPUS
GEN AFRICA – 22 ON SLOANE

GEN Africa - 22 on Sloane is the largest Startup Campus in Africa. The Campus offers Startups and SMEs a complete turnkey solution to scale, from the initial idea all the way to commercialization, funding opportunities and access to markets.
SUPPORT PROGRAMMES

RESIDENCY PROGRAMME

OUR PROCESS

- Developing the opportunity
- Scrumming & launching your startup
- Financing & profitability
- Growth Strategy

ACCELERATOR PROGRAMME

OUR PROCESS

- Investment readiness
- Risks & due diligence
- Private/Public partnerships
- Scale
- Company Valuation
- Investment Structuring
- Financial Models
- Understanding Term Sheets
UNDERSTANDING

THE FORMAL ECONOMY & THE INFORMAL ECONOMY
THE FORMAL ECONOMY - A CASE FOR SOUTH AFRICAN SMMEs

- Revenue: R50,000 to R50 Million p.a

- Statistics:
  - Avg: 1.1 Million Formal
  - Avg: 1.4 Million p.a

- Industries:
  - Manufacturing
  - Agriculture
  - Construction
  - Financial & Business Services
  - General Trading
  - Mining
  - Transport
  - Other (Target tech startups: E-commerce, EdTech, FinTech, Mobile Gaming, Mobility)
THE INFORMAL ECONOMY - A CASE FOR SOUTH AFRICA

- Revenue: R10,000 to R50,000 p.a

- Hawkers & Vendors
- Farmers
- Au Pairs
- Tarvens & Spaza Shops
- Loan Sharks
- Stokvels
- Landlords
- Artisans

Statistics:
- 2 Million Informal
- Avg: 175,000 p.a
DIFFERENT CAUSAL VARIABLES AFFECT THE SIZE OF THE INFORMAL ECONOMY

- Tax Burden
- Labour Rigidity
- Institutional Quality
- Regulatory Burden In Financial & Product Markets
## ESTIMATION OF THE SIZE OF THE INFORMAL ECONOMY OF SSA

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<th>LOW-SIZE COUNTRIES (0-20 PERCENT)</th>
<th>HIGH-SIZE COUNTRIES (&gt;40 PERCENT)</th>
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<td>BURUNDI*</td>
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Sources: Survey estimates and predictive mean matching analysis
*Based on survey estimates.
STARTUPS DISRUPTING THE INFORMAL ECONOMY

- Honest Care
- Zande
- Vogue Pay
- Sweep South
- Yoco
- Paystack
- Bright On
- Clock Work
HOW TO GROW THE INFORMAL SECTOR AND ENSURE JOB CREATION AND ENTREPRENEURSHIP

- Access To Capital
- Improved Skills
- Use of Technology
- Big Supply Chains Re-Think?
- Infrastructure
WHAT POLICYMAKERS CAN DO TO TACKLE INFORMALITY

- Improve Regulatory Framework Of Business
- Reform Labour Market Institutions
- Reduce Tax Burden
THE ULTIMATE GOAL

- Jobs
- Infrastructure
- Poverty
- Skills
- Ideas To Market

YOUTH UNEMPLOYMENT

CREATING 1000 STARTUPS & 1 MILLION JOBS IN THE NEXT 5 YEARS