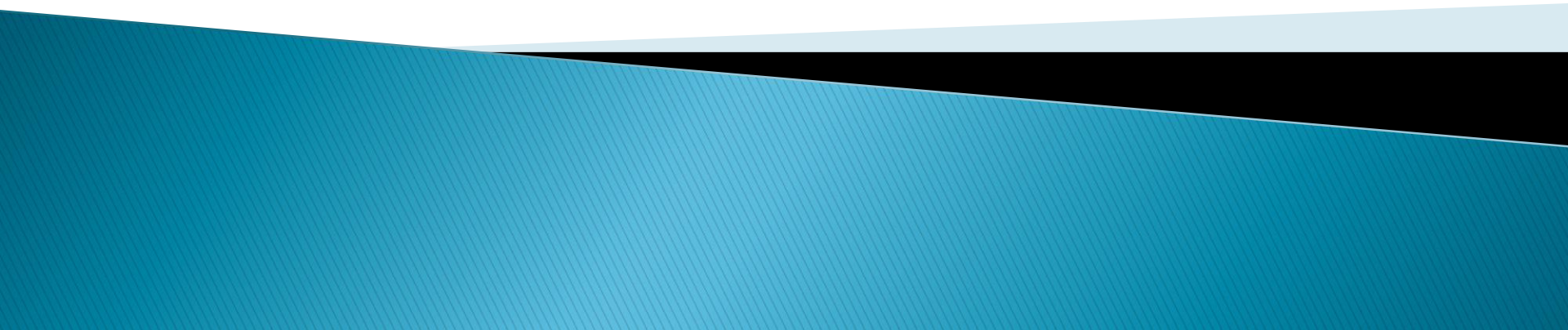
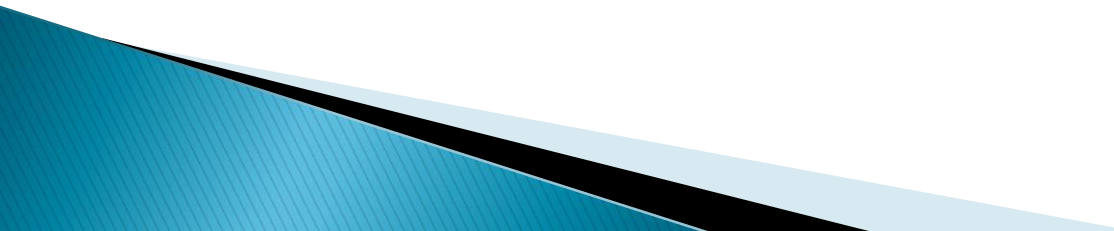


Social Protection Index 2012

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Definitions and Objective of the research

- ▶ Social Protection Index (SPI) is relatively a simple indicator that divides total expenditures on social protection by total number of intended beneficiaries of social protection programs.
 - ▶ Social protection consist of policies and programs designed to reduce poverty and vulnerability.
 - ▶ Revise 2009 SPI (with inclusion of depth and breath of coverage)
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Types of Social Protection Programs

1. Social Assistance Program

- Consist of disaster assistance and death benefits

2. Social Insurance Program

- Social security system consist of retirement benefits and unemployment benefits

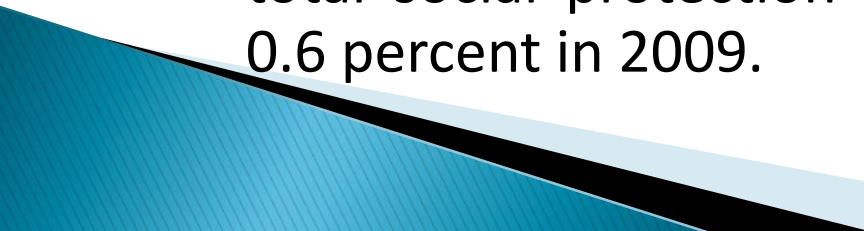
3. Labour Market Programs

- Consist of skills development programs
 - Urban Youth Employment Project(NCDC & WB)

Social Protection Expenditure

SP Category	2012 Annual Expenditure (K'000)	Percentage (%)
Pensions/Retirement	169,193	82
Health Insurance	0	0
Unemployment Benefit	2,795	1
Other Social Insurance (e.g. disability benefits)	0	0
ALL Social Insurance	171,988	83
Assistance for Elderly	0	0
Health Assistance	0	0
Child Protection	0	0
Disaster Assistance and Relief	450	0
Other Social Assistance	31,208	15
ALL Social Assistance	31,658	15
Labour Market Programs	3,754	1.8
TOTAL SP EXPENDITURE	207,400	100
GDP	32,133	
SP Expenditure Indicator (SPEXP)	0.6%	

Social Protection Expenditure

- Total expenditure on social protection in 2012 increased to K207.4 million (K28 million in 2009). This was about 0.6 percent of GDP compared to 0.1 percent in 2009.
 - The improvement on social protection expenditure was attributed mainly by the increase on pension payments, accounting 83 percent of social insurance.
 - The expenditure on social assistance declined to 15 percent in 2012 from 16.1 percent in 2009.
 - Labour market programs received about 1.8 percent of the total social protection expenditures in 2012 compared to 0.6 percent in 2009.
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Disaggregation by Social Protection Category

	Units	Social Insurance	Social Assistance	Labour Market Programs	All SP Programs
Total SP Expenditure	K,000	171,988.00	31,658.000	3,754.000	207,400.000
Beneficiaries	units	16,692.00	12,914.000	1,300.000	30,906.000
Reference Pop	units	2,289,649.40	5,223,470.000	60,674.600	7,573,794.000
25% of GDP per capita	units	1,120.75	1,120.750	1,120.750	1,120.750
SPI		0.002	0.000	0.000	0.002

The overall SPI declined from 0.5 percent in 2009 to 0.2 percent in 2012. The overall SPI of 0.002 implies that the average per capita social protection expenditures of the Government is about 0.2 percent of the poverty line expenditures.

Disaggregation by Depth and Breadth

	Social Insurance	Social Assistance	Labour Market Programs	All SP Programs
Depth	0.919	0.219	0.258	0.599
Breadth	0.002	0.002	0.000	0.004
SPI	0.002	0.000	0.000	0.002

- ▶ The depth of coverage for PNG was 0.599 in 2012, compared to 2.108 in 2009. This implies on average PNG has low benefits of social protection. The depth for all programs fell significantly in 2012 compared to 2009 results.
- ▶ The overall breadth of social protection for PNG was 0.004 in 2012, compared to 0.0021 in 2009. The breadth values across types of programs show that social assistance (0.002) programs have a better reach of potential beneficiaries in 2012 compared to 0.0015 in 2009.

Disaggregation by Poverty Status

	Poor	Non-Poor
SP Expenditure	6097	201,303
Reference Pop	7,573,794	7,573,794
25% of GDP per capita	1120.75	1120.75
SPI	0.000	0.002

- ▶ The poor targeting rate remained unchanged at 0.0 percent in 2012, compared to 2009 result. This implies that social protection programs are not improving, and even reaching the poor. The social protection expenditures mostly benefit the non-poor (0.002) compared to poor (0.000).

Disaggregation by Gender

	Women	Men
SP Expenditure	76088	131,312
Reference Pop	7,573,794	7,573,794
25% of GDP per capita	1120.75	1120.75
SPI	0.001	0.002

- ▶ In 2012, the SPI for women was 0.001, same as 2009 output, much lower than SPI for men with 0.002 in 2012 compared to 0.003 in 2009. These indices imply that the average per capita social protection expenditure received by women is less than the men.

Concluding Remarks

- ▶ The Government should introduce a Social Protection Policy. This policy will become the main legal policy framework for PNG and expect to have general classifications on social protection programs.
 - ▶ All social protection programs in the country certainly need sufficient annual budget allocation from the respective government authorities. The funding support will sustain and improve the existing programs, and reach the many vulnerable individuals and groups.
 - ▶ The responsible public agencies should also work on improving the existing programs, and also introduce new programs to effectively target the vulnerable groups and individuals, and that will further improve the overall social protection index for PNG.
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