



## **Godongwana's budget fails South Africa's youngest children: No path to universal ECD access**

**Thursday, 31 October 2024, (for immediate release)** - Despite an improved fiscal outlook, the 2024 Medium Term Budget Policy Statement (MTBPS) provided no plans to invest in universal access to quality early childhood development (ECD) services and to end child hunger by 2030.

Our children are in crisis and our government is providing no financial backing for their futures. The recently published [Child Gauge](#) and [Early Childhood Review](#) show that 70% of children now live in very poor households where their basic needs are not met. Child poverty and hunger have increased during the period of austerity since 2016, and, 30 years into our democracy, [one in four children](#) under five are stunted by chronic malnutrition.

Access to quality care and early learning remains almost entirely determined by a parent's ability to pay fees, since public subsidies reach such a small fraction of the ECD programmes in disadvantaged communities, benefiting only one in seven poor children.

Despite this deeply troubling picture, the MTBPS doubled down on austerity budgeting. Government funding for the "social wage" including education, health care, transport, housing and social grants will grow by only 3.5% over the next three years, far below inflation and population growth.

The mini-budget's claim to be "creating momentum for inclusive growth" rings hollow in the context of rising unemployment and worsening child outcomes.

### **Current funding is not nearly enough**

A viable roadmap for achieving universal access to quality ECD services by 2030 now exists in the Department of Basic Education's [2030 Strategy for ECD](#), but there is still no financial backing for these plans.

The total budget envelope for early learning currently amounts to about R4.5 billion, or 0.2% of government expenditure. Funding for ECD subsidies through the ECD conditional grant is set to increase by R352 million in 2025/26. We welcome this increase but it is far too low to shift access to quality ECD in line with the DBE's 2030 strategy.

For example, restoring the value of the ECD subsidy to its 2019 purchasing power of R23 per child per day—essential for ECD centres to operate—will cost an estimated R1.2 billion, and around R 600 million for an additional 100 000 children to access the subsidy, according to our estimates. The planned R352

million additional investment in the subsidy next year will increase the subsidy value, and the children it reaches, by a fraction of what is needed.

## **Nutrition and the Child Support Grant**

[Research](#) by the Children's Institute has shown how the value of the Child Support Grant (CSG) has been eroded in recent years by the high cost of living, directly impacting child poverty. The MTBPS proposes that social grants, including the CSG, currently valued at R530 per month, increase in line with average inflation in 2025/26 but the CSG actually needs to progressively increase to restore this lost value and realign with the food poverty line, currently R760 per month.

The R197 million allocated in the February budget for an early nutrition pilot programme has been retained, despite the lack of a plan for spending these funds, six months into the financial year.

We call on the DBE to allocate these funds to a successful nutrition pilot, targeting unregistered ECD programmes who stand the most to gain from this nutritional support. With one in four children stunted due to malnutrition, it would be unforgivable to let this money go unspent.

## **Healthcare services**

Access to quality maternal and child health services is essential for healthy child development. The 2024 MTBPS confirmed that government spending on health care will increase by only 3.0% in 2024/25, and 3.8% in 2025/26. This will mark three consecutive years where health funding will fail to keep up with inflation or the increasing demand for services.

## **A missed opportunity**

A steep reduction in government's borrowing costs, revenue exceeding expenditure, 200 days of no load shedding, inflation at a three-year low, amongst other positive trends, show that the conditions which led Treasury to introduce austerity measures in 2013 are beginning to fall away. These trends should have resulted in a softening of these austerity measures which included freezing the value of the per child per day ECD subsidy at R17 (since 2019), eroding the value of the CSG, cutting public health and education budgets in real terms.

Instead, the 2024 MTBPS indicates that the GNU will continue to prioritise debt reduction as its overriding priority.

A new vision is needed. Implementation of the DBE's [2030 Strategy for ECD](#) would close the school-readiness gap for children from poorer households and reduce childcare burdens for two million women, promoting their economic participation. Increased investment in ECD would support the creation of 70 000 small enterprises, 300 000 new jobs and improve the skills and working conditions among the women already employed in the sector.

## **Recommendations**

Aligned with the GNU's pledge to improve the lives of young people and ignite inclusive economic growth, we urge the government to prioritise key interventions in the 2025 Budget to ensure greater access to quality ECD services:

- Reverse austerity budgeting and commit to realising all constitutionally enshrined socio-economic rights, especially children's rights.

- Restore the value of the ECD subsidy to its 2019 purchasing power of R23 per child per day, at a cost of R1.2 billion. Commit to increasing the value to R46 by 2030.
- Increase access to the subsidy for an additional one million children by 2027.
- Double funding for ECD infrastructure and registration support to R300 million to support the mass registration, safety and quality of early learning sites.
- Ensure nutrition reaches all children eligible for the CSG—regardless of whether they are attending registered or unregistered ECD programmes—by piloting and implementing a national nutrition programme at an [estimated](#) annual cost of about R1.7 billion.
- Implement a Maternity Support Grant from the second trimester of pregnancy at the same value of the CSG, at a cost of R3 billion annually, which automatically converts to the CSG at birth. This will promote healthy pregnancies and help to reverse the trend of declining access to the CSG.
- Restore the value of the CSG (currently R530) to the food poverty line of R760 per month, with an immediate focus on 0-5 years olds.
- Ensure provincial equitable share allocations to health, social services and ECD programmes increase at least in line with inflation and the demand for these services.

Invest in holistic early childhood development NOW to secure the long-term gains of a nourished, thriving and learning youngest generation.

ENDS

#### **Statement Issued by Real Reform for ECD**

*Real Reform for ECD (RR4ECD) is a broad-based alliance advocating for holistic, well-funded, inclusive, and quality early childhood development (ECD) services. It supports a broad network of over 600 practitioners and is backed by more than 200 organisations. For more information, visit their website: <https://www.ecdreform.org.za/>*

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