

THE PLIGHT OF ECD PROVIDERS AND THEIR WORKFORCE

AN URGENT CALL FOR RELIEF IN THE WAKE OF COVID-19

How has COVID-19 affected the providers of ECD services?

On the 18th March, all Early Childhood Development (ECD) operators were instructed by the Department of Social Development to close in order to prevent the spread and acceleration of Coronavirus infections. These included ECD centres, playgroups, and day mothers. ECD operators are largely NPOs and micro-social enterprises - most of whom are black women. They provide a service that is needs-based in poor communities with limited cash flows, which places them way below the minimum wage. They operate in a quasi-informal manner and will be severely impacted by the pandemic. A rapid survey was conducted in April 2020 to understand these impacts.

We received responses from **over 8 500 ECD PROVIDERS**

Many caregivers of children attending these ECD programmes have been either **unable or unwilling to pay fees** during the lockdown period. This has left most ECD operators **unable to pay salaries and operating costs**.

This situation is expected to continue for months yet, even after the lockdown is lifted. Reduced household incomes will mean caregivers remain constrained in their ability to pay fees for ECD services.

- **60%** of the responses were received between 10 – 15 April. The scale of responses in this short time frame reflects the urgency of the situation.
- **99%** of operators reported that caregivers have stopped paying fees owing to the lockdown.
- **83%** of operators have not been able to pay full salaries of staff over the lockdown period. **96%** of respondents reported that their income was not sufficient to cover their operating costs.
- **68%** were worried that they would not be able to reopen.

The Department of Social Development will continue to subsidise some ECD operators that are registered. However, these are in the minority in the poorest and most vulnerable of communities.

OUR ANALYSIS SUGGESTS THAT:

20 000 - 30 000 ECD operators run the risk of closure and;

118 000 - 175 000 people employed in the ECD sector could stand to lose their job in the absence of relief.

The caregivers of children attending these programmes are reliant on ECD providers for childcare so they can go out and participate in income earning opportunities.

What relief is available to ECD operators and the ECD workforce?

On 21 April, the President announced that a R500 billion social relief and economic support package would be introduced, with emphasis on protecting women and the informal sector, among others. We applaud these bold commitments, and call on government to ensure that ECD operators serving poor communities and their workforce are able to benefit from these schemes as they have been excluded from relief schemes offered to date. Most of the ECD workforce in poor and vulnerable communities are not registered with the Companies Intellectual Properties Commission (CIPC); Unemployment Insurance Fund (UIF); or the South African Revenue Services (SARS).

35% of the ECD workforce who participated in the survey were **UIF REGISTERED**

13% of operators were **CIPC REGISTERED**

45% **SARS REGISTERED**

WHAT THE PRESIDENT ANNOUNCED	WHAT WE HOPE TO SEE FOR THE ECD SECTOR
A special Covid-19 Social Relief of Distress grant of R350 per month grant to be paid to individuals who are currently unemployed and do not receive any other form of social grant or UIF payment.	Such a fund needs to be accessible to workers who are not yet unemployed but have seen significant reduction in their salaries could benefit from this. Most ECD operators have been unable to cover full salary costs.

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R100 billion will be set aside for protection of jobs and to create jobs.	Given that the protection of jobs in the ECD sector has largely been neglected by other relief interventions, we hope that the R100 billion will be more inclusive to vulnerable sectors. The ECD sector is driven by poor women and accessed by vulnerable children.
Additional support measures for vulnerable and affected sectors like the taxi industry. Relief measures are already in place for other vulnerable groups such as artists, sportsmen and wastepickers.	We plead that the ECD sector is not excluded from sector specific interventions.
A compact for radical economic transformation that advances the economic position of women, youth and persons with disabilities, and that makes our cities, towns, villages and rural areas vibrant centres of economic activity.	Dedicated support to the ECD sector would be aligned to this goal as ECD services are highly localised within communities, provided by women, and they offer women caregivers opportunities to participate in the workforce by relieving them of the burden of care. ECD providers create vibrant communities.

Two proposed interventions to ensure the ECD sector survives the COVID-19 crisis:

1 Support to ECD operators who have lost income due to reduced fee payment

- Valued at R6 000 per ECD operator targeted at 20 000 - 30 000 ECD operators (unsubsidised by DSD) for a 6 month period amounts to **R180 million per month**.
- 20 000- 30 000** ECD providers will continue operating
- 118 000 - 175 000** ECD jobs will be sustained
- 1 million - 1.5 million children** will have an ECD programme to attend
- 1 million – 1.5 million caregivers**, primarily poor women will have childcare available to them to look for income opportunities.

2 Support to the ECD workforce to offset their loss of income

- 118 000 – 175 000** ECD workers (those working at unsubsidised operators) will receive income supplementation
- Valued at R1 000 per ECD worker targeted at 175 000 ECD workers amounts to **R175 million per month**.

The ECD sector’s ability to identify, select and vet ECD operators to receive support:

The ECD sector has numerous networks, forums, and donor circles that house different groupings within the sector. They can be used to identify, vet and select eligible ECD operators.

These structures have the ability to further vet their affiliate organisations to support the process. The affiliates are vested in the sustainability of the ECD sector and are trusted stakeholders to fulfil this role.

Other strategies available to the state:

- Ensure ECD operators that received DSD subsidies in the 2019/20 financial year automatically receive funding during this period to reduce their risk of closure.
- Fund all registered ECD operators servicing poor communities that are currently not funded through the DSD subsidy.
- Support and fast track the registration of unregistered ECD operators to enable them to also access DSD subsidies.
- Supplement the funding for subsidised ECD operators that are at risk of closure due to reduced fee payments.

This is a summary of the report *The Plight of the ECD Workforce* ([DOWNLOAD](#)), published in April 2020 by:



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