INVESTING IN UNIVERSAL CHILDCARE IN SUB-SAHARAN AFRICA:
SOUTH AFRICA, RWANDA, TANZANIA

ESARO WEE SUMMARY PRESENTATION
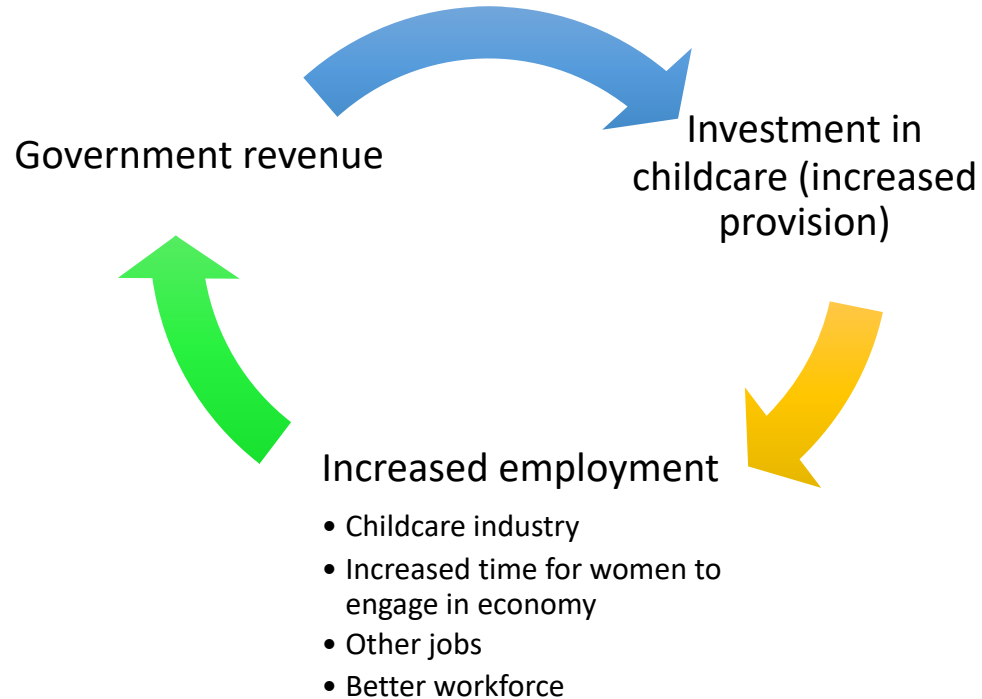## 28 JULY 2021

UN WOMEN

WHY INVEST IN EARLY CHILDCARE?

- Reducing care work for women
  - Better equality between men/women
  - Women can have more time to engage in economic activities or other activities (34% of women in Africa sited unpaid care work as the main reason for not being part of the labour force compared to 3.9% of men – ILO 2018)

- Providing employment opportunities for women

- Documented development benefits for future generations (reduction of underemployment)

- SDG 2030 target 4.2 - By 2030 ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

Photo | UN Women/Photographer's name

THE SIMPLE CYCLE

Government revenue

Investment in childcare (increased provision)

Increased employment

- Childcare industry
- Increased time for women to engage in economy
- Other jobs
- Better workforce

OVERVIEW OF THE CURRENT SYSTEM

South Africa

National Integrated Early Childhood Development Policy (2015).

- All children from age 3.5 years (3 years before grade 1 (2 years before year R which is 1 year before grade 1)

- For younger children bi-weekly playgroup sessions.

- Only compulsory from Grade 1 (age 6.5)

Rwanda

National Early Childhood Development Programme (2018).

- Aim to increase ECD enrolment in organized facilities for 3–6-year-olds to 45%

- Primary school age is 6

Tanzania

Policy not stated in study.

- Primary school age is 7

STATISTICS I

	South Africa (2017*)		Rwanda (2020*)		Tanzania (2020*)	
Age	0-2 years	3-5 years	0-2 years	3-6 years	0-2 years	3-6 years
Enrolment rate	19%	64%	1%	20.8%	n/a	20%
Child/Staff Ratios	8 (0–17 months) 13 (18–35 months)	16	n/a	24	n/a	74
Public Spending (% GDP)	0.09% (0.15% if including Grade R for 6-year-olds)		0.04%		0.20%	

STATISTICS II

	Rwanda (2020*)	Tanzania (2020*)
Preprimary enrolment in rural settings (percent of all children)	52%	n/a
Preprimary enrolment in public settings (percent of all children)	62%	95%
Net attendance rate one year prior to primary school, bottom quintile	70%	44%
Net attendance rate one year prior to primary school, top quintile	94%	99%

- Less utilized in rural areas
- Most children in public centres
- Lower quintiles less likely to utilize services.

LIMITATIONS

- This is hypothetical extreme model intended to make a point and start the conversation, should be adapted to country contexts in discussion national governments.

- Carried out with limited data (national consultants in some countries were not available, data in some countries was old).

UN WOMEN

THE MODEL (SA, RW, TZ)

1. The contact time was set at 45 hours per week for 50 weeks.
2. The qualification mix of ECCE staff was as follows:
   - 30% of staff (main teachers) was deemed qualified at the bachelor's degree level or equivalent with training in ECCE pedagogy;
   - 70% (assistant teachers) at two years of post-secondary education.
   - initial two- and three-year training of both staff types was costed in the simulations.
3. Auxiliary/support staff (for cooking, administration, cleaning, repairing) were budgeted as two full-time employees per facility, paid at the average wage.
4. The main overhead costs included provision for two meals per day per child + 33% for other costs such as toys, stationary, energy and overall maintenance.
5. Centre size (45 children in SA; 50 children in Rwanda and Tanzania)

	Current	Improved
Remuneration	equivalent to primary teacher salary	Increased to Cote d'Ivoire
Child/Staff ratio	Statutory	Lower
0-2 years (50% enrolment)	7/staff	5/staff
3-5 years (100% enrolment)	20/staff	15/staff

Social Accounting Matrix (SAMs) are expanded input-output tables where relationships between sectors of the economy other than industries producing goods and services are estimated, using a series of household and employment micro-surveys and national accounts data.
For South Africa, input-output tables were used as the classifications did not allow for SAM to be developed

FINDINGS – CURRENT SCENARIO

		South Africa	Rwanda	Tanzania
ECCE sector		807,937	273,110	1,218,183
As percentage of total employment			6%	4%
Percentage of women			79%	75%
Other sectors: non-farm		422,844*	206,384	2,211,788
Percentage of women			32%	21%
Other sectors: farm			482,464	1,676,985
Percentage of women			59%	89%
Total jobs created		1,230,781	961,958	5,106,956
Percentage of women overall			59%	56%
Percentage points in employment rate change				
	All	3.3	13	16
	Men		11	14
	Women	5.3	15	17
Percentage points in gender employment gap change			-4	-4
As a share of current gender employment gap			-24%	-43%

FINDINGS – INVESTMENTS CURRENT SCENARIO

	South Africa	Rwanda	Tanzania
Gross annual cost (national currency units, millions)		713,331	14,913,257
Gross annual cost (USD millions)	6,314	793	6,483
Percentage of GDP	1.8%	8%	10%
Cost per child			
Percentage of GDP per capita		52%	72%
Direct tax revenue (national currency units, millions)	750 USD millions	53,220	4,661,443
Indirect tax revenue (national currency units, millions)	1,315 USD millions	20,906	1,227,889
Net funding gap (national currency units, millions)		635,646	8,727,407
Net funding gap (USD, millions)	4,048	707	3,794
Percentage of GDP	1.2%	7%	6%
GDP rise		17%	18%
Net funding gap (percentage of new GDP)		6.0%	5.1%
Percentage of self-funding	36%	11%	41%
Percentage of self-funding if all new jobs are formal		12%	69%
Current tax incidence (new jobs)		11%	21%
Tax incidence if all new jobs are formal		12%	35%
Tax incidence needed to break even		105%	53%

FINDINGS – IMPROVED SCENARIO

		South Africa	Rwanda	Tanzania
ECCE sector		1,558,574	345,486	1,550,973
As percentage of total employment			7%	5%
Percentage of women			81%	76%
Other sectors: non-farm		1,518,917*	332,847	3,312,235
Percentage of women			32%	21%
Other sectors: farm			778,097	2,511,348
Percentage of women			59%	89%
Total jobs created		3,077,490	1,456,430	7,374,557
Percentage of women overall			58%	56%
Percentage points in employment rate change				
	All	8.4	19	23
	Men		17	20
	Women	12.0	22	25
Percentage points in gender employment gap change			-5	-5
As a share of current gender employment gap			-31%	-56%

FINDINGS – IMPROVED SCENARIO

	South Africa	Rwanda	Tanzania
Gross annual cost (national currency units, millions)	25,740 USD Millions	1,030,073	19,983,576
Percentage of GDP	7.3%	11%	14%
Net funding gap (national currency units, millions)	14,072 USD Millions	820,396	10,592,122
Percentage of GDP	4.2%	9%	7%
GDP rise		24%	24%
Net funding gap (percentage of new GDP)		7.3%	5.9%
Percentage of self-funding	43%	20%	47%
Percentage of self-funding if all new jobs are formal		21%	77%
Tax incidence needed to break even		80%	47%