



YELLOWWOODS



# Jobs in ECD - proposals for Jobs Summit

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## 1 Problem statement

In order to ultimately tackle unemployment, poverty and inequality, South Africa needs to grow its education and skills base. At the heart of all educational efforts must be a focus on Early Childhood Development, to ensure that every child has the opportunity to fulfil their potential. To grow access to quality ECD services, South Africa needs to prioritise the scale-up of human resources dedicated to home visiting, early learning services, and other auxiliary positions. Through partnerships across the public, corporate and social investment players, scaling up ECD services not only provides a major opportunity for employing an additional 50 000 people by 2025, while also leveraging that investment into the strong development of our children – setting the country up for greater, and compounding, returns over time.

Currently, the major impediment to this job growth has laid in the financing of ECD services, training the human capital necessary to fulfil these jobs, and a lack of a human resource strategy for the sector. This proposal demonstrates that through unique partnerships across public, corporate, and non-profit sectors there is now a strong plan, and the delivery platform and solutions to unlock these jobs that will add real value to the development of the country as a whole. These jobs are particularly well suited to young women and most are located in communities where young children live. The breakthrough solutions to enable and support them, include skilling and quality assurance processes that do not require onerous qualifications and that overcome previous bottlenecks around skilling and accreditation. They are demonstrating success, at scale, and at a cost and that is affordable and sustainable across the system, even for the poorest quintile children.

## 2 Jobs impact

The ECD ecosystem includes all elements of the ‘Essential Package’:<sup>1</sup>

- Stimulation for early learning.

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<sup>1</sup> Hall, K., Sambu, W., Berry I., Giese, S., and Almeleh, C. (2017). South African Early Childhood Review 2017. Cape Town: Children’s Institute, University of Cape Town and Ilifa Labantwana . p.5

- Nutritional support;
- Primary level maternal and child health interventions;
- Social services; and
- Support for primary caregivers;

Within each of these there are major opportunities for jobs growth, as we move towards the realisation of the NDP goal of universal access to at least two years of quality ECD.

There are at least three major initiatives that are able to create and support a significant number of jobs – as the platform for a strong human resource plan for the sector:

- Early learning micro-franchises, through SmartStart<sup>2</sup> which aims to recruit an additional 47 000 franchisees<sup>3</sup> in the next 8 years;
- Ante-natal social franchise clubs through the Grow Great campaign<sup>4</sup> to end nutritional stunting, which aims to recruit 3 000 – 5 000 franchisees to run these clubs;
- Scaling up of public financing for Early Childhood Development centres, to expand the ECD subsidy to an additional ±5000 centres<sup>5</sup> through the existing conditional grant, creating greater security of employment for ECD practitioners at these sites, and the conditions of possibility for additional jobs to be added at a subset of these sites.

Alongside these early learning initiatives, there are a range of subsidiary activities in the value chain of the ECD ecosystem that will indirectly benefit through the creation and scaling of these jobs. These include:

- Infrastructure, repair, and maintenance (IRM) jobs, to bring existing centres that are conditionally registered up to the norms and standards required for full registration. The ECD Conditional Grant aims to improve the infrastructure of 4 000 sites, thus potentially creating many additional jobs.
- As access to early learning services are scaled, there will be significant demand for toy kits, story books, and other equipment. This creates a significant opportunity for local light manufacturing, hand crafts, and printing/publishing industries.

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<sup>2</sup> [www.smartstart.org.za](http://www.smartstart.org.za)

<sup>3</sup> Each micro-franchise is owned by an individual woman, who runs an early learning playgroup for children aged 3-4 years. As of June 2018, SmartStart already has 3 000 franchisees ('SmartStarters'). It plans to scale its reach to 50 000 franchisees, providing early learning services to 1 million children each year by 2026.

<sup>4</sup> 27% of South African children are nutritionally stunted by the age of two, leading to significant compromising of their brain development and ultimately impacting their future economic productivity. The Grow Great campaign is a recently launched initiative, working closely with the National Department of Health, which aims to tackle the root causes of stunting through building supportive experiences for pregnant women, improving community health worker practice, and using data to drive policy-making. The Flourish Ante-Natal Clubs are a social franchise that serve women during pregnancy, focusing on ensuring that they are well-nourished, and are best able to nutritionally support their children through e.g. avoiding the use of alcohol and tobacco during pregnancy, exclusive breastfeeding for 6 months, effective weaning practices.

<sup>5</sup> The ECD Conditional Grant has been calculated to provide the R15 subsidy per child per day to an additional 104 000 children. At an average of 20 children per site, this would equate to ±5000 sites.

- A focus on improved early nutrition, including building better access to complex protein rich foods such as eggs, will create demand for a greater diversity of foods, at an affordable price, which could stimulate local agricultural production within communities.
- As municipalities and provincial governments make strong commitments to ECD, and to ensure population-based approaches to delivering these services, there will be a significant demand for data collection and analysis to ensure that there is an effective knowledge of, and basis, for policy-making and programme design.

Overall the ECD ecosystem is poised to create a significant number of direct jobs, particularly in early learning, and stimulate a broader demand for a wide range of indirect jobs as the growth of early learning services stimulate demand for a wide-range of equipment, infrastructure, nutritional, and data services. We estimate that there are up to 50 000 direct jobs that are poised to be created in the sector over the next 8-10 years.

As mentioned previously, the significant additional benefit of an expanding ECD ecosystem, and delivery of quality services, is the compounding return on investments as a generation of children are better primed to learn, thrive, and ultimately become economically productive adults, and active citizens. Already there is significant momentum across the public, corporate, and non-profit sectors to realise the potential of the ECD ecosystem to change our trajectory as a country – it is this momentum which must be seized and realised if we are to secure the potential gains of this game-changing sector.

### **3 Theory of change**

A further 50 000 new jobs can be created by 2025, through the scale up existing programmes that are working (see examples of SmartStart and Flourish).

These franchise and network based models have the potential to scale rapidly, to create a sustainable platform for ECD delivery at community level. The franchise based models for recruiting, enabling and supporting the network of ECD micro-enterprises, provides an platform to incubate, and sustain them over time. The investments in the incubation process, including the infrastructure and human capital needed to get them market and “DSD registration” ready, and to support the networks, unlocks sustained working capital for these micro-enterprises through a co-ordinated and fit-for-purpose funding model - combining parent’s fees, social investment, enterprise development funding as well as per-child DSD grants. It also builds on the social capital of local clubs, stokvels and community based organisations to further scaffold, grow and sustain this growing ECD micro-enterprise network.

Having demonstrated that the model can work at scale, and galvanised significant public and private financing for these approaches, the ECD sector could become an economic engine for the broader economy – particularly at a local community level.

## 4 Existing initiatives/experience

### SmartStart:

SmartStart early learning franchisee practitioners operate at community level to group-based early learning to 3-4 year olds. These are micro-enterprises with blended incomes from parent's fees, DSD ECD child grants. SmartStart already has a network of 3000 franchisees nationally, a proven record for operating at scale, and a plan for recruiting, training and licensing a further 47 000 franchisees over the next 8 years.

The SmartStart programme and the practitioner network itself is enabled and funded by a consortium of private sector donors, state programme funding from DSD and CWP/EPWP, as well as private sector enterprise development funding through the KYB ECD Enterprise Incubator.

### Flourish:

Flourish Ante-Natal Clubs are run by women in communities, seeking to create income-generating opportunities through providing support, education, information, and advice to pregnant women to ensure that they are better able to manage their pregnancies, able to improve their nutritional status, and ensure their children are thriving. Flourish has only recently been launched, as part of the Grow Great campaign to end nutritional stunting, and aims to grow 3 000 – 5 000 franchises, run by women in communities, within the next 6 years.

There is already an established multi-sector partnership around these programmes. They are set up to be jointly funded and supported by both private and public sector institutions and draw on the implementation capacity of numerous social, public and private sector entities. All that is needed is agreement to prioritise the scaling up of these and the unlocking of further public and private sector funds to accelerate the scale up process.

### ECD Centres and the conditional grant:

An existing consortium of ECD donors and enabling organisations, spearheaded by Ilifa Labantwana and KYB, is already working in partnership with DSD at national and provincial levels (and with National Treasury around the conditional grant for ECD) to optimise, enable and unblock the government systems, to accelerate and enable the registration and the administration of grants to ECD facilities and programmes as well as to co-ordinate and grow private sector social investment in ECD.

## 5 Benefits

What social/economic groups would benefit from the proposal directly and indirectly? Please use the following table, and do not list more than 5 groups. Please describe the benefits as precisely as possible.

<b>Group</b>	<b>Job creation</b>	<b>Other benefits</b>	<b>Time frame for success</b>
New early learning practitioners (primarily women, many of them young women <35 years of age).	47 000	Universal access for Young children to quality, affordable ECD services – leading to long-term economic growth and productivity, and a reduction in poverty and inequality.	2025
New ante-natal and parenting support practitioners (women, many of them under 35 years of age).	5 000	Young mothers and caregivers are supported to reduce nutritional stunting, ultimately improving the chances of 25% of children to better fulfil their potential.	2025
ECD sector auxiliary services (	3 000	Data collection, monitoring and quality assurance, shared services and logistics. Demand will be grown at a local level, stimulating a range of potential economic activities.	2025

## 6 Cost and potential sources of funding

Group	Anticipated costs	Potential sources of funding to implement the project	Time frame for impact
Community-based Early learning practitioners.	Start-up incubation costs	Approximately R40k per practitioner to cover training, basic infrastructure and start-up stipends covered by a combination of Donor funding for programme/franchise support, DSD programme funding, private sector enterprise development funding.	47 000 micro-franchises can be established by 2025 (2018 – 2021: 21 000 additional franchises; 2022 – 2025: 26 000 additional franchises).
	Sustained income	Take-home income for practitioners – nett of expenses - ranging from a base of approximately R2000 per month – generated through a combination of parents' fees (highly variable depending on quintiles); DSD per-child subsidies and in-kind contributions from households and community	Transition to DSD registration: 1-2 years depending on speed of registration by DSD - unlocking sustained working capital
Ante-natal club franchises	Start-up training and quality assurance.	Start-up training and support is currently, and likely to continue to be, provided by a consortium of private donors.	The Grow Great campaign aims to launch 3 000 – 5 000 new Flourish franchises over the next 6 years, reaching 600 000 pregnant women each year.
	Sustained income for franchises	Flourish franchisees are encouraged to charge R15 per person session (10 sessions per pregnant women). Over time the aim would be to explore an extension of the child support grant into pregnancy, through a voucher-based system for key supplementary ante-natal services such as these support clubs.	

All in total costs to deliver and sustain these jobs (and the ECD service delivery) requires between R4bn - R5bn additional allocation of DSD per child subsidies, and programme costs and approximately R1bn from private sector donors.

## **7 Risks**

- 1) Inadequate budget planning and grant disbursement processes by DSD.
- 2) Minimum wage levels set that are inappropriate and unsustainable across the micro-enterprise system.

## **8 Risk mitigation**

Existing multi-sector partnership to enable state and social sector delivery systems, and to co-ordinate private sector donors and contributors and to drive multi-sector advocacy campaigns

## **9 Additional comments**