



The SANCRRC's open letter to the Minister of Finance and the President ahead of the medium-term budget policy statement

5 November 2021

Dear Minister Godongwana and President Ramaphosa,

We currently face a state of national emergency that predates and will continue long after COVID has passed that is potentially fatal to our national development goals.

The *World Bank's updated Human Capital Index for South Africa (2020)*¹ that measures the amount of human capital that a child born today can expect to attain by age 18 reports that, because of our failure to secure children's developmentally critical rights, South Africa is set to lose more than half of its human capital. ***A child born in South Africa today will be 43 percent as productive when she grows up.***

We, the South African National Child Rights Coalition (SANCRRC) of more than 120 organisations call on you to ensure that the 2021 Mid-Term Budget Policy Statement fulfils government's responsibilities to secure the equal and optimal development of all children, and in so doing build our human capital foundations for sustainable, inclusive development.

The very foundational building blocks of our country's human capital – most children in South Africa – remain trapped in an intergenerational cycle of multi-deprivational poverty that denies them the right to develop to their full potential. This means that the human capital upon which our sustainable national development depends will remain unrealised.

The time has come to place children's development at the centre of government's recovery plan and at the centre of its journey to achieve sustainable inclusive development.

The science is clear: we need to invest SMARTER and more strategically to ensure that we equalise and optimise the development of all children to their full potential if we are to eliminate poverty and inequality, secure safe and tolerant communities, and build a capable developmental state.

If we are to achieve these goals, we need to work together as a country and invest our public resources wisely to build and sustain the capacity of every child, especially those who are marginalised, to do well

¹ https://databank.worldbank.org/data/download/hci/HCI_2pager_ZAF.pdf?cid=GGH_e_hcpexternal_en_ext

at school, get jobs, establish businesses, pay taxes, engage in constructive democratic processes, become good parents, provide ethical leadership and become the next generation of good, developmental administrators.

This requires that our whole child population, especially those who are chronically marginalised, receive the nurturing care they need, not just to survive, but develop to their full potential.

The stark reality is that more than half of the child population do not receive the nurturing care they need to develop to their full potential. A multiple deprivation study conducted by UNICEF and Stats SA in 2020 found that 60% of children, all of whom live in chronically marginalised families and communities, do not access the services that are essential for their development – food and nutrition, health care for development, quality education from birth, and access to basic services. Add to this mix the additional requirements for development not measured through the multiple deprivation indices – protection from abuse, including harsh discipline, and receipt of responsive, nurturing parenting and care – and the impact of COVID 19 on the capacity of families to provide children with the care they need, we have the perfect developmental storm on our hands.

Given this full picture, it is probably closer to 70% of children in South Africa that are at grave risk of not developing to their full potential.

Given that we face the loss of 70% of our human capital - who will then drive and sustain our social and economic development, peaceful and equal communities, nurturing families, and ethical, capable development government in the next 10 years and in the decades to follow?

Children need **nutrition; health care; responsive, positive parenting; quality education** from birth; **protection** from abuse; and access to **social protection and basic services** to develop to their full potential.

Like baking a cake, child development is only possible where children receive the full combination of ingredients in the right quantities, quality and combinations, mixed and provided by experts, and baked using the right equipment.

We need, as a country to stop funding, buying, spending more every year on, and counting only milk and salt, and then be surprised when we don't end up having baked a whole cake, but rather a cup of curdled milk.

The Ministry of Finance has enormous power to provide leadership for transformation by engaging in meaningful child rights budgeting and ensuring that all organs of state allocate and use their funds strategically – to collectively secure the provision of the package of support necessary to enable nurturing care.

It is no longer good enough to identify one or two isolated children's services as priorities and increase budgets for these without ensuring that the full package of support is provided in the required combinations and quality to compensate for historical deficits and inequalities. We have seen massive increases and some of the highest percentages of GDP allocated to a few services - basic education, health services and ECD infrastructure – and yet 70% of our country's children are at grave risk of failing to develop to their potential. This is because they have not been provided with the necessary combinations of quality services across their life cycle.

The Ministry of Finance must now, as a matter of urgency, lead a transformational budget supported by systems that are suited to support the establishment of, and achieve the outcomes required of a capable developmental state.

The Ministry of Finance must develop a public budgeting process that supports and ensures all organs of state plan and bid for budgets that will collectively address the biggest nurturing care deficits- including nutrition, responsive caregiving, quality, inclusive education from birth and protection from abuse and neglect. This is essential if we are to see any meaningful sustainable development returns on our public investments in children.

We are realistic and recognise that it may not be possible to fund the full package of support for nurturing care right now. However, as a country, we must have a plan to progressively achieve that goal. And in the short-term, make strategic choices – fund the ingredients that will produce interim results that will contribute to our goal.

By way of analogy, the Ministry of Finance and Treasury must, in collaboration with the Presidency, ensure national, strategic, child-centred policy coherence. Together they must ensure that the budget policy ensures the funding, purchasing and use of eggs, milk and salt, and the development of the skills for maximising the use of these ingredients to produce something of value. We may only end up with omelets and not the iced chocolate cake, but this is progress. We will not, as we have through the decisions made to date, end up with curdled milk that cannot be used to produce quality products later on down the line.

Whilst the Ministry of Finance has enormous power to drive transformation, it cannot do so alone.

The Presidency must provide the required national leadership and ensure government-wide child rights governance under the stewardship of a mandated, adequately resourced and effective Office on the Rights of the Child that can support operationalisation of the government-wide mandate and monitor our progress in turning the tide on inequalities in children’s development.

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