



Centre for Early Childhood Development

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**The Standing Committee on Appropriations: National Assembly and Select Committee on Appropriations:
National Council of Provinces**

Committee Secretaries

Mr D Arends and Mr L Nodada

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Submission on the 2020 Medium Term Budget Policy Statement

This submission is made on behalf of the Centre for Early Childhood Development (CECD).

CECD is a non-profit organisation founded in August 1994. CECD believes that young children must be put first in society. Our mission is to increase the capacity of individuals, organisations and communities. We provide training, resources and support in the field of early childhood development (ECD), with the aim to improve the quality of early education and care to all South African children.

This submission is inspired by the pressing need for government to provide adequate funding to the ECD sector so that all young children, particularly those in vulnerable communities, have access to quality ECD services. The 2020 Medium Term Budget Policy Statement (MTBPS) that has been proposed fails to provide the financial assistance the ECD sector requires to improve the lives of millions of children and their communities. Government expenditure in the ECD sector is a crucial investment in human capital which yields significant social and economic return. As a nation, we have the constitutional obligation to protect, promote and fulfil our children's fundamental human rights, including the right to care, basic education, primary health care and basic nutrition.

CECD would like to have the opportunity to make an oral presentation to the Standing and Select Committees on Appropriations regarding the MTBPS as it relates to early childhood development. Yusrah Ehrenreich (head of CECD's advocacy, lobbying and social justice unit) and Professor Eric Atmore (director at CECD) would like to appear before the relevant committees for this purpose.

Thank you for considering our written submission and our request to make an oral presentation.

Yours sincerely

Yusrah Ehrenreich



Putting Young Children First



Registration No: 1994/005082/08 (Non-Profit Company)
Accreditation No: ETDP0155
PBO No: 930001898
NPO Registration No: 006-173 NPO

Presidential Education Award Winner:
ECD Category



**THE STANDING COMMITTEE ON APPROPRIATIONS: NATIONAL ASSEMBLY AND SELECT
COMMITTEE ON APPROPRIATIONS: NATIONAL COUNCIL OF PROVINCES**

**SUBMISSION ON THE 2020 MEDIUM TERM BUDGET POLICY STATEMENT AS IT RELATES TO EARLY
CHILDHOOD DEVELOPMENT, BASIC EDUCATION, AND HIGHER EDUCATION AND TRAINING**

Introduction

In terms of the National Integrated Early Childhood Development Policy (NIECDP) approved by Cabinet in December 2015, the government aims to achieve universal access to quality ECD services by 2030. However, almost 5 years later, there continues to be a lack of adequate government funding to the ECD sector to achieve this purpose. This is evident in the 2020 Medium Term Budget Policy Statement (MTBPS) that was tabled before Parliament on 28 October 2020. As a result of, among other things, inadequate public funding, vulnerable young children in South Africa are still not having their needs and fundamental human rights met.

We are therefore calling for Parliament and National Treasury to urgently allocate public funding towards the ECD sector so that all children in South Africa have access to inclusive, holistic and quality ECD services, especially those children in vulnerable communities. This is an important opportunity for government to fulfil its ECD commitments and responsibilities articulated in 2015. Without this, poor children across South Africa will continue to miss out on the early learning and development opportunities that they need and deserve.

Furthermore, we are calling for government to reverse the spending cuts made from the education sector to fund the business rescue plan of South African Airways (SAA).

Inadequate budget for the ECD sector

Historically, in terms of the education, care, basic nutrition and learning elements of ECD services, the main form of government funding given towards the provision of national ECD programmes is a per-child subsidy paid to centre-based programmes for children living in poverty. Once ECD centres are registered, they are eligible to apply to access the ECD subsidy which, in terms of the Western Cape, is an amount of R17 per child per day for 264 days a year, but only for those children whose parents or caregivers pass an income means test, with the current threshold being less than R3,800 per month for a single parental income and less than R7,600 per month for a combined parental income. Moreover, a formula sets out what proportion of the subsidy must be used for what purpose. In the Western Cape, 40% (i.e. R6.80) is specified for nutrition, 40% (i.e. R6.80) is specified for salaries and 20% (i.e. R3.40) is specified for administration and stimulation materials. The onus is on the ECD centres to prove that the child qualifies for the subsidy. Other forms of government expenditure on these ECD services are limited and *ad hoc*, for example funding for non-profit organisations to implement ECD programmes, training ECD practitioners, assistance with registration

of ECD centres and the provision of Grade R in public schools. This is, and always has been, insufficient funding for the national provision of ECD services to all South African children.

According to the 2020 Adjusted Estimates of National Expenditure (AENE), provision is made for adjustments due to unforeseeable and unavoidable expenditure. Under this category, R588.728 million is allocated, in terms of the presidential employment intervention, to sustain social workers and ECD workers, and employ community development practitioners and unemployed youth. This amount is to be spent as follows: (i) R496.25 million is for the ECD conditional grant to provide unemployment support to 83 333 ECD-related workers for up to six months and top-up payments to 25 500 employed ECD workers for compliance support duties; and (ii) R92.478 million is to sustain 1 809 temporary social workers and 500 registration support officers for ECD centres.

As stated in the 2020 AENE, the aforementioned government's support for ECD programmes is as a result of the disruption of ECD services during the COVID-19 lockdown, and for the short-term employment of social workers. This is designated as expenditure that could not be anticipated at the time of the budget, namely due to COVID-19. Indeed, COVID-19 has devastated the ECD sector with an estimated 13% of children aged 0-6 years currently attending ECD programmes. However, this additional funding does not address the real and ever present need for adequate government expenditure on ECD services before COVID-19 and most probably well after this pandemic.

Approximately 3.2 million children are not able to attend any ECD programmes in South Africa and of those who do access some form of an ECD programme, over 75% are in unregulated and unregistered programmes. Furthermore, only 626 574 of the children who need the Department of Social Development's early learning subsidy (which supports their nutrition needs amongst other things) are accessing such per-child subsidy – that is only 25%. These statistics are devastating.

As acknowledged in the NIECDP of 2015, the solution to ensure universal availability and adequate quality of, as well as access to, ECD services for all South African children lies in, among other things, the increased investment of public funds. Moreover, unlike basic education, and higher education and training, the South African government does not have an ECD specific budget with distinct programmes and/or grants dedicated to the learning and development elements of ECD (for example, programmes and/or grants for learning, infrastructure, nutrition, children with disabilities, teacher's compensation, etc.). Instead, public funding for these ECD services is part of a larger budget for child care, social welfare and protection services. This creates uncertainty on the amount and type of ECD services government is obliged to fund and it leads to difficulty when tracking government's expenditure on ECD services.

Not only are the rights to education, care, primary health care and basic nutrition fundamental human rights and constitutional rights afforded to all children in South Africa, but research shows that prioritising ECD as a government strategy is a cost-efficient investment with a social and economic return, which builds human capital and enables future participation in the labour market. Investment in quality ECD programmes for young children, particularly for vulnerable young children, has a significant effect on reducing poverty and inequality across society.

We therefore call on Parliament and the National Treasury to allocate adequate public funding towards ECD services in terms of an ECD-specific budget, whether responsibility for ECD falls under the Department of Social Development or the Department of Basic Education.

Negative impact of reprioritisation of funds on basic education and higher education and training

In terms of the 2020 MTBPS, an additional R10.5 billion is allocated to SAA to implement its business rescue plan. In order to fund this R10.5 billion, government has made some adjustments to in-year spending. The 2020 AENE sets out the details of such adjustments, which includes shifting R275.926 million from basic education and more than R1.13 billion from higher education and training for the implementation of SAA's business rescue plan.

More specifically, the Sunday Times highlights the fact that funds initially earmarked for school libraries and laboratories, the eradication of pit toilets, the school infrastructure backlogs grant (in amount of approximately R336 million) and the community libraries services grant (in an amount of nearly R14 million) are being reallocated. Redirecting these funds to SAA will result in the delay or, even worse, the prevention of crucial service delivery programmes and projects in the education sector.

We therefore call on Parliament and the National Treasury to reverse these spending cuts and find alternative sources to fund SAA's business rescue plan, without threatening or risking fundamental human rights. Simply put, SAA cannot be funded at the expense of government fulfilling its constitutional duty to protect, promote and fulfil the right to education for all South Africans.

Conclusion

The ECD sector has been significantly underfunded by government for decades. As a result thereof, the majority of young, vulnerable children in South Africa are denied access to quality, holistic ECD services, which has proven to be a powerful human development intervention to offset inequalities and ensure more children get an equal opportunity to grow and develop to their full potential. This in turns leads to life changing benefits for our communities and our country.

We therefore call on Parliament and the National Treasury to increase government's expenditure on the ECD sector and create an ECD-specific budget, as well as reverse the spending cuts made to the education sector and find alternative sources to fund SAA's business rescue plan.

If government supports our proposed submission, South Africa will be one step closer to ensuring universal access to quality ECD services by 2030 as envisioned in the NIECDP of 2015.