

EXECUTIVE SUMMARY

A FOUNDATION TO END CHILD POVERTY



Save the Children

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



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 2020.¹ 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.

**name changed to protect identity*

¹ Save the Children and UNICEF (2020). [Coronavirus Invisible Victims – Children in Monetary Poor Households](#).

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.

Save the Children believes every child deserves a future. Around the world, we work every day to give children a healthy start in life, the opportunity to learn and protection from harm. When crisis strikes, and children are most vulnerable, we are always among the first to respond and the last to leave. We ensure children's unique needs are met and their voices are heard. We deliver lasting results for millions of children, including those hardest to reach.

We do whatever it takes for children – every day and in times of crisis – transforming their lives and the future we share.



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