Key messages

- Child poverty remains high, with persistent overrepresentation of children in poverty compared with older age groups. Despite clear evidence of the effectiveness of well-designed social protection in tackling child poverty, coverage of children remains low.

- Universal child benefits (UCBs) can play a critical role in reducing child poverty while promoting social cohesion and public support for social protection. In countries with established UCBs, they constitute a cornerstone of national social policy systems and have proved effective in scaling up social protection in times of crisis.

- UCBs are a cash or tax transfer paid to households with children, unconditionally and on a regular basis. They are typically part of a wider package of policies. The design details of specific child benefits, and the broader tax-transfer systems within which they operate, incorporate varying degrees of universalism and selectivity that influence how benefits work in practice and their impact.

- Key issues policymakers consider when introducing or adjusting a child benefit, including UCBs, are:
  - compliance with child rights
  - child poverty reduction effectiveness
  - the dignity of children and their carers
  - political economy considerations
  - financial cost and affordability.

The policy priorities, options and trade-offs for individual countries vary depending on their demographic and poverty profile as well as their administrative and fiscal capacity.

- Theory and evidence both highlight the advantages of approaches that are universalistic and in which some form of selectivity is used to direct additional benefits at particular disadvantaged or vulnerable groups – referred to as ‘selectivity within universalism’.

- In practice, countries have achieved high child population coverage, or full UCBs, following different trajectories. Progressive realisation is common, through an iterative process involving the adoption of UCB legislation and policy regulation, strengthening administrative and financing capacity, and building political and public support for policy.
**Introduction**

**Why universal child benefits?**
Drawing on the ODI/UNICEF (2020) report *Universal child benefits: policy issues and options*, this briefing contributes to a growing debate on the (potential) role of UCBs in the pursuit of child poverty reduction and universal social protection.

Child poverty remains high, with uneven progress in poverty reduction across countries and persistent overrepresentation of children in poverty compared with older age groups (UNICEF, 2016; Alkire et al., 2017). A staggering 385 million children, or one in five, are still struggling to live on less than $1.90 a day (SPPP) and children are more than twice as likely to be living in extreme income poverty compared to adults (World Bank, 2018).

Despite clear evidence of the effectiveness of well-designed social protection in tackling child poverty, policy coverage of children remains comparatively low. Global population coverage of child and family benefits is estimated at around 35%, with considerable variations across regions, from 16% in Africa to almost 90% in Europe and Central Asia (ILO, 2017).

The Sustainable Development Goal (SDG) focus on 'leaving no one behind', and the SDG 1 target of achieving universal social protection coverage, provide further impetus to explore policy options to address this gap (UNGA, 2015).

Against this backdrop, this policy briefing aims to support governments as they consider the options for introducing a child benefit, expanding an existing child benefit or establishing a UCB.

---

**Universal child benefits: what are they?**
A full UCB is a cash payment or tax transfer universal to the population of children, unconditional and paid on a regular basis. Cash transfers to households with children depart from this ‘full UCB’ scheme when they include elements of targeting other than age and legal residence or citizenship, conditionalities, and when they are paid on a one-off or occasional basis. This briefing adopts the following classification, distinguishing between full UCBs and three types of quasi-UCBs (qUCBs):

**Universal child benefits**: universal child or family allowances, paid on a regular basis as a cash or tax transfer to the primary caregiver for dependent children under 18 years of age, paid for a minimum of 10 years (this constitutes a meaningful period and more than half of childhood).

**Quasi-universal child benefits:**
- short-term, age-limited allowances, paid for a limited period of the life course (e.g. to all children aged 0–3 years)
- means-tested allowances that cover the large majority of households, and primarily screen out high-income households
- mixed-scheme allowances that combine social insurance (i.e. contributory) and social assistance means-tested schemes to achieve universal or close to universal coverage of children.

---

1 Other child benefits include: Means-tested unconditional and conditional cash transfers with high child population coverage (>40%): while these schemes clearly depart from a (q)UCB by including stronger elements of means testing and, in some cases, conditionality, they reach a high (above 40%) or majority share of the child population. ‘Other’ cash transfers with narrower population coverage (<40%): these include unconditional and conditional means-tested cash transfers that reach comparatively lower shares of the population and include narrowly means-tested or otherwise targeted and conditional transfers. Universal basic income schemes (UBI): universal schemes that aim to reach individuals of all ages, including all children – for example, the National Cash Subsidy in Iran, Mongolia’s (2010–2012) UBI scheme and the state-level Permanent Fund Dividend in Alaska.
<table>
<thead>
<tr>
<th>Country</th>
<th>Benefit name</th>
<th>Description</th>
<th>Monthly grant amount $PPP*</th>
<th>No. of recipients (children)</th>
<th>No. of recipients as proportion of child population**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td><em>Familienbeihilfe</em></td>
<td>UCB to children &lt;18y (+up to 24y if in education)</td>
<td>156</td>
<td>1,750,980</td>
<td>115.0%</td>
</tr>
<tr>
<td>Estonia</td>
<td><em>Lapsetoetus</em></td>
<td>UCB to children &lt;17y (+up to 19y if in education)</td>
<td>103</td>
<td>253,000</td>
<td>110.1%</td>
</tr>
<tr>
<td>Finland</td>
<td><em>Lapsilisälaki</em></td>
<td>UCB to children &lt;17y</td>
<td>108</td>
<td>1,003,635</td>
<td>99.1%</td>
</tr>
<tr>
<td>Germany</td>
<td><em>Kindergeld</em></td>
<td>UCB to children &lt;18y (+up to 25y if in education)</td>
<td>257</td>
<td>14,970,000</td>
<td>110.2%</td>
</tr>
<tr>
<td>Mongolia (until 2016)</td>
<td><em>Child Money Programme</em></td>
<td>UCB to children &lt;18y</td>
<td>31</td>
<td>1,034,000</td>
<td>97.5%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Universal Child Birth Grant</td>
<td>qUCB initial lump sum payment, followed by monthly payments for child &lt;3y</td>
<td>107</td>
<td>1,313,220</td>
<td>101.7%</td>
</tr>
<tr>
<td>Denmark</td>
<td><em>Børne- og Ungeydelse</em></td>
<td>qUCB to children &lt;18y, tapers off with rising income</td>
<td>128</td>
<td>1,172,000</td>
<td>101.8%</td>
</tr>
<tr>
<td>Mongolia (2018)</td>
<td><em>Child Money Programme</em></td>
<td>qUCB to children &lt;18y</td>
<td>29</td>
<td>976,000</td>
<td>87.0%</td>
</tr>
<tr>
<td>UK</td>
<td>Child Benefit</td>
<td>qUCB for children &lt;16y (up to 20y in certain circumstances), tapers off with rising income</td>
<td>130</td>
<td>12,850,000</td>
<td>94.0%</td>
</tr>
<tr>
<td>Argentina</td>
<td>ANSES contributory child benefit scheme \ and \ <em>Asignación Universal por Hijo (AUH)</em></td>
<td>qUCB achieved through combination of contributory and social assistance cash transfers (children &lt;18y)</td>
<td>217</td>
<td>11,400,000</td>
<td>87.0%</td>
</tr>
<tr>
<td>Belgium</td>
<td><em>Relative aux allocations Familiales (LGAF)/ Algemene Kinderbijslagwet (AKBW)</em></td>
<td>qUCB achieved through combination of contributory and social assistance cash transfers (children &lt;18y)</td>
<td>118</td>
<td>2,849,300</td>
<td>121.9%</td>
</tr>
</tbody>
</table>
Of the 180 countries for which information is available, 108 have a periodic child or family allowance anchored in national legislation. Of these, 23 countries, mainly in Europe, provide a UCB in the form of a non-contributory universal child or family cash allowance. Forty countries provide non-contributory means-tested or proxy means-tested child benefits. Many of these schemes cover only a small part of the population. Thirty-one countries (22 of them in Africa) have statutory provisions only for those who meet social insurance conditions (ILO/UNICEF, 2019).

Child benefits, even those that fall within the UCB category, vary along different dimensions such as eligibility requirements and population coverage, transfer values and administrative rules (see Table 1). For example, among UCBs, Sweden’s Child Benefit is paid until the age of 16 and Finland’s Child Allowance is paid up to the age of 17, while schemes in Austria, Denmark and Germany pay a benefit universally until the age of 18. UCBs typically only cover citizens and legal residents, excluding children with refugee or undocumented status. However, there are examples, such as the full UCBs of Denmark, Estonia and Hungary, that, at least statutorily, extend child benefit provision to refugee children with a certain recognised status.

In terms of the numbers of children reached, the largest qUCBs are Germany’s *Kinder geld*, with close

<table>
<thead>
<tr>
<th>Country</th>
<th>Benefit name</th>
<th>Description</th>
<th>Monthly grant amount $PPP*</th>
<th>No. of recipients (children)</th>
<th>No. of recipients as proportion of child population**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td><em>Bolsa Família</em></td>
<td>Means-tested conditional cash transfer (children &lt;17y)</td>
<td>64</td>
<td>23,000,000</td>
<td>44.5%</td>
</tr>
<tr>
<td>South Africa</td>
<td>Child Support Grant</td>
<td>Means-tested cash transfer (children &lt;18y)</td>
<td>68</td>
<td>12,419,000</td>
<td>63.0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>Livelihood Empowerment Against Poverty (LEAP)</td>
<td>Means-tested conditional cash transfer (children &lt;18y)</td>
<td>36</td>
<td>83,240</td>
<td>0.7%</td>
</tr>
<tr>
<td>Indonesia</td>
<td><em>Program Keluarga Harapan</em> (PKH)</td>
<td>Means-tested conditional cash transfer (children &lt;18y)</td>
<td>38</td>
<td>11,103,000</td>
<td>11.2%</td>
</tr>
<tr>
<td>Philippines</td>
<td>Pantawid Pamilya Pilipino Program (4Ps)</td>
<td>Means-tested conditional cash transfer to households in poor areas with children &lt;18y</td>
<td>42</td>
<td>12,238,380</td>
<td>31.4%</td>
</tr>
<tr>
<td>Nepal</td>
<td>Child Grant Programme</td>
<td>Cash transfer to households with children &lt;5y in Karnali zone and to poor Dalit households nationally</td>
<td>13</td>
<td>551,920</td>
<td>19.2%</td>
</tr>
</tbody>
</table>

Notes: *Monthly grant amount: computed as the approximation of what a recipient family of two parents and a five-year-old would receive in total each month in local currency; expressed in $PPP for the respective year the information on the size of the grant is available. $PPPs are GDP-based from the World Bank.

** Number of recipients as proportion of the child population: number of recipients as a proportion of the number of children in the age range for which the programme is a UCB. In cases where older children are eligible for a benefit under specific circumstances (e.g. if they have a disability or are studying), the share can exceed 100%.

Source: compiled from UCB UNICEF Country Profiles, official documents and legislation; see ODI/UNICEF (2020).
to 15 million recipients (2017), and the UK’s Child Benefit, with approximately 13 million recipients (2017). The largest means-tested schemes include Brazil’s income-tested and conditional Bolsa Família, which reaches 23 million children (2017) and South Africa’s Child Support Grant, which reaches 12 million children (2017). The narrowly means-tested 4Ps programme in the Philippines reaches more than 12 million children (2016). As might be expected, UCBs have comparatively high effective coverage rates, covering a larger share of the child population than schemes that employ means tests or additional categorical targeting criteria. Countries with full UCBs such as Austria, Germany and Finland report close to or 100% coverage of eligible children.

Child benefit amounts vary across and within programmes. The level of the (q)UCB transfer for each eligible child can vary according to the age of the child, the number of children in the household, their order of birth within the family, and whether the child has a disability. Another critical distinction is whether child benefit values are adjusted to inflation to minimise or avoid the erosion of the real value of transfers over time. Adjustment rules vary across schemes and within schemes over time. This is one of the design variables that governments use in response to changing policy priorities (e.g. the decision not to adjust values is a common policy option for pursuing social spending cuts).

One of the potential advantages of a (q)UCB over other types of child benefits is its comparative administrative simplicity, partly as a result of the absence of narrow means tests and conditionality. In countries where (q)UCB registration takes place at the same time that a birth is registered (such as in Austria and Norway), levels of effective coverage and take-up are high. Where a more proactive approach to registration is required, increases in informational requirements and procedural complexity are linked to challenges to take-up and risks of exclusion. In the case of tax benefits, potential beneficiaries must be taxpayers and eligibility is typically determined by the tax authority on the basis of income tax returns (e.g. in Canada and New Zealand). While this approach can be relatively simple to administer – for instance, it allows tax and transfer information and related benefits to be administered by a single central authority – it also raises concerns around exclusion, particularly for disadvantaged households that do not pay income tax or in circumstances where there is a weak or no progressive personal income tax system in place.

**Key policy questions**

Key issues policymakers consider when exploring the adoption or reform of child benefits are:

- compliance with child rights
- child poverty reduction effectiveness
- the dignity of children and their carers
- political economy considerations
- financial cost and affordability.

**Compliance with child rights**

By virtue of international human rights treaties, International Labour Organization (ILO) standards, domestic legal frameworks and political commitments, states have extensive human rights obligations regarding social protection. As is the case with all human rights, children’s right to social protection is universal and must be ensured and protected for all children equally.

Decisions regarding the design and implementation of social protection programmes are often based on technical assessments or choices within financial and administrative constraints and political parameters. Rights-based approaches should complement technocratic, knowledge-based approaches to making policy decisions around social protection. In regard to compliance with child rights:

- Compared with other types of child benefits, UCBs are more in line with the principle of equality and non-discrimination due to their comparatively higher coverage rates and lower exclusion errors. Their administrative simplicity is also an advantage in this regard.
- The principle of equality and non-discrimination is not compromised by the use of targeting as a form of prioritising vulnerable and disadvantaged groups. Any targeting effort should be justified on objective and reasonable fact (e.g. evidence that a particular group is poorer than the rest of the population) and pursue a legitimate aim under human rights law.
- The simpler application processes and limited monitoring and compliance mechanisms associated with UCBs mean they are better able to respect the principle of the best interests of the child. The administrative complexities associated with narrowly targeted and conditional transfers can give rise to negative discrimination and abuse of (potential) beneficiaries.
- Children’s rights must be seen in terms of their indivisibility. While cash transfer design
alternatives should take into account compliance with children’s right to social protection, they should not undermine other rights, including access to quality social services such as health, education and social care.

Child poverty reduction effectiveness

Reducing child poverty – both monetary and non-monetary – is one of the primary objectives of child benefits. From a child poverty reduction perspective:

- Universal and large-scale child benefits effectively reduce both monetary and non-monetary child poverty. In 15 OECD countries that implement a UCB or qUCB(s), such programmes reduced income poverty in households with children by, on average, five percentage points. In some countries, such as Germany and Luxembourg, UCBs are responsible for around half of the impact of cash transfers on child poverty reduction.
- Simulations for lower-income countries (LICs) and middle-income countries (MICs) find that UCBs could reduce poverty significantly. An exercise for 14 MICs showed that UCBs financed by 1% of GDP would lead to a reduction in aggregate poverty for the whole population of up to 20%, and to a reduction in child poverty of 20% or more.
- The targeting of disadvantaged households alongside universal transfers, or within a universalistic system, can also be highly effective. OECD experience shows that universalistic systems that combine universal policies with support for low-income households have the highest poverty reduction impact. In UCB simulations for MICs, the maximum poverty reduction was achieved when transfers were ‘weighted’ (higher transfer levels) towards the bottom 40% and taxed back from high earners. This highlights the potential for ‘selectivity within universalism’.
- Cash transfer design features matter. Transfers that achieve high population coverage, that are larger (and inflation-indexed), and delivered regularly are associated with a higher impact on poverty, compared with those that have lower transfer values, limited child population coverage and are delivered intermittently. The availability of quality services (such as schools and health services) and of complementary programming is also critical in ensuring that cash transfers lead to

Figure 1  Proportion of households with children who are poor before and after cash transfers (%)

Note: Authors’ calculations using Luxembourg Income Study (LIS) data. The poverty line is defined as 50% of median per capita disposable income.
improvements in non-monetary outcomes such as education, health status and nutrition.

- When debating alternative design approaches that include an element of targeting, key considerations should include how accurately proposed targeted programmes cover low-income households with children. This should take into account potential inclusion and exclusion errors, the non-take up of benefits and the potential for creating economic distortions associated with targeting. Narrowly means-tested transfers are particularly susceptible to such issues.
- Concerns that universal or large-scale cash transfers offset progress in poverty reduction by reducing participation in paid work are not supported by the available evidence. At the same time, the evidence indicates that cash transfers can lead to clear reductions in child labour.

Dignity and shame outcomes of children and their carers

Poverty is more than a lack of income and material deprivation – it also has social or relational dimensions. Social policies may inadvertently or deliberately stigmatise children (and their families) living in poverty, reinforcing feelings of failure and shame. This is particularly true where poverty is ascribed to individual failings rather than structural causes. The right to dignified treatment is acknowledged in international agreements relating to social protection.

Cash transfers provide a critical linkage between the state and the public. The way cash transfers are framed, structured and delivered can determine whether they are stigmatising or uphold the dignity and self-respect of beneficiaries. Theory and practice point to the following:

- Child benefit design can seek to meet the material needs of children and their families while enabling them to participate fully in the life of the community and avoiding generating or contributing to processes of stigmatisation. Processes linked to narrow targeting and punitive conditionality can stigmatise children and their caregivers.
- Universal transfers, such as UCBs, are less likely to be divisive – for instance by avoiding the need for informational checks and validation or the fulfilment of strict conditions. As such, they are better able to reduce the shame associated with poverty, compared with narrowly means-tested and conditional transfers.
- If appropriately designed and implemented, UCBs can help to affirm the value of children and caregiving, while offering recipients greater scope for civic engagement and holding government to account.

Political economy

Child benefit design and implementation details, together with the framing of the wider policy context within which they are situated, shape state–citizen relations, trust in government, social cohesion and stability – in turn, influencing the political feasibility of the policy and its sustainability over time. The evidence indicates that:

- Universal programmes typically command broader public support than those that are narrowly targeted. They are likely to be better funded and less likely to be cut in periods of retrenchment.
- Redistributive programmes may command more support if beneficiaries are perceived to be deserving. According to available studies of public attitudes, children and households with children are commonly perceived as a deserving group.
- Social protection can play a critical role in establishing and strengthening state–citizen relations. UCBs are associated with low inequality, and high levels of social trust and cohesion. Compared with narrowly Means-tested and conditional transfers, they can act as effective countercyclical stabilisers and can be more readily expanded in contexts of crisis.
- Depending on programme design, social transfers provide a vehicle for the state to engage with previously disenfranchised and marginalised groups. They can help to make citizens aware of and empowered to demand their entitlements, thereby fostering processes of government accountability.
- Social transfers can improve social cohesion at the micro level, particularly where transfers are universal. Narrow and complex means testing, on the other hand, may create tensions between individuals.

Financial cost and affordability

The cost of a UCB and its affordability in lower-income settings has attracted considerable debate. On the one hand, no LIC or MIC currently offers a full UCB, with affordability cited as a key constraint. Simulations of the costs involved in scaling up existing programmes, even where cash transfers to children are already
widespread, provide an indication of the scale of additional resources required to deliver a full UCB. On the costs and financing of a UCB we find the following:

- Currently, spending on child benefit packages averages about 0.4% of GDP in LICs and MICs, compared with 1.7% of GDP for high-income countries (HICs). OECD countries, even those with long-established child benefit packages, devote different amounts to child-related cash transfers, ranging from less than 0.2% to 2.5% of GDP. The general tendency has been towards increased spending over the past few decades, despite fiscal consolidation following the 2008 crisis and a declining proportion of children in most OECD countries.
- Our estimations of the cost of a UCB, based on different assumptions about the value of the transfer, indicate that covering all children aged 0–14 would require a minimum of 2% of GDP in LICs – above average spending on child benefit packages even for HICs (see Table 2). A UCB covering children aged 0–4 would cost significantly less than one that covered children aged 0–14 or 0–17. For LICs, the lower-bound estimate of a UCB covering children aged 0–4 is 0.7% of GDP – 35% of the cost of providing a UCB to all 0–14-year-olds. Establishing initial age limits on eligibility can help ensure the progressive realisation of a child benefit within budgetary constraints – as in South Africa, where the Child Support Grant initially targeted children under the age of seven, and in the UK where the Child Benefit was initially allocated to the second child and subsequent children in a household.
- Paradoxically, the marginal cost of making a transfer universal is lowest in LICs, where resources are scarcest but child (and total) poverty rates are highest. The total estimated cost of a UCB (including administration costs) is 13 times higher relative to a benefit targeted only to poor children in LICs; whereas in upper-middle income countries, it is 7.5 times as high.
- The costing analysis suggests that, for LICs in particular, implementing a full UCB is likely to require substantial resource mobilisation. Costs will be relatively higher in countries with comparatively large child populations and in those where the total number of children is projected to increase.
- For all countries, determining the appropriate financing strategy will involve identifying possibilities for strengthening domestic revenue systems – for example, through the strengthening or establishment of progressive tax systems, improved financial management of government programmes, and the extension of contributory mechanisms, including to workers in the informal economy. For LICs in particular, it may also require advocating for greater external finance while balancing concerns related to country ownership and legitimacy. This emphasises the need for coordinated action between donors and governments.

Table 2  Average cost of alternative UCBs for children aged 0–4 and 0–14 years (% of GDP)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Value of transfer</th>
<th>LICs</th>
<th>LMICs</th>
<th>UMICs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>25% of national poverty line (0–14)</td>
<td>5.5%</td>
<td>3.6%</td>
<td>–</td>
</tr>
<tr>
<td>1b</td>
<td>25% of national poverty line (0–4)</td>
<td>2.1%</td>
<td>1.4%</td>
<td>–</td>
</tr>
<tr>
<td>2a</td>
<td>International poverty line (0–14) (mean poverty gap)</td>
<td>2.3%</td>
<td>0.8%</td>
<td>0.2%</td>
</tr>
<tr>
<td>2b</td>
<td>International poverty line (0–4) (mean poverty gap)</td>
<td>0.9%</td>
<td>0.3%</td>
<td>0.1%</td>
</tr>
<tr>
<td>3a</td>
<td>10% of median income/consumption (0–14) (lower-bound estimate)</td>
<td>2.0%</td>
<td>1.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>3b</td>
<td>10% of median income/consumption (0–4) (lower-bound estimate)</td>
<td>0.7%</td>
<td>0.5%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Notes: Scenario 1a is the average of the same 57 LICs and LMICs as in Ortiz et al. (2017), but using ILO (2017); Scenario 1b is the average across 57 LICs and LMICs from Ortiz et al. (2017, Annex 3) based on ILO’s Social Protection Floors Calculator for 2017; Scenarios 2 and 3 refer to 59 LICs and MICs listed in ODI/UNICEF (2020, Table 10). Scenario 1 assumes administrative costs of 3% (see Ortiz et al., 2017), while Scenarios 2 and 3 do not include administrative costs.
Realising UCBs in practice

UCBs are powerful tools for reducing child poverty – as shown by the experience of countries with UCBs in place, and as indicated by simulations for others. Compared with child benefits that are narrowly targeted, they display some clear advantages in terms of complying with child rights, minimising risks of exclusion and stigma, promoting dignity and cohesion and fostering public and political support for policy. From a wider tax-transfer systems perspective, a universal approach displays clear benefits along these same lines.

Elements of broad targeting can reinforce universalism. Both the theory and evidence highlight the potential advantages of approaches that are universalistic and in which some form of targeting is used to achieve universalism. This is referred to as ‘selectivity within universalism’, in which additional benefits are directed at groups within the context of a universal policy and system design (Skocpol, 1991; Mkandawire, 2005). Whether from a child rights, a child poverty or political economy perspective, evidence and practice consistently point to the potential benefits of such an approach.

In practice, countries have achieved high child population coverage and full UCBs through a variety of different trajectories. The progressive realisation of UCBs is commonly achieved through an iterative process, which involves the establishment and strengthening of legislation and policy regulation, administrative and financing capacity, and political and public support for policy. Progressive realisation of a UCB may involve the introduction of policies that initially reach specific groups of children (e.g. infants) and are then gradually expanded or merged with other schemes in a process of extension of entitlement to all children – as outlined by Peter Townsend in his 2009 universal child benefit proposal (Townsend, 2009).

A country’s demographic and poverty profile shape the policy opportunities and trade-offs that policymakers face. In countries with high child poverty rates and a high share of children in the population, simulations indicate that UCBs could have a significant impact on child poverty and that narrow means testing makes limited sense. However, these are countries where the financial costs (e.g. as a percentage of GDP) of a full UCB (0–18 years) would be comparatively high. In these cases, exploring the steps for laying the foundations for a UCB and gradually moving towards higher coverage and improved adequacy could be the way forward.

In countries where children now make up a lower share of the total population and with comparatively lower poverty rates, UCBs (where established) constitute a cornerstone of national social policy systems. The experience of such countries highlights the ways in which UCBs critically contribute to reducing child poverty while promoting social cohesion and the dignity of recipients. They also showcase their affordability, both financial and political.

As governments ponder the options for introducing a child benefit, expanding an existing child benefit or establishing a UCB, they would benefit from considering the implications of different child benefit design parameters. These include implications for compliance with international and domestic human rights treaties and children’s right to social protection; child poverty reduction effectiveness; dignity and shame outcomes; the political economy of alternative benefit policies; and financial cost and affordability. A checklist for use at country level is included in the full ODI/UNICEF (2020) report. This approach, together with the careful consideration of how a child benefit is situated within a country’s wider tax-transfer system, provides a framework for guiding the realisation of universal social protection.
**References**


**Acknowledgements**

This policy briefing outlines the main findings of the ODI and UNICEF (2020) report, *Universal child benefits: policy issues and options*. For more information please contact Francesca Bastagli (f.bastagli@odi.org.uk), David Stewart (dstewart@unicef.org) or Ian Orton (orton@ilo.org).