



Emmet Dereje/ Save the Children

A FOUNDATION TO END CHILD POVERTY

How universal child benefits
can build a fairer, more
inclusive and resilient future



Save the Children

Globally, many countries are failing to sufficiently prioritise the wellbeing of children and invest in their future potential. In the context of rising child poverty and deprivation resulting from COVID-19, and persistently high humanitarian caseloads fuelled by conflict and growing levels of climate risk, this report sets out a clear, evidence-based policy solution for governments. That solution is centred around a firm commitment from all governments to progressively work towards universal child benefits. The primary intended audiences are governments, donors and other development partners.

Jamie Baker / Save the Children



Acknowledgements

This report was authored by Luke Harman, Chad Anderson, Nicholas Anderson, Oliver Fiala and Yolande Wright.

The authors are grateful to a number of Save the Children staff who have contributed to this report including: Burcu Munyas Ghadially, Tapio Laakso, Jack Wakefield, Disa Sjöblom, Rebecca Shuker, Lilei Chow, Gabrielle Szabo, Lisa Wise, Kirsty McNeill, Alison Sutton, Lauren Murray, Lenio Capsakis, Kirsten Mathieson, Julia Ridemark, Ulrika Cilliers, Simon Henderson, Gabriella Waajman, Irene Dotterud-Flaa, Hagar Russ, Shelagh Possmayer, Martina Orsander, Pranab Kumar Chanda, James Cox, Jess Edwards, Silvia Paruzzolo and Krista Bywater.

They would also like to acknowledge helpful reviews from various Save the Children member offices including Australia, United Kingdom, Sweden, the United States and Canada.

Last but not least, we are grateful to three external reviewers – Ian Orton (International Labour Organisation), Stephen Kidd (Development Pathways) and David Stewart (UNICEF) – for their insightful reviews. The final content does not necessarily reflect the opinions of these reviewers.



Contents

Children's foreword	4
Executive summary	6
1 The urgent need to address child poverty globally	9
2 Tackling the intergenerational transfer of child poverty	14
3 A snapshot of the current gaps in child benefit provision globally	20
4 The importance of universal coverage and guidance for achieving it	25
5 Options for financing	32
6 Working towards UCBs in humanitarian contexts	35
7 Recommendations	39
Endnotes	42

‘Support the poor who suffer the most and help everyone equally.’

16-year-old girl
Peru

‘There is food insecurity and no relief. We received some food relief but it is not enough. Some marginalised groups (castes) are given more; why the support is not equally provided?’

16-year-old girl, rural area
Nepal

‘My family and I are on the streets because we don’t have money for rent, and my parents don’t have money to feed me and my siblings, especially my younger 3-year-old brother who is still small and needs to eat.’

12-year-old girl, urban area
Colombia

Children’s foreword

While this report was being written, Save the Children spoke with children and adolescents from around the world and listened to their experiences in light of the COVID-19 pandemic. We asked how the pandemic affected their household income. We also asked how they want to see their governments respond.

'Previously I was withdrawn from school due to family and economic reason [...] I did get daily work job but currently lost due to COVID-19. Life is complicated for me.'

16-year-old boy, rural area
Ethiopia

'Do more for children, especially those in difficult [financial] settings. There are so many people out there that have no income.'

11-year-old boy
Kosovo

'Work with children more. We are the future, and how you treat us now, is how the future will look too.'

12-year-old girl
Kosovo

'The situation is not good. Here in my area there are children who have to sell things on the street because their parents have no jobs. People have nothing to eat and if they stay at home, they will starve to death. The Government should give support to families and assist families. Here people are selling things because there is no way to support themselves.'

17-year-old girl
Mozambique

Above we share just a few of the quotes we gathered, in order to shed some light on the experience of a few children from among hundreds of millions around the world, who will grow up unable to fulfil their dreams because of a lack of a basic minimum income in their formative years. These children want governments to address increasing poverty, and expand safety net provisions – especially for marginalised and deprived children. This is one of their top priorities.¹

As you read this report, we hope that the words of these children will stay with you and encourage you to do what you can to make progress towards the recommendations in chapter 7.



Executive summary

The unprecedented global economic shock brought about by COVID-19 could set back more than a decade of progress in reducing child poverty and deprivation. Analysis indicates that the number of children living in monetary poverty could rise by more than 100 million in 2020.² Unless we take action to address this, COVID-19's most lasting legacy will be an unprecedented increase in childhood deprivation, with lasting consequences.

Above: Babita* lives in Nepal where the government has been gradually expanding access to child benefits (see Box 4 on p.28).

**name changed to protect identity*

As countries and households around the world continue to feel the economic impacts of the COVID-19 pandemic, calls to expand and strengthen government social protection measures are now almost universally accepted as a way to protect citizens and support local economies. Yet despite this growing consensus, **a key question is *what kind of social protection systems should be prioritised.***

Universal child benefits (UCBs) are regular, unconditional income transfers in the form of cash or tax transfers, which are paid to caregivers of children from the time of pregnancy or birth until the child's 18th birthday. However, they may initially be limited to a narrower age range, for example, covering early childhood.

In this report, we call upon governments, donors and other development partners to urgently support an expansion in social protection coverage of children and their caregivers (predominantly women), working progressively towards UCBs. This would ensure basic income security for children in line with Sustainable Development Goal Target 1.3, which aims to establish social protection floors in all countries by 2030.

While many countries face unprecedented fiscal pressures, the report provides examples and guidance making the case that, most countries *can* take steps towards establishing UCBs, and that the costs of *not* doing so could be far higher.

There are three main reasons why we must urgently increase social protection coverage for children:

1 Globally far too many children continue to suffer from hunger, malnutrition and multiple other forms of deprivation.

Children are disproportionately likely to live in extreme poverty and are the most vulnerable to irreversible damage from deprivation, even if they endure it for a short period of time.

2 The deprivation that many millions of children face blights their future and undermines productivity, economic growth, and social cohesion.

Prioritising basic income security for children, which is the foundation for unlocking access to other essential services, is one of the most economically (and socially) sensible investments that governments can make.

3 All children have a right to social protection, as set out in the UN Convention on the Rights of the Child and other internationally ratified agreements.

Yet at present, children are disproportionately likely to suffer from low coverage of social protection measures.

Cash transfers given direct to caregivers are one of the best-evidenced and most immediately effective responses to alleviate various forms of child poverty and deprivation. They have been shown to have a positive impact across a wide range of child outcomes including nutrition, health, education and child protection – even reducing harmful practices such as child labour, child marriage, and reducing violence in the home. However, to achieve the best outcomes, governments must also ensure that the beneficiaries of cash transfer programmes can be linked to quality public services. Child benefits frequently go to women – they are often the main or sole caregiver. In addition to supporting children, cash transfers can reduce intimate partner violence and contribute to the empowerment of women and girls. These benefits, however, require that cash transfer programming accounts for and addresses unequal gender norms, beliefs, and power dynamics.

In line with global human rights agreements, cash transfers should form part of a government's core social protection commitment to its citizens. However, if national social protection systems are not in place, or authorities are unable or unwilling to provide support, the humanitarian system must fulfil this role.



Nina Raingold/Save the Children



Cash transfers are increasingly recognised as one of the most effective humanitarian responses; they allow a more dignified approach, where the power to choose spending priorities lies with the recipient household and not with the donor. While short-term responses to the economic shock of COVID-19 are vitally needed, this report advocates strongly for governments and development partners to look at ways to move from this short-term assistance to longer-term, government-led, social protection measures.

This report sets out eight reasons why governments should consider working towards universal rather than targeted coverage of children. These span economic and social benefits, avoiding the negative consequences of attempting to narrowly target the poorest families, and the human right of every child to benefit from social security. However, where feasible, paying higher levels of benefits to lower income households will have a bigger impact on the reduction of poverty.

While progress towards UCBs is shown to be surprisingly affordable for most countries, many are not yet investing sufficiently in moving towards them. This report offers concrete examples of how countries can create greater fiscal space and start laying the foundations to progressively work towards full UCBs over time.

An important starting point is for governments to cover all children during their earliest years, from conception until the child's fifth birthday.

This covers the critical 'first 1,000-day window of opportunity' when 70% of malnutrition occurs, and these formative years of early childhood development set the pathway for a child's future prospects.

Overall, this report makes three key recommendations:

1 Governments should prioritise investment in children by creating more fiscal space for child-focused social protection, aiming towards at least 1% of their country's economic output (GDP).

For some countries, donors and development partners should do more to ensure temporary financing measures are in place, for example, through debt relief or a global fund for social protection.

2 Governments should aim to progressively move towards universal coverage.

Applying the principle of universality to all children particularly in their early years, and ensuring there are links to other essential services, will bring the highest return on investment, build human capital, and ensure that no child is left behind. However, specific needs of vulnerable groups and the most deprived and marginalised children, such as children with disabilities or those without adult caregivers, will need special attention.

3 Governments should design UCBs to be shock-responsive and in countries experiencing humanitarian crises, all actors should make greater efforts to invest in government-led social protection.

A key advantage of having child benefits in place is that it can allow governments to rapidly identify and scale up support to households in the event of major shocks. Such programmes should therefore be designed in a way that they are linked to early warning systems and can adapt and scale up in the event of shocks. In countries experiencing humanitarian crises, all actors must do more to invest in longer-term, government-led social protection systems.



1 The urgent need to address child poverty globally

The unprecedented global economic shock brought about by COVID-19 could set back more than a decade of progress in reducing child poverty. Analysis indicates that the number of children living in monetary poverty will rise by more than 100 million in 2020. Even before the pandemic, far too many children were living in multidimensional poverty, facing deprivations that will limit their future potential. Addressing child poverty is not just a moral imperative but also an economic and social priority. If countries do not address child poverty faster and more systematically, they risk storing up major social and economic problems and failing future generations.

Above: Carlos* and his family recently lost everything in a flood in Uganda. If child benefit systems are in place, governments can quickly respond to such crises by scaling-up cash assistance to affected families.

**name changed to protect identity*

More than half a billion children were living below national poverty lines before COVID-19

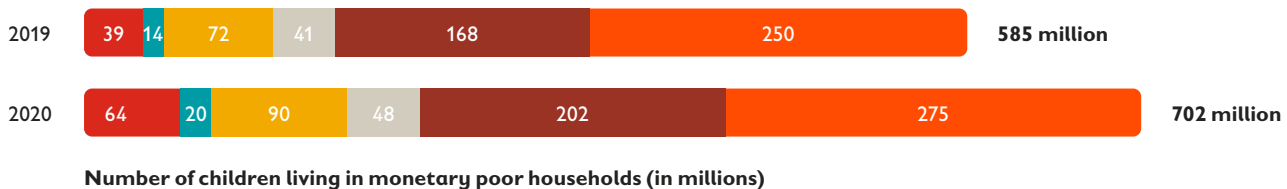
Even before COVID-19, monetary child poverty was unacceptably high: 585 million children in low- and middle-income countries – almost 1 in 3 – lived in households below their national poverty line.³ As wealth is such a strong determinant of a child’s life chances, such high levels of monetary poverty were already a major cause for concern. According to the OECD, **a child born into a poor family today will take from four to five generations to reach the average national level of income.**⁴

Figure 1
Monetary child poverty estimates pre- and post-COVID-19 (by region)

Save the Children & UNICEF (June 2020)

Note

Numbers for 2020 show upper boundary of estimate.



- East Asia and Pacific
- Europe and Central Asia
- Latin America and Caribbean
- Middle East and North Africa
- South Asia
- Sub-Saharan Africa

COVID-19 presents an unprecedented and devastating threat to children everywhere

Joint analysis by Save the Children and UNICEF reveals that without urgent action to protect families, the number of children living in households below their national monetary poverty line will increase by more than 100 million in 2020 (see Figure 1).⁵ With even optimistic estimates suggesting most economies will only recover gradually in 2021,^{6,7} we do not expect to see the number of children living in poverty to return to pre-COVID-19 levels any time soon. Globally, every region is set to experience an increase in child monetary poverty levels. However, the largest increases will be seen in South Asia and sub-Saharan Africa, as shown in Figure 1.⁸

It is important to note that while the COVID-19 pandemic has increased the risk of poverty for children in low-income families, national monetary poverty lines often hide many millions more children who live just above these lines and those experiencing ‘multidimensional poverty’. This means many more millions of children face multiple forms of deprivation – from the lack of a balanced diet to lack of access to basic healthcare or education – depriving them of reaching their full potential.

New analysis from Save the Children and UNICEF finds that the number of children living in multidimensional poverty has soared to approximately 1.2 billion due to the COVID-19 pandemic⁹. Unless we take action to address this, COVID-19’s most lasting legacy will be an unprecedented increase not only in the number of children living below national poverty lines, but also the number of children that experience multidimensional poverty, both now and for generations to come.

Certain children face even greater barriers to achieving their potential

Certain children are also disproportionately less likely to move out of deprivation, including girls, children with disabilities, children living in extreme poverty, street children, forcibly displaced children and children of certain castes and religions. For example, girls face a significantly higher risk of being forced to marry and bear children when still children themselves, often trapping them and their children in intergenerational poverty. COVID-19 is set to exacerbate these pre-existing structural and systemic inequalities and leave the most marginalised and deprived children even further behind.¹⁰

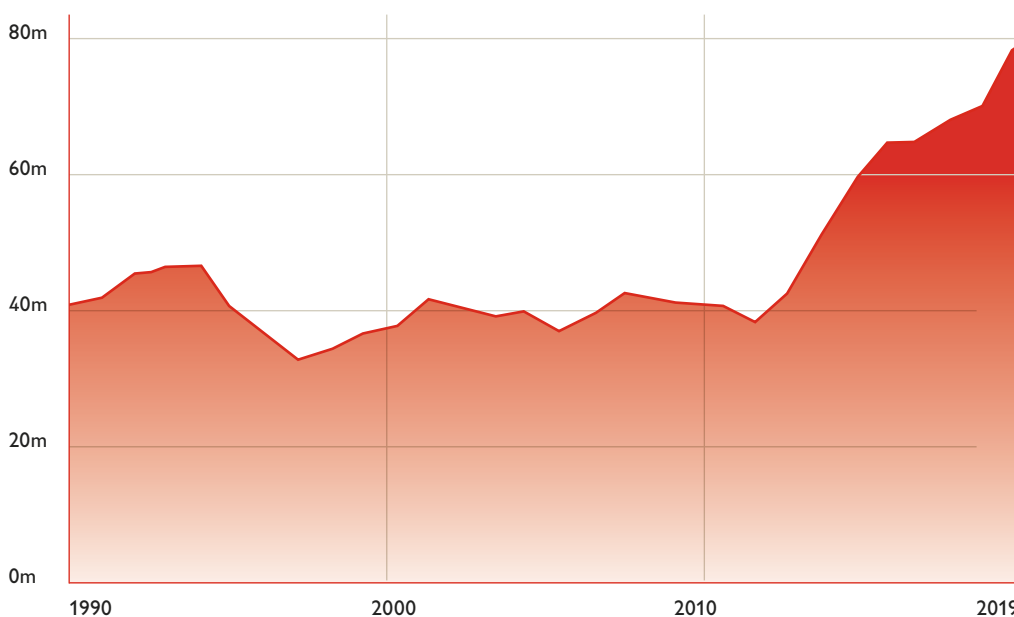
COVID-19 is overwhelming the world's capacity to respond to humanitarian crises

The global humanitarian system was stretched beyond capacity before the COVID-19 pandemic. Global levels of displacement had already almost doubled from 2010 to 2020, with nearly 40% of displaced individuals being children. Some 800 million people were suffering from hunger, while over one fifth (21%) of children worldwide were stunted and 7% suffered from wasting, with nearly half of all deaths of children under five attributable to undernutrition.^{12,13}

Humanitarian caseloads have been rising yearly, but funding dropped in 2019 and one third of appeals went unfunded.¹⁴ Conflict, climate change and economic inequality exacerbate the severity of a crisis and lead to increasingly protracted displacement¹⁵ and frequency of shocks. This leads more families to rely on harmful negative coping mechanisms, including child labour and child marriage.¹⁶

The COVID-19 pandemic has exacerbated this situation. In response, the UN's Global Humanitarian Response Plan has a record funding requirement of \$10 billion. Yet even if this figure could be achieved, many humanitarian needs would remain unmet. The humanitarian system continues to provide life-saving assistance for hundreds of millions of families and their children, but structural and sustainable changes are urgently needed.

Figure 2
Rising number of people forcibly displaced before COVID-19



Reducing child poverty is critical for equitable economic and social development

Through the Sustainable Development Goals, world leaders have made a commitment to eradicate poverty in all its forms and dimensions, including extreme poverty, in recognition that it is an ‘indispensable requirement for sustainable development’.¹⁷ Tackling child poverty is central to this.

The knowledge, skills and health that people accumulate throughout their lives (their ‘human capital’) enables them to achieve their potential as productive members of society. Child poverty not only holds back the potential of children living in low income families, it also reinforces the intergenerational transmission and cycle of poverty as their own children are also more likely to be at a disadvantage.

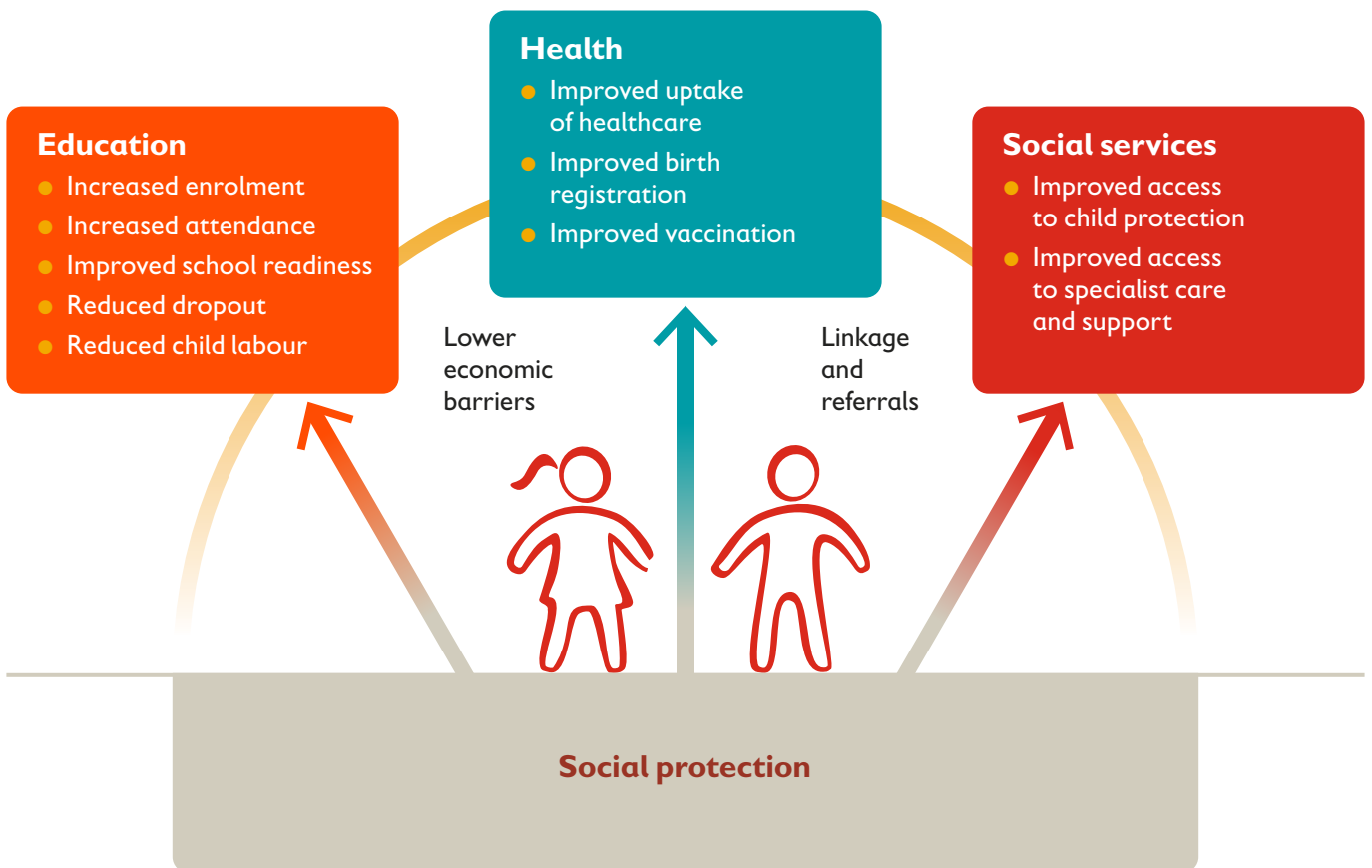
Economists have highlighted that in recent years, the need for governments to invest more in human capital has become ever more important given the speed at which technology is advancing and with it, the need for a healthy and educated workforce. The need for countries to invest more in their human capital is so great that this topic formed the central focus of the 2019 World Development Report, which argued that:

“...developing countries will need to take rapid action to ensure they can compete in the economy of the future. **They will have to invest in their people with a fierce sense of urgency especially in health and education, which are the building blocks of human capital to harness the benefits of technology.**”¹⁸

Achieving better health and education outcomes requires more than just investing in health and education services: it requires a concerted effort to tackle the scourge of low incomes (see Figure 3). Health and education outcomes are heavily influenced by household incomes, with children from poorer backgrounds suffering the most.

Figure 3
Child-focused social protection is foundational for improving access to basic services and building a country’s human capital

Source: Authors



A long-term solution for addressing child poverty through universal child benefits

In response to the COVID-19 pandemic, between 1 February and 12 August 2020, nearly all countries and territories introduced – or announced their intention to introduce – social protection measures.¹⁹ In total, 1,407 social protection measures were announced or proposed, which included **direct social assistance** in the form of cash transfers, food or vouchers, or the waiving or postponing of utility or other financial obligations, as well as **social insurance** and **labour market programmes** such as unemployment benefits, waivers to social security contributions, and wage subsidies. However, recent analysis shows that only 29.3% of countries have introduced child or family allowances – despite the fact that children often suffer first and worst in a crisis.²⁰

So grave is the economic impact of COVID-19 in many parts of the world that it has led to calls from across the political spectrum, for countries to roll out large-scale ‘basic income’ or ‘guaranteed minimum income’ schemes. A handful of countries including Ireland, Spain, and Tuvalu are trialling some variation of this approach.^{21,22}

Box 1: Defining universal child benefits

Universal child benefits (UCBs) are regular, unconditional income transfers to caregivers of children from the time of pregnancy or birth until the child’s 18th birthday. They may initially be limited to a narrower age range, for example early childhood.

In this report, we make a case for a more modest, but highly impactful, basic level of child benefit.

Building on growing calls over recent years to increase social protection for children,^{23,24,25} we believe **now is the time for governments to commit to scaling up benefits for children and their caregivers, working towards the eventual aim of universal child benefits, to protect children from lasting harm at a critical stage in their human development.**



Evan Schuurman/Save the Children

UCBs have become a key policy tool in many high-income countries, and a growing number of lower income countries have also started out on this path. Currently, 21 countries provide full UCBs, while 14 have ‘quasi-UCBs’, including some upper middle-income countries.²⁶ Such policies, alongside other universal social security instruments and investments in public services, have been central to maintaining economic and social progress.

The call for more countries to commit to UCBs is firmly in line with Sustainable Development Goal Target 1.3, which aims to establish social protection floors, with basic income security for children as one of the four basic guarantees.²⁷ Working towards UCBs will also deliver on every child’s right to social protection, as enshrined in the UN Convention on the Rights of the Child – the most widely adopted convention in the world – among many other global and regional agreements.²⁸

Where social protection systems are not in place, or where governments cannot or will not provide direct assistance to populations living in humanitarian need, the humanitarian system must continue to step in with life-saving assistance. However, with unprecedented burdens on the humanitarian system, and likely long-term poverty challenges, **investing in longer-term, more systemic and government-led approaches must urgently be considered – not in the distant future, but now.** The International Labour Organisation (ILO) and UNICEF argue that:

“...a universal approach in fragile contexts where capacity is generally limited and a very high proportion of children are vulnerable could make practical sense, rather than efforts to effectively target. Universal approaches could lay the foundations for a national system that is ready to go to scale during recovery, forming part of the backbone of a fledgling social protection system and helping build the society-State relationship upon which further development and prosperity could be based.”²⁹



2 Tackling the intergenerational transfer of child poverty

The successful use of cash transfer programming in humanitarian and development contexts has a growing and compelling evidence base, particularly when combined with access to other services. In higher-income countries, regular cash transfers have been used for more than a century as part of national social protection systems with significant success. We must build on this and use an evidence-based approach to establish, strengthen and support government-led child benefits programmes globally.

Above: Providing financial support to protect children like Angelina* and her sister in their earliest years, is a long-term investment in their future. It will help them grow up to fulfil their potential and break the intergenerational cycle of poverty.

**name changed to protect identity*

The vital role of cash transfers in tackling the aftermath of COVID-19

Governments all over the world are grappling with how to address the immediate economic shock and knock-on effects of the COVID-19 pandemic, in order to limit the impact on people's lives. Many governments struggled to tackle chronic poverty and structural inequalities before the pandemic, and these are worsened by its unequal economic impact. Addressing the pandemic's impact – and ensuring that the most vulnerable, including children, do not suffer permanent damage to their future life prospects – must be a priority for every government and development partner.

One of the best-evidenced and most immediately effective responses is to provide a minimum level of income in the form of cash transfers direct to families. Although cash alone is not sufficient to sustainably reduce poverty, it is a necessary foundation.

When provided alongside access to basic services and complementary interventions, cash transfers can be transformational in breaking the intergenerational cycle of poverty.



Rajan Zaveri/Save the Children

Child benefits frequently go directly to women – they are often the main or sole caregiver. Governments must use a gender-sensitive approach to determine which caregiver receives the transfer and how it is delivered. This approach ensures that the design mitigates potential harms, like increased conflict within households and gender-based violence, and maximises the benefits to children. To achieve the best outcomes, governments should carefully consider how to couple cash transfers with complementary services and interventions such as gender training or family dialogues that promote gender equality and women's empowerment. When women have more agency and control over resources, they are better able to improve children's wellbeing. Governments must also ensure that the beneficiaries of cash transfer programmes can be linked to quality public services such as health services and free or subsidised childcare.³⁰

This report does not seek to provide a full summary of the evidence on cash transfers³¹ but some key points to note include:

- By increasing household incomes, cash transfers have been shown to have **a positive impact across a wide range of child development outcomes** including nutrition, health, education and child protection – even reducing harmful practices such as child labour, child marriage and violence in the home.³²
- Achieving the best outcomes requires **purposeful, inclusive and gender-sensitive design with a focus on the most deprived and marginalised, as well as complementary investments in public services**. The most effective cash programmes are those that link to appropriate complementary services or interventions. With the right design they can contribute to transformational change – addressing gender and other systematic inequalities.
- Regular predictable payments such as child benefits can help **tackle intergenerational poverty, with lasting future benefits** among children that are covered.³³
- There is also significant evidence that **cash assistance has a positive impact on local economies**; a review of seven cash transfer programmes in Africa found that for every \$1 transferred to households through small regular cash transfers, between \$1.08 and \$1.81 was generated for the local economy.³⁴

Where governments have national social protection systems in place to provide regular, predictable cash transfers (e.g. unemployment benefit, sick pay, pensions or child benefits), these can and have been scaled up successfully in the face of COVID-19.³⁵ When such systems are not in place, or authorities are unable or unwilling to provide support, the humanitarian system must fulfil this role.

Cash transfers are increasingly recognised as one of the most effective forms of humanitarian response

Cash transfers allow a more dignified approach, where the power to choose spending priorities lies with the recipient household and not with the donor. The 2016 World Humanitarian Summit confirmed this, and a commitment to increase the use of cash is enshrined in the Grand Bargain commitments made at that event.

Between 2015 and 2020, cash assistance in humanitarian contexts almost tripled from \$2 billion to \$5.6 billion and was increasingly transferred digitally, which provides greater accountability, automated audit trails, and real-time data.

However, if we are to sustainably tackle child poverty in the most efficient and effective way, we need to build more comprehensive social protection systems that can be scaled up or down and adapted to meet emerging humanitarian needs.



Social protection is fundamental for reducing child poverty

Social protection refers to the public policies, programmes and systems that help all adults and children everywhere to:

- 1 reach and sustain an adequate standard of living;
- 2 improve their ability to cope with risks and shocks throughout their life; and
- 3 claim their rights and enhance their social status (see Figure 4).

The emergence of today's social protection systems dates back several centuries, but they started to take hold from the late 19th century as governments increasingly realised that there was a need to address the widespread levels of deprivation among society. Such programmes were instrumental in helping to quell social unrest and bring about greater social cohesion. Over time, these government-led policies and programmes have spread geographically as governments the world over realise that, even with high levels of sustained economic growth, full and well-paid employment is not guaranteed, particularly for women, nor has growth 'trickled down' and addressed inequality and poverty. Many families have remained locked in poverty, unable to provide a sufficient income to cover the needs of their household members, including children, and excluded from access to essential social services.

National social protection systems have been built to address these problems and are critical to protect people from the risks and shocks that we all face throughout our lifetime. For example, a sudden loss of employment, poor health, or loss of a breadwinner. Social protection is particularly critical for children, whose developmental needs must be met to enable them to grow into healthy and productive adults.

Figure 4
Social protection is an essential government policy for protecting against key risks throughout the life cycle

Source: Save the Children (2020)
 Child-Sensitive Social Protection:
 Save the Children's Global Approach.
 London: Save the Children



We must urgently ramp up efforts to close the gaps in social protection coverage for children

Faced with one of the biggest economic shocks in decades, as a result of the COVID-19 pandemic, the need for governments to establish and strengthen this foundational system is now more critical than ever. While the world continues to reel from the effects of the COVID-19 pandemic, calls to expand social protection systems are far more widely accepted, yet a key question still to be answered is *what kind* of social protection systems should be prioritised in a time of serious fiscal constraint, when tax revenues are falling and government spending and borrowing has sky-rocketed.

In this report we call upon governments and partners to urgently work progressively towards universal child benefits. This would ensure basic income security for children in line with the call to establish social protection floors in Sustainable Development Goal Target 1.3.

Box 2: Social protection floors

Social protection floors are nationally defined, basic social protection guarantees that aim to prevent or alleviate poverty, vulnerability and social exclusion. The four basic guarantees include as a minimum:

- 1 Access to quality essential health care, including maternity care
- 2 Basic income security for children
- 3 Basic income security for people of working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability
- 4 Basic income security for older persons.

Social protection floors are considered so foundational to the reduction of poverty that they have been embedded within Sustainable Development Goal Target 1.3, which calls on all countries to ‘Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.’

Source: ILO (2012).

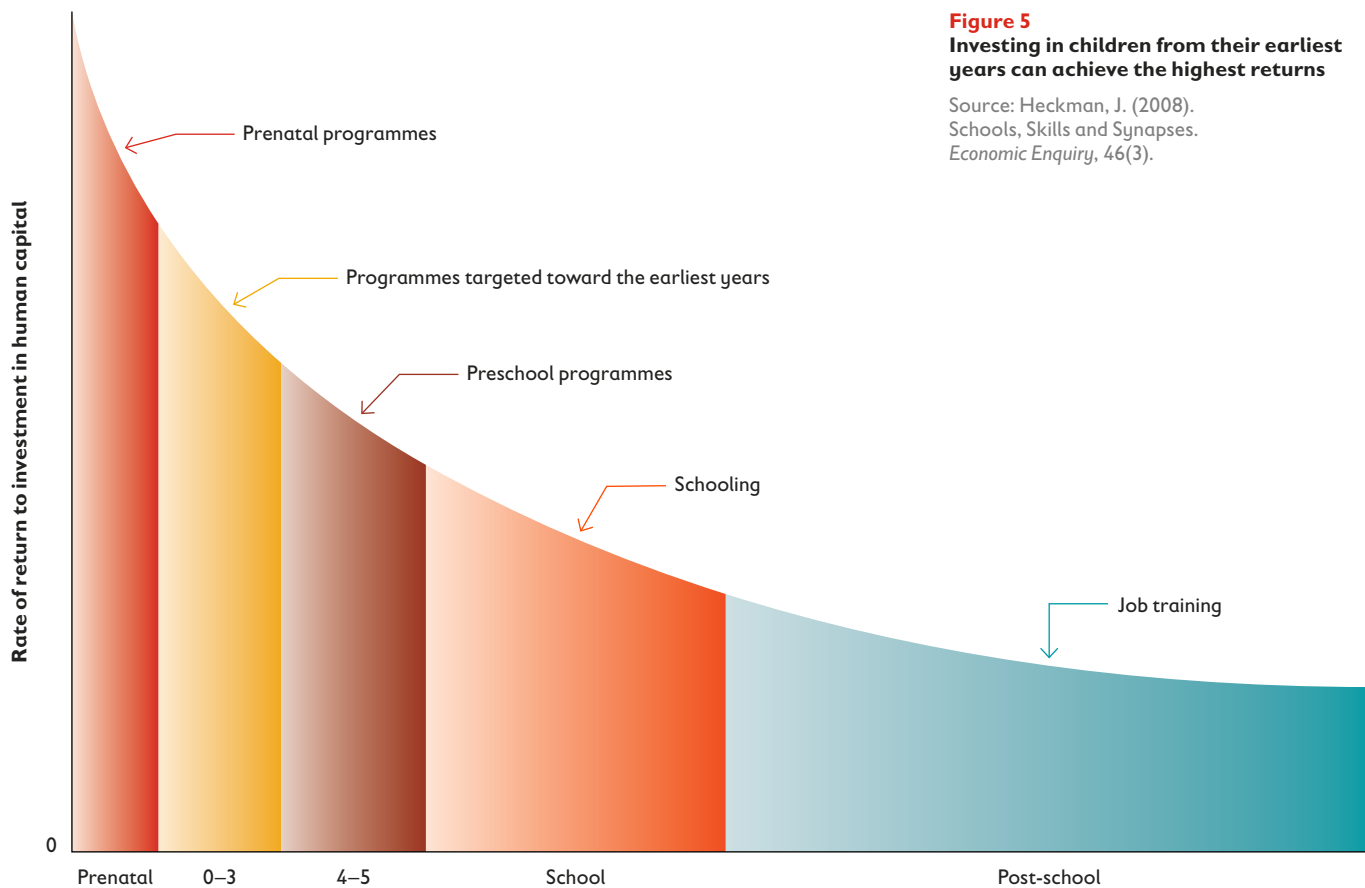
There are three main reasons why we call for particular attention to children:

- 1 **Globally far too many children continue to suffer from hunger, malnutrition, and multiple other forms of deprivation.** Children are disproportionately likely to live in extreme poverty and are the most vulnerable to irreversible damage from deprivation, even if they endure it for a short period of time. One third of the global population are children, and as many as one in two children live in extreme poverty. Children also tend to experience poverty more extensively than adults due to higher rates of deprivation across multiple indicators.³⁶
- 2 **The multiple deprivations that so many millions of children face blights their future and undermines productivity, economic growth, and social cohesion.** Prioritising basic income security for children unlocks access to other essential services and is one of the most economically sensible investments that governments can make. Numerous studies show that the return on investment from preventing childhood deprivations such as malnutrition, and ensuring that children can attend school and be protected from violence, exploitation, abuse and neglect, are substantial (see Figure 5) – and the costs of not investing in human capital are rising.³⁷
- 3 **All children have a right to social protection, as set out in the UN Convention on the Rights of the Child and other internationally ratified agreements.** Yet at present, children are disproportionately likely to suffer from low coverage of social protection measures. At the latest count, just 35% of children globally received social protection benefits, falling to 28% in Asia and as little as 16% in Africa.³⁸

As children are ultimately dependent on adults for their wellbeing and realisation of their rights, it is incumbent upon caregivers, as well as governments, to ensure that all children are able to meet their basic needs and to flourish and fulfil their full potential.



Mustafa Saeed/Save the Children





3 A snapshot of the current gaps in child benefit provision globally

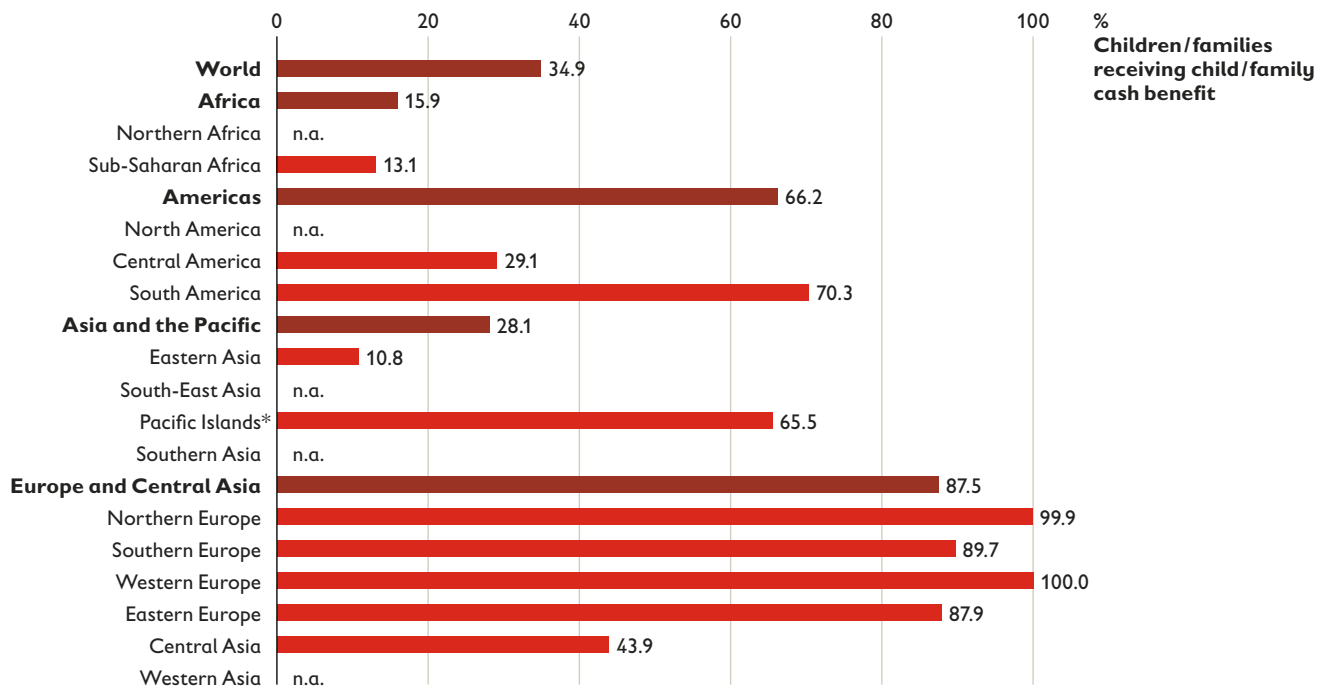
Globally, only a very small proportion of government spending is targeted towards social protection for children and there are significant gaps in coverage, with just over one in three children globally having access to any form of child or family benefit. We cannot continue with business as usual. Every government, even in the lowest income countries, has the means at its disposal to take a step in the right direction towards the provision of universal child benefits.

Above: Evidence shows that regular cash transfers to families help keep children in school. Children often drop out of school when their families are under economic pressure, but child benefits can help families to prioritise their children's education.

At the latest count, the share of children in the world that are able to access any form of child or family benefit remains worryingly low (Figure 6). In 2019, just over one in three children globally (34.9%) had access to any form of child or family benefit, though this falls to as low as 15.9% of children in Africa, and even fewer – 13.1% of children – in sub-Saharan Africa.³⁹

Figure 6
Percentage of children and families receiving child and family benefits (by region, latest available year)

Source: Cited in ILO/UNICEF (2019).⁴⁰
Based on ILO (2017).⁴¹



*65.5% for 'Pacific Islands' includes Australia and New Zealand. When you exclude these high-income countries, coverage for children is much lower at around 14%.

When looking at government spending, only a very small proportion of public spending is currently targeted towards social protection for children, ranging from just 0.06% of GDP in low-income countries to 0.7% of GDP in upper middle-income countries (Figure 7).

Spending on social protection for children varies between regions, with countries in Eastern Europe and Central Asia spending the most, at more than 1% of GDP. By contrast, social protection expenditure on children accounts for just 0.06% of GDP in South Asia. These levels of investment are entirely out of proportion to both the level of need and the substantial economic and social returns that greater investment in children would achieve.

When we compare the expenditure and social protection coverage of children in a selection of low- and middle-income countries (Figure 8), it reveals three broad insights:

- Firstly, as discussed, most countries continue to invest an extremely small amount of public resources into social protection for children.
- Secondly, the consequence of this is that the number of children covered by social protection remains extremely low in many countries.
- Thirdly, a number of countries, including lower-middle income countries, have managed to achieve universal or near universal coverage by spending a modest share of national income, which shows it is possible providing the political will is there to make such investments. These countries include Mongolia and Argentina, both of which are discussed further in Boxes 3 and 5.

Figure 7
Public expenditure on social protection for children compared to expenditure on other areas

Save the Children analysis based on ILO/WHO/UNESCO.

- Social protection for children
- Other social protection
- Education
- Health

Notes

EAP = East Asia and Pacific
 ECA = Europe and Central Asia
 LAC = Latin America and Caribbean
 MEAN = Middle East and North Africa
 SA = South Asia
 SSA = sub-Saharan Africa
 Bracketed figures represent the number of countries with available data

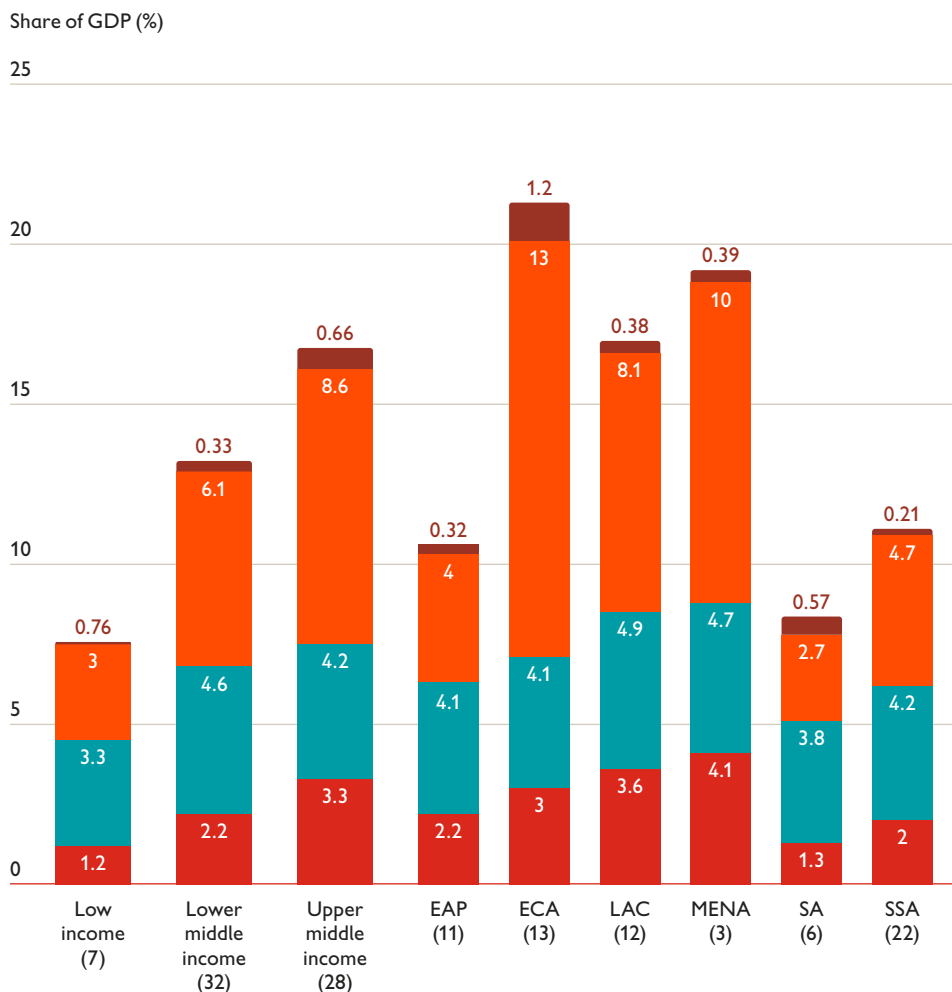
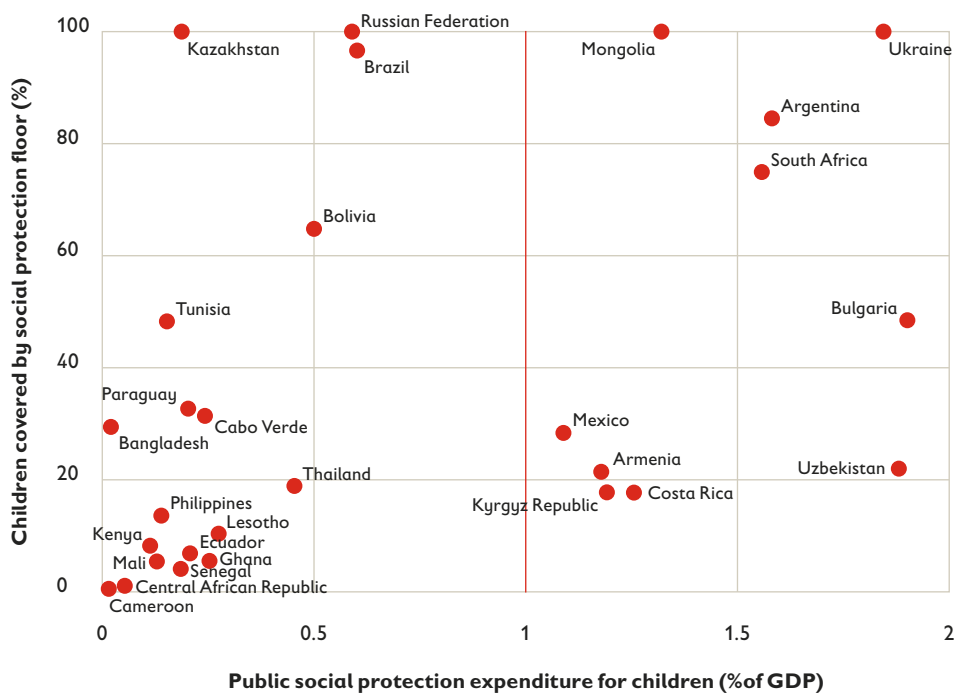


Figure 8
Comparing social protection spending and reach

Save the Children analysis based on ILO data for selected countries

Note

Estimates are the latest available data from the source quoted and there may have been changes in recent years



However, while achieving high levels of coverage is important, **high coverage alone is not sufficient to address child poverty and deprivation.** The nature and adequacy of the support given through child benefits – both in terms of the income component and ensuring access to complementary services – must take into consideration and address the specific needs of children according to their age and their context. For UCBs to achieve their purpose, benefit levels need to be adequate, based on the local cost of living, and indexed to inflation to maintain purchasing power over time.

A final point to note from Figure 8 is that the coverage levels achieved in these countries are in some cases the result of more than one programme. For example, Argentina's relatively high level of coverage has been achieved through a combination of the taxpayer-funded Universal Child Allowance, which is intended for the poorest households, and complementary schemes that are part-financed through employee contributions (see Box 5). In the case of Brazil, relatively high levels of coverage have been achieved through a combination of three programmes including Bolsa Família, Salário Família, and an income tax deduction for dependent children.⁴²

Taking into account where most countries currently are in terms of their coverage and spending and considering the levels of expenditure in countries that have high coverage and reasonable benefit levels, **we call on governments to work towards a commitment of investing at least 1% of GDP in social protection for children.** While the exact costs of delivering full UCBs will vary country to country, depending on demographics and the benefit levels provided, we believe this is a realistic and helpful target for most countries.

In those countries that already have full UCBs or are close to achieving them, this figure will be less relevant, however there are still a range of actions that even these countries can and should take to maintain and strengthen positive impacts for children, as set out in the next chapter.

Studies have shown that even relatively small, but regular, transfers of cash can have a transformative impact on child wellbeing across a wide range of outcome areas,⁴³ as well as the livelihoods of adult caregivers.⁴⁴ In addition, there is clear evidence that when governments choose to invest in comprehensive social protection for children it can bring about large reductions in monetary poverty.

For example, Mongolia has managed to achieve near universal coverage through its Child Money Programme (CMP) at a cost of 1% of its GDP (see Box 3). The CMP has led to a substantial reduction in the national poverty headcount (12%), and slightly higher impacts on child poverty.⁴⁵

Box 3: Mongolia's Child Money Programme

Mongolia: reducing the poverty headcount

Despite being a lower middle-income country, Mongolia has achieved a considerable feat by providing basic income security to 87% of its population who are aged 0 to 18 years. Costing 1% of GDP, it provides the equivalent of \$29 per month for a family of two parents and one child (approximately 10% of the per capita extreme poverty line if divided among the household).

Since 2005, Mongolia's Child Money Programme (CMP) has been fully, but intermittently, universal for 8 years and 9 months and is widely credited with significantly reducing the poverty headcount in the country by 12%.

Steps were made to ration the benefit by targeting provision to fewer children (60%) in 2016. However, in the same year the government signed the programme into the Law on Social Protection and it has since increased the coverage levels following a positive economic period.

Following the outbreak of COVID-19, the CMP offered an extremely helpful vehicle for rapidly scaling up support to a large number of households. The government increased the monthly benefit five-fold from MNT 20,000 per month to MNT 100,000 for a duration of 6 months.

Source: ILO/UNICEF (2019); ODI/UNICEF (2020)

South Africa's Child Support Grant, which currently reaches approximately 63% of all children under the age of 18, has resulted in all families in the bottom two quintiles being lifted out of poverty.⁴⁶

The significant poverty-reducing impacts of UCBs are in line with those found in a recent landmark report by the Overseas Development Institute (ODI) and UNICEF.⁴⁷ In their analysis of 14 Middle Income Countries, the authors find that "universal child transfers financed by 1% of GDP would lead to a decline in overall poverty for the whole population in each country by up to 20%" with child poverty reduction equal to or greater than this.

The authors of the same report found the highest reductions in monetary poverty from an approach that provided higher benefits to those on the lowest incomes (in the bottom 40% of the income distribution) and reduced benefits for the highest earners, for example through taxation. This approach cut the headcount poverty rate by as much as one third (32%). While preferable in terms of impact on monetary poverty, this approach may not always be possible, at least initially.

Many countries have high levels of child poverty, poor data quality and weak national taxation systems. We want governments to carefully consider the costs and benefits of a more universal approach, recognising often huge errors in targeting that exclude those most in need, and the many other benefits, from administrative simplicity to reduced stigma, wider social acceptance and political support. These are discussed in more detail in the following chapter.

Poverty reductions of this magnitude (especially from such a relatively simple and easily understood and explained policy measure) would bring about nothing short of an historic societal transformation for such countries. Beyond simply moving large numbers of children and families above monetary poverty lines, the impacts would be seen and felt for generations by ensuring large shares of the population grow up healthier, with improved educational outcomes and better life chances.



Marcela Campos/Save the Children



4 The importance of universal coverage and guidance for achieving it

Here we set out eight reasons why governments should work towards *universal coverage* of all children, rather than attempting to target child benefits based on monetary poverty. We also offer practical guidance on how countries can advance further on the path towards UCBs and strengthen their provision of child benefits to maximise the positive impacts for children.

Above: A growing number of governments are realising that investing in the wellbeing of children is essential for economic and social progress. Universal child benefits are a key ingredient to help achieve this.

Universal versus targeted child benefits: why the 'U' in UCBs is so important

There are at least eight reasons why governments should aim to progressively move towards universal coverage of all children, rather than aiming for narrower targeting:

1 Every child has a fundamental right to social protection to ensure they can survive and thrive.

Every child's right to social protection is established in the UN Convention on the Rights of the Child (Article 26), which also states that the level of benefits must take into account the resources and circumstances of the child and their caregivers. In practice, this means that for children facing particular challenges and additional costs, such as those with disabilities, benefit levels should be increased to account for this.

2 Multiple economic benefits arise from reaching all children.

A wide body of evidence shows the substantial returns on investment that arise from investing in all children and highlights its affordability.^{48,49} By ensuring that no child is left behind, UCBs can secure better returns on investment and help reduce broader childhood deprivation and inequality. In addition, universal approaches provide a greater economic stimulus – much needed in the current context of COVID-19 recovery – with numerous studies highlighting the local economic 'multiplier effect' of cash transfers to households.^{50,51} The global evidence also shows that even relatively small regular cash transfers often result in households improving their livelihoods through small productive investments. In addition, far from disincentivising work, the majority of studies find cash transfers, if they have an effect, actually increase work participation and intensity.^{52,53}

3 Attempts to target the poorest or 'most deserving' households are often costly to deliver and almost always inaccurate, excluding many of those in need.

Poverty-targeted social protection schemes are far less effective at reaching those who are left the furthest behind. Most methods of targeting, particularly those used in low- and middle-income contexts such as 'proxy means testing' (PMT), are highly flawed as they have to use simple indicators (e.g. type of roof, assets), which can exclude many of those who need the benefits. In a study of 38 social protection schemes, Athias and Kidd (2020) found that many poverty-targeted schemes perform little better than random selection.⁵⁴ The systems to identify specific households are also time consuming and often updated only every five to 10 years. A review by Ortiz et al. (2017) found that the administrative costs of universal schemes averaged 2.5% of the scheme's total cost while the administrative costs of targeted schemes averaged 11%.⁵⁵

4 Universal benefits may make people more likely to contribute taxes for social protection by fostering a stronger 'social contract' between governments and citizens.

A healthy social contract is formed when governments fulfil the rights and needs of society by providing appropriate services and support, such as social protection. This in turn fosters trust and confidence in institutions, and legitimacy among society, leading people to be more willing to contribute – in the form of taxes – in return for this support.⁵⁶



Anna Pantelija/Save the Children



5 Universal child benefits are an incentive to delay pregnancies and register births, which enables links to other essential services.

Registering every child helps to ensure that governments can plan for and provide other services, from health checks and basic vaccinations, to education and protection. One in four children in the world do not officially exist because their birth has not been officially registered, yet the Convention on the Rights of the Child (1989) grants all children everywhere the right to identity and nationality. By fulfilling this right, governments also lay the foundation for robust tax registries, registries for social workers, and other basic services.⁵⁷

Evidence shows that in low-income country contexts, far from encouraging pregnancy, regular cash transfers for caregivers of young children can increase spacing between births and delay pregnancies among youth.^{58,59}

6 Universal benefits are more likely to be sustainable.

Evidence indicates that donor-led and highly targeted social protection programmes achieve lower levels of support from the population and are therefore less politically appealing and less enduring than programmes that are universal in nature.⁶⁰

7 Targeting benefits can bring shame and stigma to children and families and reduce social cohesion.

Targeting child benefits can have extremely negative consequences for a child's esteem and psycho-social wellbeing and it is also bad for social cohesion.^{61,62,63} By contrast, UCBs that are delivered to all citizens of all ethnicities and in all parts of the country, can strengthen social cohesion and political stability.

8 COVID-19 has hit incomes of all socio-economic groups and universal child benefits can help to reduce the impact.

The pandemic has affected many people who are not traditionally covered by social protection and might previously have been considered less vulnerable to shocks, such as those working in urban areas. Although some households will be better off than others and have a greater capacity to cope, the widespread impact of COVID-19 on household incomes could have a devastating effect and long-term impact on children across the wealth spectrum. The climate crisis is set to bring additional economic pressures as a result of extreme events.⁶⁴ As discussed in Chapter 6, putting in place shock-responsive UCBs will help cushion children from this additional wave of new vulnerabilities.

Pathways to achieving universal child benefits

Having set out the reasons for working towards universal child benefits, we now consider some options for countries at different starting points. Currently, 21 countries provide full UCBs and a further 14 have ‘quasi-UCBs’. However, many more do not currently have any form of child benefit scheme.

Box 4: Nepal’s Child Grant Programme: a focus on the early years of life

Despite being a lower-middle income country, Nepal has made great strides in providing social protection coverage for its children and their caregivers. At the time of writing, its Child Grant Programme (CGP) covers nearly one in five of the total population of children under five years old (19.2%) with a monthly grant of NPR 400 per child (\$3.30). Recent estimates suggest it costs the government around just 0.3% of GDP.

While the CGP is not yet universal, Nepal provides an interesting example of how governments can move towards universal coverage over time. The government has identified two priorities: ensuring coverage of children in their early years of life (up to age 5) and starting by targeting those parts of the country most prone to chronic poverty and low human development indicators, as well as poor households with children from the Dalit ethnic group.

Save the Children has been supporting the government to strengthen the impact of the CGP on a range of child outcomes, by delivering complementary interventions and a parenting package. This has resulted in improved nutrition practices (e.g. improved minimum dietary diversity consumption, meal frequency and acceptable diet) and reduced prevalence of wasting.

Source: ODI/UNICEF (2020) and Nira Joshi (2020). Parenting Programme of the Child Grant Plus in Nepal: Nutrition Related Indicators.

For countries with no benefits specifically for households with children:

We recommend that countries that do not currently have any child benefits **start by rolling out universal coverage for children during their earliest years**, which is a critical period of physical, cognitive and emotional development. Achieving universal coverage even among a narrower age range will still require governments to look carefully at how they can generate the fiscal space – drawing on the various options referred to in the following chapter.

Benefits that start from the time a pregnancy is confirmed and continue until the child is two years old, would cover the critical ‘first 1,000 day window of opportunity’, which nutrition experts have shown is when 70% of chronic malnutrition takes place. In addition to reducing the risk of chronic malnutrition, targeting pregnant mothers and children up to the age of two years can have many other extremely important and positive impacts on health and livelihoods.^{65,66,67}

Once universal coverage has been achieved for children in the first 1,000 days category, **over time governments can gradually expand coverage as they become better able to invest further resources**, for example, extending provision to children up to the age of five.

Where even this initial step is not fiscally feasible, governments could consider ranking geographic areas of the country by levels of infant malnutrition and poverty and **start by introducing universal coverage in those areas that show the highest levels of deprivation** against these indicators. For the reasons identified earlier in this chapter, this approach is preferable over attempting to identify poorer households within every area.

Nepal is one of a number of countries that has started on the pathway towards universal coverage by focusing on children up to age five. Initially, it has prioritised all households with children in the Karnali Zone, which had the highest overall indicators for chronic poverty,⁶⁸ and all Dalit households nationally (see Box 4). It has since expanded coverage to all districts with low human development indicators (14 out of 77 districts).

While the example of Nepal shows how countries may get started on the path to UCBs, it is important that its Child Grant Programme continues to expand to reach all children up to age five, and that it maintains benefit levels over time.



For countries that already have a child or family income support scheme:

For countries that already have some form of income support scheme for households with children, we recommend various steps to bring greater benefit to more children. The first of these is to **look at how to close coverage gaps, especially among children that may be socially marginalised or excluded.**

While some countries have managed to achieve widespread coverage through taxpayer-funded schemes, others have opted to combine taxpayer-funded schemes with programmes that are funded or part-funded by contributions from employees and companies. This is the case in Argentina, where the combination of several schemes has resulted in coverage for 87.4% of all children under the age of 18. However, studies suggest that 32% of children from the poorest 10% of households are not included, mainly due to strict conditions that the poorest households struggle to meet.⁶⁹ This illustrates one of our reasons for pressing for universal coverage for every child.

Once coverage gaps have been closed, we would recommend that countries with child or family benefit schemes **ensure that benefit levels are linked to inflation, to maintain their purchasing power in line with rising prices.**

Even among those countries that have achieved significant social protection coverage of children, many have failed to maintain benefit levels over time, so their effectiveness has declined as their purchasing power has decreased. For example, in the United Kingdom, it was found that a combination of changes to child benefits, including benefit freezes, caps and changes to 'uprating' methods have resulted in a real terms decline in the value of benefits over a number of years.⁷⁰

Box 5: Argentina's combined contributory and non-contributory approach

Argentina is tackling child poverty by prioritising substantial social protection coverage for its child population, through a mix of contributory and non-contributory schemes. Four high-income countries have also achieved universal coverage this way (Belgium, Japan, Liechtenstein and Switzerland).

At the time of writing, around 87.4% of children under the age of 18 benefitted from some form of social protection, with 30% covered by a universal child allowance (Asignación Universal por Hijo or AUH) and the rest through contributory schemes and tax deductions for higher earners.

The AUH, introduced in 2009, aims to reach families of unemployed workers, informal workers who earn less than the minimum wage, domestic workers, and certain self-employed workers. Benefits are earmarked for children up to the age of 18 and are conditional on things such as vaccination and school attendance. Amounts were set at around \$50 a month for each child (\$150 a month for a child with a disability) and the programme costs just 0.6% of GDP as of 2017.

An impact assessment by Bertranou and Maurizio (2012) concluded that extreme poverty would be reduced by approximately 65% and overall poverty by 18%, and a more recent study found that the UCA reduces extreme poverty among children by 31% (Paz et al., 2018).

Source: ILO/UNICEF (2019).

Integrating UCBs with the provision of quality public services

The delivery of UCBs alongside the provision of quality public services is an integrated policy solution that will be needed to achieve even greater impacts across a wide range of child development outcomes, as called for in the SDGs. Boxes 6 and 7 explore some of the synergies that can be achieved.

In addition, there is increasing support for taking a more holistic approach to nurturing early childhood development outcomes, and growing evidence that broader **parenting programmes** can substantially increase child development outcomes when integrated alongside income support to families with children.⁷¹ These can include not just maternal and child health and nutrition, but also early stimulation through play, positive parenting and family budgeting.

Box 6: Universal health coverage – making UCBs go further for child health and nutrition outcomes

Poverty, ill health and poor nutrition are inextricably linked. Globally, 100 million people are pushed into extreme poverty by paying for health services and more than 800 million people spend at least 10% of their household budget to pay for their health care. Many families, including those that are hardest to reach by social protection and employment support schemes, might not seek health care at all due to a lack of resources. With growing levels of poverty expected as a result of the COVID-19 pandemic and its economic fallout, many families will be left with the impossible choice of deciding between health care or putting food on their table.

Universal health coverage is one of four basic, social protection floor guarantees. Ensuring that all households can access quality health care, including maternal care, is critical. As governments prioritise income support for children and their families, they must also invest in and ensure links with health and nutrition systems, especially in the early childhood years. Services including maternal health care that are free at the point of use and part of strong primary health care systems, mean that families do not need to use their limited resources on health services. Instead, they can use their benefits to invest in other areas critical for their children's wellbeing.

Box 7: The importance of linking child benefits to child protection and social services

Children around the world remain highly vulnerable to violence, neglect, exploitation and abuse and these risks have increased dramatically as a result of the COVID-19 pandemic. The economic shocks associated with COVID-19 have led to more children working outside and within the home, increased child marriage and early pregnancy, as well as family separation and unsafe or irregular migration.

Social protection and UCBs play a key role in supporting families to appropriately protect the children in their care. This may extend to social protection support for kinship and foster care, for children who are unaccompanied or have become separated and are in need of alternative care in family-based settings.

Recognising the child protection risks when designing social protection, including UCBs, can prevent and mitigate negative coping strategies and promote safe and appropriate care of children. This can be effective when linked to complementary support and services and can be facilitated by connecting social protection and child protection case management and referral pathways.



Hanna Adcock / Save the Children

Right: Marlita* loves school, but until she got a wheelchair her parents had to carry her there. Child disability benefits help families to cover these additional costs.

*name changed to protect identity



Jonas Gratzner / Save the Children

Child disability benefits

When thinking about how countries can ensure more effective social protection for children, it is important to recognise that programme adaptations should be made to meet the needs of children with disabilities, who can be among the world's most vulnerable children.

Evidence shows that children with disabilities are more prone to suffer from discrimination, exclusion, violence, stigma, abuse and neglect. They are three times more likely to be underweight and twice as likely to experience stunting and wasting than other children.⁷² Not only do they and their caregivers face particular challenges in accessing support, but they typically experience additional costs of living, such as costs for additional healthcare, mobility support or disability aids (e.g. glasses, wheelchairs, and social or therapeutic support). Caregivers may also have to give up work or reduce their working hours, to care for children with disabilities.

For these reasons, additional monetary allowances and programme adaptations should be made to meet the needs of children with disabilities,⁷³ in consultation with national and local representative organisations of persons with disabilities (OPDs).

A universal child disability benefit would play a particularly important role in breaking down barriers to accessing assistive devices, education, skills development and livelihood opportunities for people with disabilities, leading to more meaningful and productive engagement in the labour market over time.

Across a number of low- and middle-income countries, it has been estimated that not investing in building the skills of people with disabilities has an economic cost of between 1% – 7% of GDP.^{74,75} Research also shows that for only 0.1% of GDP, most countries could establish universal child disability benefits and demonstrate their commitment to 'leave no one behind.'⁷⁶



5 Options for financing

There are many options that governments have used to increase fiscal space to provide greater social protection coverage of children. Donors and development partners also have an important, complementary role to play to assist the very poorest countries to expand social protection coverage of children, including supporting calls for debt relief and establishing a global fund for social protection.

Above: Ayan* was suffering from severe acute malnutrition. Combining cash payments with other services in order to prevent malnutrition in children, is one of the best investments that governments can make. Even low-income countries can afford to start making these investments in children.

**name changed to protect identity*

Expanding fiscal space to extend social protection coverage of children

As governments around the world face increasing economic pressures in the wake of the COVID-19 pandemic, the cost of extending social protection coverage of children will understandably be seen by many as a barrier. However, as this report sets out, the economic and social costs of not extending social protection to reach more children and their caregivers are too big to ignore.

Drawing on cross-country research, in 2019 the ILO shared a guidance paper that highlighted eight different approaches that governments have taken to create greater fiscal space for social protection programmes.⁷⁷ These are:

- 1 re-allocating public expenditures;
- 2 using fiscal and central bank foreign exchange reserves;
- 3 managing debt;
- 4 adopting a more accommodating macroeconomic framework;

- 5 expanding contributory schemes;
- 6 eliminating illicit financial flows;
- 7 increasing aid and transfers; and
- 8 increasing tax revenue. Most countries adopt a mix of each of these policies.

To take one example, the government of Mongolia has made significant efforts to reinvest the wealth generated through its extractive industries into expanding social protection. Financed through dividends and royalties from natural resource extraction, the government established the Mongolian Development Fund, part of which has been used to fund the Child Money Programme referred to earlier in Box 3.⁷⁸

We call on governments to explore these eight options, in order to create the fiscal space needed to provide universal child benefits.

While the exact financial costs will vary country to country, depending on demographics and the benefit levels provided, we call for governments to work towards a commitment of investing at least 1% of GDP in social protection for children.



Marcela Campos/Save the Children

An important role for donors and development partners to create fiscal space for social protection

While all countries are able to create more fiscal space to invest in social protection, some countries will find it easier to scale up coverage than others. In line with two of the options for increasing fiscal space – managing debt and increasing aid – this report also calls on donors and the wider global community to assist governments of countries who may struggle to scale up benefits, to ensure they have adequate financing to progressively move towards UCBs.



Jonathan Hyams / Save the Children

Box 8: Uptake of a categorically targeted maternal and child grant scheme in Jigawa state, Nigeria

Government scale up of a First 1,000 Day Maternal and Child Grant in Jigawa state, Nigeria

With funding from the UK's Department for International Development, Save the Children and Action Against Hunger designed and helped implement a maternal and child cash transfer programme in Jigawa and Zamfara states in northern Nigeria from 2014–19. The pilot reached over 90,000 caregivers of children with regular cash transfers alongside nutrition and health advice and support.

After witnessing the substantial and wide-ranging benefits of the approach, which included a reduction in the very high levels of malnutrition, Jigawa state took the decision to set up its very own state-funded programme, despite it being one of the least wealthy states in the country.

Three specific ways in which donors and development partners can support this are given below.

1 Continue to prioritise financial and technical support to governments to establish UCBs

Supporting governments to create sustainable, nationally financed social protection systems is one of the most effective long-term solutions to multidimensional poverty. However, to date, much donor support has been focused on narrowly targeted schemes. As outlined in Chapter 3, there are many disadvantages to narrow targeting. Donors should therefore maintain, expand and re-orientate their social protection investments, prioritising support for improving and broadening coverage and impacts for children, moving towards UCBs.

One example of a collaboration with development partners that may help to start laying the foundations of wider, more universal child benefits in Nigeria is mentioned in Box 8.

2 Support debt cancellation to free up resources

For a long time, development experts have been calling on creditors – both official and commercial – to reduce the debt burden on low income countries. The G20, World Bank and IMF in particular should be working to strengthen the Debt Service Suspension Initiative, to reduce the financial burden on both low- and middle-income countries so that they can prioritise supporting their citizens through the COVID-19 crisis.

We would also like to see serious consideration given to the conversion of debt service payments into investments in children, and ultimately the human capital of nations. This should include investment in social protection measures like UCBs, but also in other priority services including education, health and nutrition, and protection from violence.

3 Support international calls for a global fund for social protection

For a number of years now, proposals have been put forward to develop a global fund for social protection, which would help the very poorest countries to address the gaps in their social protection coverage. Such a fund would provide temporary financing to a small number of countries that would commit to gradually expanding their own national financial contributions to social protection schemes over time, as their government revenues allow.⁷⁹



6 Working towards UCBs in humanitarian contexts

The global humanitarian system was stretched beyond capacity before the COVID-19 pandemic, which has since added further strain. Now more than ever, governments and development partners working in humanitarian settings must work together to move towards longer-term, government-led social protection systems that make strong provisions for children and their caregivers, and are responsive and adaptable when there are shocks.

Above: For refugees like Shereen,* humanitarian cash transfers allow her family to choose how best to meet their needs. Cash transfers are an increasingly large proportion of humanitarian responses.

**name changed to protect identity*

Expanding child benefits in humanitarian settings: investing in longer-term government provision

Many of the countries that do not have government-led social protection schemes face ongoing humanitarian crises, which makes the expansion of social protection of children difficult. However, even in such contexts there are meaningful steps that can be taken on the path towards UCBs.

The COVID-19 pandemic has stretched the capacity of the global humanitarian community to breaking point. The costs of ongoing humanitarian assistance throughout the world are becoming unsustainable. Now more than ever, governments and development partners must come together to increasingly move from short-term humanitarian assistance to longer-term, government-led social protection programmes. This will involve working more closely to support and strengthen government capacity to build social protection systems.

In the future, as such systems are implemented and expanded, countries will be better able to respond to shocks like COVID-19. ‘Shock-responsive’ social protection programmes will allow governments to quickly and simply expand benefits to new beneficiaries on a temporary basis, or temporarily expand benefit levels to those who are already receiving the benefit.

UCBs are an ideal social protection measure to respond to shocks, as they would help reach large segments of society at once. Globally, it is estimated that UCBs could help reach two-thirds of all households, because they include children. In sub-Saharan Africa, their reach goes even further to more than three-quarters of all households. Even in comparison to other types of social protection, such as universal social pensions or unemployment benefit, UCBs are likely to offer the widest reach, especially in most low- and middle-income countries.⁸⁰

Many governments around the world used existing social protection schemes as the foundation of their response to the shock of COVID-19. Their actions have demonstrated what is needed for a quick response:

- strengthening and keeping **up-to-date registries** that can be used in the event of a shock to quickly identify and reach households in need;
- having **forecast-based action systems** in place that can scale-up support in anticipation of future shocks, to prevent households from needing to engage in harmful, negative coping mechanisms;
- ensuring there are **preparedness plans** for all programmes, with agreed procedures for responding in the event of different shocks; and
- strengthening the **digitisation of payment mechanisms** to increase financial inclusion of households and ensure that they can be reached even in the event of major shocks.



Save the Children



Rob McKechnie/Save the Children

The initial investments needed to set up these systems and ensure they are shock-responsive, could potentially come from donors, including climate finance mechanisms.

In parallel, the humanitarian community needs to ensure that cash transfer and voucher programmes are designed to contribute to building government-led and owned social protection schemes where they do not yet exist, and to strengthen them where they do exist. Work is ongoing in this area, such as through the Grand Bargain and Collaborative Cash Delivery Network, and Save the Children is a member of both initiatives.

Where social protection programmes already exist, humanitarian actors must explore how to integrate more effectively with national systems, to fill gaps in coverage and ensure that humanitarian needs are met. For vulnerable populations who are excluded from, or not able to access government social protection, **humanitarian responses can serve as an entry point for longer-term social protection assistance.**

This allows immediate needs to be met, while issues such as eligibility for national systems are addressed. For example, in many countries, undocumented migrants, refugees, unaccompanied children and others may not be eligible for national social protection systems. Ensuring closer coordination between humanitarian and national systems offers opportunities to address the rights of these groups.

We recognise that social protection systems will never replace the need for principled humanitarian assistance in the short-term, or medium-term. Global humanitarian needs far outweigh the current response from both long-term government social protection schemes, and short-term humanitarian cash and voucher programming. **The continued operational and programmatic independence of humanitarian intervention is therefore critical** to reach the most vulnerable families during times of crisis. Humanitarian assistance will remain essential for many decades to come, serving populations that governments struggle or fail to reach.

Box 9: Building social protection capacity through humanitarian cash transfers in Fiji

In Fiji, Save the Children has been working with the Government to test the feasibility of cash transfers for humanitarian response. This work, funded by the Government of Australia, has sought to embed a consistent approach to cash transfers by establishing a Cash Working Group (CWG) with representatives of national social welfare and multilateral agencies. To date over 15,000 households have been reached with cash payments.

When COVID-19 struck, affecting tourism and other sectors, up to a third of Fiji's workforce lost income. The CWG were able to rapidly apply their experience and included a further 13,500 households at risk of poverty. This demonstrates that institutional knowledge around cash transfers can be built through a humanitarian project, and also strengthen longer-term social protection schemes.

Given the high level of threat from climate change to many Pacific island nations, building national capacity for regular cash transfers to build long-term resilience, protect child wellbeing, and respond to shocks is an important priority.

Working towards UCBs in humanitarian settings

While maintaining their operational and programmatic independence, humanitarian actors should nevertheless work with governments to explore how they can put in place the foundational elements of UCBs. For example, humanitarian cash transfer programmes can be targeted at specific recipient categories, such as pregnant and lactating women and children in their first 1,000 days, who are particularly vulnerable during crises. Save the Children has implemented categorical selection criteria in Guatemala, Nigeria, Sierra Leone and Somalia, allowing us to direct cash transfers to mothers and children when they need it most.

Humanitarian actors should also explore how targeting mechanisms can be used to build longer-term systems that could, in the future, be handed over to government. Innovative approaches could include building referral pathways from health and nutrition clinics, thus ensuring transfers reach those that meet certain selection criteria, such as pregnant women or children in their first 1,000 days. This would increase access to nutrition when it is most important, while laying the foundation for a universal child benefit programme, and even the development of a birth registry.

Box 10: Supporting social protection system building in Somalia

Somalia has endured many years of conflict and repeated humanitarian crises. Although there is not yet any formal social protection in Somalia, Save the Children is working with key stakeholders to build the foundation for long-term solutions to tackle child poverty.

Save the Children has supported government stakeholders in Somalia with capacity building and training, evidence and learning initiatives, and vital resources to support the introduction of child-sensitive, government-owned and -led social protection schemes.

In 2019, the Federal Government of Somalia launched the Somalia Social Protection Policy, which paves the way for inclusive and child-sensitive social protection schemes. As a member of the Peer Review Committee, Save the Children was pleased to support the government in realising this inclusive policy, which is backed by a strong vision and a commitment to invest in human capital and build a social contract.



Kate Stanworth/Save the Children



7 Recommendations

World leaders must urgently change the way they think about social protection coverage of children. Instead of viewing investments in social protection for children as a financial cost, more governments need to recognise not only the *substantial benefits* for the child and for wider society, but also the social and economic costs of not making those investments.

With the impact of COVID-19 expected to push more than 100 million additional children into monetary poverty during 2020, on top of already devastatingly high child poverty levels worldwide, now, more than ever, is the time to work progressively towards universal child benefits. The climate crisis – and related increases in climate-related disasters such as storms, floods, droughts and temperature extremes – all of which create additional risks for children – only makes this more urgent.

Above: Undrakhbayar* and her family receive universal child benefits in Mongolia, where the government has prioritised investments in children and come up with novel ways to generate the finances to do so (see Box 3 on p.23)

*name changed to protect identity

Achieving UCBs in every country will require a joined-up effort. We therefore call on governments and development partners everywhere to take action to create a world where no child is left behind. The analysis shared in this report shows that it is possible for every country to achieve UCBs, so long as there is the political will to do so. We recommend that:



Allison Joyce/ Save the Children

1

Governments should urgently create more fiscal space for child-focused social protection, which may require the support of donors in lower income contexts

The provision of regular child benefits is evidence-based and founded in global human rights. This report sets out eight compelling reasons why governments should introduce or progressively move towards universal child benefits and shows that achieving fully universal child benefits is within the reach of most governments, via one or more of the eight approaches that governments have used to expand fiscal space for social protection. The main remaining obstacle to achieving greater social protection coverage of children is political will.

We call on governments to urgently create more fiscal space and aim towards investing at least 1% of their GDP to progressively expand the coverage of social protection schemes for children.

We also call on donors and development partners to play their role in supporting governments to expand coverage of social protection through three main avenues:

- 1** maintaining and expanding their financial and technical support for social protection;
- 2** supporting debt cancellation to free up fiscal space; and
- 3** supporting international calls for a global fund for social protection.

2

Governments should work towards universal child benefits, ensure they meet the needs of children with disabilities, and integrate them with complementary services

The report sets out eight reasons why governments should introduce or progressively move towards UCBs rather than narrowly targeted benefits. These include:

- **Economic benefits arise from reaching all children.** A wide body of evidence from economists shows the substantial returns on investment that arise from investing in all children and highlight its affordability. In addition, universal approaches provide a greater economic stimulus, which is much needed in the current context of COVID-19 recovery.
- **Every child has the right to social protection to ensure they can survive and thrive.** Every child's right to social protection is established in the UN Convention on the Rights of the Child (Article 26), which also states that the level of benefits must take into account the resources and circumstances of the child and their caregivers.
- **Attempts to target the poorest or 'most deserving' households are often costly and inaccurate, excluding many of those in need.** Most methods of targeting, particularly those used in low- and middle-income contexts, are highly flawed as they have to use simple indicators, which excludes many of those who need the benefits. They also have higher administrative costs as a proportion of total investment. Athias and Kidd (2020) found that poverty-targeted schemes perform little better than random selection.

We call on governments and donors to recognise the compelling case for working towards universal coverage of all children and to put in place plans to support the progressive realisation of UCBs.

We also call on governments to ensure that UCBs are designed and implemented in a way that is gender-responsive and meets the particular needs of vulnerable groups, such as those with disabilities. UCBs should also be integrated with complementary services to maximise the positive impacts for every child's development.

3

Governments should design UCBs to be shock-responsive and in countries experiencing humanitarian crises, all actors should make greater efforts to invest in government-led social protection.

Expanding coverage of social protection programmes and strengthening systems such as registries and digital payment mechanisms, enables a rapid response to future shocks such as pandemics, climate or weather-related events, recessions and other shocks. It is essential that as programmes are expanded or developed, they not only remain resilient in the face of shocks but can also flex and temporarily expand to reach other households that may be in need.

We call on governments and those providing technical assistance to learn lessons from the recent COVID-19 pandemic and design social protection programmes and systems to be more shock-responsive. This includes working on up-to-date registries of households, setting up forecast-based action systems to anticipate shocks, and ensuring systems are flexible enough to make additional payments to existing or new beneficiaries at short notice.

In countries that are experiencing humanitarian crises, there will continue to be a vital need for life-saving humanitarian assistance but we urgently need to look at ways to support the building of government-led national social protection systems, wherever possible. Doing so will be essential to address growing humanitarian demands.

We call on the same actors to ensure that, where humanitarian assistance continues to be required, it is designed to align with and be complementary to any existing social protection measures, with a view to strengthening them over time.

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Published by

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First published October 2020

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