ISSUE PAPER

INVESTING IN FREE UNIVERSAL CHILDCARE IN SUB-SAHARAN AFRICA: CÔTE D'IVOIRE, NIGERIA, RWANDA, SENEGAL AND THE UNITED REPUBLIC OF TANZANIA:

Estimating spending requirements, gendered employment effects and fiscal revenue

JULY 2021
UN WOMEN

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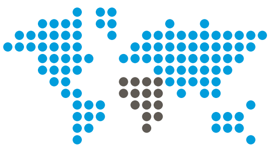

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EXECUTIVE SUMMARY

This study investigates the annual investment required to provide universal, high-quality, free early childhood care and education (ECCE) in Côte d'Ivoire, Nigeria, Rwanda, Senegal and the United Republic of Tanzania. High-quality ECCE is central to achieving the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), from improving children's health and development to reducing gender inequalities in employment and unpaid care. It is also a good strategy to foster an employment-rich recovery from the COVID-19 pandemic.

Although pre-primary education is a policy priority in these countries and has been for a few decades, sufficient provision of affordable and high-quality ECCE is still wanting, even for children from age 3 to the age they enter primary school. This is reflected in public spending on pre-primary education, which is a tiny fraction of gross domestic product (GDP) in each country.

For this study, modelling annual investment (staffing costs and overheads) assumed centre-based services across a given country for all children aged 4 months to the age they enter primary school. This investment included construction costs and costs for training staff to boost their qualifications to adequate levels, providing higher wages and achieving child/staff ratios on par with international standards. Two scenarios were considered, both providing full-time, full-year services for 50 per cent of children aged 0-2 and 100 per cent of children aged 3 and above, with a mix of tertiary educated and post-secondary educated teachers. The first "current" scenario reflected pay levels on par with existing salaries in pre-primary or primary education and statutory child/staff ratios. The second "improved" scenario estimated higher salaries, equivalent to the higher levels found in study simulates these effects using a social accounting matrix for each country. Results show that, given the significant annual investment required, in the range of 4-10 per cent of GDP in the "current" scenario and 8-14 per cent of GDP in the "improved" scenario, employment creation is substantial. For example, in the "improved" scenario, employment rates could rise by between 8 percentage points in Côte d'Ivoire and 23 percentage points in Tanzania. Given the predominance of women in the childcare sector, women's employment rates would rise by more than men's. They would climb by between 11 percentage points in Côte d'Ivoire and 25 percentage points in Tanzania. Gender gaps in employment rates would decline by nearly a third in Rwanda and Senegal and by more than half in Nigeria and Tanzania.

Undoubtedly, such investment is a substantial commitment relative to each country's GDP although two factors make the net investment less burdensome. First, tax revenue stemming from increased employment, earnings and consumption (through direct and indirect taxation) reduces the annual spending requirement. Second, the investment has multiplying effects on GDP given that it becomes a lower proportion of a larger whole. Taking both