

UNICEF ISSUES URGENT NEW CALL FOR UNIVERSAL CHILD BENEFITS

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Overview

The economic crisis generated by COVID-19 threatens to hit children and families the hardest. From lost wages to out-of-pocket expenses for preventing and treating the virus to the rising cost of food, vulnerable children and families will reel from the impact. Families already living in poverty will slide further in, and those on the cusp of escaping poverty will be flung back. Many more families will struggle to provide for their children and to access the childcare and other support they need to cope. Economists predict that the crisis will be protracted, with a long path to recovery ahead.

In response to these extraordinary circumstances, and based on the latest evidence, **UNICEF is issuing a new call for universal child benefits to ensure that every child has a chance at a healthy, productive future.**

Child benefits provide direct financial relief for families in the form of cash or tax transfers and have been proven to drive down poverty rates and help children flourish. One study showed that an investment of just 1% of GDP in universal child benefits would push down a nation's poverty rate by up to 20%.¹ Families that receive child benefits are more able to access the healthcare they need and to send their children to school. They are less likely to rely on child labor or to suffer from debilitating stress that can lead to domestic strife and violence.²

Despite the tremendous impact of child benefits, many of the existing programmes reach only a small portion of the local population or inadvertently exclude eligible households.³ The result? Far too many children and families still lack the support they so desperately need, not only to recover from COVID-19 but to reestablish their lives and livelihoods on more stable footing over the long term.

UNICEF envisions a future in which every child realizes their right to an adequate standard of living, in which communities are more equal, and in which economies are better able to prevent and withstand shocks, including the impact of climate change. Investing in benefits #ForEveryChild is an investment in that future.

Universal child benefits are right in principle and right in practice.

To be universal, child benefits must be paid regularly to every family with one or more children, regardless of income and with no conditions. As compared to targeted programmes, which focus on a subset of the population, universal programmes:

- Reduce poverty more effectively
- Avoid burdensome red tape and clerical errors that may inadvertently exclude eligible families

¹ ODI/UNICEF (2020) *Universal child benefits: policy issues and options*. London: Overseas Development Institute and New York: UNICEF, p. 74

² Ibid, p. 90

³ Ibid, p. 51

- Erase the potential stigma associated with being a recipient
- Are likely to provide more robust benefits to local economies
- Are easier to scale-up in times of crisis, as we have seen with COVID-19, and
- Strengthen the social contract, since everyone contributes to -- and benefits from -- the wellbeing and development of their country's children.

Universal child benefits will help us build back better from COVID-19. Now is the time to begin.

Many countries have adopted or expanded child benefit programmes to protect children and buoy economies in the face of COVID-19. This momentum is welcome and should not be squandered, even in countries where resources are tight. Instead, **governments should seize this moment as a first step toward universality, achieving substantial if not full coverage by 2030 in line with the Global Goals.** A phased approach might start with universal coverage for young children, given the critical development that takes place in the early years, and expand the eligible age range over time. For low-income countries, a universal child benefits programme focused on children 0-4 years old would cost an estimated 0.7% of GDP.⁴

Universal child benefits must be supported by comprehensive social protection systems and quality social services, including healthcare and education. These systems and services are critical to the fulfilment of a child's rights and can provide additional support for the most vulnerable children and families, including those living below the poverty line and those suffering under the weight of current or historical discrimination.

Global cooperation will be necessary to reach every child

Low- and middle-income countries will face the hardest time shielding children and families from hardship – now and in the challenging months and years ahead. These countries have fewer resources and less financial flexibility than other countries, in many cases including overwhelming debt burdens. That is why **UNICEF is also calling for international financial institutions and governments to work together to maintain social spending for children and families during and after the crisis.**

Now is the time to come together to REIMAGINE a better world #ForEveryChild.

⁴ Ibid, p. 129