June 2020

Universal child benefits

Policy issues and options

Readers are encouraged to reproduce material for their own publications, as long as they are not being sold commercially. ODI and UNICEF request due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the UNICEF website. Please cite the report as follows: ODI/UNICEF (2020) *Universal child benefits: policy issues and options*. London: Overseas Development Institute and New York: UNICEF.

The findings, interpretations and conclusions expressed in this paper are those of the authors and do not necessarily reflect the policies or views of ODI, UNICEF or the United Nations. The designations in this publication do not imply an opinion on legal status of any country or territory, or of its authorities, or the delimitation of frontiers.

This work is licensed under CC BY-NC-ND 4.0.

Front cover image: A child carries a cage in a mountainous area of Sapa, Viet Nam. UN Photo/Kibae Park

Acknowledgements

This report was prepared by a team led by Francesca Bastagli (ODI), together with David Stewart and Ian Orton (UNICEF). It is the output of a larger UNICEF-ODI project on universal child benefits. Chapters 1, 2, 4, 6, 7 and 8 were written by Francesca Bastagli and Emma Samman, with inputs from Nathalie Both, Martin Evans and Heiner Salomon (all at ODI) and Ian Orton (UNICEF). Chapter 3 on universal child benefits (UCBs) and child rights was written by Magdalena Sepúlveda (The Global Initiative for Economic, Social and Cultural Rights, GI-ESCR), and Chapter 5 on UCBs, dignity and shame by Lichao Yang (Beijing Normal University, BNU) and Robert Walker (BNU and University of Oxford). For detailed comments on a draft version of the report, the authors are grateful to Armando Barrientos (University of Manchester), Simone Cecchini (United Nations Economic Commission for Latin America and the Caribbean, ECLAC), Margaret Grosh (World Bank), Luke Harman (Save the Children), Stephen Kidd (Development Pathways), David Stewart and colleagues at UNICEF, Carolina Aulicino, Tinatin Baum, Nataliya Borodchuck, Joanne Bosworth, Mitchell Cook, Enrique Delamonica, Solrun Engilbertsdottir, Foluke Adetola Ojelabi, Frank Otchere, Dominic Richardson, Ilija Talev, Uladzimir Valetka and Alexandra Yuster.

Thanks also go to the UNICEF country offices who provided case studies and country background information on child benefits: Umid Aliev, Carolina Aulicino, Artur Ayvazov, Nataliya Borodchuck, Samir Bouzekri, Pia Marie Helena Fagerstrom, Najme Kishani Farahani, Antonio Franco Garcia, Armenuhi Hovakimyan, Mayke Huijbregts, Shafiqul Islam, Zulfikur Ali Khan, Frauke de Kort, Antara Lahiri, Enkhnasan Nasan-Ulzii, Yulia Olenik, Shohrat Orazov, Christina Popivanova, Juliana Reinicke, Gulsana Turusbekova, Sebastian Waisgrais and Russell Wildeman.

Finally, thank you to Roni Lee (ODI) for project management, Natalie Brighty (ODI) for coordinating report production, Lucy Peers for template design, Louisa Wright for typesetting, David McDevitt for copyediting, and to Joanna Fottrell and Elizabeth Tribone (ODI) for proofreading.

Contents

Acknowledgements 3

List of boxes, tables and figures 6

Acronyms 10

Executive summary 11

1 Introduction 18
- 1.1 Background and report objectives 18
- 1.2 Definitions 20
- 1.3 Why universal child benefits? 21
- 1.4 Methodology 25
- 1.5 Report structure 26

2 Universal child benefits: what are they? 28
- 2.1 Introduction 29
- 2.2 Child benefit 'packages', and cash and tax benefits 32
- 2.3 Target population and targeting mechanisms 33
- 2.4 Conditionality 36
- 2.5 Coverage 36
- 2.6 Transfer amounts 39
- 2.7 Administration 40
- 2.8 Costs and financing 43
- 2.9 The realisation of universal child benefits in practice 44

3 Universal child benefits and child rights 51
- 3.1 Introduction 52
- 3.2 The right to social protection and other children's rights 52
- 3.3 Are UCBs better positioned than other policies to ensure compliance with human rights? 56
- 3.4 Key implications of a human rights perspective for UCBs 71

4 Universal child benefits and child poverty 74
- 4.1 Introduction 75
- 4.2 Child benefit targeting, population coverage and transfer value 78
- 4.3 The impact of child benefits on monetary poverty and inequality 82
- 4.4 Child benefits and non-monetary poverty 90
- 4.5 Behavioural responses to cash transfers 91

4.6 Child benefit design factors conditioning impact on child poverty 94
4.7 Community-level and macroeconomic effects of a UCB 99

5 Universal child benefits, dignity and shame 101
5.1 Introduction 101
5.2 Poverty, shame and stigmatisation 102
5.3 Cash transfers: delivery mechanisms and poverty-related shame 105
5.4 Shame-proofing cash transfers: elements of framing, structure and delivery 107
5.5 Considerations for policy-makers 113

6 The political economy of universal child benefits 115
6.1 Introduction 115
6.2 Public support and policy sustainability 116
6.3 State–citizen relations and social cohesion 121
6.4 Social cohesion and stability between individuals 126
6.5 Considerations for policy-makers 127

7 The costs and financing of universal child benefits 129
7.1 Introduction 130
7.2 Spending on child-related transfers in low- and middle-income countries 131
7.3 Spending on child-related cash transfers in OECD countries 137
7.4 How much would a universal child benefit cost in low- and middle-income countries? 145
7.5 Universal child benefit affordability: population trends and benchmarking spending 154
7.6 Financing child benefits 157

8 Universal child benefits: realisation in practice 164
8.1 The challenge and the opportunity 165
8.2 Policy options and trade-offs 165
8.3 Realising universal child benefits in practice 171

References 177

Annexes 208
Annex 1: Key features of child-related cash transfers in 29 countries 209
Annex 2: Chapter 4 methodology 214
Annex 3: Chapter 7 methodology 215
Annex 4: Country-level costings of UCBs and means-tested child benefits 216

List of boxes, tables and figures

Boxes

Box 1 National and subnational child benefits 31

Box 2 Types of cash and tax transfers 32

Box 3 Coverage and take-up: concepts and measures 37

Box 4 Influencing national social protection systems through international law: expanding protection to all children 53

Box 5 Good practice: enshrining the right to social protection for refugees, asylum seekers and migrants in Uruguay 54

Box 6 Judicial enforcement of the right to social protection of non-nationals: South Africa, Brazil and Austria 55

Box 7 Are undocumented migrants also protected under the right to social protection? 56

Box 8 Eligibility requirements that indirectly discriminate against children in Ireland 58

Box 9 Cash transfer targeting and the principle of equality and non-discrimination in Argentina 66

Box 10 The value of parental time investments in children 92

Box 11 Scaling up child benefits in a crisis 123

Box 12 Tax credits to families with children: trends in the US 139

Box 13 A proposal for the progressive introduction of a UCB in Uzbekistan 154

Box 14 Proposals for tax reform to make South Africa's CSG universal 161

Box 15 Current UCB activity worldwide 172

Tables

Table 1 Summary of simulations with optimal poverty reduction from UCBs in 14 countries 89

Table 2 Child benefit design features and children's outcomes: a summary of the evidence 98

Table 3 Cost-transfer ratio by programme type 135

Table 4 Spending on 'family benefit' cash transfers as % of GDP in 23 established OECD countries, 1980–2015 138

Table 5 Spending on 'family benefit' cash transfers as % of GDP in 13 newer OECD countries, 2000–2015 141

Table 6 St Clausia: arithmetic of transfer levels for targeting children 147

Table 7 Per capita UCBs that result from 1% GDP: values per poverty line 147

Table 8 The cost of universal and means-tested child benefits by country income group and region (% of GDP) 148

Table 9 The cost of UCBs valued as mean poverty gaps (% of GDP) 150

Table 10 The cost of a UCB valued as a proportion of median household income or consumption by income group (% of GDP) 150

Table 11 Average cost of alternative UCBs for children aged 0–4 and 0–14 years old (% of GDP): summary table 153

Table 12 Revenue increments with income transitions 159

Table 13 UCB policy options and trade-offs: a summary of the evidence 170

Table 14 UCB realisation in practice: a checklist for policy-makers 174

Table A1 Key features of child-related cash transfers in 29 countries 209

Table A2 Country-level costings of UCBs and means-tested child benefits set at 25% of the national poverty line for children aged 0–14 (% of GDP) 216

Figures

Figure 1 Public social protection expenditure (excluding health) on children (% of GDP) and percentage share of children age 0–14 in total population, latest available year 23

Figure 2 Percentage of children or households receiving child and family benefits, by region, latest available year 24

Figure 3 Overview of child and family benefit schemes (periodic cash transfers), by type of child benefit, 2018 or latest available year 25

Figure 4 Cash transfers and children's outcomes: a conceptual framework 76

Figure 5 Proportion of households with children who are poor before and after cash transfers (%) 84

Figure 6 Poverty reduction among households with children from all cash transfers (percentage point reduction from post-tax income) 84

Figure 7 Reductions in income inequality from cash transfers (percentage points) 85

Figure 8 Inequality reduction levels and contribution of UCBs (percentage points) 86

Figure 9 Inequality reduction from cash transfers for households with children (%) 86

Figure 10 Requirements for the design of a shame-free cash transfer 108

Figure 11 Spending on child benefit packages by income group and region (% of GDP) 131

Figure 12 Spending on child benefit packages in 90 LICs and MICs, by country (% of GDP) 132

Figure 13 Share of GDP spend on child benefit packages and effective coverage of the child population in 30 LICs and MICs (%) 133

Figure 14 Cash transfers as a share of social assistance across regions, by instrument (%) 133

Figure 15 Share of GDP spend on specific child-related cash transfer programmes and effective coverage of child population, selected countries (%) 134

Figure 16 Trends in spending on child-related cash transfers in nine MICs, by programme, 1997–2018 (% of GDP) 136

Figure 17 Spending on `family benefits' cash transfers in 1980 and 2015 (% of GDP) 137

Figure 18 Family cash transfer and tax credit spending in the US, 1980–2014 139

Figure 19 Share of spending on `family benefits' cash transfers in countries with largest change between 2010 and 2015 (% of GDP) 140

Figure 20 GDP and spending on 'family benefits' cash transfers in 36 countries as a % of GDP 142

Figure 21 Change in the 0-17 population at country level over past decades (%) 143

Figure 22 Trends in real spending and real per capita (0–17) spending on cash family benefits in OECD countries, various years (%) 144

Figure 23 Annual average growth in per capita real spending on family benefits (%) 145

Figure 24 Population of children (0–14 years) by country income classification 146

Figure 25 Share of children and young people aged 0–14 and 0–19 in the global population, 1980–2050 (%) 154

Figure 26 Population projections for children aged 0–4 and 0–14 by income group, 2015–2050 (%) 155

Figure 27 Government spending on health and education (% of GDP) 156

Figure 28 Share of tax and domestic revenue and of ODA by income group (% of GDP) 158

Figure 29 Universal child benefit policy options and trade-offs: key considerations 166

Acronyms

AFDC	Aid to Families with Dependent Children
ANSES	Administración Nacional de la Seguridad Social
AUH	*Asignación Universal por Hijo*
BDH	*Bono de Desarrollo Humano*
BRL	Brazilian real
CCT	conditional cash transfer
CGP	Child Grant Programme
CMP	Child Money Programme
CMPF	*Contribuição Provisória sobre Movimentação ou Transmissão de Valores e de Créditos e Direitos de Natureza Financeira*
CRC	Convention on the Rights of the Child
CSG	Child Support Grant
CTC	child tax credit
DKK	Danish krone
EAP	East Asia and the Pacific
ECA	Europe and Central Asia
EITC	Earned Income Tax Credit
EU	European Union
GDP	gross domestic product
GEL	Georgian lari
GNI	gross national income
HIC	high-income country
ICESCR	International Covenant on Economic, Social and Cultural Rights
ILO	International Labour Organisation
IMF	International Monetary Fund
IPV	intimate partner violence
LAC	Latin America and the Caribbean
LEAP	Livelihood Empowerment Against Poverty
LIC	low-income country
LIS	Luxembourg Income Study
LMIC	lower-middle-income country
MENA	Middle East and North Africa
MIC	middle-income country
MIG	minimum income guarantee
NCMT	non-contributory means-tested
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PKH	*Program Keluarga Harapan*
PMT	proxy means test
PRAF	*Programa de Asignación Famíliar*
PPP	purchasing power parity
qUCB	quasi-universal child benefit
SASSA	South African Social Security Agency
SSA	sub-Saharan Africa
SWF	Social Welfare Fund
TANF	Temporary Assistance for Needy Families
UBI	universal basic income
UCB	universal child benefit
UCT	unconditional cash transfer
UMIC	upper-middle-income country
UNHRC	United Nations Human Rights Committee
USP2030	Universal Social Protection Initiative
ZAR	South African rand

Executive summary

Report motivation and objectives

This report critically reviews the case for universal child benefits (UCBs). It seeks to contribute to a burgeoning and lively debate on the (potential) role of UCBs as a policy instrument in the pursuit of child poverty reduction and universal social protection.

Universalism has come to the fore in policy circles with the Agenda 2030 and the related Sustainable Development Goals – and their underlying aspiration to 'leave no one behind' (UNGA, 2015). In this agenda, social protection emerges as one of the main tools at governments' disposal for progressing towards these goals. In this vein, interest in and experiments with a universal basic income (UBI) are also gaining traction. Over the last decade, however, universalism has been under threat, with a review indicating that 107 governments were considering rationalising and more narrowly targeting their safety nets (Ortiz et al., 2015).

Children are one of the population groups at highest risk of exclusion from social protection. In terms of aggregate global estimates, population coverage for child and family benefits remains low, at around 35% (ILO, 2017). Countries spend an average 2.4% of their gross domestic product (GDP) on social protection for older persons, compared with 0.3% for children (ibid.).

At the same time, child poverty remains high, with uneven progress in poverty reduction across countries, and persistent over-representation 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 survive on less than $1.90 a day (purchasing power parity, PPP), and children are more than twice as likely to be living in extreme income poverty as adults (World Bank, 2018a). Poverty is about more than income, and 689 million children are estimated to be living in multidimensionally poor households, again with poverty rates consistently higher than adults (Alkire et al. 2017).

Efforts to tackle child poverty and address the policy imbalance in social protection over the last two decades have included the adoption of social assistance cash transfers across low- and middle-income countries as central elements of their poverty reduction and social protection strategies. Elsewhere, established child benefits, including UCBs, are a cornerstone of national welfare systems. At the time of writing, out of 180 countries for which information is available, 108 (60%) have some type of child or family benefit anchored in national legislation (ILO/UNICEF, 2019).

These trends have been accompanied by a growing body of evidence on the effectiveness of social protection in promoting children's and wider social outcomes. Recent cash transfer reviews underscore how – if appropriately designed and as part of wider social policy – they can significantly impact both children's intermediate outcomes, such as expenditure on children's goods, school attendance and access to healthcare, and final outcomes, such as cognitive development and health (e.g. Cooper and Stewart, 2013; Bastagli et al., 2016). Critical to determining these impacts are benefit design and implementation details, including child population coverage, transfer values, regularity of payment, and links with complementary services and wider social policy provision.

Against this backdrop, the under-coverage or lack of social protection for children emerges as a key policy priority. This report examines the role of UCBs in making progress towards addressing these gaps. In particular, it asks: *What are the benefits and limitations of UCBs against other types of child benefits? What are the key issues and trade-offs? What are the policy options moving forward?*

The report has three main objectives:

- to provide a picture of policy in practice, reviewing the variety of policy options and processes of realisation, with a focus on cash transfers for children of a universal and unconditional nature

- to critically review the arguments and the evidence on child benefit design and implementation options and related tensions or trade-offs
- to provide guidance on the issues governments need to consider when embarking on policy decisions regarding benefits for children and options moving forward.

What are universal child benefits?

Child benefits can take a variety of forms. Even within the category referred to as 'universal child benefits' there can be considerable variation in the design and implementation details of different programmes, with important implications for how they work in practice and their impacts. At the same time, specific categories of child grants share certain basic standard properties. A full UCB is a cash payment or tax transfer made on a regular basis to children, independently of their socioeconomic or other characteristics. While UCB eligibility requirements may vary depending on precise age restrictions and residence or citizenship restrictions, the basic common properties of a UCB is that it is a *cash transfer, universal* to the population of children, *unconditional* and *paid on a regular basis.*

Cash transfers to children/families with children depart from this 'full UCB' scheme when they include elements of targeting other than age and residence/citizenship; when they include conditionalities in the form of behavioural requirements that children or their families must comply with to fulfil eligibility regulations; and/or when they are paid on a one-off basis or on a basis other than a regular monthly, quarterly or annual basis.

At the core of all benefit schemes is a cash or tax transfer (as opposed to, say, a service or in-kind transfer). There are a range of modalities through which these take shape: child benefits may take the form of a direct cash transfer payment to recipient households/children, or of tax benefits administered through the personal income tax system. Countries may rely on a combination of both.

In most countries, child cash and tax benefits are part of a 'package' of benefits that include services in kind, subsidies and exemptions from charges. These typically aim to assist parents with the cost of raising children and to ensure every child receives a fair chance in life. As such, child benefits are only a subset of policies at governments' disposal. In some countries, they account for a small share of the total child benefit 'package' and, in all cases, the way they work in practice and their impact will depend on this wider policy configuration.

In terms of programme design details, child benefits vary depending on eligibility and targeting criteria, whether they include conditionalities and their specification, population coverage and transfer levels.

Child benefits are designed to reach households with children. As such, they are categorical, paid to a specific subgroup of the population, based on household composition and demographic criteria. Child benefits may also include further targeting criteria, such as additional categorical criteria, means testing or geographic targeting. Child benefits also vary depending on whether they include recipient behavioural requirements. These differ to reflect the underlying rationale for conditionality (e.g. an emphasis on individual recipient behaviour versus structural barriers and adequate service provision).

Targeting mechanisms and conditionalities vary depending on their informational requirements and administrative complexity. Such variations can have important implications for a programme's compliance with child rights legislation and standards; exclusion and inclusion errors; coverage and poverty impact; social costs (including in terms of stigma and social tensions); public support for policy; and financial administrative costs. The comparatively simple and broad categorical targeting of UCBs, combined with their unconditional nature, may have advantages over narrowly targeted and conditional transfers with respect to these different dimensions.

Compared with other transfers, UCBs have comparatively higher effective coverage rates, reaching a larger share of the child population than schemes that employ means tests or other targeting criteria. The review of the evidence indicates that programme eligibility rules (e.g. all resident children up to the age of 18) and administrative simplicity (e.g. automatic child benefit registration at birth) are key determinants of the high take-up rates for UCBs.

Child benefit values vary to reflect programme objectives and whether they are set in relation to a particular benchmark (e.g. the national poverty line, minimum wage or basket of goods). They also vary

depending on whether they are adjusted over time to take price changes into account, with a high number of benefits experiencing erosion of their real value over time. Within individual programmes, benefit values may also vary to reflect the different needs among children, with some programmes displaying different benefit values depending on the age, sex or disability status of the child.

This report defines UCBs as 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 (or 18 and above, as clarified below), for a minimum of 10 years. This minimum duration draws on the ILO/UNICEF (2019) benefits classification which specifies child benefits need to be paid for a minimum of 10 years, more than half of childhood, to be defined as UCBs. The report refers to quasi-UCBs (qUCBs) as cash or tax transfer programmes that do not quite meet all these specifications, insofar as they either a) are paid for a limited period of childhood and for a shorter duration than 10 years, for example if paid to all children aged 0–3 years; b) reach the large majority of the population of children *and* include a means test that 'screens out' high-income households; c) are part of a system of transfers that combine social assistance and contributions-financed schemes to achieve universal, or close to universal, coverage of children.

The report examines the potential advantages and disadvantages, related policy options and trade-offs of UCBs and qUCBs against five sets of considerations, summarised in the following paragraphs and around which the report chapters are organised:

- policy compliance with child rights (as enshrined in international and domestic legislation and political commitments)
- tackling child poverty
- promoting the dignity of children (and minimising risks of stigma and shame)
- the political economy of policy (public support for policy and policy sustainability)
- policy cost and financing.

Children's rights

By virtue of the multitude of international human rights treaties, International Labour Organization (ILO) treaties and domestic legal frameworks, as well as 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 (UNGA, 1990).

Decisions regarding the design and implementation of social protection programmes are often based on technical assessments or choices made by social protection authorities, within financial and administrative constraints and political or ideological parameters. A normative rights-based approach should complement technocratic, knowledge-based policy decisions, if the provision of social protection programmes aims to respect existing normative frameworks and the rights of recipients. The principles of equality and non-discrimination, the best interests of the child, respect and dignity and the indivisibility of rights, provide a useful framework.

The higher coverage rates and lower exclusion errors for UCBs, in comparison with narrowly targeted and means-tested transfers, indicate that they are more in line with *the principle of equality and non-discrimination*. Administrative simplicity is an advantage in this regard.

At the same time, the *principle of equality and non-discrimination* is not compromised by the use of targeting as a form of prioritising the most vulnerable and disadvantaged groups. In fact, it may be required. Taking specific measures to guarantee access for the most vulnerable and disadvantaged groups, such as those who face structural or historic discrimination or have specific difficulties in enjoying the right to social protection (such as children), cannot be considered discriminatory. Such measures are legitimate, to the extent that they represent reasonable, objective and proportional means to redress de facto discrimination. Any targeting effort should be justified on objective and reasonable fact (e.g. evidence that a group is poorer than the rest of the population) and pursue a legitimate aim under human rights law. There must also be reasonable relationship of proportionality between the means employed and the aim that targeting seeks to achieve.

Social protection policy-makers and practitioners should assess the '*best interests of the child*' when considering alternative programme design and implementation choices. Decision-makers should then opt for those that maximise the enjoyment of children's rights and minimise any adverse impact. It falls under the responsibility of public authorities to prove that they have selected the policy choice that better protects the rights and well-being of children.

UCBs have more limited scope for abuses towards (potential) beneficiaries, which can arise from the administrative complexities and behavioural requirements associated with narrowly targeted and conditional transfers. The simple application procedures and limited monitoring and compliance processes associated with UCBs also mean they are better able to *respect the dignity* of those entitled to transfers and minimise stigmatisation.

Children's rights must be seen in their indivisibility. Cash transfer design alternatives should be considered in terms of their compliance with children's right to social protection, while not undermining other rights. Available evidence suggests that, while governments may be able to ensure children's right to social protection through a multi-tiered, mixed system, some design features of specific transfers have the potential to negatively impact other children's rights. Policy-makers should assess the implications of alternative programme design features for all rights.

Child poverty

Universal and large-scale child benefits can be highly effective in reducing child poverty. Our analysis of 15 member countries of the Organisation for Economic Cooperation and Development (OECD) that deliver full or quasi-UCBs shows that such programmes reduced income poverty in households with children by five percentage points and contributed 15% of the impact of cash transfers in reducing child poverty (at the median). In some countries, such as Germany and Luxembourg, they are responsible for around half of the impact of cash transfers on child poverty reduction.

Cross-country studies of OECD countries indicate that countries that rely more heavily on means testing achieve lower poverty and inequality reduction compared with systems that rely on universal/istic approaches. Universalistic systems that combine universal policies with support for low-income households appear to have the highest poverty reduction impact.

In low-income and middle-income countries (LICs and MICs), simulations suggest that UCBs could reduce poverty significantly. An exercise for 14 MICs showed that universal transfers financed by 1% of GDP reduced total poverty and child poverty uniformly. The maximum poverty reduction occurred when transfers were 'weighted', paying higher transfer levels towards the poorest 40% and 'taxed back' from higher earners; this led to a fall in the child poverty headcount of up to 32% and a reduction in the child poverty gap of up to 48%. This highlights the potential for 'selectivity within universalism'.

When considering alternative child benefit design features – and specifically whether to adopt a universalistic approach and different variants of targeting – a number of *contextual factors* need to be taken into account. These include the share of children and the share of households with children within a country, and where in the income distribution they are situated. The share of households with children varies greatly across countries, from under 30% to over 80%. Where poverty is high and evenly distributed, the marginal impact of targeting on poverty diminishes.

Key *design-related effects* associated with variations in targeting and conditionality also need to be considered. These include potential inclusion and exclusion errors, non-take up of benefits, and the potential to generate economic distortions and behavioural incentive effects (such as adult work disincentive effects). Narrow means testing and complex targeting with stringent informational requirements are particularly susceptible to these issues.

Child benefits also improve non-monetary outcomes for children. The evidence highlights the significant impact achieved by a range of different types of benefits on children's intermediate outcomes in education and health (e.g. school enrolment and attendance, healthcare visits). The evidence on final outcomes (e.g. learning and anthropometric measures) is weaker and highlights the critical role of providing complementary high-quality services. Cash transfers may help tackle some of the barriers to accessing services and service utilisation but

high-quality services and in-kind transfers are required for meaningful impact on final outcomes. The duration of payments is also critical in this respect.

Dignity and shame

Poverty is more than a lack of income and material deprivation – it also has social or relational dimensions. Social institutions and welfare policies may inadvertently or deliberately stigmatise children living in poverty, which reinforces 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 benefit recipients. Transfer design can seek to meet material needs while minimising any risk of stigma and supporting participation in the life of the community of children and their families. The way cash transfers are framed, structured and delivered is integral to whether they are stigmatising or uphold recipients' dignity and self-respect.

The exclusion from transfers and other social policies impacts people's dignity and can be stigmatising for children. Policy framing, design and administration practices that help ensure transfers reach all children, including those previously excluded from social protection, can promote processes of inclusion and dignity. Some elements of targeting may be critical in this respect.

In terms of framing, where poverty is ascribed to individual failings rather than structural causes, targeting and conditionality practices may inadvertently or deliberately stigmatise people living in poverty, reinforcing feelings of failure and shame.

Because UCBs are universal, there is little if any stigma attached to the receipt of a transfer. There is no divisive *othering* through the creation of an 'in' and 'out' group. Compared with more narrowly targeted and conditional benefits, informational checks and validation requirements are limited and less intrusive; indeed, they are virtually absent once a child is registered, unless there is a change in caregiver.

Unconditional transfers minimise the suggestion that poverty is a result of flawed behaviours, and reduce any anxiety associated with fear of non-compliance. Moreover, giving caregivers the choice as to how to use the benefit they receive can enhance autonomy, self-determination and feelings of accomplishment, all of which are dignity-enhancing.

At a societal level, making a benefit universal recognises that societies benefit from child raising and should contribute to the costs, thereby affirming the value of children and the role of caregivers. In contrast, narrowly means-tested transfers and/or conditional benefits have a greater risk of stigmatising recipients by focusing on poverty alleviation as the exclusive or primary objective. In this regard, a UCB is more likely to promote social cohesion. It also acknowledges recipients as rights holders with an entitlement, rather than beneficiaries, which has implications for civic engagement and government accountability.

Political economy

The political economy of child benefits matters to the political feasibility of policy and, ultimately, children's outcomes. Child benefit design and implementation details, as well as the framing of the wider policy context within which they are situated, shape and are shaped by public attitudes and perceptions. The role child benefits play in promoting state–citizen relations, trust in government, social cohesion and stability influence the political feasibility of policy and its sustainability and continuity over time.

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. The available evidence indicates that universal programmes garner more support during economic downturns and may result in higher overall budgets being directed towards transfer programmes, compared with narrowly means-tested or targeted and conditional programmes. Depending on their precise framing and design details, conditionalities may be considered legitimate and help bolster political support, or, conversely, are stigmatising and undermine social cohesion and support.

Redistributive programmes can command more support if recipients are perceived to be deserving. According to available public attitudes studies,

children and households with children are commonly among these. Benefits targeting children generally receive public support, alongside (or in some cases secondary to) benefits to the elderly and people with disabilities – population groups that have difficulty in securing regular income.

Social protection programmes, together with wider fiscal policies such as taxation, can establish and strengthen state–citizen relations by providing transfers and services over the course of people's lifetimes, reducing long-term inequalities. Universal social protection and fiscal systems in particular, are associated with low inequality, high levels of trust in government and social cohesion. They can also be effectively expanded in the event of a shock, helping to promote social stability during times of economic hardship.

Depending on programme design, cash transfers can provide a vehicle for the state to engage with previously disenfranchised and marginalised groups – although, reaching these groups may involve some degree of targeting. Transfers that are articulated by government as a 'right', may also help to trigger processes of beneficiary empowerment and government accountability.

By reducing socioeconomic inequalities, social protection transfers also promote social cohesion at the micro level between individuals. Narrow and complex means testing, on the other hand, may foster tensions between recipients and non-recipients. Similarly, conditionalities that are punitive and paternalistic may heighten social divisions.

Costs and financing

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). Across 90 LICs and MICs, spending ranges from negligible shares of GDP to shares exceeding 2%, and is broadly correlated with coverage of the child population (based on data from ILO, 2017). The 35 OECD countries, even those with long-established child benefits packages, devote different amounts to child-related cash transfers, ranging from under 0.2% to 2.5% of GDP. In these countries, the general tendency is towards increased per capita spending over past decades, despite fiscal consolidation following the 2008 crisis and a declining proportion of children.

At a minimum, costing a UCB requires setting a transfer value and accounting for the proportion of children in a population. Our estimations of the cost of a UCB in LICs and MICs, based on different assumptions about the value of the transfer, suggest that covering all children aged 0–14 would require a minimum 2% of GDP in LICs – which is above average spending on child benefits packages even for HICs.

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 0–4 is 0.7% of GDP, 35% of the cost of providing a UCB to all 0–14 year olds. Establishing initial limits on eligibility (e.g. by age) can help ensure the progressive realisation of a child benefit within budgetary constraints – as in South Africa, where the Child Support Grant was initially targeted to children under seven and in the United Kingdom 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 most scarce but child (and total) poverty rates are highest. The total estimated cost of a UCB (including administration) is 1.3 times higher in LICs relative to a benefit targeted to poor children only, whereas in upper-middle-income countries (UMICs) it is 7.5 times as high.

Irrespective of the method selected, the costing analysis suggests that, for LICs in particular, implementing a full UCB is likely to require substantial resource mobilisation. For all countries, determining the appropriate financing strategy will involve identifying possibilities for strengthening domestic revenue systems – e.g. through the strengthening/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, it may also require advocating for greater external finance, while balancing concerns related to country ownership and legitimacy. This requires coordinated action between donors and governments.

Realisation in practice: key policy questions and options

In practice, policy-makers are faced with a range of policy options along a spectrum of 'degrees of targeting and conditionality' that reflect the underlying rationale for and priority objectives of a programme – including, importantly, stages of progressive realisation of universal coverage – as opposed to a strict policy dichotomy between universal and targeted and/or conditional benefits.

Child benefits do not operate in a policy vacuum. Both on the spending and the financing side, child benefits interact with other cash and in-kind transfers and with taxation and revenue mobilisation efforts to deliver resources and services to children. At this system level, programmes may achieve high coverage while including elements of targeting (e.g. by taxing back benefit income from high net wealth individuals under a universal benefit scheme) and providing additional support to specific groups of children (e.g. through 'selectivity within universalism'). On the financing side, the link to progressive taxation and the mobilisation and management of domestic revenue are critical to policy sustainability, effectiveness and, ultimately, children's outcomes.

In practice, countries have achieved high child population coverage, or full UCBs, through a variety of different trajectories. There is not a single linear route to a UCB and progressive realisation is common. This is typically done through an iterative process and combination of efforts, which involve the establishment and strengthening of legislation and policy regulation; administrative, analytical and financing capacity; and political and public support for policy. Progressive realisation of a UCB may include the introduction of policies that initially reach specific groups of children (e.g. infants), which 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).

Countries' demographic and poverty profiles shape the policy opportunities, challenges and trade-offs faced by policy-makers. In countries with high child poverty rates and a high share of children, simulations indicate that UCBs could have a significant impact on child poverty – and that narrow means testing makes limited sense. At the same time, these are countries where the financial costs (e.g. as percentage of GDP) of a UCB would be comparatively high. In these cases, laying the initial foundations for a UCB, with a view to gradually moving towards higher coverage and improved adequacy, would be the way forward.

In countries where children make up a lower share of the total population and with comparatively lower poverty rates, where UCBs are established, they 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, as well as their affordability, financial and political.

The report presents a checklist to guide policy-makers in identifying policy options and to help critically assess the potential advantages and disadvantages of alternative benefit design and implementation features in the pursuit of child poverty reduction and universal social protection.

1 Introduction

Key messages:

- The concentration of poverty in childhood is a consistent global phenomenon. Child poverty remains high, with uneven progress in poverty reduction across countries, and persistent overrepresentation of children in poverty compared with older age groups. Children face long-term and potentially lifelong risks from exposure to poverty. A combination of material, health, social and psychosocial impacts can have devastating and irreversible impacts on later development and life chances.
- Despite an expansion in aggregate global provision of social protection for children over the past decades, the population coverage of child and family benefits remains comparatively low, with considerable variation in coverage across regions. Children are one of the population groups at highest risk of exclusion from social protection.
- Efforts to address concerns regarding the coverage and adequacy of social protection for children include the introduction and expansion of social assistance cash transfer programmes. Among these, cash and tax transfers that specifically aim to reach children or households with children are the primary focus of this report.
- This report reviews and synthesises the theoretical arguments and empirical evidence on child benefits, with a focus on universal child benefits. It is based on a comprehensive literature review, consultations with national public officials and researchers, and both primary and secondary data analysis.
- More specifically, the report investigates the role of UCBs in relation to five sets of policy concerns, around which the report chapters are organised: policy compliance with child rights; child poverty reduction; the promotion of the dignity of children; the political economy of benefits; and policy cost and financing.

1.1 Background and report objectives

This report critically reviews the case for a universal child benefit (UCB).[1] It seeks to contribute to a burgeoning and lively debate on UCBs as a policy instrument to pursue universal social protection, both for children and for populations more widely.

This is an opportune moment to address the subject. On the one hand, universalism has come to the fore in policy circles with the Agenda 2030 and the Sustainable Development Goals and their underlying aspiration to 'leave no one behind' (UNGA 2015). This aspiration compels countries to ensure that 'targets [will be] met for all nations and peoples and for all segments of society' and that they 'endeavour

1 The term 'benefit' is used here to denote a cash or tax transfer. The term 'grant' has also been used with reference to regular cash transfers – for instance, at the international conference associated with this report (see www.odi.org/events/4580-international-conference-universal-child-grants). This report uses the term 'benefits' to refer to policies that are commonly also referred to as 'grants' or 'cash transfers', whether in the form of direct cash payments or tax transfers.

to reach the furthest behind first' (UNGA, 2015). Indeed, Target 1.3 commits 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' (Ibid.).[2] Along similar lines, interest in and experiments with a universal basic income (UBI) are also gaining traction (e.g. Standing, 2017; Banerjee et al., 2019; Gentilini et al., 2019). On the other hand, over the last decade, universalism has been under threat in high-income countries (HICs) and elsewhere, with a recent review indicating that 107 governments were considering rationalising and more narrowly targeting their safety nets (Ortiz et al., 2015).

At its core, a UCB is a cash payment or tax transfer made on a regular basis to all children, independently of their socioeconomic or other characteristics.[3] The basic common properties of a UCB are that it is a *cash transfer*, *universal* to the population of children,[4] *unconditional* and *paid on a regular basis* (in practice – and as this report shows – there are variations in the design and implementation details of UCBs within these parameters). While universal child benefits/family allowances have a long-established history in many member countries of the Organisation for Economic Cooperation and Development (OECD), they are a rare occurrence in low- and middle-income countries (LICs and MICs). Indeed, the only full UCB implemented outside of the OECD to date was in Mongolia between 2005 and 2016, before it was subject to reform. Quasi-UCBs (hereafter qUCBs) – which may include elements of means testing or may be time and age-restricted – are also limited in LICs and MICs.[5]

At the same time, over the last two decades, there has been what Barrientos (2013a) has termed a 'remarkable explosion' of cash transfers aimed at children. In many cases, such transfers were introduced and extended with the explicit objective of reaching those children traditionally excluded from formal social protection schemes, which were predominantly contributory and disproportionately accrued to older age groups. These include means-tested cash transfers with substantial coverage of the child population – such as the unconditional Child Support Grant (CSG) in South Africa, which covered 63% of the child population in 2016, and Brazil's *Bolsa Família*, which reached around 44% of the country's children (see Annex 1, Table A1).

This trend has been accompanied by a growing body of evidence on the benefits of social protection – and cash transfers specifically – for children and wider social outcomes. The available evidence highlights how effective benefits (including child benefits) can be. They can significantly impact both intermediate outcomes, such as expenditure on children's goods, school attendance and healthcare visits, and final outcomes, such as cognitive development and health (e.g. Cooper and Stewart, 2013; Bastagli et al., 2016).

Despite these policy trends, child poverty remains high, with uneven progress across countries in poverty reduction and a persistent over-representation of children in poverty compared with other population age groups (UNICEF, 2016; Alkire et al., 2017). Moreover, social protection coverage of children remains comparatively low, particularly in LICs and MICs. Recent global estimates report 35% of children covered by a child or family benefit. Coverage ranges from 16%, on average, in countries in Africa, to 28% in Asia and the Pacific, and 66% in the Americas – compared with close to 90% coverage in Europe and Central Asia (ECA) (ILO, 2017).

Against this backdrop, the under-coverage or lack of social protection for children emerges as a key policy priority to be addressed. This report

2 In line with Agenda 2030, and in particular Target 1.3 (UNGA, 2015), recent global initiatives include the Universal Social Protection Initiative (USP2030), co-led by the International Labour Organization (ILO) and the World Bank, supporting countries in the design and implementation of universal and sustainable social protection systems (see www.usp2030.org/gimi/USP2030.action).

3 This report adopts the definition of children of the Convention on the Rights of the Child (CRC), which defines a child as every human being under the age of 18 (UNGA, 1990). It follows that in the definition adopted here, a full UCB is designed to reach children in a society under the age of 18 (with a minimum target age group of children 0–17; possibly extending to youth above the age of 18). In practice, precise eligibility requirements, including exact age limits and legal status, vary – as this report explains. Nevertheless, a full UCB's minimum eligibility requirements include children under the age of 18.

4 As per the previous footnote, with variations in age and residence or citizenship restrictions.

5 Examples are found in Belarus and Ukraine, which offer transfers for a limited period of the life course (0–3 years); and Mongolia's reformed Child Money Programme (CMP) (post-2017), which relies on broad means testing.

examines the role of UCBs in making progress towards addressing these gaps. In particular, it asks: *against the priority policy objectives of extending social protection coverage and improving adequacy of provision to children, what are the benefits and limitations of UCBs compared to other types of child benefits? What are the key issues and trade-offs, and what are the concrete policy options moving forward?*

The report has three main objectives:

- to provide a picture of policy in practice, and of the variety of policy options and processes of realisation, with a focus on cash transfers for children of a universal and unconditional nature
- to critically review the arguments and the evidence on child benefit design and implementation options and the related tensions or trade-offs
- to provide guidance on the issues governments need to consider when embarking on policy decisions regarding benefits for children and options moving forward.

With the aim of promoting informed policy debate and proposing concrete options for extending social protection to all children, the report critically reviews the main arguments and the evidence from a range of different perspectives. Specifically, it investigates the potential of UCBs in relation to five sets of linked policy concerns, around which the report chapters are structured:

- policy compliance with child rights (as enshrined in international and domestic legislation and political commitments)
- tackling child poverty
- promoting the dignity of children (and minimising risks of stigma and shame)
- the political economy of policy (public support for policy and policy sustainability)
- policy cost and financing.

The remainder of this section is organised as follows. To set the scene, Section 1.2 reviews terminology and definitions used in the report; Section 1.3 describes the rationale for the report's focus on children and child benefits and provides a snapshot of trends in social protection, with a focus on social assistance cash transfers; Section 1.4 briefly describes the methodology employed; and Section 1.5 provides a synopsis of the chapters that follow.

1.2 Definitions

At the heart of this report is a specific social policy instrument: benefits in the form of cash and tax transfers. As the report shows, such instruments can vary considerably depending on their design and implementation features. Moreover, the wider social policy context within which they operate matters critically to how they work.

Benefits are often discussed in terms of dichotomies, as exclusively either universal and unconditional, or targeted and conditional. In practice, however, policy features commonly vary along a continuum, with 'degrees' of targeting and conditionality – depending, for example, on underlying eligibility criteria, the type of conditionality they prescribe and policy administration in practice (Atkinson, 1995a; Mkandawire, 2005). As Tony Atkinson puts it: 'The range of policy options may be wider than commonly supposed. Whereas the choice of policy is frequently represented in gladiatorial terms, with "universal" benefits opposed to "targeted" benefits; in reality... the choices to be made are more subtle' (Atkinson, 1995a: 224).

Cash transfers do not operate in isolation. Rather, they are part of a wider system of tax and transfers, both cash and in kind, that incorporate varying degrees of universalism and selectivity. Indeed, the degree to which policy regimes incorporate elements of universalism and targeting is one of the defining features of Esping-Andersen's seminal welfare state regime typology (Esping-Andersen, 1990). This system-wide approach also underscores how, in practice, the combination of different policy instruments and variations in their eligibility and delivery rules bypass the strict binary 'universal' versus 'targeted' dichotomy. An example is given by systems that are universalistic and in which some form of targeting is used as a tool to reach universalism – what is referred to as 'selectivity within universalism', whereby additional benefits are directed at groups (e.g. low-income, by age, disability status) within the context of a universal policy design (Skocpol, 1991).

The term 'universal' in relation to a specific policy commonly denotes universal coverage. A child benefit may be universal from a legal or statutory perspective by establishing an entitlement for children below the age of 18 to receive a regular transfer. Its effective coverage is universal if, in practice, all eligible children receive the transfer. Universal coverage can be a policy objective pursued and achieved through a single programme or through a combination of programmes. In the first case, full coverage is sought through a single programme; in the second, different programmes are designed to achieve universal coverage. In the case of child benefits, this can include a mix of contributory and non-contributory benefits, and/or direct benefit payments and tax credits, which may aim to reach specific child groups and jointly achieve high or full child population coverage. Importantly, while coverage may be a critical policy objective, it does not capture adequacy concerns. This points to a policy trade-off commonly discussed (and examined in this report) with respect to child benefits, between coverage and adequacy.

While the primary focus of the report is on cash and tax transfers, specifically those that explicitly aim to reach children, it aims to situate benefits within the wider policy context. It encourages the reader to maintain a broad picture of available policy instruments, including in-kind transfers, social services and taxation, and policy framing. Notably, the way in which transfers interact with publicly provided health and education – and indeed, the coverage and quality of these services – is a crucial determinant of child outcomes.

Finally, the report's primary focus is on a specific population subgroup: children. The Convention on the Rights of the Child (CRC) defines a child as every human being under the age of 18 (UNGA, 1990). However, some policies may target children from different age groups (i.e. below the age of 18) – the report clarifies when this is the case. Moreover, for some issues, data availability may only permit analysis for specific age groups below the age of 18. In such cases, we do not cover the full child population group and this is clarified in the text. Otherwise, throughout, the report adopts the agreed definition of a child.

1.3 Why universal child benefits?

1.3.1 Child poverty

Global profiles of child poverty, especially those covering LICs and MICs, are a recent innovation, and confirm longer-standing evidence from European Union (EU) and OECD countries that children are poorer than adults in monetary terms. Globally, over 19% of children aged 0–14 – 385 million – lived below the 'extreme poverty' line of $1.90 (purchasing power parity, PPP) in 2015 (World Bank 2018a, Table 1.1) – almost double the rate for adult poverty. Moreover, they represent almost half of all poor people, despite being around 30% of the population – a situation that has remained largely static from the first estimates for 2013 (Newhouse et al., 2016). Overall, the decline in 'extreme poverty' appears to be slowing, and the remaining large populations of extremely poor people and children will be concentrated in sub-Saharan African (SSA) countries, where growth is low, and fertility and fragility/conflict are high (World Bank, 2018a). On current trends, by 2030, 9 out of 10 children (under the age of 18) in extreme poverty will live in SSA (UNICEF, 2016). These trends point to a growing concentration of 'extreme poverty' in the child populations of the poorest countries in coming years. The global finding that children are around twice as likely to be poor compared to adults also arises from multidimensional poverty measurement and the Multidimensional Poverty Index, but with higher underlying poverty headcounts (Alkire et al., 2017).

The over-representation of children in poverty and uneven progress in child poverty reduction has been a longer-term trend in the HICs and MICs of the EU and OECD. Across the 28 EU countries, 21.1% of children were 'at risk' of poverty, compared with 16.3% of adults (Eurostat 2016, cited in UNICEF, 2016).[6] In OECD countries, where, on average, 13.4% of children lived in relative income poverty circa 2015,[7] the tendency over the period 2004–2015 was a rise in child poverty in 13 of the 20 countries with available data (OECD, 2018), reflecting the aftermath of the 2008 financial crisis, and the compounding effects of low employment rates and austerity cuts (ILO, 2017). Child poverty rose over six percentage points in Greece and

6 In this context, 'at risk of poverty' is defined as living below a poverty threshold of 60% of median income (equivalised for household size) after social transfers.

7 Using a poverty threshold set at 50% of median disposable income in each country.

by around four percentage points in Spain and the Slovak Republic (OECD, 2018).

The concentration of poverty in childhood seems to be a consistent global phenomenon and highlights the importance of investing in children and in the prevention of and response to child poverty.

1.3.2 Public investment in children

There are multiple motivations for public investment in children, including through social protection. A fundamental justification relates to the rights to which children are entitled under human rights treaties, domestic and international legal frameworks, and political commitments (see Chapter 3). These include the right to social protection, which must be ensured and protected for all children equally, in such a way that does not infringe on the realisation of any other of their rights. Children are entitled to the fulfilment of basic capabilities such as being well-nourished, educated, and receiving healthcare, all of which carry intrinsic importance. From this perspective, governments have an obligation to pay special attention to groups that are relatively disadvantaged – which warrants a focus on children.

From an egalitarian perspective, there is also a strong case for public investment in children. Across a large majority of countries, children are more susceptible to the risk of poverty compared to other population groups (see previous subsection). Moreover, they face long-term and potentially lifelong risks from exposure to poverty. A combination of material, health, social and psychosocial impacts can have devastating and irreversible impacts on later development. At the extreme end, the estimated 5.4 million child deaths (under the age of 5) that occur each year (ILO/UNICEF, 2019) show that for children 'poverty and vulnerability have an impact not only on the quality of their lives, but also on the quantity of life' (Barrientos and DeJong, 2006: 537). Poverty in early childhood can have particularly adverse effects due to prejudiced cognitive and physiological development (Richter et al., 2016; Daelmans et al., 2017; UNICEF, 2017a; WHO, 2018). In LICs and MICs, it is estimated that 43% of children under the age of five – an estimated 250 million – risk suboptimal development as a result of poverty and stunting (Black et al., 2017).

Finally, instrumental arguments for investments in children point to the economic returns on so-called 'human capital'. For example, Engle et al. (2011) demonstrate that increasing preschool enrolment to 50% in a single year across 73 LICs and MICs could increase productivity by $33 billion across those children's lifetimes, with a benefit-to-cost ratio of up to 17.6. Moreover, the World Bank's 2018 Human Capital Index indicates that 'nearly 60% of children born today will be, at best, only half as productive as they could be with complete education and full health' (World Bank, 2018b).

From all perspectives, such considerations are heightened when it comes to the most disadvantaged children; this requires a concentration of efforts and weighting of resources towards them (Heckman, 2008; Glewwe and Kraft, 2014; García et al., 2017).

1.3.3 Social protection and child benefits

Types of policy instruments and social protection systems

Three types of social protection programmes benefit children:

- Categorical programmes that have a clear 'child label' targeted 'directly' at children, identified by their age or via their access to or participation in school, or community or paediatric health, maternity or youth services.
- General programmes for the population that are not labelled solely as being for children but which cover families with children. Indeed, some of these programmes, such as social assistance, anti-poverty programmes and universal health insurance, will have rules and operational practices that recognise and respond to children's needs.
- Individual categorical programmes that clearly target people who are not children: for instance, pensions for elderly people, workplace injury schemes and programmes for adult workers with disabilities.

This report clearly focuses on the first set of policies, but it is important to understand that other parts of the system will have an effect on children's well-being: old-age pensions, for instance, may indirectly provide support for children through grandparents

living with or caring for children – see, for example, Duflo's study (2003) on South African social pensions. The implication is that focusing on child-only programmes will not capture all social protection provision for children and the full effects on child outcomes. Other elements of social protection are also crucial and may well make a major contribution to priority policy objectives such as child poverty reduction.

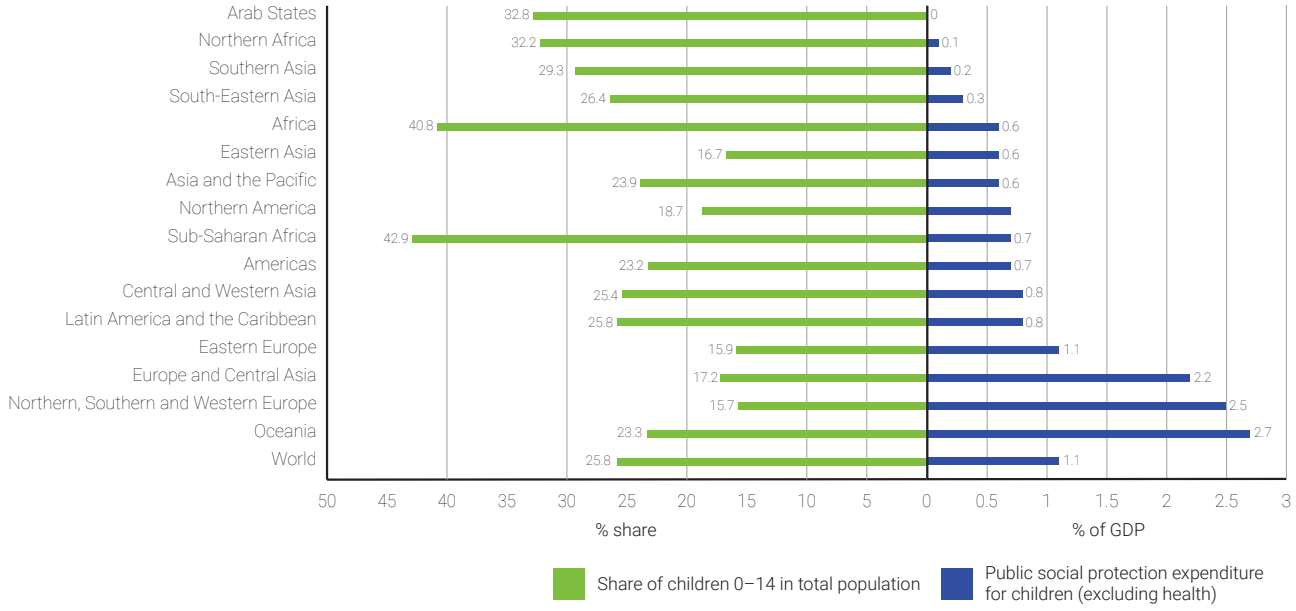
Put simply, the social protection 'system' matters alongside any focus on child-specific components. This can also mean that the tax system – particularly personal income tax, especially in HICs and upper-middle-income countries (UMICs) – will both fund and interact with social protection at the household level. A number of OECD countries have already integrated tax and transfer policies, and introduced tax credits and tax allowances that operate with a child and/or a child poverty focus. In some, such as in Germany, 'tax credits' have replaced child-specific transfers over the past 20 or more years (see Chapter 2).

Policy trends

From a global perspective, social spending on social protection for children has grown steadily over the last decade, as has the number of programmes specifically designed to reach children or households with children.

The most recent estimate of global provision of social protection for children – 1.1% of global GDP for the most recent year (Figure 1; ILO, 2017) – reflects a nearly three-fold increase over the 0.4% figure reported for 2010/11 (ILO, 2014).[8] This increase in funding reflects a longer-term expansion of provision, with the percentage of countries with child or family programmes (excluding maternity programmes) having grown from 43% in 1970 to 61% post-2010 (ILO, 2017).

Figure 1 Public social protection expenditure (excluding health) on children (% of GDP) and percentage share of children age 0–14 in total population, latest available year



Notes: 'Europe and Central Asia' includes HICs of Northern, Southern and Western Europe. 'Americas' include the United States, Canada, Latin America and Caribbean countries. 'Asia and the Pacific' includes countries in Eastern Asia, including China, the Democratic People's Republic of Korea and the Republic of Korea; South-Eastern Asia; Southern Asia; and Oceania, including New Zealand.

Source: ILO (2017: 18; countries in regional groupings are provided on p. 205).

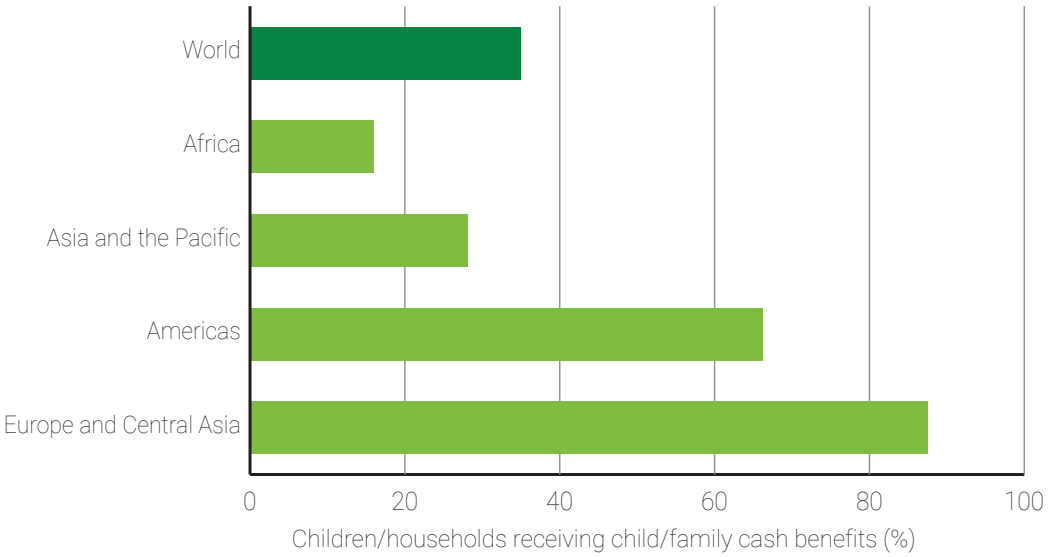
8 The different levels of regional government spending are stark: the highest spenders spend over 2 percent of GDP, but Asian, Northern African and Arab countries spend less than a quarter of this amount – under 0.5 percent.

Despite these trends, average global population coverage for child and family benefits remains comparatively low: at around 35% according to recent estimates. There is also considerable variation across regions: coverage in ECA is at the margins of 90%, but falls to 66% in the Americas, 28% in Asia and the Pacific, and to almost 16% in Africa (Figure 2; ILO, 2017).

Increases in social protection spending over the last two decades reflect, in part, the introduction and expansion of social assistance cash transfer programmes (Barrientos, 2013b; Honorati et al., 2015, Bastagli et al., 2016). Although they are only one of many social assistance policy instruments available to governments for poverty reduction and redistribution,[9] they make up a large share of social assistance spending: they account for more than half of all spending on social assistance globally (World Bank, 2018c). In LICs and MICs, the share is largest in ECA, where cash transfers account for 76% of social assistance spending; and lowest in the Middle East and North Africa (MENA), where they account for 44% (ibid.).[10]

Child benefits are a subset of such social assistance transfers. Out of 180 countries for which data are available, 108 (60%) have some type of child or family benefit anchored in national legislation (Figure 3; ILO/UNICEF, 2019). Twenty-three countries (12.8%), mostly in Europe, provide a universal tax-financed (social assistance) child benefit (or qUCB/short-term, two countries); while 40 countries (22%) provide social assistance child transfers with some level of means testing, and 14 countries (7.8%) rely on a combination of contributory and social assistance means-tested child benefits. Thirty-one countries provide contributory schemes only and 72 of the countries surveyed (40% of the total) have no child/family benefit scheme anchored in national legislation (Figure 3). These instruments are the primary focus of this report.

Figure 2 Percentage of children or households receiving child and family benefits, by region, latest available year

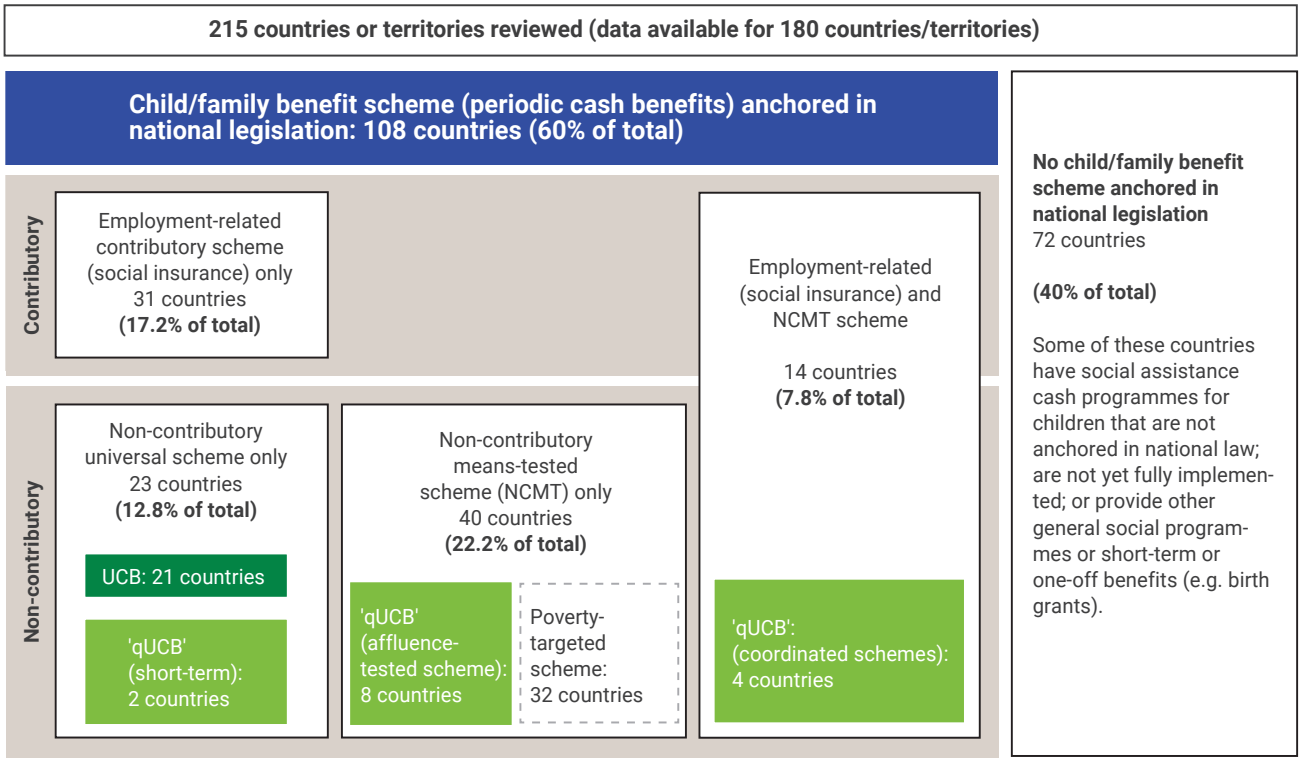


Notes: ILO defines children as age 0-14. 'Europe and Central Asia' includes countries of Northern, Southern and Western Europe. 'Americas' include the US, Canada, Latin America and Caribbean countries. 'Asia and the Pacific' includes countries in Eastern Asia, including China, the Democratic People's Republic of Korea and the Republic of Korea; South-Eastern Asia; Southern Asia; and Oceania, including New Zealand.
Source: ILO (2017: 17; countries in regional groupings are provided on p. 205).

9 Among social assistance programmes in LICs and MICs (across 142 countries), 70% offer unconditional cash transfers (UCTs), 43% offer conditional cash transfers (CCTs), over 80% provide school feeding programmes, 67% have public works programmes, and 56% have various forms of fee waivers (World Bank, 2018c).

10 Public works spending is highest in South Asia, where it accounts for 25% of safety net spending, while in-kind spending is significant in several regions (it ranges from 9% of spending in Latin America and the Caribbean (LAC) to 18% in MENA (ibid.)).

Figure 3 Overview of child and family benefit schemes (periodic cash transfers), by type of child benefit, 2018 or latest available year



Notes: The schemes are defined based on the attributes of the child/family allowances only, and do not include reference to other family-related benefits, such as birth grants or housing allowances. For a full list of countries, by scheme and reference date, see ILO/UNICEF, 2019, Annex 6. There are no data for 35 of the countries/territories studied. Criteria used for the classification of countries: qUCB (short-term) – benefits are universal but paid for less than ten years; qUCB (affluence-tested) – means-tested schemes with a maximum income/resource threshold set at more than 200% of the national minimum wage; poverty-targeted scheme – means-tested schemes with a minimum income/resource threshold set at less than 200% of the national minimum wage (more affluent families are excluded). Where data were insufficient to assess qUCB status, countries have not been categorised.

Sources: Based on ILO (2017), updated with information from the International Social Security Association (ISSA) and United States Social Security Administration: https://www.ssa.gov/policy/docs/progdesc/index.html (programme summaries), accessed November 2018; and the Mutual Information System on Social Protection (MISSOC): https://www.missoc.org/missoc-database/comparative-tables, accessed November 2018.

1.4 Methodology

This report reviews and synthesises the theoretical arguments and empirical evidence on child benefits, with a focus on UCBs and child benefits that have properties in common with full UCBs, situating them within a larger body of evidence on social and fiscal policy. The report is based on a comprehensive literature review, consultations with national public officials/researchers (primarily to retrieve child benefit design and implementation information), and both primary and secondary data analysis.

The literature review covers published literature, official documents and grey literature. We also draw on 12 child benefit case studies prepared by UNICEF country offices.[11] Key informants, mostly public officials and researchers involved in the administration and monitoring of cash benefits in their respective countries, were contacted and consulted to retrieve the latest available information on policy design and implementation (importantly, including data on UCBs in HICs, information which is not readily retrieved through existing available databases).

The mapping and description of policies relies on the compilation of comparative data, including on programme coverage, values and costs, drawing on a range of secondary databases (see Chapter 2). Our analysis of the impact of child benefits on monetary poverty and inequality in OECD countries is based on Luxembourg Income Study (LIS) household survey data (Chapter 4). Our estimates of the financial

11 Argentina, India, Iran, Lesotho, Mongolia, Namibia, Nepal, South Africa, Turkmenistan, Tunisia, Ukraine, Uzbekistan.

costs of UCBs across a diverse set of countries draws on information from the OECD and ILO databases (on the costs of cash transfers), the United Nations Department of Economic and Social Affairs (UN DESA) population databases, and the World Bank's World Development Indicators (for GDP) and PovcalNet (for poverty and median income/consumption) (Chapter 7).

Two important caveats are in order. First, the primary data analysis in this report predominantly covers the experience of OECD countries with UCBs or qUCBs in place. This reflects the report's focus on these policy instruments and policy reality on the ground. These countries are the ones that have long-established histories of UCB and qUCB provision. Second, it should be noted that our simulations draw on United Nations (UN) population data, which is available for the 0–14 and 0–19 age groups, rather than the 0–17 category, which is the focus of the UN Convention on the Rights of the Child (the CRC) (and UNICEF). In the analyses drawing on this data, we focus on the 0–14 age group (as noted accordingly in the report).

1.5 Report structure

The remainder of the report is structured in seven chapters.

Chapter 2 illustrates the range of ways in which child benefits can vary depending on their design and implementation details. The focus is on UCBs or benefits that have elements in common with the core features of UCBs: national publicly provided transfers to children or households with children of a universal nature (e.g. no or broad means testing), primarily financed out of general taxation and paid on a regular basis. The section explores how such programmes vary in terms of their target population (e.g. age and legal status eligibility criteria), level of transfer, statutory and effective coverage, and administration and delivery. It also provides a historical-institutional overview of the factors that have motivated the introduction of child benefits and shaped their evolution over time. The review covers the experiences of countries worldwide including HICs, MICs and LICs.

Chapter 3 discusses UCBs from the legislative and child rights perspective. First, it briefly reviews children's right to social protection. It then considers how UCBs fare – compared with other child benefits (with a focus on means-tested and conditional benefits) – in complying with four child right principles: i) the principle of equality and non-discrimination; ii) the principle of 'best interests of the child'; iii) respect for dignity and avoidance of stigma; and iv) compliance with children's other rights and avoidance of adverse impact on the exercise of those rights.

Chapter 4 reviews the evidence of the impact of UCBs and qUCBs on child poverty, including monetary and non-monetary poverty. It also presents new analysis using LIS household micro-datasets for OECD countries on the contribution of UCBs and qUCBs to the reduction of child poverty and inequality. The chapter examines how variations in transfer design features, such as population coverage and transfer levels, matter to the effectiveness of UCBs or qUCBs in tackling child poverty and inequality. It also highlights the contextual factors that mediate child benefit impact, which need to be considered in establishing priorities, such as a country's demographic structure and poverty profile. Throughout, it addresses some of the key policy trade-offs at the heart of the UCB debate, including around policy coverage and adequacy.

Chapter 5 discusses how child benefit policy framing, structure and delivery affect the dignity of children and their carers. It also presents policy options and guidelines to ensure that the dignity of children and their families, as applicants and recipients, is promoted at all points in the design, promotion and delivery of UCBs and universalistic social protection for children.

Political economy considerations are examined in Chapter 6. In principle, targeting and conditionality can help secure the political legitimacy of and public support for cash transfers (e.g. by distinguishing the 'deserving' from the 'undeserving' or 'those in need' from 'those less/not in need'). Yet some argue that targeting, especially narrow forms of means testing, leads to weak public support for policy, with implications for policy budgets and continuity. Public support, in turn, is shaped by policy design as public attitudes, state–citizen relations and social cohesion are influenced by social protection policy. This chapter explores these arguments and the available evidence with reference to variations along the continuum of universalistic to narrowly means-tested and conditional transfers.

Chapter 7 is concerned with the cost of a UCB and how total programme costs compare across different types of child benefits, taking into account different forms of means testing, conditionality and benefit delivery. On the basis of the available evidence and our own analysis of secondary data and micro-datasets, the chapter provides various estimates of the cost of a UCB and other child benefits, taking into account transfer values, population demographics and coverage, and associated administrative costs. It also reviews the ways in which governments have financed child benefits in practice and the alternative financing options available to them.

Drawing on the previous chapters, Chapter 8 provides a summary of the report's main findings, synthesising the core arguments, and available evidence, on the comparative benefits and limitations of UCBs and qUCBs. It examines the findings from the perspective of compliance with child rights, child poverty reduction, dignity and shame, political economy, and policy costs and financing. It also asks: *What are the main issues governments should keep in mind when introducing a child benefit or considering child benefit reform, including the introduction or establishment of a UCB?* In response, the chapter provides a checklist of questions to guide policy-makers in this area.

2 Universal child benefits: what are they?

Key messages

- UCBs share some basic common properties: they consist of a cash or tax transfer, universal to the population of children, unconditional and paid on a regular basis. Even within this category of policy instruments, there is considerable variation in policy design and implementation details, with important implications for how they work in practice and their impact on children's outcomes. While this report pays attention to the experience of child benefits more broadly, it focuses on UCBs and child benefits that share some common properties with UCBs, labelled quasi-UCBs (qUCBs).
- Benefits are often discussed in terms of dichotomies, as exclusively either universal and unconditional or targeted and conditional. In practice, policy features vary along a continuum, with 'degrees' of targeting and conditionality, depending, for example, on underlying eligibility criteria, the type of conditionality prescribed and policy administration in practice.
- Child benefits do not operate in isolation, they are part of a wider system of tax and transfer policies that incorporate varying degrees of universalism and selectivity. The way in which child benefits operate in practice, and their impact on children, will depend on this wider policy configuration.
- UCBs and qUCBs vary depending on the target age group of children, the methods employed to identify recipients, benefit levels, total child population coverage, their modality of delivery and method of financing.
- Such differences reflect, in part, variations in the underlying motivations for the introduction of a (q)UCB, with programmes commonly pursuing one or more priority objectives, including tackling child poverty, socialising the financial costs of childbearing, promoting social investment, demographic objectives, nation-building and the social contract, and wider redistributive objectives. Factors influencing the design and evolution of child benefit programmes in practice include domestic politics and actors, international organisations and donors, the fiscal context, policy ideas, and evidence.
- In practice, many (q)UCBs were not initially introduced as such, rather their coverage has progressively increased over time, through a variety of different trajectories including progressive moves from broad means-tested transfers to universal benefits, rises in the age threshold of the recipient child group and/or number of target children in the household, geographic coverage expansion, and financing reforms.

2.1 Introduction

Child benefits can take a variety of forms. Even within the category referred to as 'universal child benefits' there can be considerable variation in the design and implementation details of different programmes. This has important implications for how they work in practice and their impacts. At the same time, specific categories of child grants share certain basic standard properties. A full UCB is a cash payment or tax transfer made on a regular basis to all children, independently of their socioeconomic or other characteristics. While UCB eligibility requirements may vary depending on precise age restrictions and residence or citizenship restrictions (more below), the basic common properties of a UCB are that it is a *cash transfer*, *universal* to the population of children,[12] *unconditional* and *paid on a regular basis*.

Cash transfers to children, or households with children, depart from this 'full UCB' scheme when they include elements of targeting other than age and residence/citizenship; when they include conditionalities in the form of behavioural requirements that children and/or their families must comply with to fulfil eligibility regulations; and when they are paid on a one-off basis or on a basis other than a regular monthly, quarterly or annual basis.

This chapter outlines the ways in which child benefits that are understood to be universal, or share some of the key common properties of UCBs, can vary, using examples from countries across the world. It focuses on policies regulated by national legislation, rather than on cash transfer pilots or projects that typically have limited population coverage and may have a limited lifespan. It considers specific programmes, while taking broader social policy into account. As it is common for countries to have more than one programme that targets children or households with children, the chapter also documents efforts to achieve universal cash transfer coverage of children via multiple schemes rather than just one. It makes a clear distinction between individual programmes aiming to achieve universal or high levels of coverage compared with high or universal coverage achieved through multiple different programmes. A key distinction here is between the 'universalism' of an individual programme compared with the 'universalism' of a system of social protection policies (see Chapter 1).

This report builds on the classification adopted by ILO/UNICEF (2019), which makes a distinction between UCBs and three categories of qUCBs. The report also provides information on child benefits (or cash transfers designed to reach households with children, even if they are not labelled as such) that have comparatively low population coverage, and narrow means testing and conditionality criteria, to exemplify the range of programmes that exist in practice as well as the variety of policy design and implementation options that are available.

The report covers:

- **Universal child benefits** (UCBs): 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 (or 18 and above, as clarified below), paid for a minimum of 10 years. The ILO/UNICEF (2019) classification specifies child benefits need to be paid for a minimum of 10 years to be defined as UCBs – this constitutes a meaningful period and more than half of childhood.
- **Quasi-universal UCBs**:
  - short-term, age-limited qUCBs, paid for a limited period of the life course (e.g. to all children aged 0–3)
  - means-tested, qUCBs that cover the large majority of households, and primarily 'screen out' high-income households
  - mixed-scheme qUCBs that combine social insurance (i.e. contributory) and non-contributory means-tested schemes to achieve universal or close to universal coverage of children.
- **Means-tested unconditional and conditional cash transfers with high child population coverage (≥40%)**: while these schemes clearly depart from a UCB or qUCB by including stronger elements of means testing and, in some cases, conditionality, they reach a high (at least 40%) or majority share of the child population.
- **'Other' cash transfers with more limited population coverage (<40%)**: these include unconditional and conditional means-tested cash

12 With variations in age and residence or citizenship restrictions – more on this below.

transfers that reach comparatively lower shares of the population and include narrowly means-tested or otherwise targeted and conditional transfers.
- **Basic income schemes:** universal schemes that aim to reach individuals of all ages – for example, the the Unconditional Nationwide Cash Transfer Programme in Iran, Mongolia's UBI (2010–2012) and the state-level Permanent Fund Dividend in Alaska. While these do not explicitly prioritise households with children, they aim to reach all children as they target the entire population.

This chapter reviews the ways in which such benefits vary, paying particular attention to design and implementation details, and sets the scene for the remainder of the report. Before examining child benefits in detail, we provide a list of examples of the types of child benefits that exist in different countries, providing an initial indication of the ways in which they vary.[13] Table A1 in Annex 1 provides detailed information on child-related benefits by type of benefit for thirty countries.

Examples of child benefits covered in this report include:

Universal child benefits:

- *Familienbeihilfe* in Austria – paid to all resident children up to the age of 18, with prolongation to age 24 for children in training or further college education; paid to 1.75 million children in 2017
- *Lapsetoetus* in Estonia – paid to all resident children and temporary non-residents, up to the age of 16, and up to the age of 19 for those in upper secondary education or in vocational education institutions
- Finland's *Lapsilisälaki* – paid to all resident children up to their 17th birthday; paid to 1 million children in 2017
- Germany's *Kindergeld* – paid to taxable persons residing in Germany or persons subject to income taxation, for children up to the age of 18, with prolongation under some conditions; paid to 14.97 million children in 2017
- Mongolia's Child Money Programme (CMP) (2005–2017) – paid to all resident children up to the age of 18; paid to just over 1 million children in 2017.

qUCBs targeting children for a limited period:

- Belarus' Child Allowance – paid to resident children aged 0–3
- Universal Child Birth Grant in Ukraine – paid to resident children aged 0–3.

qUCBs with a broad means test, covering the large majority of the child population (where benefits are tapered out for high-income households and/or the transfer is clawed back via the tax system for such households):

- Denmark's Child Allowance – includes a benefit taper that triggers for high-income households; benefit level depends on income and is reduced by 2% for recipients with an annual income above DKK 782,600 (US$116,000); paid to around 1.2 million children in 2019
- Canada's Child Benefit – paid to children up to the age of 18; families with higher income receive progressively less until the benefit is phased out entirely for the wealthiest households with children
- Mongolia's CMP (since 2017) – now relies on a means test, screening out wealthier households; paid to 976,000 children, or 87% of all children, in 2019
- UK's Child Benefit – paid to all resident children up to the age of 16, with prolongation under some conditions; no variation of benefit amount with income but a tax charge applies in the case of households with at least one individual earning over £50,000 (US$65,000) per year (known as the high-income child benefit charge); paid to 12.85 million children in 2017.

13 Drawing on ISSA (2018); MISSOC (2018); ILO/UNICEF (2019); UNICEF UCB Country Profiles; various country studies and documents.

Mixed-scheme qUCBs:

- Belgium's contributory and social assistance schemes – primarily aimed at children up to the age of 18, with prolongation under some circumstances; guaranteed family benefits (social assistance) paid to 28,000 children, civil servants/public benefits scheme paid to 250,000 children and employment-related child benefit (contributory) paid to 2.5 million children in 2018; around 90–96% of the total population of children covered
- Argentina's contributory and non-contributory schemes – including the *Administración Nacional de la Seguridad Social* (ANSES) contributory benefits (paid to 4.4 million children) and the *Asignacion Universal por Hijo* (AUH) non-contributory scheme (paid to 3.9 million children); reached a total of 11.35 million children (87% of the total child population) in 2016.

Unconditional and conditional means-tested transfers with high child population coverage (>=40%):

- Brazil's *Bolsa Família* – a conditional transfer with a means test, paid to households with low incomes, the vast majority of which have children; paid a benefit to 23 million children in 2016 (around 44% of total child population)
- South Africa's Child Support Grant (CSG) – an unconditional transfer with a means test, paid to households with children under the age of 18; paid to 12.2 million children in 2017 (around 63% of the child population).

Means-tested cash transfers with comparatively lower child population coverage (<40%):

- Ecuador's *Bono de Desarrollo Humano* – conditional cash transfer (CCT) to households with children under the age of 16; reached around 1 million recipient families in 2013[14]
- Indonesia's *Program Keluarga Harapan* (PKH) – CCT to children under the age of 18; paid to around 11 million children in 2018 (around 11% of the child population covered)
- Lesotho's Child Grant Programme (CGP) – unconditional cash benefit to households with children; reached 108,883 children in 38,700 households (approximately 25% of eligible children).

A more comprehensive list of cash transfer design details for programmes in thirty countries can be found in Table A1 in Annex 1.

Box 1 National and subnational child benefits

While the primary focus of this report is on nationally designed and implemented child benefits, such schemes may also exist at the subnational level, coordinated, financed and delivered by administrative units within national country contexts. The *Mukhyamantri Kanya Utthan Yojana*, for example, is a state-run programme in Bihar, India. It is a conditional child benefit that aims to reach all households with daughters, providing benefits from birth through to graduation from university. This benefit is paid to up to two daughters per household, with the aim of reducing foeticides and redressing gender imbalances in the state. The benefit is paid in separate tranches at various stages of a daughter's life-course, or upon completion of certain milestones, including at birth, at first year, after *Aadhar*[1] registration, upon turning two, on completion of immunisation, and following school and college graduation. As such, it acts as a conditional cash transfer. It provides a total grant of almost $800 disbursed at various stages of childhood. While this benefit is limited to the state of Bihar, it aims to reach 16 million girls, which represents 63% of all girls in the designated age group in the state.

Source: UNICEF UCB India Country Profile; ILO/UNICEF (2019)

1 India's unique identification number, based on individuals' biometric and demographic data.

14 Coverage down to 13% of households, from peak of 41% in 2009.

2.2 Child benefit 'packages', and cash and tax benefits

The child benefits 'package'

At the core of all cash transfer schemes is a cash transfer. While this may seem a redundant remark, it is important for signalling both that:

1. a cash transfer needs to take place (as opposed to, say a service or in-kind transfer)
2. there are a range of modalities through which this can happen.

More specifically, child benefits may take the form of a direct cash transfer payment to recipient households/children or of tax benefits administered through the personal income tax system in the form of tax credits (subtracted from the amount of tax due or reimbursed) and tax allowances (deducted from taxable income) – see more in Section 2.7.

In most countries, child cash and tax benefits are part of a 'package' of benefits, which include services in kind, subsidies and exemptions from charges. These have a variety of aims, typically including assisting parents with the cost of raising children and helping to ensure every child receives a fair chance in life. Such wider benefits deliver support that aims to reduce the costs incurred by households with children (e.g. childcare, healthcare) and/or that commonly make up a large share of expenditure in households with children (e.g. rent and housing). Thus, for example, housing benefits in some countries make up a large share of the total child benefit package and reduce the rent paid by households with children. In countries where free healthcare or preschool childcare is not provided, and healthcare and childcare costs may exceed the value of cash benefits received, a variety of different instruments can be used, including subsidies, fee waivers and maternity, paternity and parental leave policies (Bradshaw and Finch, 2002; OECD, 2011).

This report focuses on cash benefits within the wider 'package' of child benefits. It acknowledges that such benefits are only a subset of policies at

Box 2 Types of cash and tax transfers

Universal basic income (UBI): a periodic cash payment unconditionally delivered to all citizens or legal residents on an individual basis, without a means-test or behavioural requirement. It is paid to individuals at regular intervals over time.

Basic capital grants or stakeholder grants (or 'baby bonds'): paid as a lump sum, a one-off payment made to everyone on reaching a certain age. It would typically be a larger amount than a UBI transfer. A key issue in the design of baby bonds or capital grants concerns the kind of restrictions, if any, that should apply to their use.

Minimum income guarantee (MIG): a direct cash payment that tops up low incomes to a given level and is unconditional. In contrast with a UBI, it requires some form of means testing.

Tax credits: provide support to eligible income-tax-paying households by reducing the amount of tax owed or by providing a refund. As they form an integral part of the tax system, they usually take account of household-level rather than individual circumstances. For example, with the US Earned Income Tax Credit (EITC), if a working individual earns below a certain amount, the government will refund the tax that was withheld plus an additional amount. In the UK, the Working Tax Credit is paid to eligible working people on low incomes. Typically, tax credits target working families with low to moderate incomes and families with children. Importantly, the ex post nature of refunds contrasts with the immediacy of regular direct cash transfer payments, with implications for managing income insecurity and planning.

Tax allowance: a sum deducted from gross income in the calculation of taxable income. Tax allowances for families with children imply the level of income that is not subject to taxation is increased for such families with children (see examples for Estonia, Germany and the Netherlands).

governments' disposal. In some countries they account for a small share of the total child benefit 'package' and, in all cases, the way they work in practice and their impact will depend on this wider policy configuration.

Cash benefits and tax benefits

Within the category of cash benefits, as explained above, countries may rely on a combination of both direct cash benefits and tax benefits. In some countries, tax benefits, administered by the personal income tax system, dominate as the primary form of child benefit (e.g. Australia, Germany, New Zealand). In others, even when they do not constitute the primary child benefit component, they may have important inclusion/exclusion, distributional, administrative and political economy implications. While the primary focus of this report is on direct cash benefits, attention is also paid to tax benefits.

Examples of UCBs delivered as tax benefits include New Zealand's main child benefit, the Family Tax Credit, and Canada's Child Benefit. In both cases, payment levels are calculated once all tax forms have been submitted at the end of the financial year and households have filed their income tax returns. In New Zealand, the benefit is administered by the Inland Revenue or Ministry of Social Development, depending on income and whether the beneficiary is in receipt of other benefits. Canada's Child Benefit is paid by the Revenue Agency.

2.3 Target population and targeting mechanisms

Child benefits are designed to reach households with children. As such, they are categorical, paid to a specific subgroup of the population based on household composition and demographic criteria. Benefits that aim to reach children may also display additional targeting mechanisms and criteria. For instance, they may include additional *categorical* requirements – linked to, say, the employment status of the adults in the household or to health-related conditions of household members. Benefits may also be *geographically* targeted, when they are paid to households in specific areas of a country. Finally, benefits are *means tested*, when the population they aim to reach is identified and selected on the basis of a threshold or score set for indicators of means. The latter can range from an income-based test for a single indicator, to targeting based on multiple indicators of 'means', or proxy means testing, particularly common in MICs or LICs. The latter relies on information on observable characteristics of a household or its members, other than income or consumption, to estimate household means.

In contrast with other types of benefits or cash transfers to children, a full UCB is universal in so far as it is paid to all children in a country (though commonly restricted to residents and/or citizens) and does not include a means test. In other words, it is paid independently of a household's 'means', whether in terms of income or other indicators. Moreover, in its full form, a UCB does not include other categorical requirements other than the presence of a child in the household.

Key distinctions between these different mechanisms concern the associated informational requirements and administrative processes, with important implications for policy effectiveness (inclusion/exclusion/coverage and behavioural incentives), administrative and social costs, and policy sustainability (political/public support and financing) (more below and in Chapters 4, 6 and 7).

Categorical targeting

As explained above, UCBs are categorical benefits paid to households with children.

The categorical criteria along which child benefits vary include:

- children's age
- legal status (e.g. residence, citizenship)
- other child or household demographic characteristics (e.g. family health status).

A central distinction between UCBs and other child benefits is that eligibility criteria may vary across schemes by age and legal status but no other child or household demographic characteristics matter, at least for the universal component of the UCB.

While a 'full' UCB is understood as a scheme that aims to reach all children under the age of 18, schemes may in fact vary in terms of age ranges. Some may cover lower age groups, for instance up to the age of 16, and/or may include payments for older children in particular circumstances. For example, Finland's *Lapsilisälaki* is paid up to the age of 17 and Sweden's

Child Benefit is paid until the age of 16, while schemes in Austria and Germany pay a benefit universally until the age of 18 (see Table A1 in Annex 1).

UCBs may also include benefit components for young adults over the age of 18. For example, Germany's *Kindergeld* can be extended up to the age of 21 if the individual in question is registered as a jobseeker with an employment agency (and is not in an employment contract), or up to the age of 25 if in vocational training, higher education or certain types of voluntary services (there is no limit if the child has a disability that began before the age of 25 and does not have the financial means to cover their basic needs: *Notwendigen Lebensbedarf*) (Bundesagentur fur Arbeit, n.d.; MISSOC, 2018).

As outlined above, qUCBs may be defined as such precisely because they are paid universally and on a regular basis to children of specific age groups below the age of 18, commonly for the first years of life. Examples include the Belarus Child Allowance (0–3 years) and the Universal Child Birth Grant in the Ukraine (an initial lump sum followed by monthly payments until the child turns three). Like UCBs, qUCBs may also include payments to children of higher age groups. The UK Child Benefit (a means-tested qUCB) pays a transfer to children up to the age of 16, but benefits are extended to children aged 16–20 if they are not working more than 24 hours a week, are in education or training for a minimum of 12 hours a week and not in 'advanced education' (UK Government, n.d. a).[15]

Child benefits typically cover citizens and legal residents. The extension of such provision to children with refugee or undocumented status is rarely stipulated in law (see Chapter 3). However, there are examples, such as the full UCBs of Denmark and Hungary, that, at least statutorily, extend child benefit provision to refugee children with a certain recognised status (ILO/UNICEF, 2019). As mentioned above, in Estonia, the child benefit is paid to temporary non-residents. For additional examples see Chapter 3. Alongside residency requirements, and linked to legal status, eligibility for child benefits may also critically depend on whether care providers or parents are taxpayers and this, in turn, is linked to the transfer modality (see discussion in section 2.7). In Germany, for example, *Kindergeld* recipients must be subject to income taxation (MISSOC, 2018).

Child benefits that do not qualify as full UCBs may also rely on other categorical requirements to reach intended child population groups. In some cases, they rely on a combination of additional categorical targeting criteria. Nepal's Child Grant, for example, was, until recently, targeted at all children under the age of five in the Karnali zone and to poor Dalit children below the age of five nationwide – a combination of age, ethnicity and geographic categorical targeting (more on this below) (Hagen-Zanker et al., 2015).

Means testing

The majority of countries worldwide provide some form of means-tested cash benefit schemes, providing benefits to a subgroup of households in the population identified through a test of *means* (Honorati et al., 2015; ILO/UNICEF, 2019). Means-testing mechanisms vary depending on the eligibility rules; identification criteria and related informational requirements; how narrowly defined the target population subgroup is (including based on at what level eligibility thresholds are set); and the frequency of information collection and recertification in benefit administrations.

As with other types of benefits, child benefits may include a comparatively 'simple' means test – for example, in the form of an income test – or means tests with more demanding informational requirements, and related verification and implementation procedures. Examples of income-tested child benefits include South Africa's CSG (UNICEF UCB Country Profile) and Brazil's *Bolsa Família*, which relies on self-reported household income – a comparatively simple means test.

Other schemes rely on means tests that may include a combination of income and other assets. A number of child benefits rely on proxy means testing, a mechanism that uses information on observable characteristics of a household (in principle, these are readily observed and measured in comparison to, say, income or consumption, and include, for example, ownership of durable goods, and location and quality of dwelling) to compute a score used to rank households (Coady et al., 2004). Examples

15 A child above the age of 16 must also not have been imprisoned for more than 8 weeks; be in residential care or hospital for over 12 weeks or be looked after by local authorities for 8 weeks; be married (unless not living with their partner or unless their partner is in full-time education or training) (UK Government, n.d.).

include Mongolia's CMP (since 2017; UNICEF UCB Country Profile) and Mexico's *Oportunidades/Progresa/Prospera*. In fact, most LAC CCTs rely on a proxy means test (PMT) (Fiszbein and Schady et al., 2009; Cecchini and Madariaga, 2011), as do a large number of cash transfers across SSA (Beegle et al., 2018).

Means-tested benefits use an eligibility threshold or 'cut-off' to identify and select recipients. In the case of an income means test, this is set at an agreed level of income or consumption (usually expressed in per capita or household terms) below which an individual/household is eligible for the benefit. In the case of proxy means testing, a score is computed based on a set of indicators or 'poverty proxies', and a cut-off point is agreed on, below which individuals/households are eligible for the transfer (Coady et al., 2004). For income testing, benefit withdrawal may be tapered around the income cut-off point to avoid strict cut-offs and related work disincentive risks (Atkinson, 1995b).

National means-tested schemes that narrowly target a comparatively small share of the child population include the PKH in Indonesia (based on a PMT). The programme reached around 11 million of Indonesia's children in 2018, a coverage of about 11% of the child population (Badan Pusat Statistik, 2018). In contrast, the income-tested CSG in South Africa reaches over 12 million children, 63% of all children in the country (UNICEF UCB Country Profile); and the proxy-means-tested CMP in Mongolia reached 87% of all children (976,000 children) in 2019 (UNICEF UCB Country Profile).

In some schemes and countries where the direct cash benefit payment is not means-tested, the tax system is used to reduce or offset the benefits received by higher-income households, effectively limiting the coverage of the benefit to lower-income households. This is the case in Canada and the UK. In the UK, while the Child Benefit has historically been paid to all households with children, reforms approved in 2012 mean that the Child Benefit is now progressively taxed for households earning above a certain income threshold. The High-Income Child Benefit Charge, as the tax is known, increases so that it partly offsets the Child Benefit for households with a household member earning between £50,000 and £60,000, and completely offsets the Child Benefit for those with one household member earning over £60,000 (UK Government, n.d.b).

Geographic targeting

Child benefits may also target specific areas or administrative units of a country. A majority of LAC CCTs rely on some form of geographical targeting (see Cecchini and Madariaga, 2011: Table 11.2). For example, Brazil's *Bolsa Família* and Mexico's *Progresa* combine geographic targeting with means testing (Lindert et al., 2007; Fiszbein and Schady, 2009; Cecchini and Madariaga, 2011). In Brazil, a geographic allocation of municipal quotas determines a cap on the number of beneficiaries per municipality based on municipal-level poverty estimates, while participant households are identified, based on per capita income records collected locally and administered at the federal level (Lindert et al., 2007). In Mexico, the role of geographic targeting gradually diminished over time with the implementation of the *Oportunidades* scheme. Initially, it was used to prioritise the rural areas in which to roll out the programme (Fiszbein and Schady et al., 2009). Nepal's Child Grant initially aimed to reach all Dalit children under the age of five nationwide and all children under five in Nepal's disadvantaged district of Karnali (Hagen-Zanker et al., 2015).

These examples show how, in practice, child benefits commonly rely on a combination of targeting criteria and methods. In the case of mixed-scheme qUCBs, for example, benefits typically include elements of means testing alongside categorical targeting. In Belgium, the means-tested Guaranteed Family Benefit covers children in households not covered by employment-related family allowances and thus relies on both a means test and categorical targeting (ISSA, 2018). In Argentina, the AUH scheme, which aims to complement a national contributory child benefit scheme covering formal employees, targets informal workers or domestic workers earning less than the minimum wage, the unemployed and pregnant women, combining both categorical and income-related targeting (Roca, 2011).

2.4 Conditionality

UCBs are unconditional. Child benefits are conditional when beneficiary households are required to follow a prescribed course of action. Much like with targeting, conditionalities in child benefits can vary considerably, depending on their underlying rationale, what behaviours they prescribe, and how response to non-compliance is monitored and implemented (Bastagli, 2008; Fiszbein and Shady, 2009; Pellerano and Barca, 2014).

Two common examples of underlying motivations for conditionality include facilitating access to and utilisation of basic services – for instance, among children excluded from services – and its use as an additional mechanism for targeting or 'screening out'. In the first case, conditionalities may include monitoring of service use. This could involve, for example, requiring benefit recipient children to regularly attend school and undertake healthcare visits – as is the case in the majority of LAC CCTs (Fiszbein and Schady et al., 2009). The regulation of non-compliance in this scenario is not expected to entail a severe immediate sanction, such as suspension from participation in the scheme. In the second case, conditionality requirements are explicitly used as additional targeting mechanisms to help ensure child benefits meet their stated primary objective.[16]

Conditionalities directly affecting children are commonly set in terms of access to and regular use of services for education, training and health. Typical examples include regular school attendance and healthcare visits. These conditionalities may also be set in terms of outcomes – for instance, requirements to pass school levels or achieve certain grades (this was the case for Nicaragua's *Red de Protección Social*, where the conditionality requiring children to pass their grade level was dropped once it was shown this was leading to 'inflated' grades).

Conditionalities may also be set in relation to the behaviour of primary care providers or other adult recipients – for instance, attendance of pre- and post-natal health clinics for pregnant and lactating women or job search or minimum work requirements (e.g. Mexico's *Oportunidades/Progresa/Prospera* schemes).

The regulation of non-compliance also varies across programmes. In some schemes, non-compliance is followed by a sanction for the recipient household. Sanctions can take the form of partial or temporary suspension from participation in the scheme or immediate discontinuation (as is the case for Mexico's *Oportunidades/Progresa/Prospera* CCT). Such policy design typically reflects an understanding that the responsibility for service utilisation, or compliance with other conditionalities, rests primarily with individuals or households.

A different rationale underpins conditionality in other schemes, in which non-compliance is viewed primarily as the outcome of vulnerability or of weak/limited infrastructure and service provision. This shifts the responsibility to service providers and the state (as is the case for Brazil's *Bolsa Família*). In such cases, non-compliance results, in the first instance at least, in additional personalised services and resources to non-compliant households. The aim is to uncover the reasons for non-compliance and resolve any issues that may be linked to service provision and/or additional household vulnerabilities (Bastagli, 2008).

Importantly, child benefits with high child population coverage may combine elements of universalism and conditionality – for example, when conditionalities apply to a particular subset of children covered. In the case of UCBs, conditionalities may apply to young adults over the age of 18 – as is the case for Germany's *Kindergeld* (the benefit is extended to those in vocational training/higher education and applicants registered for vocational training and certain voluntary services up to the age of 25, but with certain conditions) (MISSOC, 2018).

2.5 Coverage

The previous sections have provided an overview of child benefit coverage and children's entitlement to child benefits across schemes and countries. This is understood as 'legal' or 'statutory' coverage. In practice, this differs from 'effective' coverage and take-up, which are measures of actual benefit receipt (Box 3).

There are a number of reasons why legal/statutory coverage and effective coverage may differ. We

16 For example, for the UK's Child Benefit, the 'conditions' attached to children above the age of 16 attending vocational training (but which excludes 'advanced' education degrees) are primarily motivated by targeting concerns and the scheme's objective of covering the costs of raising children rather than that of promoting education/school attendance.

explore these in this report, particularly with regards to features of child benefit policy design and implementation that influence effective coverage and take-up. First, this section reviews the range of statutory and effective coverage rates of UCBs, qUCBs and other types of child benefits, based on available evidence.

Table A1 (Annex 1) reports the child benefit statutory and effective coverage rates for different child benefit schemes. An initial glance provides a sense of the scale of different child benefit schemes in terms of the number of children in receipt of a transfer – reflecting population size as well as scheme objectives and design.

The largest UCBs and qUCBs, in terms of number of children covered, are the *Kindergeld* in Germany, with close to 15 million recipients (2017), and the Child Benefit in the UK, with approximately 13 million recipients (2017). The largest means-tested schemes include South Africa's CSG, which reaches 12 million children (2017), and Brazil's income-tested and conditional *Bolsa Família* scheme, which reaches 23 million children (2017). Indonesia's PKH targets the country's poorest households and reaches 11 million children (2018).

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. In particular, countries with full UCBs such as Austria, Germany and Finland report close to or 100% coverage of eligible children and similar results for the countries' population of children in the target age groups.

Mongolia and the UK provide two interesting examples of countries with child benefit schemes that have undergone reform from full UCBs to include an element of means testing and an associated reduction

Box 3 Coverage and take-up: concepts and measures

Legal (or statutory) coverage: in general, a subgroup of the population is identified as 'legally covered' by a social protection policy/scheme if there are legal provisions that set out their entitlement to coverage and benefits under specific circumstances (e.g. the right to receive a child benefit for children below the age of 18 or a pension at the age of 65).

Effective coverage: the number or share of people who actually participate in a social protection programme and receive the benefits. This goes beyond legal entitlements and is a measure of actual coverage/receipt at a point in time. This indicator can be computed in relation to an entire population (e.g. total number of recipients) or in relation to the target population (e.g. number of recipients out of the target/intended population); in this case it is equivalent to a measure of take-up.

Take-up: the proportion of people who claim the payments they are entitled to. Non-take-up describes a situation where someone does not claim a benefit to which they are entitled. The take-up rate can also be measured as the proportion of potential expenditure that is being claimed. These are measures of how well a benefit is reaching its intended population.

Legal/statutory coverage, and effective coverage and take-up may differ – in some cases quite markedly – for a number of reasons including:

- physical availability and access to facilities and services (for both benefit applications and delivery)
- compliance costs (e.g. costs associated with information requirements, application procedures or behavioural requirements)
- financial affordability (e.g. capacity to make required contributions in the case of contributory schemes)
- understanding and knowledge of child benefit objectives, eligibility requirements and the benefits and costs of participation
- stigma and shame.

Sources: Bennett et al. (2009); ILO (2010).

in the total number of children covered. Mongolia's CMP reportedly reached close to full coverage of children (just over 1 million children) in 2017; its coverage of the total child population dropped following the introduction of means testing, to 87% (976,000) of children in 2019 (UNICEF UCB Country Profile). In the UK, 94% of households eligible for the Child Benefit took up the benefit in 2015, compared with 97% in 2006/7 (HMRC, 2017).[17]

Comparisons of different types of child benefit schemes within countries show the same pattern, with UCBs covering higher numbers of children than child benefits that employ means testing and/or conditionalities. In Poland, for example, the quasi-universal *Rodzina 500+* scheme reached 2.7 million families in 2016, while the means-tested family allowances (*Zasilek rodzinny*) reached 1.0 million families (Magda et al., 2018).

Discrepancies between the target population and effective coverage can arise for a variety of reasons, including features of child benefit design and implementation. Variations in registration procedures, eligibility verification processes and modalities of delivery may play a part in determining take-up and effective coverage.

The administrative simplicity (or complexity) of registering for a child benefit is considered to influence take-up – see Section 2.7 on administration. For instance, the close to 100% take-up rate in Finland and Sweden is attributed to the administrative simplicity of beneficiary identification (Larsen, 2006). Similarly, the almost universal take-up of the UK's pre-reform UCB was attributed to mothers being given application forms in hospital following childbirth and the associated reduction in application transaction costs (Currie, 2004). In Austria, *Familienbeihilfe* registration is considered automated, at the point of child registration with the municipality. In Norway, child benefit registration occurs at birth: parents do not need to apply for child benefit if the child is born in Norway and mothers will automatically receive the transfer around two months after the child is born. Active application is required only if the mother is not registered as living in Norway or if the child is born outside of the country.

A lack of the necessary documentation for applying or registering for a child benefit scheme is a commonly cited barrier to participation. In Argentina, where 30% of households in the lowest income quintile are not covered by any child benefits, respondents to a recent study explained that one of the reasons for exclusion from the AUH was related to lack of documentation, including identity cards in particular (UNICEF et al., 2017). For South Africa, where 17.5% of eligible children (1.8 million children) did not access the CSG in 2015, 20% of respondents lacked the necessary documentation, even though the scheme enables households to apply and start receiving the benefit while applying for the documents (DSD et al., 2016).

Compared with universal or categorical schemes, means testing further complicates application and eligibility verification procedures. This can affect take-up rates as potential beneficiaries/claimants may be less clear on eligibility and informational requirements and processes. When Colombia's *Famílias en Acción* scheme was introduced in Bogotá, initial enrolment levels were significantly lower than expected. About two-thirds of eligible households did not apply: 36% of the prospective beneficiaries did not apply because they were not aware of the programme's benefits and 29% did not know that they could register. Moreover, among those who attempted to enrol, about half were unsuccessful because of insufficient knowledge of eligibility criteria (Sepúlveda, 2018). In South Africa, 22% of caregivers of children eligible for the CSG surveyed were not aware that they met the means test; 10% of respondents did not apply because the procedures were too complicated, or they did not know how to (DSD et al., 2016). Complex means-testing procedures are also cited as a barrier in studies of child allowance take-up in Bulgaria (Tesseva, 2012) Japan (Abe, 2002) and Switzerland (Lucas et al., 2019).

Take-up rates are also influenced by non-compliance with conditionalities – as discussed above. In Argentina, for example, 2.5% of children are not covered by any scheme as a result of failure to present the booklets in which beneficiary compliance with AUH conditions is noted (UNICEF et al., 2017).

17 As part of the Child Benefit reforms, recipients and taxpayers could opt out from the scheme. When the new tax charge was implemented, HM Revenues and Customs sent a letter to people they believed would be affected, informing them of the charges (www.bbc.co.uk/news/business-20298774).

Finally, transfer modality may affect take-up and coverage. For example, eligibility for the qUCB Child Benefit in Canada is assessed through income tax returns that need to be filed annually. Around 10% of eligible households did not take up their entitlements as they were unable to file their income tax returns – particularly those living in remote areas or living on reserves (Government of Canada, 2018; Sanyal, 2019).

2.6 Transfer amounts

Transfer amounts – measures of adequacy

Child benefit amounts vary across schemes, whether captured as the monetary value of a transfer, its value as a percentage of beneficiary income/consumption or of a benchmark measure such as the poverty line, the minimum wage or average wage. See Table A1 in Annex 1 for average child benefit values in thirty countries for a 'model household' of three. Child benefit values can be determined by various criteria, usually relating to the objectives of the programme, including, for example, national measures of poverty or need. For instance, the initial benefit level of the CSG in South Africa was derived from the Household Subsistence Level for food and clothing for children (South African Government, 1996), while the Child Allowance in Belarus is set as a percentage of the national average wage (ISSA, 2018).

Austria's *Familienbeihilfe* paid an average of €105/month/child under the age of three (2014/15), Finland's *Lapsilisälaki* an average of €114/month/child (2017) and Ireland's Child Benefit €140/month/child. The value of the maximum benefit for one child aged 3–12 as a percentage of the average wage in a selection of OECD countries with universal schemes in 2010 ranged from 2% in Estonia, France, Latvia, the Netherlands and Norway, to 5% in Germany, 6% in Austria, Hungary and Luxembourg, and 7% in Ireland (OECD, 2014).

In terms of benefit levels expressed as a percentage of poverty lines, the AUH in Argentina represents 66% of the basic food basket (extreme poverty line) and 27% of the total basic basket (poverty line) (UNICEF UCB Country Profile). The average transfer per beneficiary for the *Bolsa Família* programme represented about 19% of the poverty line used by the World Bank in 2004 (on a per capita basis) (Lindert, 2015).

Variations in benefit levels within a child benefit scheme

The benefit level per child is set either as a flat rate, as in the case of both the CSG in South Africa and the CMP in Mongolia, or it can vary along several dimensions, both within households (for each child), or between households.

Within beneficiary households, the level of the transfer for each eligible child can vary according to the age of the child, the number of children in the household, birth order, and whether the child has a disability. Firstly, the level of the benefit can increase or decrease based on the age of the eligible child. In Austria, for example, family allowances for a child aged 0–3 are set at €114 a month, while a child aged 10–18 receives €141.50 a month (ISSA, 2018). In contrast, children in Denmark under the age of 2 receive DKK 4,506 a month, while children aged 15–17 receive DKK 936 a month (ibid.). Such variations can also take the form of supplements to flat rate benefits, as is the case in France for children aged 14–20 (ibid.).

Benefit levels for each child within the same household may also vary according to the number of children in that household. While in most cases (in Estonia and Belgium, for example), the benefit for each child increases with the number of children in the household, the opposite applies in New Zealand, where the level of family tax credit for the first-born is higher than that for subsequent children (ibid.).[18]

Some countries also include higher benefit levels or supplements to UCBs or other child benefit programmes, for children with disabilities. This is common among many UCB programmes such as in Austria and Sweden.[19] In Argentina, the AUH is more than doubled for children with disabilities.

As explained in previous sections, the level of benefits may also vary *between beneficiary households*, based on their income level, their geographical location or household composition. For example, the level of the Canada Child Benefit decreases as

18 On the other hand, child benefits in France are only paid for the second child onwards. Here however, a means-tested supplement is provided to households with more than three children.

19 In Sweden, parents caring for sick children or children with disabilities requiring specialised assistance receive an additional benefit to the Family Allowance (ISSA, 2017; 2018).

household income increases, up to a threshold above which households do not receive the benefit (ISSA, 2018). In other cases, supplements may be provided for low-income households, as in the case of Germany (ibid.). In Argentina, the level of the AUH benefit varies across regions to take account of the variation in the cost of living across the country (ISSA, 2017). In other cases, supplements are provided for single-headed households, as in Cyprus and Finland (ISSA, 2018).

Benefit uprating and adjustment to inflation

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. with failure to adjust values upwards, or amendments to uprating rules to less generous arrangements, common policy options in the pursuit of social spending cuts).

In some cases, benefits are adjusted to inflation either on an automatic basis (e.g. through indexation) or on a regular basis, in line with indicators that vary by country and scheme. For example, in the Netherlands, the *Kinderbijslagwet* is adjusted in line with the consumer price index, while in Denmark benefits are adjusted based on changes to wage rates (ISSA, 2018; MISSOC, 2018). The frequency of the adjustments varies: benefits are adjusted annually in the case of Denmark, while in the Netherlands the value of the child benefit is adjusted twice a year in January and July (ibid.).

Automatic adjustments may be overturned by government decisions. In the UK, for example, the adjustment of the Child Benefit – which was traditionally adjusted in line with the Retail Price Index – has experienced a number of changes since the start of austerity measures. Firstly, the index used to adjust the Child Benefit was changed to the Consumer Price Index in 2011; between 2011/12 and 2013/14, the benefit adjustment was frozen (i.e., there were no adjustments); in 2014/15 and 2015/16, the value of the benefit was increased by 1% (a value lower than the change in the consumer price index); and finally, the benefit has been frozen from 2016/17 until the end of the 2019/20 tax year (TUC, 2015). These measures have eroded the value of the benefits, as these have not kept up with inflation (TUC, 2015; CPAG, 2017).

In other cases, adjustments are not automatic but discretionary. For example, in Austria, there are no rules for the automatic adjustment of the value of the *Familienbeihilfe* (MISSOC, 2018), although its value can be increased following government decisions (by the Family Committee) – for example, it was uprated by 1.9% in January 2018 (Finanz.at, n.d.). In Brazil, where the *Bolsa Família* is adjusted on an ad hoc basis, the real value of the basic benefit fell by 12% between 2003 and 2006 (Osorio and De Souza, 2013). In Mongolia, the amount provided by the CMP has remained at MNT 20,000 a month, resulting in the erosion of its value in real terms (UNICEF UCB Country Profile).

2.7 Administration

Registration/application

One of the potential administrative advantages of a UCB or qUCB over other types of cash transfers is the potential comparative simplicity of registration for a child benefit scheme, or application for programme participation. This is, in part, because of the relatively simple and straightforward eligibility or participation requirements.

In practice, registration requirements and processes vary across schemes. They range from schemes that require minimal levels of proactive initiative on the part of potential recipients – some registration processes are even automatic when linked with the registration of births – to ones that require a more active application or claim, including the compilation and submission of relevant documentation. As might be expected, the procedural complexity and informational/documentation requirements in the scheme application process vary depending on the details of policy design and modality of transfer (e.g. cash benefit versus tax benefit).

In some cases, such as in Norway and Austria, the link between the processes for registering for a child benefit scheme and registering a birth helps ensure a comparatively simple and automatic process for 'claimants'. In other UCBs, potential recipients are required to submit a claim. This is the case in Finland, for example, where applicants must submit a comparatively simple claim to Kela (the

institution administering the scheme); they can do so online via the Kela website[20] or by filling out the form in the 'babybox' distributed to all newborns. In the Netherlands, the Sociale Verzekeringsbank (SVB), the institution that implements the *Algemene Kinderbijslagwet*, sends application forms to potential beneficiaries. In contrast, other types of child benefits, including qUCBs, may have more complex procedures and informational requirements. In the UK, for instance, the informational burden is significantly greater than for the automatic registration processes described above.[21]

In the case of tax benefits (as outlined further below), potential beneficiaries must be taxpayers, and eligibility is typically determined by the tax authority on the basis of income tax returns (see examples for Canada, Germany and New Zealand). While this approach has some potential administrative advantages in terms of simplicity – for instance, it allows tax and transfer information and related benefits to be administered by a single central authority – it may also raise concerns around exclusion, particularly for disadvantaged households that do not pay tax and/or in circumstances where there is no progressive personal income tax system in place.

Main recipient

The main recipient of child benefit payments may vary across schemes (for LAC CCTs see Abramo et al., 2019: Table 11.2). It is common for payments to be made specifically to the legally designated caregivers of the child. In some countries, the caregiver is generally understood to be the mother, when she is present. This is the case for South Africa's CSG. Elsewhere, the primary care provider can be the father or the mother. For example, in Norway[22] the mother or father may be the primary recipient, although the payment is normally automatically made to the mother. Similarly, in Denmark[23] the mother is the default recipient. In Austria,[24] the *Familienbeihilfe* is by default paid to the mother, although she can waive this in favour of the other parent. In Luxembourg,[25] if both parents live in the same household, they decide which of the two will receive the payment. The same applies in France,[26] where, if no agreement is declared, the payment is by default made to the mother.

The benefit need not necessarily be paid to care providers: for Austria's *Familienbeihilfe,* for example, the child who is entitled to a child benefit and who is of legal age (18) can request the payment be made directly into their own account (MISSOC, 2018). Similarly, in Luxembourg, the eligible child may themselves receive the benefit directly if they are emancipated or have reached adulthood (18 years of age).[27] In Iran, the cash subsidy is paid to the head of the household, who, in most cases, is male (Salehi-Isfahani and Mostafavi-Dehzooei, 2018).

Modality of delivery

When child grants are paid as a direct transfer, this generally takes the form of a transfer to the beneficiary household's personal bank account, or that of the child/young adult. In the case of UCBs, transfers are generally made as direct cash payments into bank accounts or via the tax system. In the case of tax benefits, the allowance or credit is delivered directly via the tax system, as part of the wider tax-transfer system. This has potential take-up and administrative advantages.

In practice, in some countries, the use of tax breaks for social purposes has increased: OECD (2011) reports an increase of around 30% since 2000. In a number

20 www.kela.fi/web/en/child-benefit-how-to-claim

21 See the Child Benefit claim form at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802450/CH2_online.pdf.

22 www.nav.no/no/Person/Familie/Barnetrygd+og+kontantstotte/barnetrygd#chapter-1

23 www.borger.dk/familie-og-boern/Familieydelser-oversigt/Boerne-ungeydelse

24 www.arbeiterkammer.at/beratung/berufundfamilie/BeihilfenundFoerderung/Familienbeihilfe.html

25 https://cae.public.lu/fr/allocations/premiere-demande/allocation-pour-lavenir-des-enfants/versement-des-allocations.html

26 www.service-public.fr/particuliers/vosdroits/F14722

27 https://cae.public.lu/fr/allocations/premiere-demande/allocation-pour-lavenir-des-enfants/versement-des-allocations.html#

of OECD countries, there has been a trend towards increasingly delivering support to households with children via the tax system. Australia and Germany transformed their main child cash benefit into a tax credit/allowance and anglophone countries have all introduced or expanded tax credits for children. In contrast, in Finland, child benefit reforms have marked a move away from tax credit to direct cash transfer (Bradshaw and Finch, 2002; Richardson and Bradshaw, 2012).

Tax benefits typically include some form of means testing as tax-transfer systems are used to redistribute resources to lower-income households. Motivations for relying on the income tax system to deliver cash transfers include: a) administrative considerations (potential advantages to administering taxes and transfers jointly, particularly in terms of take-up and administrative costs); b) concerns about stigma (delivery via the tax system is seen to be potentially less stigmatising); and c) political economy considerations (spending on transfers is taxed back from high-income households, giving a greater appearance of universality).

At the same time, the reliance on tax benefits raises concerns about coverage, inclusion and fairness. In contexts where there is no progressive personal income tax system in place and/or a large share of the population does not file income tax returns, tax allowances and credits only benefit those that pay personal income tax and/or that are in work.[28] This could potentially exclude poorer groups and/or population subgroups such as women with interrupted/irregular patterns of paid work.[29]

Another issue concerns the tax unit: in countries in which income tax is administered at the household level (not the individual level) tax benefits may disproportionately accrue to men.[30]

In New Zealand, an evaluation of the Working for Families Tax Credits package[31] found that 95–97% of families eligible for the scheme were receiving a tax credit in 2006/07. An analysis of the reasons for non-take-up among the remaining 3–5% found that they were largely related to 'uncertainty about eligibility, worry about overpayment and a lack of knowledge' as well as 'a lack of engagement with Inland Revenue in the past or concern and uncertainty about a possible debt to IR' (Dalgety, 2010: 34).

In the case of direct cash transfer payments, these may be made either directly into beneficiaries' bank accounts, as is the case for the CMP in Mongolia, or may be delivered directly in cash, particularly in areas or countries with limited bank branch penetration. In Lesotho, for example, the Child Grant is paid either as cash-in-transit or through a bank, depending on the geographical location of the beneficiary household (Kardan et al., 2010). In South Africa, some beneficiaries of the CSG are issued with a South African Social Security Agency (SASSA) payment card onto which the benefit is deposited; there are also a number of other options for collecting the benefit. Payments can be made through banks (including Postbank) and the benefit can be withdrawn from an ATM. Other mechanisms require beneficiaries to queue up on specific days and at specific locations to collect their payment. These locations include, for example, SASSA offices, mobile pay-points

28 To reduce risks of exclusion, some tax credit schemes do not require taxpayers to have submitted their tax returns – for example, in Austria, the *Kinderabsetzbetrag* ('child tax credit'), with eligibility requirements identical to that of the *Familienbeihilfe* (child benefit), while originally established as a tax credit, is now paid monthly alongside the *Familienbeihilfe*. Taxpayers do not necessarily need to pay taxes to receive this tax credit and do not need to apply separately to access the credit (see www.frauen-familien-jugend.bka.gv.at/familie/finanzielle-unterstuetzungen/familienbesteuerung/kinderabsetzbetrag.html).

29 For example, in Brazil, taxpayers receive deductions for each dependent relative (which includes spouses and children up to the age of 22, or 25 for those in education) equivalent to about 44% of the minimum wage. Soares and de Souza (2012: 4) note that this income tax deduction is 'a transfer to the rich, and almost all of it lies above the 75th per capita income percentile'. The deduction covered 13% of all children (compared to 35% of all children covered by the *Bolsa Família* programme) (ibid). In Argentina, the income tax rebate (*asignación por crédito fiscal*) for workers with children with high incomes was equal to about ARS 6,000 (about $1,500) per child annually, as of July 2010 (Bertranou and Maurizio, 2012). The income tax threshold is considered to be high: five times the average wage (World Bank, 2018d).

30 In the UK, in 1977, the tax allowance was replaced with a child benefit because the tax allowance was predominantly paid to the main breadwinner in a household (which tended, historically, to be men) and tax allowances were regressive, as high-income households were found to benefit more from them than low-income households (Farthing, 2012).

31 New Zealand's Family Tax Credit is part of a broader scheme called the Working for Families Tax Credits, which includes in-work tax credits and a best start tax credit for children under the age of three.

(which travel to communities to reduce travel time, particularly in rural areas), post offices, supermarkets or retail chains. In South Africa, the options available to beneficiaries depend on the location in which they live and the infrastructure available in those locations. Beneficiaries are informed through a letter they receive when their application has been approved where and when to collect their payments; beneficiaries also have the option to change the collection mechanism they wish to use (DSD et al., 2011).

Frequency of payment

Child benefits vary in terms of the frequency of payments. By definition, a child benefit is paid on a regular basis, commonly on a monthly basis. However, payments may take place at longer intervals to reduce the opportunity costs that beneficiaries face in accessing benefits (for instance, if travelling to receive the benefits takes a long time) or for administrative simplicity. In Denmark, for example, the Børne- og ungeydelse is paid quarterly (ISSA, 2018), while the contributory family allowances in Uruguay are paid every two months (ISSA, 2017). In contrast, child birth grants are paid as a one-off, lump sum transfer. The income-tested birth grant in Slovenia, for example, is paid as a single lump sum, as is the universal birth allowance in Slovakia (ISSA, 2018).

Some schemes combine both monthly payments and lump sum payments – for example, qUCBs in Belarus and Ukraine. This is also the case for the AUH in Argentina, which uses both monthly and lump sum payments because of the conditionalities attached to the receipt of benefits: 80% of the payment is made on a monthly basis and the remaining 20% is paid as a lump sum at the end of the year, once all the conditions of the scheme have been fulfilled and certified (ISSA, 2017). In Serbia, on the other hand, the Parental Allowance is paid as a one-off lump sum for the first child, but in 24 equal monthly instalments for the second, third and fourth child (ISSA, 2018).

2.8 Costs and financing

Chapter 7 examines the costs of child benefits and their separate components, financing options and affordability. Here, we provide an initial broad overview. Available information on total costs of child benefit programmes show that Austria's UCB costs 1% of GDP, and that UCBs in Sweden and France cost around 0.6% of GDP. Canada's qUCB also costs around 1% of GDP (2017) and child benefits with means-testing components in Mongolia (CMP, 2017) and South Africa (CSG, 2017) cost 1% and 1.3% of GDP respectively. Brazil's and Mexico's *Bolsa Família* and *Prospera* CCTs, displaying comparatively high coverage of the total child population, cost 0.4% of GDP (see Annex 1, Table A1).

Total child benefit costs vary according to the value of the transfer, population demographics (including the number of children) and benefit coverage. Importantly, they also reflect the considerable difference in administrative costs associated with the different child benefit policy design and implementation details. Targeting and conditionality components may have higher administrative costs and these are likely to increase with their complexity (Coady et al., 2004; Bastagli, 2009). Such variations are reviewed in detail in Chapters 4 and 7.

Child benefits are financed from a range of different sources. UCBs are financed from general tax revenue in Denmark, Estonia and Finland (MISSOC, 2018). In other cases, child benefits are financed through earmarked taxes on specific resources. Brazil earmarked 21% of its Financial Transactions Tax for the *Bolsa Família* when the tax was still operational (Lindert et al., 2007; ILO, 2016a). The CMP in Mongolia is financed through the Human Development Fund, funded by government royalties on natural resource extraction and corporate taxation on mining companies, with some additional funding from official development assistance (ODA) and international financial institutions (IFIs) (UNICEF UCB Country Profile). Similarly, a portion of Bolivia's revenue from hydrocarbons is earmarked for social protection schemes, including the *Bono Juancito Pinto*, which is targeted at school children.

Fiscal space for social protection and cash benefits can also be achieved by reallocating resources. This is the case, for example, in Iran, where the Unconditional Nationwide Cash Transfer Programme

is financed through resources reallocated from fuel and other subsidies (Salehi-Isfahani and Mostafavi-Dehzooei, 2018).

Employer and employee contributions remain an important source of social protection financing. While these are not covered in detail in this report, child benefits financed via contributions and/or a combination of tax- and contributions-financed mechanisms can play an important role. They can facilitate high and effective coverage, as is the case for mixed-scheme qUCBs such as those in Argentina and Belgium.

2.9 The realisation of universal child benefits in practice

This section reviews the common motivations for child benefits: addressing child poverty, socialising the costs of childbearing, influencing fertility, and nation-building and the social contract. It also examines the main factors that shape policy design and implementation decisions: domestic politics, the fiscal context, policy ideas, social norms and evidence of effectiveness. The final sub-section provides examples of the realisation of UCBs in practice, highlighting the variety of trajectories policy can take.

Motivations for establishing child benefits

There are a range of motivations and justifications for supporting children through the use of child benefits (Adam and Brewer, 2003). Here, we examine five common underlying motivations: a) addressing child poverty (as an intrinsic right and/or for the benefit of society), b) socialising the costs of raising children, c) nation-building and the social contract, d) influencing fertility decisions, and e) redistributing national wealth. Such motivations are not mutually exclusive and child benefits may be implemented for multiple reasons. Nevertheless, primary underlying motivations, or a combination of motivations, help explain policy design and implementation choices.

In most instances, addressing **child poverty and deprivation** or the inequality between households with children and those without is a primary concern addressed by child benefit programmes (Adam and Brewer, 2003). Most Western European countries that established transfers for children in the late 1930s and early 1940s did so to alleviate poverty (Kamerman and Khan, 1988). For example, child allowances were introduced in Sweden partly to address the fact that in the 1930s the living conditions of households with children were lower than those of childless households on the same income level (Kälvesten, 1955). The need to address the high levels of child poverty in the UK in the 1930s was one of the key arguments for the establishment of the family allowances (an earlier version of the current Child Benefit) (Timmins, 1996). In Brazil, the *Bolsa Família* was established to provide a minimum income to the poor and address the underlying causes of poverty and the intergenerational cycle of poverty. For this reason, the programme includes a minimum-income component, and school and health conditionalities, with a focus on service provision (Lindert et al., 2007). In Lesotho, the government's strong commitment to alleviating the deprivations experienced by orphans made vulnerable by AIDS motivated the establishment of the CGP (Pellerano et al., 2016).

Where children are perceived as being a 'public good' for which the whole of society should bear responsibility, child benefits can be seen as a mechanism for **socialising the (financial) costs of childbearing**. This was the argument put forward for establishing the scheme in Sweden, where increasing the birth rate was seen as in the interest of all; it was therefore argued that the economic burden of childbearing and child-raising should be the responsibility of society as a whole (Lundquist, 2011). In Germany, a contributory family allowance eventually evolved into a tax-financed, universal scheme in the 1970s, reflecting a gradual shift in family values away from the 'male-breadwinner' model, and the increasingly dominant concept that child-raising represented an economic risk for which families should be compensated (Mätzke and Ostner, 2010). Eleanor Rathbone – a British Member of Parliament who played a key role in advocating for the introduction of family allowances in the UK – similarly argued that children represent an 'asset' to society. Society as a whole should therefore share in the cost of raising them, rather than rely on individual incomes for their welfare (Rathbone, 1940).

Similarly, supporting children is increasingly seen as a **social investment** (Lister, 2006). Child benefits, by contributing to the health and education of today's children, can be considered as an investment in the strength of the future workforce and citizenry. Many CCT programmes that target poor households

with children are therefore designed to promote human capital development by alleviating the current poverty of children and promoting their health and education (Adato and Hoddinott, 2010; Rawlings and Rubio, 2003).

In some contexts, child benefits (and wider welfare policies) are implemented following periods of conflict or significant political change, as part of a broader strategy to advance the process of nation-building. This involves establishing a social contract between the state and its citizens and extending social rights (Gough, 2008). In Europe, welfare states were established or significantly reformed in many countries in the aftermath of the Second World War for this purpose. The Child Benefit in the UK was conceived as part of a broader package of social policies in the Beveridge report, commissioned in 1941, when the government was considering how to rebuild UK society in the post-war era and avoid a return to depression-era conditions that preceded the war (Timmins, 1996). Elsewhere too, there are examples of child benefits introduced in the aftermath of conflict, in the context of state-building efforts. The Child Grant in Nepal, for example, was introduced following the decade-long civil war. Post-conflict development plans identified social exclusion and poverty as two of the underlying causes of the war and the government set out to rebuild a more equitable society that addressed disparities across caste, regions and class, and to reduce discrimination (Garde et al., 2017). The Child Grant – targeted at all children under the age of five in the Karnali zone and to poor Dalit children in that age group nationwide – formed part of this plan.

In other countries and programmes, **influencing fertility** has played an important role, reflecting concerns relating to demographic trends and, in particular, the ageing of the population. In this sense, child benefit schemes can also form part of a broader population policy. In Sweden, an influential book written by social scientists Alva and Gunnar Myrdal predicted that the population would become predominantly elderly as a result of negative population growth. The authors argued for the need to make childbearing a more attractive prospect to improve fertility rates. This would require improvements in the living conditions of families (Lundquist, 2011). Poland's *Rodzina 500+* benefit was established in 2016 with the aim of increasing the low fertility rates (Magda et al., 2018). In Belarus, many of the universal schemes established in the communist era adopted a targeted approach after independence, but family policies were exempt from this shift as they were seen as playing a key role in reversing the ageing of the population and falling birth rates (Frejka and Gietel-Basten, 2016).

In other cases, child benefits primarily represent a means of **redistributing national wealth**. For example, the CMP was introduced in Mongolia, in part, 'as a mechanism for redistributing wealth from the mining sector across the population in an equitable and efficient manner' (ILO, 2016b: 2). The increase in the global prices of the country's mineral exports led to a budget surplus, which provided a window of opportunity for the adoption of a child benefit. The scheme was launched in 2005 and financed by royalties on natural resource extraction and corporate taxation on mining companies. Similarly, the universal basic income scheme in Iran was implemented in 2010 as part of the presidential campaign promise to 'put the nation's oil wealth on people's dinner tables' and reduce inequality in income distribution (Salehi-Isfahani et al., 2015: 5). The Alaska Permanent Fund Dividend – an annual lump sum payment made to residents of Alaska – is also a mechanism for redistributing oil revenue in the state (Goldsmith, 2010).

Factors influencing the design and evolution of child benefit schemes

A range of actors and contextual factors influence the initial design of programmes, as well as their subsequent evolution.

Domestic politics and actors – in terms of the relative political power of different actors and alliances, party politics, and the norms and values they each promote – are central to shaping the design of child benefits. The relative power of different social classes can influence the direction of policy. In Scandinavian countries, for example, it has been argued that the principles of solidarity and collective responsibility that inform much of the welfare system stem from the political strength of the agrarian sector or in the coalition it formed with the industrial working classes (in the case of Sweden) and the demands they made for redistribution (Kangas, 1991). These strong alliances were generally lacking in Germany where, instead, the principles of individual responsibility and nuclear family values led to a greater reliance on social insurance schemes,

including in the first post-war iteration of the child benefit (Esping-Andersen, 1990).

Domestic trade unions and/or civil society organisations can play a critical role by exerting pressure on government to reform or expand schemes. In the UK, the Child Poverty Action Group has played a central role in the evolution of family benefits in the UK, generating momentum for the Child Benefit to be extended to the first child in the 1970s, and continuously advocating for increases in the value of the benefit to better meet the needs of households with children (Bennett and Dornan, 2006). In South Africa, civil society organisations played a key role in the expansion in coverage of the CSG. The CSG initially covered children up to the age of seven, but since its introduction, civil society organisations – including Black Sash, the Alliance for Children's Entitlement to Social Security and the Children's Institute of the University of Cape Town – have advocated for expanding coverage. Critical elements of their campaigns were a reliance on evidence of the effectiveness of the existing scheme, and arguments for compliance with the rights-based approach to social protection, whereby the right to social assistance applies to 'all people in the country', as established by a ruling of the constitutional court (see Chapter 3). These initiatives, combined with developments in South Africa's fiscal space, enabled by continued economic growth since 2000, generated the stimulus required for the continued expansion in coverage of the scheme (Patel and Plagerson, 2016).

The establishment and evolution of child benefits can be heavily influenced by party/electoral politics. The CMP in Mongolia and the cash grant programme in Iran were both established following elections during which their introduction or reform represented a key aspect of electoral platforms (Hodges et al., 2007; Salehi-Isfahani et al., 2015). Examples of child benefit reforms introduced following changes in political leadership include the universalisation of programmes in the UK and Germany in the 1970s and the inclusion of targeting in a previously universal scheme in Canada in 2015 (Mätzke and Ostner, 2010; Béland et al., 2014).

Multilateral and donor organisations have also contributed to the introduction and subsequent evolution of child grant schemes (Barrientos, 2007). In Kenya, for example, UNICEF played an important role in galvanising public and political support for the establishment of the Cash Transfer for Orphans and Vulnerable Children to address the needs of the roughly 1.7 million orphans in the country. UNICEF provided technical assistance to the Minister of Home Affairs in designing the pilot scheme. It also provided financing contributions, alongside the UK Department for International Development (DFID) and the World Bank, which have enabled the programme to be expanded to new districts (Bosworth et al., 2016). Through the provision of technical support, UNICEF has also played a key role in successfully advocating for the universalisation of the Child Grant in Nepal.

The evolution of the CMP in Mongolia has been heavily shaped by multilateral and regional organisations. The global financial crisis of 2008 led to a fall in the global prices of mineral resources and undermined the fiscal position of the Mongolian government. The government turned to the International Monetary Fund (IMF) for a loan, the conditions of which included a provision to revoke the universality of the CMP (Kidd, 2015; UNICEF UCB Country Profile). Since then, the coverage of the scheme has continuously changed from targeted to universal and back again, as domestic preferences (largely in favour of universality) competed with international pressures (promoting targeting). Similarly, the IMF also encouraged the Government of Iran to introduce targeting into its universal grants scheme (Development Pathways, 2018).

A country's **fiscal context** is a key factor shaping the design and evolution of child benefits. Crucial decisions need to be made in terms of the manner in which programmes are to be funded, or the relative importance of social protection spending in the government budget. In Sweden, for example, many of the welfare schemes established after the war were financed through sharp increases in taxes, considered acceptable by taxpayers thanks to the universal nature of the schemes, but also aided by the strong economic growth and low unemployment levels experienced in the post-war era (Bergh, 2011). In Brazil, a Financial Transactions Tax, which collected a comparatively small tax on financial instruments such as bonds, foreign currency transactions, derivatives, and bank debits and credits, was introduced in 1997. It was earmarked to finance healthcare programmes, anti-poverty measures and social assistance. The tax collected roughly $20 billion annually, and 21% of this was earmarked to finance

the *Bolsa Família* programme, but was discontinued in 2008 (ILO, 2016a). In Nepal, the increased budgetary outlay on social protection schemes (including the Child Grant) in the post-war era were partly covered by the rising tax revenue generated thanks to improved tax compliance, macroeconomic growth and trade tax growth (Koehler, 2011). In the context of the SDGs, the Nepali government committed to dedicating 15% of public expenditure to social protection by 2030 – from 11% in 2015 (NPC, 2018). This provides some fiscal (and political) room for the expansion in coverage of the Child Grant scheme (Mathers, 2017). In Argentina, the non-contributory AUH was introduced to cover informal workers after the recession that hit the economy in the 1990s and early 2000s led to a sharp growth in informal employment and to a reduction in coverage of the contributory child benefit scheme for formal-sector workers (Roca, 2011). Both schemes are implemented by ANSES, and the AUH is financed from a range of ANSES revenues, including fines and surcharges, income from investments made by the institution, employer and employee contributions and a tax on personal assets (D'Elia et al., 2010).

The fiscal context can provide an opportunity for establishing child benefits or for their expansion. As noted above, some countries have introduced child benefits (or similar schemes) to redistribute natural wealth – for example, in Mongolia, Iran, Alaska, and Peru (the *Bono Juancito Pinto* scheme). In others, the economic or fiscal context exerts a constraint on political ambitions and on the feasibility of various design options (in particular with regards to eligibility and targeting). For example, South Africa's CSG was created in 1998 to replace the Social Maintenance Grant and to expand the coverage of the child benefit. Crucially, the Lund Committee in charge of assessing policy options for the design of the new scheme decided to work within the confines of the budget of the previous grant, for fear that the scheme would be abolished altogether if they did not. Since the aim was to cover a larger share of children, they had to play with various design features to remain within the budget, including the age restrictions (ultimately set at seven years old) and the benefit level (set lower than the Social Maintenance Grant) (Patel and Plagerson, 2016).

Compromises also had to be made in the design of the family allowances in the UK due to fiscal constraints. Indeed, the scheme proposed by Beveridge was initially designed to cover all children and pay seven shillings per child per week. Some parts of the government believed that strong economic growth following the war (to which the welfare state itself would contribute by promoting full employment and upholding purchasing power) would generate the national income (through taxes) required to make the scheme affordable. However, the Treasury were not so optimistic in their predictions. This led to a compromise, whereby the benefit was only paid to the second child and subsequent children in a household and set at five shillings a week (Bennett and Dornan, 2006).

Financial support from donors – including UNICEF, DFID, the World Bank and the EU – has often been crucial in the piloting and subsequent scaling-up of numerous child benefit programmes (Barrientos, 2007). The relative share of financing between the government and development partners can also change over time, once significant upfront costs (relating to administrative structures, for example) are out of the way. In Kenya, the share of the Cash Transfer for Orphans and Vulnerable Children scheme financed by development partners fell from 57% in 2008 to 16% in 2016 (Beegle et al., 2018). Similarly, the CGP in Lesotho was established as a pilot with funding support from the EU and technical support from UNICEF. Since its inception the scheme has significantly increased in coverage, from 1,000 households during the pilot phase in 2009 to 25,000 households (or 80,000 children) in 2014, to 38,700 households (or 108,900 children) in 2019 (Pellerano et al., 2016; UNICEF UCB Country Profile). As the country's fiscal space improved, the Government of Lesotho took over an increasing share of the financing of the scheme, and currently covers the total cost of the transfer and 70% of the administrative costs (ibid).

The fiscal context also significantly affects the evolution of schemes. Horizontal or vertical expansions require the necessary fiscal space, while economic contractions and shrinking government budgets can lead to the retrenchment of social protection programmes. The expansion of the CSG in South Africa – through an increase in the age restriction and extension of coverage to permanent residents – was enabled by the economic growth experienced since the early 2000s (Patel and

Plagerson, 2016). On the other hand, as the case of Mongolia illustrates, financial crises can lead to programme retrenchment, with targeting being introduced to a previously universal scheme. The recent history of the child benefit schemes in the UK and Canada also illustrate how financial crises can influence policy. In both cases, the financial crisis of 2008 was followed by the introduction of a level of targeting into previously universal programmes. For example, reforms were introduced in Canada in 2015, whereby various benefits (including the universal scheme) were consolidated into a single Canada Child Benefit – a tax-free and income-related scheme that is not paid to higher-income earners. This, the government argued, would enable them to increase benefits for lower- and middle-income households in an effort to tackle persistent child poverty (Banting and Myles, 2015). A similar reform was introduced in the UK, where, in 2013, a High-Income Child Benefit Tax was introduced to tax back the Child Benefit from high-income earners. This – combined with a freeze in the benefit level – provided a means of cutting the cost of the scheme and reducing the budget deficit (Béland et al., 2014).

Policy ideas and social norms also shape the evolution of child benefit schemes by framing the manner in which policy-makers and voters understand social and economic problems and how these can be resolved (Lavers and Hickey, 2015). The relative power of different ideas on policy is itself heavily connected to many of the factors discussed previously. Financial crises and changes in political leadership can bring about changes to the dominant economic or social ideas of a period. The economic crisis in 2008 and the leadership change in the UK brought in new economic ideas and promoted austerity measures, which led to the retrenchment of the Child Benefit scheme. The forerunners of the *Bolsa Família* programme in Brazil were introduced shortly after the fall of the dictatorship in 1985, where the return to a democratic political system led to the rise of new ideas about state–citizen relations and a desire to address the high levels of inequality and poverty (Ferreira and Robalino, 2010). Previously, the social protection landscape was largely limited to social insurance schemes introduced in the 1920s, which covered only a small share of the workforce. In the 1980s, however, new ideas about the 'social debt' and the inclusion in the 1988 Constitution of the right to a guaranteed minimum income (based on the principle of citizenship) paved the way for the introduction of social assistance schemes to complement contributory programmes. In the 1990s a number of cash transfer schemes were piloted at municipality levels that would later be expanded and merged to become the *Bolsa Família* programme in 2003 (Barrientos, 2013c).

The generation and communication of **evidence** to relevant stakeholders – whether about the impacts of national child benefits schemes or evidence of successes abroad – is also crucial in the evolution of child benefits. It is particularly important for ensuring policy-makers make informed decisions about programme reforms. Evidence can also dispel concerns or preconceptions policy-makers or the public may have about particular schemes, stimulate public and political support, and contribute towards sustainability and expansion. For example, evaluations were a key element in the design of the Cash Transfer for Orphans and Vulnerable Children programme in Kenya. The evidence has since 'been used by implementers, managers and policy-makers to modify design and operational aspects of the programme, to protect it from attacks, and to advocate for expansion with public funds' (Bosworth et al., 2016: 118). Granvik (2016) also argues that the ability of the EU to demonstrate the impacts on education and the multiplier effect of the CGP in Lesotho – highlighting the programme as a form of investment – were important in encouraging the government to take over the financing of the programme. Similarly, evidence of the impacts of the Child Grant in Nepal – along with analyses of the costing of various design options – have helped to galvanise political support in favour of universalising the programme; the evidence suggested better outcomes could be achieved with the right reforms (Garde et al., 2017). The scheme is currently being rolled out nationwide.

Progressive realisation of UCBs

Many UCBs or qUCBs were not initially designed as universal schemes but, instead, their coverage has progressively increased over time. Programmes can expand to reach (near-) universal coverage in various ways, with the different trajectories often closely related to initial programme design. Examples include:

- *Moving from means-tested to universal*: Sweden's child allowance was initially designed as a means-tested programme for poor women with children in 1937, but eventually made universal for all households with children in 1948 (Kälvesten, 1955). The CMP in Mongolia was also initially means-tested in 2005 (covering 350,000 children) but made universal in 2007 (covering 932,000 children). Since then, the targeting approach has changed several times, resulting in varying levels of coverage (UNICEF UCB Country Profile).
- *Increasing coverage by raising the age threshold*: In South Africa, the CSG, launched in 1998, initially covered only children up to the age of seven. Its coverage has continuously expanded through incremental increases to the age restrictions (now set at up to 17 years) and through the inclusion of permanent residents. Coverage increased from 150,366 recipients in 1999/2000 to over 12.4 million beneficiaries in 2019 (Patel and Plagerson, 2016; UNICEF UCB Country Profile).
- *Expanding programmes geographically*: Nepal's Child Grant, introduced in 2009, was initially only paid to all children under the age of five in the Karnali zone and to poor Dalit children under the age of five nationwide. The scheme is currently expanding geographically and is being introduced incrementally in new districts, with the aim of nationwide coverage (UNICEF, 2017b). Similarly, the Cash Transfer for Orphans and Vulnerable Children in Kenya – while still limited in coverage – is expanding to an increasing share of the nation's districts; it covered 500 households in the pre-pilot phase in 2004 and 240,000 in 2015 (CGD, 2015).
- *Reforming (or complementing) financing methods*: The contributory child benefit in Germany, created in 1956, only covered some children of formal-sector (male) employees – 9% of the child population at the time (Baas, 2014). However, it became universal through subsequent reforms that delinked entitlement from work status through the establishment of a tax-financed model, and then progressively covered all children within a household (Mätzke and Ostner, 2010). It now covers almost 100% of children. In Argentina, a contributory scheme covering only formal-sector workers was complemented by a non-contributory scheme for those who had previously been excluded in 2009, creating a system that achieves wide-reaching coverage (67%) (Roca, 2011).
- *Expanding coverage within the household:* As in Germany, child allowances in the UK were only paid to the second child and subsequent children in a household when they were established in 1946. They were then extended to first-born children in 1975 (Bennett and Dornan, 2006).

3 Universal child benefits and child rights

Key messages:

- By virtue of international human rights treaties, ILO treaties, 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 or ideological parameters. A normative rights-based approach should complement technocratic, knowledge-based policy decisions, if the provision of social protection programmes aims to respect existing normative frameworks and the rights of beneficiaries.
- UCBs are more in line with the principle of equality and non-discrimination as a result of their comparatively higher coverage rates and lower exclusion errors. Their administrative simplicity is also an advantage in this regard.
- However, 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.
- UCBs may better respect the principle of the best interests of the child because of their limited scope for the abuse of (potential) beneficiaries, which arise from administrative complexities associated with narrowly targeted and conditional transfers. It falls to the authorities to prove that they have selected the policy choice that best protects the rights and well-being of children, beyond relieving their income poverty.
- The simpler application processes and limited monitoring and compliance mechanisms associated with UCBs may mean they are better able to respect the dignity of those entitled to transfers and to minimise stigmatisation.
- Children's rights must be seen in their indivisibility. Cash transfer design alternatives should be considered in terms of their compliance with children's right to social protection while not undermining other rights.
- Available evidence suggests that, while governments may be able to ensure children's right to social protection through a multi-tiered, mixed system, some design features of specific transfers have the potential to negatively impact other rights. Policy-makers should therefore assess the implications of alternative programme design features for children's rights as a whole.

3.1 Introduction

This chapter considers how UCBs compare with other types of cash transfers in their compliance with human rights norms and standards, with a focus on children's rights.[32] The potential advantages and limitations of different policy design options are discussed in relation to the international and domestic normative frameworks regarding human rights.[33]

Decisions regarding the design and implementation of social protection programmes are often based on technical assessments or choices made by social protection authorities, within financial and administrative constraints and political or ideological parameters (Devereux et al., 2013). Sometimes, such decisions do not include comprehensive assessments of the compatibility of the programme design with critical standards and laws applicable to the country concerned.

Existing legal frameworks related to human rights – such as the principle of equality and non-discrimination, the principle of the 'best interests of the child' and respect for dignity – provide compulsory norms that should guide social protection decision-makers and practitioners in designing, implementing and evaluating social protection programmes. This normative rights-based approach should complement technocratic, knowledge-based policy decisions, if the provision of social protection programmes aims to respect existing normative frameworks and the rights of beneficiaries.

This chapter discusses the ways in which alternative child benefit design features help ensure policies comply with these principles, with a focus on equality and non-discrimination – other aspects, such as dignity and shame, are covered elsewhere in the report (Chapter 5). Throughout, the chapter includes text boxes with examples of laws, regulations and case law from countries from different regions and with different levels of development. These examples should enable the reader to assess the importance of legal frameworks in designing social protection programmes.

3.2 The right to social protection and other children's rights

By virtue of the multitude of international human rights treaties, ILO treaties, domestic legal frameworks and political commitments, states have extensive human rights obligations regarding social protection. These obligations relate to the outcome (e.g. putting in place social protection systems to ensure compliance with these rights) as well as to the process that is used (e.g. guiding states in the way social protection schemes should be established). Thus, states have obligations for both conduct and result.[34]

The specificity of the Convention on the Rights of the Child and other children's rights legislation

Human rights instruments are for all, including children. However, the Convention on the Rights of the Child (CRC) is specifically tailored to the interests of children and expressly refers to the right to social protection (UNICEF, 1990: Article 26). The CRC is compulsory for almost all states in the world.[35] Three considerations are in order. First, as is the case with all human rights, the right to social

32 Other human rights principles and standards which have been used to evaluate social protection interventions, such as transparency, the right to privacy and data protection, are not included in this report.

33 For the full discussion, see Sepúlveda (2019).

34 The 'right to social security' or 'social protection' is enshrined in several international instruments. The first to enshrine social security as a right was the Declaration of Philadelphia – under the auspices of the ILO – adopted in 1944. In 1948, the right to social security for every human being, as a member of society, was officially recognised in the Universal Declaration of Human Rights (UDHR, Articles 22 and 25). Subsequently, it was included in various human rights treaties, including the International Covenant on Economic, Social and Cultural Rights (ICESCR (1966), Articles 9 and 10); the International Convention on the Elimination of All Forms of Racial Discrimination (CERD (1979), Article 5.e.iv); the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW (1979), Article 11.1e); the Convention on the Rights of the Child (CRC (1989), Article 26); the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMW (1990), Article 27); and the Convention on the Rights of Persons with Disabilities (CRPD (2006), Article 28).
Additionally, this right is enshrined in several conventions adopted within the framework of the International Labour Organisation (ILO), such as Convention 102 (1952), Convention 118 (1962), and Convention 157 (1982).

35 Up to January 2019, there are 196 states parties to the CRC.

protection is universal and must therefore be ensured and protected for all children equally. Second, human rights are indivisible; there is no hierarchy among them. While social protection programmes have an important role to play in ensuring the enjoyment of all rights included in the CRC (Kaplan and Jones, 2013), all rights are equally important and must be respected in the process of implementing the right to social protection. Third, rights are interdependent – in other words, to ensure the fulfilment of the right to social security, the fulfilment of other rights must also be ensured.

The rights enshrined in the CRC apply to all children without discrimination of any kind (UNICEF, 1990: Article 2). States parties are obliged to take all appropriate measures to ensure that children are protected against all forms of discrimination (see Section 3.3.1). According to the CRC, no child should be treated unfairly on any basis. Specific articles address the needs of child refugees, children with disabilities and children of minority or indigenous groups.

One of the guiding principles of the CRC is the 'best interests of the child'. According to this principle, children must be the primary concern in making decisions that may affect them. This particularly applies to budgets, policy and laws (ibid: Article 3). In other words, this principle must be respected at all stages of adopting laws, policies, strategies, programmes, plans, budgets, legislative and budgetary initiatives, and guidelines concerning children in general or as a specific group (United Nations Committee on the Rights of the Child, 2013). It is particularly important in regard to social protection policies (see Section 3.3.2).

Children's rights are not only covered by international law and standards. Many national constitutions and laws around the world establish obligations related to children, including regarding their economic, social and cultural rights. For example, the Colombian and South African Constitutions enshrined children's rights to health and housing (Republic of Colombia, 1991: Article 44; Republic of South Africa, 1996: Article 28), which are immediately enforceable (Langford, 2008).

In many countries, it is also common to find specific laws – which are often based on human rights – that provide the framework for overall protection of children's rights, including their right to social protection and healthcare. Countries that have adopted comprehensive child rights legislation include South Africa (2005), Ghana (1998), Kenya (2001) and Namibia (2015). In Kyrgyzstan, for example, Child Code No. 100 (Kyrgyz Republic, 2012) includes social protection clauses setting out children's rights to healthcare, education, housing and other social services. Accordingly, child protection issues were integrated into the broader framework of Kyrgyzstan's social protection system and mainstreamed into social protection programmes (ILO, 2017). Similarly, Uruguay's Code on Children and Adolescents (2004) protects a wide range of rights and reaffirms the rights set forth in the CRC.

Box 4 Influencing national social protection systems through international law: expanding protection to all children

South Africa's CSG, established in 1998, was initially conceived for children below the age of seven. However, in line with obligations under the CRC, the Government of South Africa has been expanding the age threshold, with the aim of providing support to all South African children in poverty, eliminating any form of discrimination in the selection of beneficiaries. Today, all children up to the age of 18 are eligible for the grant. This change is the result of advocacy efforts by civil society organisations for greater accessibility and demonstrates that the government has been open and responsive to human rights criticism.

Source: Budlender et al. (2008)

Which children should enjoy these rights?
The CRC states that *all* children should enjoy the right to social protection. This raises several important questions:

- Who is a child under international law?
- What happens if domestic law defines children differently (e.g. up to the age of 15)?
- Are refugees, migrants or stateless children entitled to the right to social protection?
- Are undocumented migrants also included? If so, under which circumstances?

Age requirements
Under the CRC, a child is defined as a person up to the age of 18 years old (UNICEF, 1990: Article 1); all children under the age of 18 shall enjoy all rights, including the right to social protection, without discrimination of any kind. Even if the age of majority in a particular country – the age at which a child attains the status of adulthood – is below the age of 18, the state party is obliged to ensure that all children up to the age of 18 benefit from protection and enjoy their rights under the Convention.

Legal status
Under human rights treaties, rights are granted to 'all', and not only to nationals of the states parties. Legal norms enshrining the principle of equality and non-discrimination in international treaties generally prohibit discrimination in terms of nationality (UNCESCR, 2009). This means that states parties to international treaties must ensure equal treatment in the enjoyment of all rights, including the right to social protection, both to nationals and non-national children. This includes refugees, asylum seekers and migrants, regardless of their legal status and the documentation they possess. Likewise, affirmative measures or actions must be taken to ensure, as a matter of priority, that the most disadvantaged and vulnerable groups can enjoy this right (ibid.).

According to ILO Recommendation 202 (ILO, 2012: paragraph 6), 'subject to their existing international obligations, Members should provide the basic social security guarantees referred to in this Recommendation to *at least all residents and children*, as defined in national laws and regulations' (emphasis added). Unfortunately, this formulation is unclear and seems to contradict the universal concept of social protection floors. *Residents* are to be defined by the country concerned; the term often refers to people who legally reside in the country. The requirement to be a resident does not apply to children. Under Recommendation 202, basic income security must be ensured for any child within the country, regardless of their origin or legal status. In other words, coverage of children does not depend on whether they or their parents are residents under national law (ILO, 2019).

In some countries, there are laws that expressly ensure that refugees, asylum seekers and migrants shall enjoy the right to social protection on an equal basis with nationals (see Box 5). In other cases, domestic courts and regional human rights tribunals have determined that excluding non-nationals (i.e. refugees, asylum seekers and migrants) from the enjoyment of the right to social protection is discriminatory. They have ordered the governments concerned to include non-nationals in their social protection programmes (see Box 6).

Human rights treaty monitoring bodies often emphasise that documented or undocumented

Box 5 Good practice: enshrining the right to social protection for refugees, asylum seekers and migrants in Uruguay

According to Uruguayan legislation, refugees have the same rights as nationals. Article 20 of the 2006 Refugee Law states that: 'The State must guarantee refugees and asylum seekers the enjoyment and exercise of civil, economic, social, cultural and all other rights recognized for the inhabitants of the Republic in international human rights instruments subscribed to by the State, as well as in its internal regulations'. Likewise, according to the Migration Law (2008), 'Migrants and their families shall enjoy the rights to health, work, social security, housing and education on an equal footing with nationals. These rights will have the same protection and safeguards in both cases' (Article 8). Article 3 defines 'migrant' as 'any foreign person who enters the territory with the intention of residing and settling permanently or temporarily'.

Source: Uruguayan Congress (2006; 2008) (author's translation)

migrants shall enjoy all rights on an equal basis with nationals. A recent case law of the United Nations Human Rights Committee (UN HRC), the supervisory body of the International Covenant on Civil and Political Rights (which is compulsory for the 172 states parties), emphasised that the obligation to ensure equal protection of rights regardless of migration status includes the right to social protection (see Box 7).

Box 6 Judicial enforcement of the right to social protection of non-nationals: South Africa, Brazil and Austria

In several countries the judiciary has enforced the equal access of non-nationals to social protection. In 2004, the Constitutional Court of **South Africa** ruled that the principle of non-discrimination applies to the enjoyment of the right to social protection by foreign residents in the country. In the case of *Khosa and Others v. The Minister of Social Development*, the Constitutional Court considered that the Constitution vests the right to social protection in 'everyone' and that permanent residents are holders of this right. The Court noted that the exclusion of permanent residents from the programme is not a reasonable way to achieve the realisation of the right to social protection and that it was discriminatory.

In this same ruling, the Court held that South African children born to non-South African parents with permanent residency should also have access to transfers, even if their parents or primary caregivers do not. The Court emphasised that denying South African children access to benefits because of their parents' nationality would be unconstitutional. Since 2010, all South African cash transfers (or 'social grants'), such as those for children, persons with disabilities and non-contributory pensions for older people, are not limited to citizens. Permanent residents and refugees can also benefit from them.

In **Brazil**, foreign nationals have gone to court several times to demand that they be given the same protection as nationals under social assistance schemes. In a landmark case, a non-national requested access to the cash transfer programme, *Benefício de Prestação Continuada da Assistência Social* (BPC) (Continuous Cash Benefit Programme), which he had been denied because he was not a Brazilian national (Extraordinary Writ 587.970). According to the Brazilian Constitution (Federative Republic of Brazil, 1988: Article 203, clause V), the BPC must be granted to any person with a disability or to older persons, who demonstrate that they have no means to provide for their own maintenance and do not receive support from their family. The Court found that, according to the Constitution, social assistance should be provided to any person who needs it, regardless of nationality. The ruling states that 'since the creation of the Brazilian nation, the presence of foreigners in the country has been encouraged and tolerated. It would not be consistent with our history to establish differentiations based solely on nationality, especially when dignity is at stake in times of human frailty'. The ruling expressly rejects the argument that giving benefits to non-nationals would deprive nationals of their access to them. It also emphasises that the provision makes no distinction and that the principle of equality enshrined in Article 5 of the Constitution would not allow such a distinction. Therefore, it was determined that the BPC should be given to non-nationals on equal terms with nationals. This includes migrants, asylum seekers and refugees.

At the regional level, the **European Court of Human Rights** has also unanimously concluded that the denial of social protection benefits solely based on a different nationality constitutes a violation of the European Convention on Human Rights. In the case of *Gaygusuz v Austria*, the Court considered that the difference in treatment between Austrians and non-Austrians regarding the right to receive emergency assistance was not based on any 'objective and reasonable justification'.

Sources: *Case Khosa and others v. The Minister of Social Development and Others*, (CCT 13/03, CCT 12/03) [2004] ZACC 11; 2004 (6) SA 505 (CC); 2004 (6) BCLR 569 (CC) (4 March 2004), Judgment of 14 March 2004; Reg. 6(1)(g) of Regulations Relating to the Application for and Payment of Social Assistance. See also, South African Social Security Agency (SASSA), www.sassa.gov.za/index.php/social-grants (last accessed April 2019); Brazilian, Specialized Federal Court of the 3rd Region sentenced the National Institute of Social Security (*Instituto Nacional do Seguro Social*, INSS) to grant foreign residents the benefit enshrined in Article 203 paragraph V of the Constitution and European Court of Human Rights, *Gaygusuz v. Austria*, Application No. 177371/9, Judgment of 16 September 1996.

Box 7 Are undocumented migrants also protected under the right to social protection?

In 2018, the UN HRC concluded that Canada violated the rights of an undocumented irregular migrant by denying her essential healthcare (case *Toussaint v. Canada*). The petitioner challenged Canada's denial of healthcare coverage to undocumented immigrants under the Interim Federal Health Benefit Programme. In its decision, the Human Rights Committee affirmed the obligation of states to ensure that everyone has access to the essential healthcare necessary to prevent foreseeable risks to life, regardless of migration status.

The Committee requested that Canada provide adequate compensation to Ms. Toussaint, the plaintiff, for the harm she had suffered. It also requested that the authorities review the national legislation to ensure that irregular migrants have access to essential healthcare.

Source: CCPR/C/123/D/2348/2014, 2018 of 24 July 2018

3.3 Are UCBs better positioned than other policies to ensure compliance with human rights?

In order to assess whether UCBs are better positioned than other related policy interventions to ensure compliance with human rights obligations, we first need to outline what these obligations are. Subsequently, we need to show how they apply to social protection interventions.

It is beyond the scope of this study to cover all the obligations under human rights law that are relevant to designing, implementing and evaluating social protection programmes.[36] The analysis focuses on the compliance of cash transfer programmes with children's rights. To this end, it examines four key aspects:

1. Compliance with the principle of equality and non-discrimination
2. Compliance with the principle of the 'best interests of the child'
3. Respect for dignity and avoidance of stigma
4. Compliance with other children's rights and avoidance of adverse impacts on exercising those rights.

3.3.1 Principle of equality and non-discrimination

This is a key principle of international human rights law. Most countries – if not all – have legal frameworks that oblige all branches of the state (the executive, legislative and judicial branches) to ensure equality and to take measures for levelling the playing field for the most vulnerable and disadvantaged groups. These obligations may arise from these countries being parties to international human rights treaties,[37] but are also often part of national constitutions,[38] bills of rights or domestic legislation.

The recognition of the principle of equality and non-discrimination in national constitutions or bills of rights gives individuals a legal claim, guaranteeing non-discrimination and equality even in those cases where other parts of the legal framework results – sometimes unintentionally – in discrimination.

Improved compliance with the human rights obligations related to the principle of equality and non-discrimination results in more inclusive social protection interventions (Sepúlveda, 2017). It is therefore possible to use this principle to assess and compare different models of cash transfers as well as specific design and implementation features. Increasingly, this principle has been used by domestic courts to assess the legality of specific design and

36 For a comprehensive analysis of a rights-based approach to social protection, see Sepúlveda and Nyst (2012).

37 Under the auspices of the United Nations, several treaties guarantee the right to equality and non-discrimination. These include the International Covenant on Civil and Political Rights (ICCPR, Articles 2, 3 and 26); the ICESCR (Articles 2(2) and 3); and the CRC (Articles 2 and 28). Regional human rights treaties also prohibit discrimination, such as the American Convention on Human Rights (Article 1), the African Charter on Human and People's Rights (Articles 2, 3, 18 and 28) and the Arab Charter on Human Rights (Articles 2, 9, and 35).

38 See, Database: Oxford Constitutional Law (OXCON). Available at: http://oxcon.ouplaw.com. Examples range from the Constitution of the Russian Federation (1993) (Art. 19) to the Constitution of India (1949) (Arts. 14-18) (last accessed April 2019).

implementation modalities in social protection programmes (see text boxes 4, 6 and 8).

Scope and content

From a rights perspective, all persons are equal before the law and must enjoy all human rights, without discrimination of any kind. Prohibited grounds of discrimination include race, colour, sex, age, language, religion, political or other opinion, national or social origin, property, birth, physical or mental disability, health status (including HIV/AIDS), sexual orientation and geographical location.

However, the principle of equality does not mean that all persons should be treated equally and that all distinctions in treatment constitute discrimination. There may be situations in which different treatment is justified.

Under international law a *distinction, exclusion, restriction or preference* is compatible with the principle of equality when:

1. it has an objective and reasonable justification
2. it pursues a legitimate aim under human rights law
3. there is a reasonable relationship of proportionality between the means employed and policy objectives.[39]

Differential treatment that complies with the criteria mentioned above is not discriminatory and does not infringe on the principle of equality and non-discrimination. Nonetheless, these criteria significantly limit the discretion of states in designing and implementing social protection programmes. These criteria have been increasingly used by domestic courts to decide on cases related to social protection.

Affirmative actions

The principle of equality and non-discrimination does not only entail an obligation to not discriminate (i.e. differential treatment on unreasonable grounds), but also an obligation to recognise differences between individuals and to take positive actions to achieve substantive equality (UN HRC, 1989; UNCESCR, 2009). Thus, taking specific measures (affirmative actions) to guarantee access for the most vulnerable and disadvantaged groups cannot be considered discriminatory. These groups include those who face structural or historic discrimination in the country concerned (e.g. ethnic minorities and indigenous peoples), or have specific difficulties in enjoying the right to social protection, such as children, people with disabilities, older persons, domestic workers, refugees, the unemployed, workers inadequately protected by social security and persons working in the informal economy. Such measures are legitimate to the extent that they represent reasonable, objective and proportional means to redress de facto discrimination (UNCESCR, 2009).

Similarly, affirmative actions in favour of children with specific vulnerabilities related to their age, gender, disability status or membership of specific groups, do not violate the principle of equality, provided that the specific treatment or preference is objective, reasonable and proportional. In fact, failing to provide special support to the most vulnerable and disadvantaged may imply a violation of the principle of equality and non-discrimination.

Indirect discrimination

A critical challenge in ensuring that social protection programmes comply with the principle of equality and non-discrimination is that a discriminatory impact is often not self-evident. What appears to be a neutral law, policy or practice at first sight, may turn out to have an unintended discriminatory impact on certain groups. For example, requiring a proof of residency for registering for a programme may unintentionally make it harder for internal migrants to participate, given the difficulties that migrants face in procuring documents.

Sometimes, failing to understand the ways in which children are exposed to discrimination in the delivery of a programme might prevent it from achieving its objectives. For example, an evaluation of the Palestinian National Cash Transfer Programme showed that children from poor families

39 These requirements have been developed by human rights supervisory bodies. See, e.g. *Marckx v. Belgium*, Application No. 6833/74, Judgement of 13 June 1979, para. 33; I/A Court HR Advisory Opinion No. 4 'Proposed amendments to the naturalization provisions of the Constitution of Costa Rica', OC-4/84 of January 19, 1984, para. 57; UN HRC: *General Comment No. 18: Non-discrimination*, 10 November 1989, para. 13 (UN HRC, 1989) and United Nations Committee on Economic, Social and Cultural Rights, General Comment 20: Non-discrimination in economic, social and cultural rights (art. 2, para. 2, of the International Covenant on Economic, Social and Cultural Rights), 2 July 2009 (hereafter: UN CESCR, 2009).

benefiting from the programme were experiencing discrimination from teachers at school (in some cases because they were programme beneficiaries). This was, ultimately, undermining the success of the programme, in particular the aim of improving school attendance. It also had a negative impact on child and adolescent well-being (Pereznieto et al., 2014).

Is it justified to give priority to children over other groups? Would UCBs imply a violation of the principle of equality and non-discrimination by giving children priority over other groups?

While everyone has the right to social protection, the principle of equality and non-discrimination under international human rights law requires states to pay special attention to persons or groups who are in a disadvantaged position. In this regard, focusing on child grants (over, for example, social pensions) may be justified by the fact that children are overrepresented in the poorest segments of society (Newhouse et al., 2016), have higher levels of vulnerability compared to adults and are affected differently by poverty compared to adults (UNICEF and World Bank, 2016) (see Chapter 1).

If children are at a higher risk of poverty than other population groups, this could be a legitimate reason for prioritizing them. For example, a recent study observed that poverty and extreme poverty in most Latin American countries affect children, adolescents and young people more than other age groups (ECLAC, 2019). Moreover, children cannot be responsible for providing for their income security as they are prohibited from working until the age of 16 in most countries. Whereas adults (unless severely impaired) and the elderly can contribute to their own income security or were able to when they were active. Thus, it is reasonable to focus on children.

Other arguments, such as the importance of breaking the intergenerational transmission of poverty (Dercon, 2011) or the positive economic impact of investing in children (Ortiz, 2001; Roelen and Sabates-Wheeler, 2011), might also be used to justify social protection interventions focusing on children.

The crucial question is whether, in a specific context, there are objective and reasonable criteria to select children over any other social group. If, for example, in a given context, poverty is higher among older people and most of them live and share resources with younger family members, it might be reasonable to give priority to them over children.

When social protection authorities favour one group over another (as in targeted programmes), they must be able to justify the selection of the specific targeted group on objective and reasonable criteria. Such criteria should pursue a legitimate aim under human rights law. Focusing on a group of the population (for example, the poorest segments of the population) only to save money, is not a legitimate aim under human rights law.

Box 8 Eligibility requirements that indirectly discriminate against children in Ireland

In 2018, the Irish Supreme Court determined that the requirement that only parents who were married or in a civil partner relationship could claim the Widowed Parent's Allowance (WPA) (a contributory, non-means-tested, social protection benefit), discriminated against children based on the marital status of their parents.

The case was submitted by Ms. McLaughlin, whose partner, the father of their four children, had died in 2014. They were not married but had lived together for 23 years. He had made sufficient contributions for Ms. McLaughlin to be able to claim the WPA, had she been married to him. However, her claim was refused.

In brief, the Court needed to decide whether the denial of benefits to her – as an unmarried surviving partner - was discriminatory, whether there was an objective justification for that difference in treatment, and, if so, if there was a legitimate and proportionate aim. The Court argued that the promotion of marriage and civil partnership is a legitimate aim but that denying the benefit to children whose parents where not married to each other was not a proportionate means of achieving that aim.

Source: Case: In the matter of an application by Siobhan McLaughlin for Judicial Review (Northern Ireland) [2018] UKSC 48.

Is it justified to give priority to some children over others? Are special measures in favour of particularly vulnerable and excluded children in line with the principle of equality and non-discrimination?

Focusing on a specific category of children or providing them with additional benefits may be essential to ensure that they enjoy their right to social protection on an equal basis with the rest of the population. This means that special measures to benefit children who are disadvantaged within their communities or families due to their age, gender, disability, lack of parental care, ethnicity, HIV/AIDS status or other factors are not discriminatory. In fact, affirmative actions in the form of an additional level of benefits or programmes specifically aimed at disadvantaged children may be necessary to ensure equal enjoyment of the right to social protection.

When programmes target a specific group of children, they should be based on reliable evidence. Authorities should be able to prove that targeting them is the most effective way to ensure their inclusion. This means ensuring that there are no alternatives that can effectively achieve the same results and that among the category of children chosen (e.g. children with disabilities living in poverty), nobody is discriminated against (e.g. those living in isolated communities or orphans) or out of reach. Any distinction, exclusion, restriction or preference must be compatible with the principle of equality.

Examples of programmes that favour particular groups of children include the *Mukhyamantri Kanya Utthan Yojana* (Chief Minister's Girl Child Upliftment Cash Transfer) in India, and the *Red de Oportunidades* in Panama. The former is a universal cash transfer programme for girls, established in 2018 by the state government of Bihar in India (see Chapter 2, Box 1). Focusing only on girls was justified by their poor social indicators and the high levels of gender inequality in the state.[40] In Panama, the authorities have adapted their national CCT programme to ensure the inclusion of indigenous peoples. While the rest of the population need to undergo a proxy means test to qualify for the programme, those living in *comarcas* (indigenous reserves) are exempted. Indigenous families with children automatically qualify for the programme. Moreover, the programme identifies local community liaison officers that accompany indigenous families through the process, supporting their compliance with co-responsibilities (UNICEF, 2012).

Taking special measures (e.g. linking the programme with healthcare services or providing an additional level of benefits) is essential for responding to the specific needs of children with disabilities and those of their families. Families living with a disabled child face additional costs associated with equipment, care, time and the limited opportunities for engaging in income-generating activities. A lack of public services may further exacerbate the impact of disability. Several programmes therefore include special measures for children with disabilities to ensure their equal enjoyment of the right to social protection.

Argentina's Universal Child Allowance, for example, provides a benefit to children with disabilities that is four times as high as that given to those without.[41] Other programmes are specifically targeted to children with disabilities, such as Jamaica's Programme of Advancement through Health and Education (PATH).

However, targeting children that are discriminated against might not be the best way to reach them or to ensure all children enjoy their right to social protection. For example, in a country with high levels of stigma and discrimination associated with disability, family members might refrain from registering for the programme or reporting that their child has a disability (UNICEF, 2012). In Nepal, the Child Grant targets Dalit children. However, this means that non-Dalit children who are poor and vulnerable – and equally in need of this benefit – may be excluded. It is therefore always critical to assess whether the measure is objective, reasonable and proportional.

Due to child-intensified vulnerabilities (Sabates-Wheeler et al., 2009) and the fact that it is often difficult to determine which children are more vulnerable in some contexts (e.g. children living in poverty, children in rural or isolated communities, indigenous children, children with disabilities or

40 http://pmjandhanyojana.co.in/mukhyamantri-kanya-utthan-scheme-bihar/ (last accessed April 2019).

41 www.anses.gob.ar/informacion/montos-de-asignacion-universal-por-hijo-y-por-embarazo-para-proteccion-social (last accessed April 2019).

migrant children), universal programmes benefiting all children may be more compliant with the principle of equality and non-discrimination.

Complying with the standards of accessibility, affordability, adaptability and gender sensitivity

It is difficult to address unintended discriminatory impacts – covert forms of discrimination – in programme design, implementation and evaluation. The standards of accessibility, affordability, adaptability and gender sensitivity are analytical tools that can assist in determining whether a programme has an unintended discriminatory impact (Sepúlveda, 2017). These standards are adapted from those developed in international human rights law in relation to economic, social and cultural rights.

Social protection programmes must be **accessible** to all. Obstacles such as lack of information (e.g. about the existence of the programme, who can register and how to do it), physical barriers (e.g. the long distances to the registration office or to the pay/service delivery point) and procedural barriers (e.g. complex administrative processes, long application forms or the need for multiple documents) prevent the most vulnerable and disadvantaged children and their caregivers from registering for programmes or enjoying their benefits on an equal basis with the rest of the population. For example, the lack of documentation is one of the most important drivers of self-exclusion from the CSG in South Africa (DSD et al., 2016). These barriers must be removed to ensure compliance with the principle of equality and non-discrimination.

Universal programmes may outperform targeted programmes in terms of some of these barriers to accessibility. In principle, beneficiaries of universal programmes have a lower information burden: screening is far less stringent than for targeted programmes. The procedures tend to be easier for beneficiaries to understand and the requirements are simpler to fulfil (Stewart and Orton, 2018). As UCBs are less concerned with preventing fraud (as all children are potential beneficiaries), they require the submission of fewer documents. In most countries that use UCBs, a birth certificate is the only necessary documentation (Bradshaw and Hirose, 2016). While access to birth registration is still a considerable barrier to accessing social protection for many children around the world, the lower the number of the documents required, the higher the level of access for the most vulnerable and disadvantaged children. In addition, evidence from South Africa shows that the requirement to present a birth certificate in order to obtain social protection benefits is a major incentive for early registration (SASSA and UNICEF, 2013). The verification process for documents for UCBs is also simpler and takes less time than for targeted programmes.

Targeted programmes are inherently more administratively burdensome than universal grants, for which governments do not have to verify income. They require complex administrative processes to verify eligibility and reassess beneficiaries when their circumstances change. There fore, there is a higher risk of exclusion of the most vulnerable and disadvantaged in targeted programmes. These individuals tend to have greater difficulty in gathering documents and dealing with administrative authorities. For example, a 2006 evaluation of the CSG in South Africa (Goldblatt et al. 2006), showed that, even though it is an unconditional grant, officials requested a number of documents that were not expressly required by the regulations. These included clinic cards (as proof of immunisation), photographs of children and letters confirming school attendance. Not only were these documents not required by law, they also placed a disproportionate burden on the poorest applicants, thereby excluding children whose caregivers were not able to provide them.
In Kazakhstan, a 2017 survey showed that the large amount of documentation required for registration for the social assistance programme was a considerable deterrent for prospective applicants (Babajanian and Scott, 2018).

While universal programmes are potentially better positioned to include vulnerable and disadvantaged children and families, both UCBs and targeted programmes require specific measures or affirmative action to overcome accessibility barriers. Providing comprehensive information about a programme is not enough to ensure the inclusion of the most vulnerable and disadvantaged, even for universal programmes. They require specific procedures to actively assist them with the registration process (e.g. mediators, social workers and flexibility in documentation) (Gupta, 2017).

Social protection programmes must be **affordable or economically accessible** to all. The process of

registering for a social protection programme, collecting benefits or submitting a complaint should not be costly for the beneficiaries. Any extra costs will have a disproportionately negative impact on the poorest beneficiaries. They might impede (prospective) beneficiaries from registering or collecting programme benefits due to their inability to pay for the direct or indirect costs.

Targeted programmes often have a cost to the user (e.g. for gathering the necessary documents). In Kazakhstan, the registration process for social assistance programmes takes between 32 and 120 days and requires up to six trips to the registration offices (Babajanian and Scott, 2018). Even in South Africa – a country that has a well-established and well-resourced administration in charge of social assistance programmes – an informal survey showed that the average cumulative queuing time for applying for a CSG was 20 hours (SASSA and UNICEF, 2013).

For universal approaches, on the other hand, the costs associated with registering for a programme or collecting benefits can be reduced (e.g. through less administrative barriers or economies of scale). Under universal programmes, fewer people will be excluded as a result of their inability to pay indirect or direct costs associated with the programme.

Social protection programmes must be **adapted** to the varying needs of the population that they are trying to reach. They must take into account local contexts and lived experiences. Barriers related to cultural values (e.g. for indigenous peoples), entrenched traditions and technological challenges (e.g. electronic methods of payments or biometric systems) require attention.

In the Philippines, for example, indigenous women beneficiaries of the CCT programme, *Pantawid Pamilyang*, have difficulty complying with the programme conditions that require women to give birth under the supervision of a trained professional in a health facility. Indigenous women perceive birth facilities as impersonal and dehumanising, so they do not attend. As a consequence, they do not receive the grant (University of the Philippines, 2017). Some cultural barriers relate to long-practised traditions and beliefs among the prospective beneficiaries. For example, in the north-west of South Africa, cultural beliefs prevent some new mothers from leaving their homes until their babies are more than three months old. This means that they cannot register for the CSG during this period (SASSA and UNICEF, 2013).

Similarly, some women have been prevented from registering and receiving the benefits from the Bihar Child Support Programme in India because, according to tradition, they must move from their resident village to the home where they were born during pregnancy. Lack of benefit portability results in exclusion (Viswanathan and Newton-Lewis, 2018).

While both targeted and universal programmes should take cultural norms and the specific circumstances of the beneficiaries into account, the relative simplicity of universal programmes means that they are often more adaptable. Universal programmes, particularly when they are unconditional, can be more flexible in their procedures, particularly in terms of where and how to receive benefits. While this might make them more inclusive, it would not automatically remove all impediments to entitlements.

Social protection programmes must be **gender-sensitive**, meaning that they must consider the many forms of discrimination that girls and women face, ensuring that they are able to benefit from programmes on an equal basis with boys and men. This includes ensuring that gendered social norms and patriarchal attitudes do not impede girls and women from benefiting from a specific programme. Particular attention should also be paid to the many forms of discrimination that can emerge at the intersection of gender with age, race, class, disability and other factors.

Obstacles to gender equality vary. They might involve eligibility criteria that exclude women from benefiting from programmes – such as health insurance enrolment criteria that only consider heads of households as eligible. They might also be the result of lengthy registration processes. These have a disproportionately negative impact on certain groups of women, such as those with care responsibilities, new mothers with infants and pregnant women.

Whether a UCB is in a better position than other interventions to achieve gender equality or to address the gender impact on mothers/guardians depends on the specific design features of the programme. Nonetheless, there is evidence that suggests that some specific programmes, such as CCTs, can be particularly problematic from a gender perspective (Martínez-Franzoni and Voreend, 2010; ECLAC, 2012;

UN Women, 2015). CCTs have been criticised for not addressing gender vulnerabilities and infringing on gender equality (ECLAC, 2012).

The additional demands on women's time created by conditionalities might also have a negative impact on children's rights and well-being. For example, they may reduce the amount of time for caring and raising children. Moreover, when busy mothers are trying to comply with conditionalities, girls within the household might have to take on more of their work (e.g. taking care of younger children). This could negatively impact on girls' rights to education or their chances of progressing at school on equal an basis with boys (see Section 3.3.4). The unconditional nature of UCBs, it is argued, reduces the risk of negative gendered outcomes. There are no work-activation policies, for example, in universal programmes. Such policies, which are common place in European countries, tend to negatively impact single parents (the majority of whom are single mothers), as they are forced to engage in paid work even when there is no adequate provision of childcare facilities.

Arguably, universal programmes can better support women's participation in wider society and the labour market, as they do not come with work-related conditionalities and cannot be withdrawn. Nonetheless, both universal and targeted social protection programmes require the establishment of complementary gender-sensitive policies to address gender vulnerabilities. For example, if care is not actively recognised, reduced and distributed, care deficits tend to be filled by women and girls, perpetuating unequal relations within the family and wider society. Higher-quality, affordable and publicly funded care services would allow more women to earn an income or take part in education or training. Evidence shows that access to subsidised child and elderly care is associated with increases in the number of hours women spend on paid work. In developing countries, it also boosts the participation of female workers in formal employment. In contrast, where care options are not available, the lack of childcare pushes mothers from formal into informal employment (World Bank, 2012).

In summary, opting for a UCB would not automatically remove all accessibility, affordability, adaptability and gender-sensitivity barriers. In both targeted and universal programmes, wider social policies are required to overcome these. Nonetheless, it is reasonable to assume that universal programmes will have a comparative advantage over targeted programmes in complying with these standards, as they have a lower risk of exclusion. They are procedurally more straightforward and easier to understand than targeted programmes. However, both universal and targeted programmes must include affirmative measures to ensure that the most vulnerable and disadvantaged can benefit on an equal basis.

Are universal programmes the only option under human rights law?

Universal programmes – those which provide benefits to all children without conditions – are the best way to ensure that states meet their human rights obligations and that the selection of beneficiaries adheres to the principle of equality and non-discrimination (UN CESCR, 2008). Generally, however, the principle of equality and non-discrimination is not compromised by the use of targeted programmes as a form of prioritising the most vulnerable and disadvantaged groups when progressively trying to achieve universal coverage.

Targeting mechanisms must always abide by the principle of equality and non-discrimination. This means that any targeting mechanism must be justified on objective and reasonable fact (e.g. when evidence suggests that a particular group is poorer than the rest of the population) and pursue a legitimate aim under human rights law (e.g. trying to benefit political supporters would not be considered legitimate). For targeted programmes there must also be a reasonable relationship of proportionality between the means employed and the aim they seek to realise (e.g. there is no alternative that could maximise access to social protection).

Sometimes, an apparently objective design or implementation feature may not be in line with human rights law. For example, when the CCT programme *Familias en Acción* began operating in Colombia in 2001, it aimed to link the conditional transfer to existing services. This resulted in the selection of municipalities where banks and health facilities were available, excluding some of the poorest and most underserved areas in the country (Attanasio et al., 2010). Moreover, the initial municipalities were not chosen based on objective criteria, but rather on a random process determined by the order in which the

paperwork had been administered in the central office (ibid.).

From a human rights perspective, administrative convenience, prevailing views in society or the convictions of local populations are not justifiable criteria for targeting (Moeckli, 2010). Similarly, imposing conditionalities on a programme with the sole aim of buying the support of the middle classes or gaining political popularity in an electoral cycle are not justified under human rights law.

There are a variety of factors that should be considered when assessing compliance with the principle of equality and non-discrimination by targeted programmes. These include targeting suitability to achieve the social protection objectives; the viability of alternative means with reduced risks of excluding those most in need; the effectiveness of the programme in reaching the targeted groups; the relative disadvantages suffered by groups who are not targeted in relation to the aim. Most importantly, authorities must prove that they have used all available resources to achieve the greatest possible coverage and that targeting is only being used as a step towards progressively achieving universal coverage.

In order to determine whether a targeting mechanism complies with the principle of equality and non-discrimination, there should be transparency in the following elements (at least):

1. The reasons for using a targeting method or focusing on a specific category or group of people
2. Whether the criteria are objective and reasonable (e.g. is the targeted group the most vulnerable and disadvantaged? Is the programme effectively reaching them?)
3. Who are the winners and losers (e.g. what are the unintended consequences of targeting?)
4. What are the alternatives (e.g. is there a more effective method of minimising exclusion errors?)

Social protection authorities should assess the different policy choices, considering not only fiscal or economic factors, but also the impact on equality and the enjoyment of other human rights. The debate should be open and inclusive, and the authorities should bear the burden of justifying the decision and ensuring compliance with their legal obligations on equality and non-discrimination.

In all cases, progressive expansion of coverage should be pursued proportionate to fiscal and administrative capacity. Additionally, adequate grievance mechanisms and monitoring processes should be put in place, so people have recourse in case of violations of the principle of equality and non-discrimination during the selection of beneficiaries. These mechanisms should be impartial and have the capacity to provide effective and efficient redress.

While there is no 'perfect' targeting mechanism, 'inclusion errors' (providing the benefit to someone who is not in the target group) are less significant from a rights perspective than 'exclusion errors' (failure to provide the transfer to those targeted and considered eligible). Exclusion errors are much more serious, as they entail a violation of beneficiaries' right to social protection. Those excluded are often people who have suffered from structural discrimination and who therefore find it more difficult to articulate a claim for their inclusion (Sepúlveda and Nyst, 2012). On the other hand, given the dynamic and often fluctuating nature of people's poverty status in developing countries, inclusion errors tend to affect children and their families who are still living in hardship or are vulnerable to falling into poverty (UNICEF, 2014).

Universal programmes, while often preferable, can also have unintended discriminatory impacts. For example, a school assistance programme that provides textbooks to all students might benefit only the most academic students (e.g. if the textbooks are too difficult for the average student) or only the elites (e.g. if the textbooks are in a language spoken mainly by city dwellers or people from a higher economic strata) (Glewwe et al., 2009). In such cases, it is important to adapt the programme or adopt measures to ensure that the most disadvantaged can also benefit.

The challenges of ensuring equality and non-discrimination through targeted programmes

Even when targeted programmes can be justified from a rights-based perspective, the way in which targeting methods are implemented in individual programmes needs to be carefully considered. In

practice, it raises several human rights concerns.[42] A programme's targeting mechanism may encompass one or more targeting method,[43] each of which comes with its own challenges in terms of complying with the principle of equality and non-discrimination.

For example, means-tested methods that take into account household income without addressing how resources are distributed within the household can put girls and older women at a disadvantage. Moreover, means-tested methods are often complex and opaque, making the eligibility criteria very difficult for the rights holder to grasp. This severely impedes the ability of intended beneficiaries to scrutinise the targeting process, claim their entitlements and hold programme administrators accountable for mistakes or errors. Evidence from South Africa shows that misunderstandings about the means test criteria and income thresholds in the CSG has excluded a substantial number of eligible caregivers from applying for and obtaining the grant since 2008 (DSD et al., 2016). In fact, this has been the leading cause of exclusion of eligible applicants and beneficiaries of the CSG.

Similarly, proxy means-tested methods might fail to reach standards of appropriate objectivity or transparency, particularly in developing countries with large informal sectors, weak administrative capacity and limited fiscal space (Kidd and Wylde, 2011). PMTs are inherently obscure as eligibility is based on a score from many different variables. These are often difficult to understand for ordinary citizens. Moreover, the formula is kept secret to avoid prospective beneficiaries from manipulating or misrepresenting their assets. Therefore, it is very difficult to verify whether a PMT programme is being implemented properly (Hanna and Olken, 2018).

Ensuring transparency is a key component of a rights-based approach to social protection. It is not only a human rights principle that must be respected, but it is also essential for building trust in a programme (see Chapters 5 and 6). In Gaza, the lack of transparency in the eligibility criteria for the Social Hardship Case made community members suspicious of favouritism and nepotism in the selection of beneficiaries, which undermined the implementation of the programme (Abu Hamad and Pavanello, 2012). Studies have also shown that beneficiaries tend to appreciate transparency in targeting systems and eligibility criteria (Bagash et al., 2012; Bukuluki and Watson, 2012).

While targeted programmes may be an intuitively appealing approach to prioritising those living in poverty, evidence shows that a number of targeted programmes have failed to reach their intended beneficiaries (Kidd and Athias, 2019). If targeted programmes are not reaching the poorest, this raises serious concerns about the legal justification for these programmes, particularly in terms of the principle of equality and non-discrimination. To justify the use of targeting methods under human rights law, the programme must be fit for the intended purpose and effectively reach the most vulnerable and disadvantaged.

Using data for nine African countries, a study has shown that proxy means-testing methods are particularly deficient in reaching the poorest (Brown et al., 2016). In Namibia, a study found inefficiencies in the means testing for child grants, leading to large errors of inclusion and exclusion. It showed that the poorest children are less likely to receive grants than those who are not as poor (Levine et al., 2009).

Despite the advantages that community-based targeting may have in reaching those most in need, it also has the potential to reinforce power structures, patron–client relations and local gender norms. Evidence shows that community targeting sometimes reinforces patterns of discrimination, as the lifestyles and livelihoods of the most vulnerable are often seen as a threat to social codes and norms (Edström, 2007). It can also have the perverse effect of completely excluding the poorest and most vulnerable if, for example, community leaders choose those who are most likely to benefit from social assistance, rather than those most in need of support (McCord, 2017). In some cases, community-targeted programmes have resulted in further excluding already socially marginalised women (Davies, 2009). Community-based targeting involves public discussion about

42 The report addresses issues regarding targeting in several sections, including Chapters 2, 4 and 5. This section limits the analysis to the human rights implications. For further analysis see Sepúlveda (2019).

43 For example, a programme may target poor households that live in geographic areas with high poverty rates and families from these areas are selected based on a proxy means test.

people in the community, which has the potential to generate or contribute to stigmatisation. In societies where discrimination and stigmatisation against certain groups is entrenched (e.g. single mothers accused of promiscuity or older women accused of practising witchcraft), avoiding discriminatory decisions against them could be difficult. Moreover, community targeting also raises the issue of 'volunteerism' (UNICEF, 2012): Who is doing the work? Under what conditions? And what are the implications?

The role of community leaders in the targeting process also creates opportunities for bribery and the abuse of power, thus further marginalising those who cannot pay a bribe or suffer from pre-existing discriminatory attitudes and arbitrary social hierarchies. This is particularly the case in communities where poverty is widespread and identifying those most in need is more difficult. Compliance with the principle of equality and non-discrimination through community targeting would require investing in building the capacity of the community to undertake this task, while avoiding/minimising discriminatory attitudes and opportunities for corruption.

Geographical targeting should also be approached with caution, as it creates opportunities for strategic political manipulation by both policy-makers and politicians, who have greater incentives to channel social protection benefits to politically important electoral divisions rather than to the communities most in need. These potential abuses raise serious concerns regarding compliance with the principles of equality and non-discrimination – which require that the selection of beneficiaries must be made based on objective and reasonable criteria and pursue a legitimate aim. A decision to target a specific geographical area (region, district or municipality) based on political considerations (e.g. where the government has its stronghold) would therefore constitute a violation of the principle of equality and non-discrimination.

Exclusion during retargeting

Targeted programmes require periodic retargeting to assess ongoing eligibility. Retargeting not only implies additional costs for the programme but, from a legal point of view, it also implies that some eligible beneficiaries would be excluded from the programme simply because the retargeting has not taken place. In countries with limited administrative capacity, delays in retargeting may entail families/children not receiving the benefits that they are entitled to for years (Jhabvala and Standing, 2010).

In legal terms, those who meet the requirements should be admitted to the programme at any time without having to wait for retargeting to take place. The fact that retargeting has not occurred or is due to occur in the near future, does not provide an objective, reasonable and proportional distinction between those who comply with the requirements during the registration window and those who comply after registration has closed. Excluding eligible beneficiaries simply because retargeting has not taken place would be discriminatory (see Box 9).

In contrast, universal approaches have little need for periodic reappraisal. In most circumstances, registration would be a once-in-a-lifetime event (and children would automatically leave the programme when they turn 19). However, in some cases, universal programmes also suffer from similar problems. Some low-income countries may not have the resources or capacity to keep the registration window for a UCB open on a rolling basis throughout the year.

In summary, targeting methods used in social protection interventions are not in compliance with the principle of equality and non-discrimination if they result in the unreasonable exclusion of children and their caregivers. Moreover, poverty-targeting methods might also be in tension with the principle of transparency and access to information. A lack of understanding of the methodology used for targeting is also a barrier to complaints against unfair exclusions and to accountability.

In this regard, universal programmes are better positioned to comply with the principle of equality and non-discrimination since all children are expected to be included. Nonetheless, even when benefits are universal, access is not always guaranteed for the poorest groups. The take-up rate of family benefits among poor families is lower than for wealthier families, often because they do not know

how to access the benefits (OECD, 2018). As mentioned above, overcoming accessibility barriers to social protection programmes requires additional concrete measures, such as social worker support or the use of a range of communication channels.

Universal programmes are also more transparent and easier to understand. They reduce the risks of exclusion (through confusion over eligibility) and of potential tensions in the community. In addition, because universal approaches have little need for periodic reappraisal, they are better positioned to ensure that near- or newly poor people are included.

While affordability of programmes and the level of benefits on offer remain a crucial issue (see Chapter 7), it is important to ensure that the whole spectrum of human rights is at the centre of the discussions on UCB proposals.

3.3.2 Principle of the 'best interests of the child'

The principle of the best interests of the child is paramount under the CRC. Article 3(1) of the CRC states,

> **'In all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration.'**

Scope and content

According to the United Nations Committee on the Rights of the Child (UN CRC Committee, 2013), the best interests of the child is a three-fold concept: a substantive right, an interpretative principle

Box 9 Cash transfer targeting and the principle of equality and non-discrimination in Argentina

In 2002, the Government of Argentina launched a cash transfer programme, the *Plan Jefes y Jefas de Hogar Desocupados* (for Unemployed Male and Female Heads of Households). The programme targeted all unemployed heads of households aged 60 or older, or with dependent children below the age of 18 or with disabilities. However, to become a beneficiary of the programme applicants had to register before 17 May 2002. No one could join the programme after that date and no institutional mechanisms were foreseen to ensure the inclusion of other eligible beneficiaries once the registration had closed.

In practical terms, this time-bound registration meant that those who missed the registration window, as well as those who became unemployed after the registration had closed, were excluded from the programme. A non-governmental organisation initiated strategic litigation proceedings, representing two eligible beneficiaries who had been prevented from accessing the programme. In both cases (*Molina and Sales*), the plaintiffs challenged the legality of the imposition of a deadline for registration. They argued that all those who meet the requirements should be admitted to the programme without discrimination and that excluding eligible beneficiaries simply because they did not register on time was discriminatory.

In both cases, the courts agreed with the plaintiffs and they ordered their admission into the programme. The rulings argued that the programme was part of the state's obligation to grant social security benefits and found that the decision to deny coverage to those who did not register before the deadline was arbitrary. While the rulings recognised that the decision to close the registration significantly reduced the overall costs of the programme, the judgments did not find these arguments compelling. On the contrary, the courts noted that accepting the state's arguments regarding budget constraints and administrative problems would have threatened the victims' rights to life, health and food. It would have given priority to material aspects of implementation over human rights enshrined in the Constitution.

Source: Decree 565/02 of 4 April 2002 establishing the programme, which was later regulated by the resolution 312/02 of the Ministry of Labour; *Case Molina María Elvira Silvana c/Estado Nacional – Ministerio de Trabajo s/ amparo*, case No. 22.268/03, Juzgado Federal de Primera Instancia de la Seguridad Social N. 8 and *Case Sales, Andrés Julio y otros c/Estado Nacional – Ministerio de Trabajo s/amparos y sumarísimos*, No. 8992/04, sentencia interlocutoria of 17 June 2004, Juzgado Federal de Primera Instancia de la Seguridad Social No. 9.

and a rule of procedure. The best interests of the child should be respected not only in judicial and administrative decisions, but also in all stages of the adoption of laws, policies, strategies, programmes, plans, budgets, legislative and budgetary initiatives as well as guidelines concerning children in general or as a specific group (ibid.). This includes upholding the child's best interests in designing, implementing and evaluating social protection programmes (Detrick, 1999). This principle should also be reflected and implemented in all social protection laws, operational programme guidelines and rules governing the provision of public services (UN CRC Committee, 2013).

As a rule of procedure, the best interests of the child mean that:

> **'Whenever a decision is to be made that will affect a specific child, an identified group of children or children in general, the decision-making process must include an evaluation of the possible impact (positive or negative) of the decision on the child or children concerned. Assessing and determining the best interests of the child require procedural guarantees. Furthermore, the justification of a decision must show that the principle has been explicitly considered. In this regard, state parties shall explain how the right has been respected in the decision, that is, what has been considered to be in the child's best interests; what criteria it is based on; and how the child's interests have been weighed against other considerations, be they broad issues of policy or individual cases.'**
> **(UN CRC Committee, 2013: Para. 6c).**

Using the 'best interests of the child' to assess social protection policies and programmes

Social protection policy-makers and practitioners must use a 'best interests assessment' when making decisions regarding various policy options and the design and implementation features of social protection programmes.

Within the context of the specific programme, decision-makers should evaluate the various policy options, assign a weight to each and choose those which are best aligned with the child's or children's interests. Key questions include: Is this design feature or implementation modality in the best interests of the beneficiary and non-beneficiary children? Are all rights of children from the beneficiary household duly protected? Is there any element of the design/implementation modality that may adversely impact children's rights? Is there any alternative that would better protect children's rights? What complementary measures would be necessary to ensure the protection of children's rights? Among the various policy options, decision-makers should then opt for those which maximise the enjoyment of children's rights and minimise any adverse impact.

There are several design features that must be assessed using this test. For example, are the imposition of conditionalities, such as requiring beneficiary children to attend school or attain certain grades, in line with the 'best interests' of beneficiary and non-beneficiary children? While the response would depend on the specificities of a programme, some factors are worth examining.

First, the imposition of conditionalities often increases power imbalances and the opportunity for abuses by those who are involved in monitoring compliance, such as teachers or healthcare providers. Without monitoring mechanisms, children might become victims of abuses. Second, if the increase in access to education or health is not matched with an increase in resources and personnel, the quality of basic services might be diminished. Third, conditionalities might have a negative influence on the school or health facility environment. For example, in schools, they might create incentives for children or teachers to cheat on attendance figures and exam performance, so that households can continue receiving benefits. In such cases, the conditionality may impart the wrong lessons to children: that it is possible, and acceptable, to cheat local authorities to access public resources (Pierri and Assaad, 2015). Fourth, conditionalities often increase time spent in school and in contact with healthcare and other service providers. However, without proper prevention and monitoring mechanisms, more time spent in school, for example, might increase risks of childhood abuse, as teachers, peers and service providers may be perpetrators of various types of violence (Pereznieto et al., 2014; Ogando-Portela and Pells, 2015; Jones and Pells, 2016).

Programme features that might be considered simple administrative requirements, such as automated application processes, mandatory waits for the receipt of a grant or sanctions for not complying with behavioural requirements, might also have a detrimental impact on children. These types of design elements should also be subjected to an assessment and determination of the child's best interests.

Generally, it is not in a child's best interests when parents or guardians are subject to unnecessary requirements or behavioural conditions that have an adverse impact on their parenting. These often lead to negative coping mechanisms or create unnecessary stress within the household. Evidence shows, for example, that the mandatory wait of five weeks for receiving the initial payment of Universal Credit in the UK, as well as the difficulties encountered in processing the payment, have had adverse impacts on children. Such requirements have pushed families into debt (exacerbated when they are forced to take out exploitative loans with exorbitant interest rates), rent arrears and food insecurity. They have also negatively impacted the physical and mental health of claimants and their families (Cheetham et al., 2018).

Assessing the child's best interests should help decision-makers to determine the most appropriate features for a specific programme. A cash transfer experiment targeted at households with adolescent girls in Malawi provides an illustration of this. The experiment included two groups: one for which the transfer was conditional on regular school attendance, and another that received unconditional cash transfers (UCTs). While CCTs were more cost-effective in increasing school enrolment and attendance, they were ineffective in deterring adolescent girls from getting married or bearing children. In contrast, the UCT had the effect of significantly delaying both (Baird et al., 2010). Thus, in countries with high adolescent fertility rates, a requirement to attend school as a condition for receiving monthly cash transfers might not be the best policy option; UCTs may be better at ensuring adolescents' rights and providing benefits to future generations.

States parties to the CRC must ensure that the child's best interests are a primary consideration in designing and implementing social protection interventions. According to the UN CRC Committee (2013), states must be able to describe how the best interests have been examined and assessed, and what weight has been assigned to them. Social protection decision-makers should always choose programmes or design features that best protect children's rights.

While all assessments must be context specific, the examples above support the argument that universal programmes are generally more in line with the principle of the best interests of the child than targeted programmes. By limiting the discretion of authorities and administrative staff, there is less scope for abuses that might adversely impact the well-being of children.

3.3.3 Respect for dignity and avoidance of stigma

From a human rights perspective, respecting the dignity of the child must inform all public policies related to children. Human dignity is at the very core of human rights law and a foundational value in many constitutions (e.g. Article 7, Constitution of South Africa; and Article 1, Constitution of Brazil). It is inextricably linked to the principles of equality and non-discrimination, and the best interests of the child. As discussed in Chapter 5, social policies must avoid exposing children and their caregivers to any form of personal, social or institutional shame or stigmatisation.

From a human rights perspective, social protection decision-makers have a duty to ensure that those entitled to social protection programmes are treated with dignity. They must avoid any design or implementation features that expose children and their caregivers to stigmatisation. At the same time, they must ensure that programmes actively reduce any unintended negative impacts. For example, in the design of a school feeding programme, any option that targets the 'poorest' children that directly or indirectly exposes them to other students or school staff must be avoided. Decision-makers must choose from options that do not generate stigmatisation (e.g. providing benefits to all children in a school or using pre-paid cards so that children receiving free meals cannot be distinguished from those who are purchasing their meals).

When social protection programmes are not well designed, they might inadvertently reinforce stigmatisation, even when they are introduced with the express aim of overcoming social exclusion of particularly discriminated groups. For example, it

has been reported that the school stipends for Dalit children in Nepal may potentially contribute to their stigmatisation (Koehler, 2011).

Targeted programmes have been found not only to be stigmatising (Kidd, 2014) but also to have an adverse effect on social cohesion within communities (Miller et al., 2008). By contrast, universal programmes are usually seen as entitlements and therefore do not stigmatise or engender conflict. With simpler application processes, universal programmes do not require means tests or impose conditionalities on beneficiaries. As such, they are less likely to have a detrimental effect.

Institutional stigmatisation (see Chapter 5 and Walker, 2014) may discourage people from taking up their rights. Studies suggest that perceptions of 'unfriendly' social protection staff and the stigma associated with particular programmes can be a deterrent to registration (Wodon, 2012; Stephens and Artiga, 2013). For example, a study found that a substantial number of SASSA staff in South Africa were of the view that teen mothers should not receive the CSG. They claimed that teen mothers were getting pregnant just to get the grant. The prevalence of this attitude was an important factor in deterring teenagers, as well as young women who have more than one child, from applying for the CSG for their infants (SASSA and UNICEF, 2013). If individuals do not take up a programme because they feel stigmatised by a targeting method that characterises them as being from the poorest households or living with HIV/AIDs or with a disability for example, the programme will not reach its intended beneficiaries and their rights will be compromised.

In many European countries, welfare benefits come with behavioural conditions for applicants (e.g. being required to actively seek work), applying sanctions for non-compliance. They often involve complex systems for collecting information and intrusive checks on beneficiaries (e.g. searching their homes for evidence of fraudulent activity), all of which undermines their dignity. These intrusive measures undermine the independence of beneficiaries and interfere in their right to privacy and family life (e.g. UNGA, 1990: Article 16; UNGA, 1976: Article 17). This makes them even more vulnerable to abuse and harassment. Moreover, evidence shows that welfare conditionalities push some beneficiaries into negative behaviours, from disengagement from the social security system to survival crime (Welfare Conditionality Project, 2018). This, in turn, could have devastating consequences for children under their care.

The infringement on the dignity and stigmatisation of parents and guardians has – at the very minimum – an indirect negative impact on children's well-being. Financial and psychological distress can adversely affect family relationships and parenting behaviours, increasing the risks of violence against children (Butchart and Hillis, 2016). It is particularly concerning when behavioural requirements and sanctions are applied to those who have sole caring responsibilities for young children – predominantly single mothers without access to childcare (ibid.).

Children can also be placed in potentially stigmatising positions, in particular when social protection interventions are not sensitive to their specific vulnerabilities (such as HIV/AIDS status, disability or ethnicity). UNICEF experience in Southern Africa, for example, demonstrates that exclusively targeting households affected by AIDs, although well-intentioned, is problematic due to issues related to stigma and the similar levels of poverty and deprivation among neighbouring non-affected households (UNICEF, 2012). If the objective is to mitigate the impact of AIDS on children and households, it may be better to implement a universal programme rather than a targeted programme based on HIV/AIDS status, to avoid stigmatising targeted beneficiaries.

The stigmatisation caused by targeted and conditional programmes is a critical human rights issue, used to support arguments in favour of universal programmes. When programmes are designed to reach only the 'deserving poor' – without taking into account the dignity of recipients – they treat prospective beneficiaries as if they were the subject of charity, rather than rights holders entitled to social protection. Moreover, when targeted or conditional programmes impose excessive requirements on beneficiaries for accessing benefits and services or severe sanctions for non-compliance, they end up punishing, humiliating and undermining the autonomy of persons living in poverty (ICHRP, 2010). In contrast, universal programmes tend not to stigmatise and, by promoting benefits take-up, also help to uphold the right to social protection.

However, in societies where prejudices and discriminatory practices against certain groups are entrenched, universal programmes alone will not be able to overcome them. Additional measures (e.g. capacity-building of staff and monitoring mechanisms) are necessary to ensure inclusion and prevent direct or indirect discrimination. Studies in the US have shown that training on stigma and prejudice for welfare staff working in Medicaid's registration offices has led to cultural changes within the organisation, with significant positive results for enrolment and the retention of beneficiaries (Stephens and Artiga, 2013).

3.3.4 Ensuring compliance with other children's rights and avoidance of adverse impacts on the exercise of those rights

Human rights are indivisible and interdependent. This is particularly true for children, as evident from the CRC. The right to social protection cannot be considered in isolation from other rights.[44]

Being indivisible and interdependent means that children's rights must be seen as a whole: all rights are linked and no right is more important than any other. For example, if children are not registered at birth (Article 7 CRC) they will be invisible to the state and therefore unable to enjoy the right to social security (Article 26 CRC). The indivisibility and interdependence of all rights means that social protection interventions must (a) comply with children's rights in their implementation (e.g. respect the right of children to be heard); (b) avoid adverse impacts on other children's rights (e.g. the rights to education, health and to be free of violence) and (c) seek to maximise the enjoyment of children's rights (e.g. work with communities to address any prevailing harmful traditional practices, such as domestic violence, female genital mutilation or early marriage).

There is plenty of evidence on how different social protection interventions can assist states in complying with particular children's rights, including the rights to education, health and food (Bastagli et al., 2016). However, when social protection interventions are not well designed, they may have an adverse impact on the enjoyment of other rights.

For example, there is evidence that social protection interventions have a positive impact on reducing child labour. However, a poorly designed programme may have the opposite effect, at least for some beneficiary children (de Hoop et al., 2017). Any increase in child labour will threaten a number of rights including the right to protection against economic exploitation, education (e.g. reducing school attendance), health (e.g. impacting children's mental well-being or exposing them to physical hazards), rest and leisure (e.g. unreasonable working hours for children) and equality (e.g. treating girls in an unequal manner to boys).

There is evidence that participation in a public work programme may induce a substitution of child labour for adult labour, at home and in income-generating activities, reducing schooling (Porter and Dornan, 2010). A study of the Productive Safety Net programme in Ethiopia found evidence of both positive and negative outcomes, depending on the gender and age of children in participating households. While the programme contributed to reducing the average number of hours worked by boys, with different impacts depending on their age, the effects were more limited for girls. Moreover, the study found a negative impact on younger girls (aged 6–10) from participating households: a reduction in average school attendance and an increase in child labour (Hoddinott et al., 2009).

A 2014 evaluation found that the Benazir Income Support Programme in Pakistan reduced the likelihood of boys engaging in child labour but had no impact on girls (Cheema et al., 2014). If a social protection intervention has a considerably larger impact on boys than girls then this obviously undermines the principle of gender equality.

Social protection interventions might also have an adverse impact on the rights of children to leisure and recreation. For example, an evaluation of the CCT programme *Familias en Acción* in Colombia found evidence suggesting that the increased time spent at school may be drawn from children's leisure time and

44 Such as the rights to survival and development (Article 6 CRC); birth registration (e.g. Article 7 CRC); respect for the views of the child (Article 12 CRC); protection of privacy (Article 16 (UNGA, 1990)); access to appropriate information (Article 17 CRC); parental responsibilities, the principle that both parents have common responsibilities for the upbringing and development of the child, family assistance and services for children of working parents (e.g. Article 18 CRC); health and health services (e.g. Article 24 CRC); an adequate standard of living (e.g. Article 27 CRC); education (e.g. Article 28 CRC); leisure and recreation (Article 31 CRC); and protection against economic exploitation (Article 32 CRC) (UNGA, 1990).

not from a reduction in the hours dedicated to work (Attanasio et al., 2010).

While boys and girls should benefit equally from social protection programmes, badly designed targeted programmes may result in improvements in the enjoyment of rights for boys but not for girls. They could even lead to improvements for some children at the expense of others. For example, a 2015 study of *Familias en Acción* found that the programme had increased the leisure time of boys and reduced the time they spent on paid work; however, for girls, it resulted in a reduction in leisure time and an increase in domestic labour (Canavire and Ospina, 2015).

While there is no denying some of the positive impacts of the targeted programmes in the examples above, they provide an important illustration of the need to ensure that children's rights and the principle of the best interests of the child are primary considerations in programme design. This requires that social protection authorities regularly assess and monitor the (potentially unintended) impacts of programmes on children's rights (e.g. the rights to education, health and leisure). Such assessments should include the perspectives of participant children and should be done at the individual rather than household level. Each child in a household can be impacted differently depending on their gender, age and context-specific needs and vulnerabilities.

Admittedly, measuring the impact of programmes on children's rights and well-being, as required by human rights standards, is difficult and requires data that are often unavailable. Arguably, the cost would be higher in narrowly targeted programmes and conditional programmes, where there are more opportunities for abuse and a greater chance of excluding those most in need. Policy-makers should properly account for these costs when determining the benefits of these types of programmes.

Ensuring that social protection interventions avoid adverse impacts on other children's rights and maximise their enjoyment of their rights as a whole, requires more than simply providing funding. From a rights perspective, the integration of other types of support, so-called 'cash-plus' interventions (Roelen et al., 2017), are likely to be necessary.

3.4 Key implications of a human rights perspective for UCBs

Existing legal frameworks related to human rights at the national, regional and international levels should guide social protection decision-makers and practitioners in designing, implementing and evaluating social protection programmes. While all rights apply to everyone, there are international instruments (such as the CRC) and domestic laws that specify these rights in relation to children. These legal frameworks are compulsory for social protection decision-makers and are key for ensuring that social protection interventions respect the rights, dignity and best interests of children.

In order to determine whether UCBs have a comparative advantage over targeted programmes from a human rights perspective, this chapter has assessed the compliance of cash transfer interventions – that directly or indirectly seek to benefit children – with critical children's rights. The assessment focuses on the principle of equality and non-discrimination, the principle of the best interest of the child, the respect for dignity and the avoidance of stigma, as well as on the impact of social protection interventions on other children's rights.

From a human rights perspective, social protection systems must aim at progressively realising full coverage of children without discrimination of any kind. States are obliged to remove all obstacles that impede or limit children's enjoyment of the right to social protection. In some circumstances, it also implies an obligation to take specific measures (e.g. an additional level of benefits or specific programmes for certain groups) to ensure that children who suffer from structural or historical inequalities can enjoy their rights. Nonetheless, any form of prioritising the most vulnerable and disadvantaged children must be done in a way that is considered objective, reasonable and legitimate (taking into account the whole spectrum of rights). As discussed in this chapter, mechanisms that select beneficiaries based on their income or poverty level have difficulties in complying with these principles. They are therefore more problematic from a human rights point of view.

While specific UCB proposals need to be assessed in line with the norms and standards examined in this report, there are strong reasons to suggest that UCBs

are better positioned than targeted programmes to ensure children's rights.

UCBs are more in line with the **principle of equality and non-discrimination**. In general, higher coverage means lower exclusion errors. Being comparatively easier to implement than targeted programmes, UCBs are also more inclusive. There is a greater likelihood that the most vulnerable and disadvantaged children and families will be included. Simpler and more straightforward implementation increases the chances of parents or guardians having the necessary information about the programme. Less stringent requirements for documentation (e.g. only a birth certificate) facilitates access for the most vulnerable and disadvantaged – although, even then, access is not guaranteed.

Targeted programmes tend to focus only on poor families, although they often fail to reach the poorest. They suffer from low take-up as a result of the failure to fully overcome barriers to accessibility, affordability, adaptability and acceptability. Some targeted programmes, such as CCTs, also fail to address the specific disadvantages of women and girls.

In both targeted and universal programmes, full compliance with the principle of equality and non-discrimination would require that certain groups of children who are more vulnerable and disadvantaged (e.g. children with disabilities) also benefit from affirmative action (e.g. higher levels of transfer) to ensure substantive equality.

While any assessment must be context specific, UCBs tend to better respect the **principle of the best interests of the child**. In both universal and targeted programmes, there are asymmetries of power that might have an adverse impact on children's rights. However, the greater the discretion given to programme staff and implementers, the higher the risk of abuse against beneficiaries or potential beneficiaries. For example, in conditional programmes, those supervising compliance (e.g. teachers monitoring school attendance) may be able to take advantage of beneficiaries (e.g. school children) by threatening to report them as not fulfilling their conditions.

The greater the administrative complexity, the greater the need for monitoring mechanisms to ensure that children effectively enjoy the right to social protection, without adverse impacts on the enjoyment of other rights. Policy-makers need to consider the cost associated with protecting children's rights when determining the full costs of targeted programmes.

There is less scope for abuse by staff in universal programmes because of the relative simplicity of design and eligibility criteria. Universal programmes have limited discretion and fewer elements that could have a detrimental impact on children. Generally, it is not in a child's best interests when parents or guardians are subject to onerous requirements or behavioural conditions that have a negative impact on their parenting – these may lead to negative coping mechanisms or create unnecessary stress within the household.

Universal programmes also tend to perform better in terms of respecting the **dignity** of those entitled to social protection programmes. They are less likely than targeted programmes to expose children and their caregivers to **stigmatisation**. Universal application processes are less demeaning than means testing or conditionalities.

When targeted programmes stigmatise parents or guardians, there is also an adverse impact on children's well-being. The financial and psychological stress that this places on parents can negatively affect family relationships and parenting behaviours, increasing the risks of violence against children.

Children's rights must be seen in their indivisibility. Efforts to ensure compliance with their right to social protection, or their right to an adequate standard of living, should not undermine other rights. Thus, any social protection intervention or design feature that undermines, for example, the right to education, the right to be free from violence or the right to protection from economic exploitation, should be avoided. While there is limited evidence on the impact of social protection interventions on children's rights, extensive evaluations of cash transfer programmes suggest that design and implementation modalities have, in some cases, violated these rights.

Available evidence suggests that while governments might be able to ensure children's right to social protection through a multi-tiered, mixed system, some design features of social protection programmes have the potential to negatively impact other children's rights. Therefore, policy-makers should always assess the way in which the key design features of a programme impact these rights as a whole.

States must move towards a comprehensive child rights strategy. In addition to better assessing the impact of social protection interventions on children's rights and adapting them accordingly, they must put complementary policies such as 'cash-plus' interventions in place. Other policies, such as employment and labour market policies, as well as measures to guarantee access to high-quality public services, including health, education and care, also play a critical role in determining the impact of social protection policies on children's rights.

4 Universal child benefits and child poverty

Key messages:

- Universal and large-scale child benefits can effectively reduce both monetary and non-monetary child poverty. In 15 OECD countries that deliver full or qUCBs, such programmes reduced income poverty in households with children, typically by five percentage points. In some countries, such as Germany and Luxembourg, UCBs are responsible for half of the impact of cash transfers on child poverty reduction. In LICs and MICs, simulations find that UCBs could reduce poverty significantly. An exercise for 14 MICs showed that universal child transfers financed by 1% of GDP would lead to a decline in overall poverty for the whole population in each country of up to 20%, and that child poverty reduction would be equal to or greater than this.
- 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 led to a fall in the child poverty headcount of up to 32% and a fall in the child poverty gap of up to 48%. These analyses highlight the potential for 'selectivity within universalism'.
- Cash transfer design features that determine the poverty impact (monetary and non-monetary) of child benefits include transfer population coverage, transfer value and regularity of payment.
- Transfers that achieve high population coverage, are larger (and inflation indexed), and delivered regularly, are associated with a higher impact on poverty, compared with transfers that have lower transfer values, limited child population coverage and are delivered irregularly. The availability of quality services, such as schools and health services, and of complementary programming are also critical in ensuring that cash transfers lead to improvements in non-monetary outcomes such as education, health status and nutrition.
- When debating alternative design approaches, if considering including some element of targeting, key considerations should include how accurately proposed targeted programmes cover low-income households with children, taking 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 these issues.
- Contextual factors shaping decisions on whether and how to target benefits include the share of children within a country and the share of households with children – which determine how a transfer budget will be distributed. Prevailing poverty rates and the distribution of poverty within a country also matter. Where poverty is high and evenly

distributed, the marginal impact of targeting diminishes. The share of households with children varies greatly across countries worldwide, from under 30% to over 80%. Benefits allocated to these households are likely to have a higher impact on poverty and inequality among children relative to the broader population – however, the extent to which this is the case will depend on the proportion of households with children among the income poor, where in the income distribution they are situated and how the poverty of households with children compares to overall poverty.

- 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. In general, cash transfer receipt is not associated with reductions in participation in paid work among the working-age population. In some contexts, women with children in a couple in recipient households are more likely to work part time or record reduced hours in paid work, typically as they declare dedicating additional time to childcare and unpaid work that can positively affect young children. Universal transfers may boost adult labour market engagement (and reduce poverty) relative to means-tested transfers, to the extent that they avoid the incentives to reduce incomes and wealth associated with means-testing. They also hold potential in improving work conditions and quality of work, which in turn may have positive implications for child poverty reduction. At the same time, the evidence indicates that cash transfers can lead to clear reductions in child labour.
- Cash transfers typically benefit economies by enabling productive investments and increasing demand for local products; in some contexts, they have boosted macroeconomic growth. A universal benefit is likely to generate stronger economic returns, where markets can respond to additional demand by increasing production, thereby containing inflation. They have also been used to stimulate demand during periods of recession.

4.1 Introduction

Reducing child poverty, monetary and non-monetary, is one of the primary objectives of child benefits, including UCBs (see Chapter 2). From a child poverty reduction perspective, what are the potential advantages/limitiations and related policy trade-offs of a UCB or qUCB over more narrowly targeted and conditional benefits? What does the evidence tell us about the child poverty impact of UCBs? What have we learned about what matters in child benefit policy design and implementation from the experience of implementing different types of child benefits, including UCBs, qUCBs, conditional and narrowly means-tested transfers?

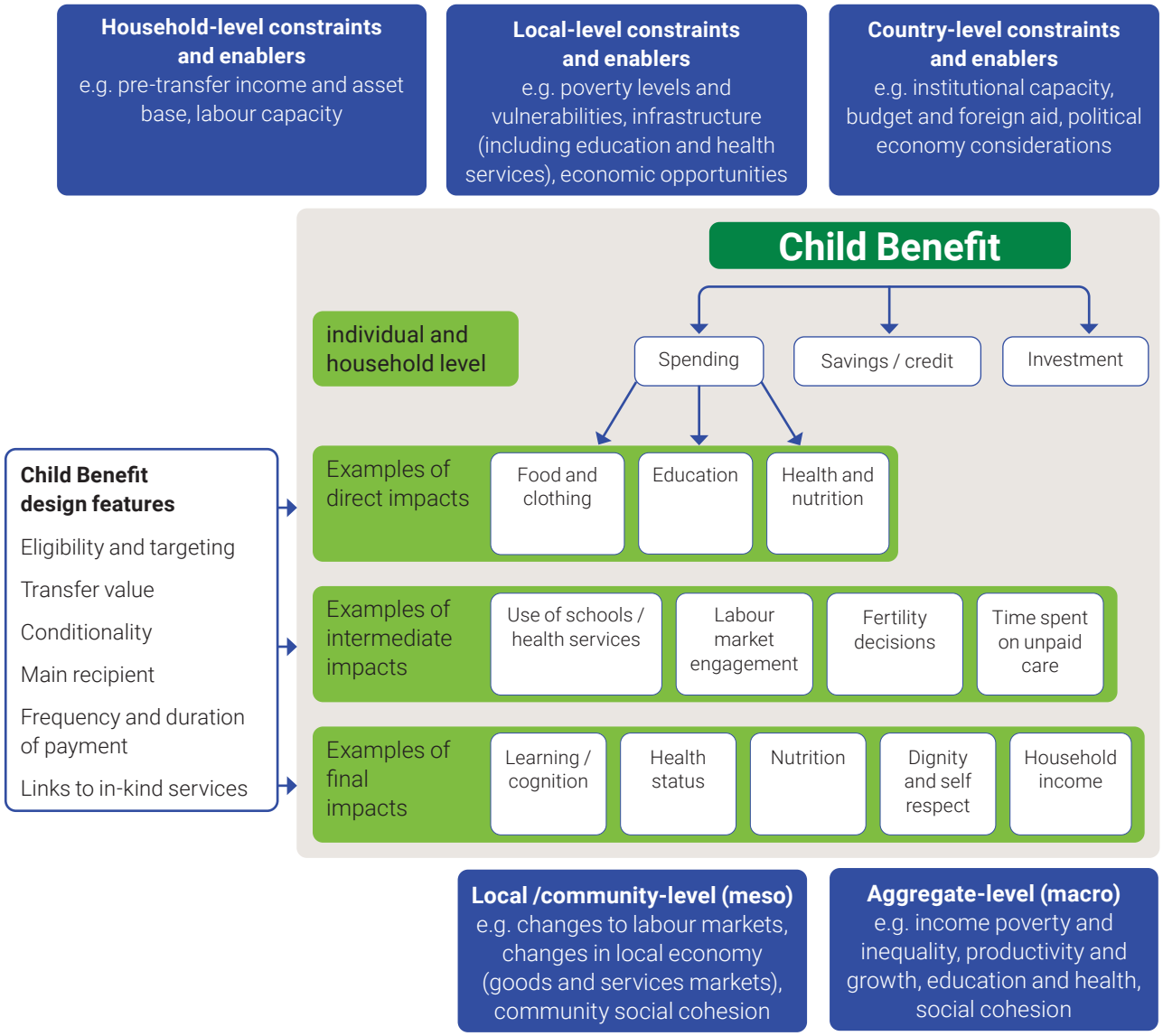
This chapter examines these issues drawing on a review of the evidence from a range of different types of cash transfers targeting children. It also carries out new analysis, specifically using microdata for OECD countries implementing UCBs or qUCBs. It is structured as follows: the remainder of the Introduction outlines a conceptual framework that illustrates the ways in which transfers are expected to affect children's outcomes, with a focus on individual- and household-level outcomes. It also lists the key distinctions in analytical approaches to the study of the effects of child benefits to be taken into account when interpreting the findings of alternative studies. The following section (4.2) explores the implications for child poverty reduction of key child benefit features – population coverage, benefit incidence and transfer values – and related trade-offs. Section 4.3 examines the evidence on the impact of UCBs and large-scale cash transfers on monetary poverty (and inequality), drawing on the analysis of LIS data for OECD countries with UCBs or qUCBs in place and on simulations for LICs and MICs. Section 4.4 considers a broader range of

non-monetary child outcomes including education, health, nutrition and child labour. Section 4.5 addresses behavioural responses to transfer receipt that may affect a child benefit's poverty reduction impact – notably, regarding participation in paid and unpaid work among adults, and decision-making over fertility. Section 4.6 examines the role of additional cash transfer features, including main recipient and complementary services, in tackling child poverty. Finally, Section 4.7 assesses broader cash transfer spill-over effects on local and national economies.

Child benefits and children's outcomes: concepts and analytical approaches

Child benefits can impact a range of children's outcomes including monetary and non-monetary outcome measures. Figure 4 provides examples of the types of outcomes a child benefit can influence and the channels through which they work.[45] At the individual or household level, child benefits can have direct or immediate, first-round impacts – for instance, on household income, spending on food, education and health. They may also influence intermediate outcomes – importantly, access to services, such as school attendance, number of health

Figure 4 Cash transfers and children's outcomes: a conceptual framework



Source: Adapted from Bastagli et al. (2016: 24)

45 For a comprehensive treatment of these factors and a full conceptual framework and theory of change for cash transfers, see Bastagli et al. (2016).

care visits and time spent on paid and unpaid work – and final outcomes, such as learning measures (e.g. children's test scores), cognitive development and broader psychosocial outcomes (on the latter, see Chapter 5 on dignity and shame).

Beyond this micro, or individual and household level, child benefits also have an impact at a *meso*, or community level, and at a *macro*, national level. At these wider, aggregate levels, cash transfers influence aggregate monetary poverty and inequality measures, productivity and economic growth and social cohesion (on the latter, see Chapters 5 and 6).

Critically, child benefit impacts are conditioned by a) an individual's or household's initial circumstances, b) local and country-wide contextual factors, and c) child benefit design and implementation details (Figure 4). At a household level, factors such as size and composition, the asset base, and pre-transfer incomes are important. At both the local and country level, factors including prevailing poverty levels and economic opportunities, institutional capacity, the political economy and the public budget available for social protection enable or constrain the impact a cash transfer will have (political economy and financing are treated in greater depth in Chapters 6 and 7 respectively). In what follows in this chapter, we focus on the role of child benefit design details, while also taking into account individual and household-level circumstances and contextual factors.

The analytical approach adopted in empirical investigations of child benefits also matters. Studies may adopt a predominantly static approach, capturing first-order approximations of direct benefit incidence and impact analysis. Other studies incorporate considerations of policy dynamics and second-round effects, for example, taking into account potential incentive and related behavioural effects or the political economy implications of child benefits, factors that may affect net child benefit outcomes. Such distinctions are central to the interpretation of the available evidence and how it relates to broader debates on universalism and targeting. This chapter reports original analysis and a review of available evidence relying on first-order benefit incidence analysis (that largely omit considerations of administrative costs, potential behavioural and political economy effects). It also presents and discusses available evidence on incentive and behavioural effects, particularly in relation to participation in paid work of working-age adults as it matters directly to children's outcomes. Considerations of administrative cost and political economy are also mentioned here but dealt with in greater detail in Chapters 7 and 6 respectively. As such, the findings of this chapter should be read and considered alongside those of the wider report.

A related methodological distinction concerns whether studies rely on microdata to examine the incidence and impact of a cash or tax transfer, versus simulations that rely on a range of different assumptions to facilitate analysis of alternative policy design features and reform. The analysis of the impact of UCBs or qUCBs on child poverty in HICs in this chapter relies on available microdata to estimate the basic incidence and direct, first-order poverty impact of child benefits. For LICs and MICs, it relies on a combination of empirical basic incidence analyses (policy and data permitting) and simulation studies.

Studies rely on a range of different outcome measures. With respect to targeting, an extensive and growing literature examines the targeting performance or accuracy of individual programmes or systems, relying on different measures to capture programme exclusion and inclusion errors,[46] and the share of transfers accruing to the target population (for reviews of targeting measures, see Cornia and Stewart, 1993; Coady et al., 2004; Ravallion, 2009). In some policy circles, 'better targeting' and efforts to improve or 'fine-tune' targeting are discussed as implying larger impacts on poverty. However, better targeting will not necessarily enhance a programme's impact on poverty (e.g. Ravallion, 2009). Crucially, targeting performance is only one of many programme features that determine the impact on poverty. As discussed below, other policy components that matter include total population coverage and transfer value.

Finally, studies vary depending on whether they consider the targeting performance and poverty impact of a single programme or consider a set of programmes, including a group of transfer and tax policies. As clarified from the outset of this report, while focusing primarily on single individual

46 Exclusion errors measure the number of individuals or households that are eligible but not in receipt of the benefit. Conversely, inclusion errors measure those that are not eligible but are in receipt of the transfer.

programmes, we also review the available evidence from studies that attempt to capture the incidence and poverty impact of 'systems' of programmes, either groups of transfers (e.g. all family and child benefits) or tax and transfer programmes.

4.2 Child benefit targeting, population coverage and transfer value

From a child poverty reduction perspective, targeting resources to disadvantaged children (whether defined as such in monetary or non-monetary terms) can be intuitively appealing (on targeting and poverty reduction more broadly, see van de Walle, 1998; Coady et al., 2004). In practice, targeting faces a number of practical challenges that influence a programme's targeting performance and, ultimately, its impact on child poverty. These are associated with issues of identifying recipients (capturing poverty dynamics and potential mismatches between different metrics of well-being); take-up; and potential generation of incentives (e.g. for working-age adults to earn less or to shift from formal to informal employment) – all of which influence inclusion/exclusion errors and programme targeting accuracy. The scale or severity of these issues are expected to vary depending on the details of the targeting rules and mechanisms employed (Besley and Kanbur, 1990).

4.2.1 Benefit targeting, incidence and inclusion and exclusion errors

The adoption of policies that specifically target children can help ensure that they reach a population group that typically receives comparatively low levels of social protection and is at a higher risk of poverty (Chapter 1). Indeed, the expansion of social assistance transfers that explicitly target children, and include an element of means testing, has helped ensure that families with children that were previously excluded from formal social protection are now covered and receive transfers or services they previously had no access to (e.g. Barrientos and DeJong, 2006; ILO, 2017).

For example, in the case of Latin America, where the historically 'truncated' welfare state primarily reached wealthier income groups, the introduction and expansion of social assistance, including means-tested cash transfers targeted to households with children, has played a critical role in addressing social protection coverage gaps and the regressive nature of social spending (Lindert et al., 2006; López-Calva and Lustig, 2010).[47] In their study of 40 social assistance programmes in eight LAC countries, Lindert et al. (2006) find that the 'typical' social assistance programme in LAC transfers 38% more to the bottom quintile than would be the case with a universal, neutral or random allocation. The most progressive redistributive results are achieved by programmes that include an explicit attempt to target low-income families, usually through a combination of geographic prioritisation and a household assessment mechanism (ibid.).[48]

Such trends do not contradict the finding of significant under-coverage and leakage issues in many social assistance or income-support programmes worldwide. Data from LICs, MICs and HICs alike show that households at the bottom of the income distribution tend to be under-covered by social assistance programmes and that benefits often leak to households at the top of the distribution (Francese and Prady, 2018). According to this study, in LICs, households in the top quintile capture a higher share of social assistance spending than households in the poorest quintile (around 15% and just over 10%, respectively); in upper-middle-income countries (UMICs), coverage of the poorest quintile is around 60% whereas for the richest quintile it is just over

47 The equalising contribution of government transfers seems to be associated with the implementation or expansion of large-scale CCT programmes in Argentina (*Jefes y Jefas de Hogar*), Brazil (*Bolsa Escola/Bolsa Família* and BPC) and Mexico (*Progresa/Oportunidades*) (López-Calva and Lustig, 2010).

48 Chile's Unified Family Subsidy and *Solidario* programmes are highly progressive, with about 58% of all benefits going to households in the poorest quintile. The targeting accuracy of Brazil's 'pre-*Bolsa Família*' programmes (*Bolsa Escola* and *Auxilio Gas*) was also fairly impressive at the time of the household survey (2002–2003): 40% and 48%, respectively, going to the poorest quintile. Mexico's *Oportunidades* was also fairly well targeted, with the poorest quintile receiving close to nine times more benefits than the richest (35% compared with 4%); absolute incidence is progressive overall, and highly progressive for certain types of social assistance programmes. However, overall spending is low in many countries and unit subsidies are very small, thus muting the redistributive, poverty and inequality impacts of even the most targeted programmes (Lindert et al., 2006).

40%; in the EU, a third of spending on means-tested assistance goes to the top 60% of the population (ibid.).

Under-coverage and leakage are linked to targeting exclusion and inclusion errors. Exclusion errors occur when eligible households do not receive the transfer, while inclusion errors occur when ineligible households, who do not qualify for the transfer, receive it (Cornia and Stewart, 1993). The implications are first, that households who are wrongly excluded will not receive the support to which they are entitled; and second, that the receipt of a transfer by non-eligible households will absorb resources that would otherwise be of greater benefit to eligible households. Exclusion and inclusion are also commonly measured in relation to a country's wider poor population (not just a programme's intended target population). This is defined, for instance, as those in the lowest quintile of the income/consumption distribution (bottom 20%).

At the programme level, recent studies highlight the sizeable targeting errors of specific cash transfer programmes. For nine countries in SSA, a simulation exercise showed that, on average, 80% of poor households were counted as non-poor according to a simple PMT, and 40% of non-poor households were counted as poor (Brown et al., 2017). In a 2017 review of cash transfer programmes that relied on PMT targeting, Kidd et al. (2017) find that exclusion errors (of poor households) range from around 50% to 93%. Alatas et al. (2010) find that in Indonesia the PMT excluded 51% of the intended target group (the 30% of poorest households), alongside significant leakage to those in the richest 70% of households. Hanna and Olken (2018) find that in Indonesia and Peru, reaching 80% of intended beneficiaries (exclusion error of 20%) would incur an inclusion error of between 22% and 31%.

Exclusion and inclusion errors can arise for a number of reasons. These include programme design-related factors linked to how targeting rules are set, which indicators are used and how they are measured, and how programmes are implemented in practice. For targeting design and measurement issues, there are trade-offs between the choice of indicators used and the ability to appropriately capture people's well-being (issues of metrics mismatch), and the reality of the dynamics of changing circumstances (poverty dynamics). With regards to implementation in practice, targeting can generate incentives for people to alter their behaviour in order to qualify for a programme – for instance, by under-reporting income or assets – which can affect a programme's targeting performance.

Levels of inclusion and exclusion error are expected to vary depending on the administrative complexity of a targeting strategy (e.g. Besley and Kanbur, 1990) and by a programme's total population coverage (Ravallion, 2009).[49] As discussed in Chapter 2, programmes with comparatively complex informational and administrative requirements may be associated with higher private and social costs. These can influence take-up in practice and/or may generate behavioural incentives that can affect targeting performance. That said, targeting practices that rely on multiple indicators and information sources have been motivated by concerns over targeting accuracy (Coady et al. 2004, Matin and Halder 2004, Alatas et al. 2010). A common motivation for the adoption of such practices is precisely to help ensure adequate capture of people's circumstances (and reduce the risk of 'metrics mismatch'), and to minimise potential behavioural effects – for instance, eligibility criteria may be left deliberately vague to deter applicant misreporting (Coady et al., 2004).

Available evidence shows that higher population coverage is associated with lower exclusion errors (Ravallion, 2009; Kidd and Athias, 2019). In Kidd and Athias's (2019) study, poverty-targeted and narrowly targeted schemes with the lowest population coverage – such as Ghana's Livelihood Empowerment Against Poverty (LEAP) programme, Uzbekistan's Low-Income Allowance and the Vision 2020 Umurenge Programme (VUP) public works programme in Rwanda – tend to have high levels of exclusion of their intended recipients. As coverage expands, errors among poverty-targeted schemes reduce; although, they still remain highly prevalent (Kidd and Athias, 2019). The study also finds that the higher a scheme's coverage, the greater its effectiveness in reaching the poorest members of society more widely. Some means tests performed well when compared to others. The simple means test used in Brazil's *Bolsa*

49 A study comparing the targeting outcomes of targeted cash transfer programmes found that 20% of variation in targeting outcomes is due to the method selected (Coady et al., 2004), indicating that while targeting methods matter, other factors, including administrative capacity and other context-specific characteristics, determine programme targeting performance.

Família programme (based on self-declared income) was the best performing poverty-targeted scheme in terms of exclusion errors (i.e. recorded the lowest exclusion errors). South Africa's simple means test was also relatively effective, probably the result of its emphasis on excluding the more affluent rather than on targeting those living in extreme poverty (Kidd and Athias, 2019).

Means-testing, or poverty targeting, encounters the following key implementation issues.

Mismatch between income and other metrics of well-being

When targeting benefits based on income or proxies for income, a potential issue is a lack of correlation between monetary and non-monetary poverty measures (Laderchi et al., 2003; Alkire, 2011; Roelen, 2017a). This means that even if it is possible to perfectly identify an eligible pool of recipients for a transfer based on monetary criteria, such an approach may exclude people who are not income poor but deprived in other dimensions.

The disconnect between income and non-income measures can be sizeable, notably for women and children. For example, across 30 SSA countries, Brown et al. (2017) find that around three-quarters of underweight women and undernourished children were not found in the poorest quintile of households (measured by assets or consumption), while about half were not found in the poorest two quintiles. They suggest that this could arise from intrahousehold inequalities and/or because poor and non-poor households in poor areas are often exposed to similar health risks. In Ethiopia and Vietnam, there is a considerable mismatch between groups of children identified as poor by monetary and non-monetary indicators of poverty (Roelen, 2017a). In Indonesia, only around half of children in the bottom quintile experienced monetary and non-monetary deprivations (Hadiwidjaja et al., 2013).

Poverty dynamics

When relying on a means test or asset-based test with a clear eligibility cut-off, targeting will identify as non-poor households those who are just above that poverty line and are at risk of falling back into poverty if their circumstances change. Some forms of means testing, including those that rely on PMT surveys, take place infrequently and, therefore, cannot respond fully to the dynamic nature of poverty.[50] For example, for the LAC region, Grosh (2016) reports that eligibility testing for inclusion in cash transfers occurs every four or five years in Colombia and Ecuador, and every two years in Brazil, while in many other countries in the region it is 'irregular'.

Meanwhile, the evidence points to regular shifts in and out of poverty. For example, in 20 sub-Saharan countries, over a period averaging six years, a third of the population escaped poverty while a smaller proportion fell into poverty (Dang and Dabalen, 2017); and in Latin America, between 2003 and 2013, 65% of the near-poor and 14% of the middle-classes experienced poverty at least once (Stampini et al., 2016). These poverty dynamics, coupled with the reality of the timing and administration of means testing in practice, point to another potential shortcoming of narrow and complex means testing.

Incentive to under-report income

By relying on a set of eligibility criteria, and dividing the population between eligible and ineligible groups, targeted transfers may create incentives (whether intended or unintended) for people to modify their behaviour in order to qualify for a benefit (see section 4.5 below). In the case of means-tested transfers, households may reasonably under-report their incomes or shift from formal to informal work, where earnings are more difficult to cross-check.[51] There is some evidence showing the 'bunching' of income reports relative to cut-off thresholds for eligibility determination. For example, in Colombia, as people became aware of the PMT formula for determining transfer, there was 'substantial bunching of reporting right below the eligibility cut-off' (Camacho and Conover, 2011, cited in Hanna and Olken, 2018: 217). In Brazil, Firpo et al. (2014) report similar results relating to the income threshold for inclusion in *Bolsa Família*. Similarly, in the US, Saez (2010) finds

50 Moreover, the underlying PMT model calculations might be based on surveys that are older still.

51 This type of situation is often described as a 'moral hazard'. However, Standing and Orton (2018) observe that when a household stands to lose in absolute terms if its income moves just above the eligibility threshold for receipt of a transfer, this would effectively constitute an 'immoral hazard'.

'bunching around the first kink point of the Earned Income Tax Credit', particularly among self-employed individuals. The implication is that resources earmarked for reducing poverty end up going towards households who have responded to an incentive to misrepresent their earnings or to lower their work effort.

Benefit take-up (by eligible population)

Another potential reason for exclusion errors is the potentially sizeable non-take-up rates for eligible households. Take-up rates are commonly linked to compliance costs, limited awareness or imperfect information, high transaction costs involved in the application or receipt of a benefit, and/or social stigma associated with transfer receipt (which we revisit in Chapter 5). Evidence from OECD countries indicates that the non-take-up rate of means-tested benefits ranges from 20% to 60% and appears to be rising over time, in contrast to universal or contributory benefits where 'non-take up is hardly an issue' (Matsaganis et al., 2010). For example, in the UK, non-take up of means-tested benefits ranges between 65% and 80%, compared with almost 100% take up for the 'universal' Child Benefit and contributory state pension (Finn and Goodship, 2017: 15). In South Africa, where social grants are widespread, it is estimated that one-fifth of eligible children do not receive the CSG, even though it relies on a comparatively simple means test. The reasons for this include the demands of the application process and the stigma associated with receipt (Zembe-Mkabile et al., 2019). This suggests that even simple means tests are not immune to non-take up.

Non-take up can also occur with universal transfers, but levels are typically much lower, particularly where the costs of registration and compliance are low (see Chapter 2). For Mongolia, Kidd (2019) estimates that only 2% of children did not receive the benefit when the CMP was universal. Moreover, under universal schemes, some exclusion may be voluntary – for example, non-take up may be due to richer households opting not to subscribe to a scheme, rather than lower-income households being unable to opt in or deciding that the social costs outweigh the benefits.

4.2.2 Benefit transfer value

As discussed in Chapter 2, the available evidence on transfer values in LICs and MICs shows that they vary markedly across cash transfer programmes, which in part reflects their diverse objectives.[52] One review, covering both conditional and unconditional transfers, finds that the value of cash transfers ranged from 6% of pre-transfer consumption in Brazil, and 22% and 29% in Mexico and Nicaragua, respectively, to 200% in Malawi (de Walque et al., 2017, citing Fiszbein and Schady, 2009 and Miller et al., 2010). This variation is echoed in a meta-analysis conducted by Beegle et al. (2018), which finds that across 25 SSA countries, values for child grants ranged from 3% of the national poverty line (CCT for Orphans and Vulnerable Children in Senegal) to 27% (Basic Orphans Pension in Mauritius).

The size of the transfer households receive is a crucial determinant of its impact on poverty, with higher transfer values per capita typically associated with stronger poverty-reducing impact (Fiszbein and Schady, 2009; Bastagli et al., 2016; Tiwari et al., 2016). A review of 15 studies testing the impacts of variations in cash transfer values finds that higher transfers levels resulted in higher food expenditure, savings and investment in livestock, and health and nutrition outcomes (Bastagli et al., 2016). Tiwari et al. (2016) report that higher UCTs had larger impacts on food security and nutrition in Zambia, Ghana, Kenya and Lesotho. In Zambia, where the relative value of the cash transfer reached almost 30% of per capita consumption, the impact was largest and most consistent, whereas in Ghana, where the value was less than 10% of per capita consumption, the transfer had no impact. Along similar lines, Fiszbein and Schady (2009) report that the *Programa de Asignación Familiar* (PRAF) in Honduras did not have any impact on nutrition because of its relatively small value. A sizeable literature analysing variations between OECD countries echoes these results and links more generous transfers targeted at families or children to higher child poverty reduction (Matsaganis et al., 2006; Bäckman and Ferrarini, 2010; Chzhen, 2014; Van Lancker and Van Mechelen, 2015; Bárcena-Martín et al., 2018). For example, across 30 European countries, Bárcena-Martín et al. (2018) conclude that the odds

52 For example, in some countries – such as Colombia, Jamaica and Mexico – the aim is to ensure a minimum level of consumption, whereas in Honduras, it is based on the opportunity cost of healthcare, and in Nepal, it aims to cover transportation costs to a public health facility (Gaarder et al., 2010, cited in de Walque et al., 2017).

of child poverty decrease by 7.6% for every one-unit increase in the share of family/child transfers relative to total transfers in a country.

Whether and how transfer values are indexed to inflation also affect their poverty-reducing potential. Where transfers are not fully inflation-indexed, their real value can decrease, even within short periods. This occurred in Ghana where the LEAP transfer equalled 11% of consumption expenditure among recipients in 2010 but just 7% in 2012 (Owusu-Addo et al., 2018), and in Iran, where the contribution of the UCT to the reduction of poverty fell by about 40% in a five-year period owing to inflation (Enami and Lustig, 2018).

The debate over targeting reflects a potential trade-off between coverage and transfer generosity. The intuitive potential advantage of targeting via means-testing, or poverty targeting, on the one hand, is that, where budgets are limited and fixed, assigning benefits to disadvantaged households will allow higher transfers to such households, enabling the concentration of available resources on those most in need. Benefit incidence-type studies of individual cash transfer programmes suggest that this can indeed be the case (e.g. Grosh and Baker, 1995; Coady et al., 2004; Klasen and Lange, 2015). For example, in a review of 111 anti-poverty interventions in 47 countries, Coady et al. (2004) conclude that the median means-tested programme transferred 25% more to the target group than would be the case with a neutral or universal allocation. The potential of universal transfers, on the other hand, is that they are likely to gather more political support, which could result in a higher overall budget allocation and higher transfer values. Once the wider system of transfer policies is considered, and allowing for the political economy dynamics of targeting to be captured, the experience of OECD countries indicates that universal child benefit systems have the highest redistributive potential in that they tend to have larger budgets than those under targeted systems (Korpi and Palme, 1998; Van Lancker and Van Mechelen, 2015; see discussion in Chapter 6).

4.3 The impact of child benefits on monetary poverty and inequality

4.3.1 The poverty impact of universal child benefits

The poverty impact of UCBs in LICs and MICs

The evidence from empirical studies for countries with full UCBs or child grants with high coverage rates indicates they can be an effective tool to reduce child poverty and total poverty. For example, in Poland, the introduction of the *Rodzina 500+* qUCB contributed to a reduction in child poverty (measured using a poverty line of 60% of median per capita income) from over 20% to below 14% (Hagemejer, 2019); in Mongolia, the CMP led to a 12% reduction in the national poverty headcount and a 21% reduction in the poverty gap, with a slightly higher impact on child poverty (ILO, 2016a); Brazil's *Bolsa Família*, the world's largest CCT, contributed to a 12%–18% decrease in the poverty headcount (Higgins, 2012); South Africa's CSG lifted families in the bottom two quintiles out of poverty (Leibbrandt et al., 2010).

Simulations for LICs and MICs, which consider the immediate welfare impact of a transfer, also indicate that universal transfers could have sizeable effects on both child poverty and total poverty. For example, in Indonesia, delivering a universal transfer of IDR 200,000 ($15) to all children aged 0–17 could reduce the child poverty headcount from 11.2% to 3.2% (Development Pathways and UNICEF, 2017). Similarly, in Ghana, Evans (2018) shows that a UCB funded at 1% of GDP could have a significant impact in reducing total and child poverty. He notes that the UCB would need to be paid to most households, given that 67% of households contain children, and that these households contain 87% of the population.

A simulation of the impact of introducing a UCB based on a new allocation of 1% of GDP across 14 MICs finds that a UCB paid to all households with children would lead to a decline in overall poverty for the whole population in each country of between 7% and 20%, and that child poverty reduction would be equal to or greater than this (Evans et al., 2018). In these countries, the simulations indicate that poverty reduction (child and total) would be even higher if benefits were taxed back from wealthy households and if benefit values were higher for younger children (more on this below).

The poverty impact of UCBs in OECD countries

Among OECD countries, the vast majority with UCBs report lower than average HIC child poverty rates (OECD, 2018).[53] Empirical analysis conducted for this report of the direct impact on child poverty and total poverty of selected UCBs or qUCBs in OECD countries highlights their positive impact – both on their own and in conjunction with other transfers. We undertook a basic incidence analysis for 15 HICs for which harmonised data on income and on receipt of social protection are available as part of the LIS (see Annex 2 for Chapter 4 methodology).[54] The analysis describes the impact of government transfer policy at a point in time, without incorporating behavioural or longer-term effects, providing a useful first-order approximation of its distributional impact.

Under our baseline post-tax scenario (all income taxes and social insurance contributions are deducted), the overall, total population poverty headcount (using per capita income as a measure of welfare) is sizeable across the 15 countries: the median is 43% and the range is from 35% (Israel) to 46% (Ireland). Post-tax and pre-transfer levels of poverty among people living in households with children are lower across the 15 countries, which likely reflects the impact of child-related tax deductions. Their median poverty headcount (households with children) is 36%, with a range from around 28% (Estonia) to 44% (Ireland).

Cash transfers (excluding (q)UCBs) have a marked progressive effect on the incomes of households with children, lowering the median poverty headcount by 14 points to 22%, such that the range now spans from 13.5% (Norway) to 33% (Luxembourg). Finally, when factoring in all transfers (including UCBs), the fall in poverty among people living in households with children is 19 points at the median, and the poverty headcount ranges between 10.4% (Sweden) and 28.5% (Israel) (Figure 5).

(q)UCBs make a sizeable contribution to poverty reduction independently in most countries. They are responsible for 15% of the total impact of transfers in reducing poverty among households with children at the median, with a range from under 2 points (Israel, Estonia) to as many as 8.5 points (Ireland) (Figure 6). In some cases, their contribution accounts for up to 50% of the total brought about by cash transfers (e.g. Luxembourg, Germany). This result highlights both the importance of (q)UCBs, but also, given that they make up at most 50% of the impact of cash transfers (the rest are non-universal or non-child related), the need to consider them among the other types of transfers that have the potential to reduce poverty.

4.3.2 The inequality impact of universal child benefits

The inequality impact of UCBs in LICs and MICs

Child benefits that are universal or have broad population coverage can also have a clear and significant impact on income inequality. For example, in Mongolia, in 2016, the universal CMP led to a reduction of 1.2 points in the Gini index [55] (Freije and Yang, 2018); in South Africa, in 2010, the CSG, which covered over two-thirds of all children aged 0–14, contributed to a reduction of two points in the Gini index (Inchauste et al., 2017); Brazil's *Bolsa Família* is estimated to have contributed a fifth of the 4.7 percentage point reduction of the Gini coefficient between 1995 and 2004 (Soares et al., 2006); in Argentina, the AUH – which covered roughly a third of all children – was found to reduce the Gini coefficient by 5.1% in 2009 (Agis et al., 2013). In Iran, the conversion of an energy subsidy into a UBI was accompanied by a fall in the Gini coefficient of around 20% (Soleimaninejadian and Yang, 2016; Salehi-Isfahani and Mostafavi-Dehzooei, 2018).

The inequality impact of UCBs in OECD countries

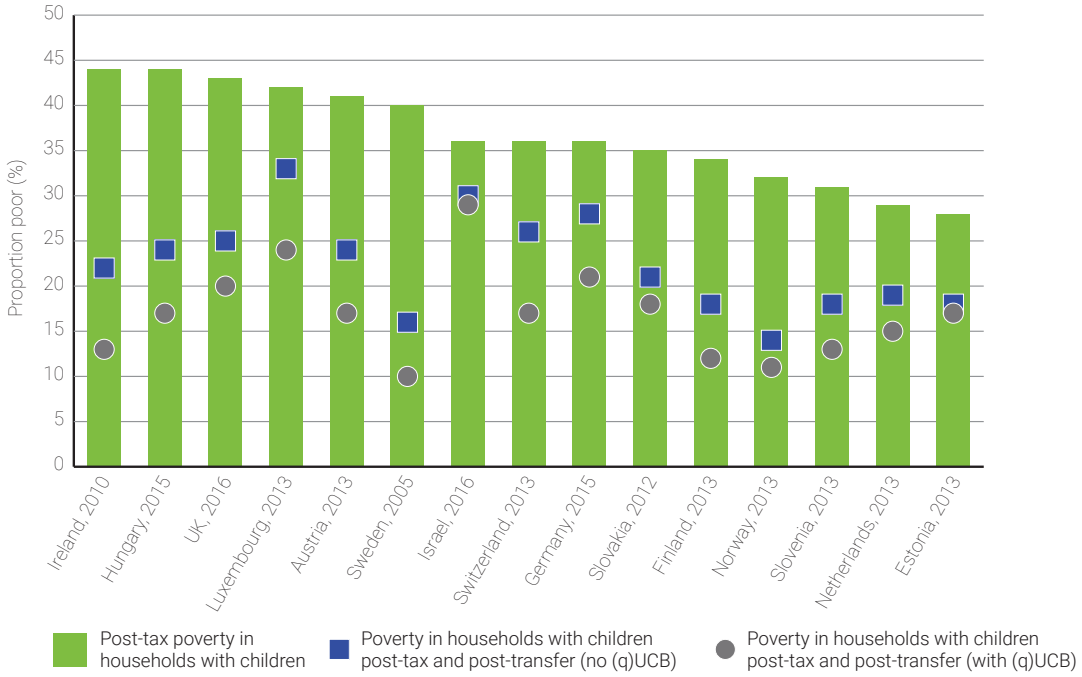
As with poverty, we first analyse the direct impact of (q)UCBs on income inequality among the total population in 15 HICs using LIS data. The median Gini (again, post-tax and pre-transfer) among these countries is 0.52, with a range from 0.45 (Slovakia) to 0.66 (Estonia). Our analysis confirms that cash transfers have a marked effect on inequality, resulting

53 The exceptions are Luxembourg and Slovakia, which are within 1-2 points of the average.

54 Given our analysis focuses on the impact of transfers (rather than redistribution occurring through taxation), we do not include countries such as Australia, which administer a UCB principally through the tax system.

55 The Gini index is a common measure of inequality in a distribution typically scaled between zero (maximum equality) and one (maximum inequality).

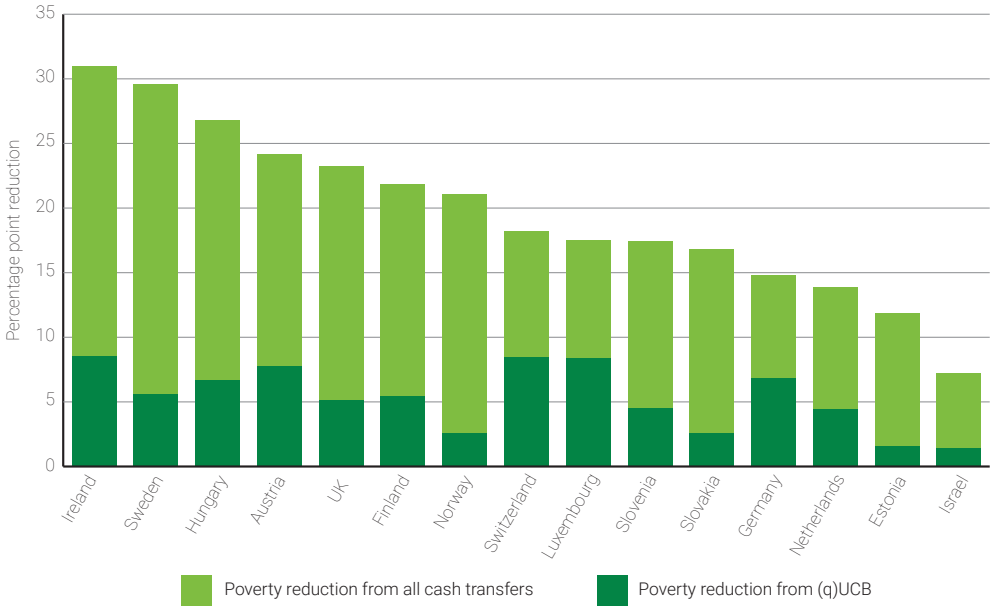
Figure 5 Proportion of households with children who are poor before and after cash transfers (%)



Notes: The poverty line the analysis draws on is 50% of median per capita disposable income. This relative measure results in higher poverty levels than the absolute poverty lines (either defined nationally or in international PPP) used in LICs/MICs, which seek to identify the proportion of the population unable to afford a minimum 'basket' of essential food and non-food consumption items. While our definition relies on per capita income, in common with LIC/MICs, many poverty calculations in OECD countries construct an income measure that is 'equivalised' to adjust for household size. The other common poverty line in use in OECD countries is 60% of median per capita disposable income.

Source: Authors' calculations from LIS

Figure 6 Poverty reduction among households with children from all cash transfers (percentage point reduction from post-tax income)



Notes: The poverty line the analysis draws on is 50% of median per capita disposable income.

Source: Authors' calculations from LIS

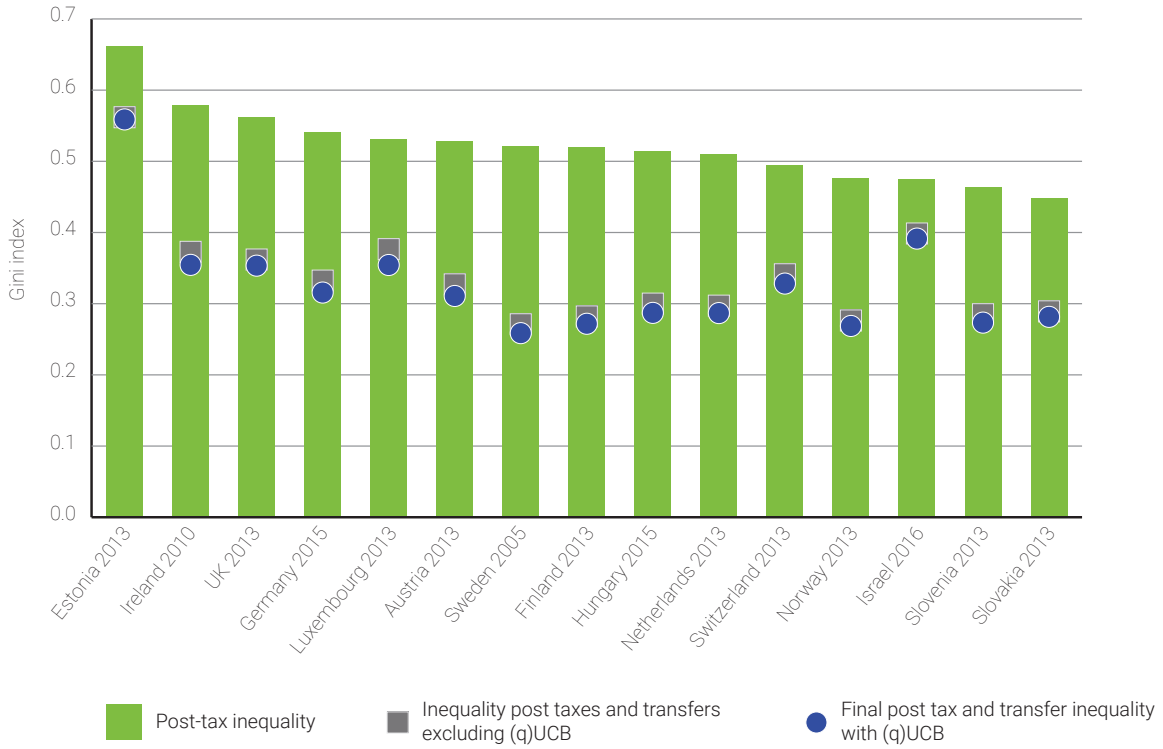
in a reduction of 21 percentage points at the median (representing a 40% reduction in the Gini coefficient). It also finds that (q)UCBs contribute a 1.2 percentage point reduction in the Gini coefficient at the median – 6% of the inequality reduction due to all cash transfers (Figure 7).

The contribution of (q)UCBs to reducing inequality across countries is not uniform. Indeed, they account for less than one point of the reduction in inequality in Estonia but over two points in Luxembourg (Figure 8). Moreover, there is little correlation between the overall progressivity of fiscal policy and the contribution of the (q)UCBs to inequality reduction. For example, (q)UCBs contribute close to one point of the reduction of inequality owing to transfers in both Israel and the UK, but cash transfers caused inequality to fall by 8 points in Israel, compared with 21 points in the UK. Again, this highlights the need to consider the different ways in which UCBs fit into a broader menu of social protection programming.

Given our focus on (q)UCBs, we might expect these transfers to have a stronger impact on inequality if we focus just on households with children (Figure 9). There is less inequality in the distribution of incomes among these households to begin with, as they tend to have a more similar profile than households without children (which will typically be a mix of younger households that have not yet had children and have relatively low earnings, and older households at the latter stages of their lifetime earning profiles). Indeed, if we look only at households with children across our 15 countries, the median pre-transfer Gini coefficient is 0.37, and it falls to 0.28 when accounting for transfers – a nine percentage point reduction. At the median, (q)UCBs contribute a reduction of two points in the pre-transfer Gini index, or 4.7%.

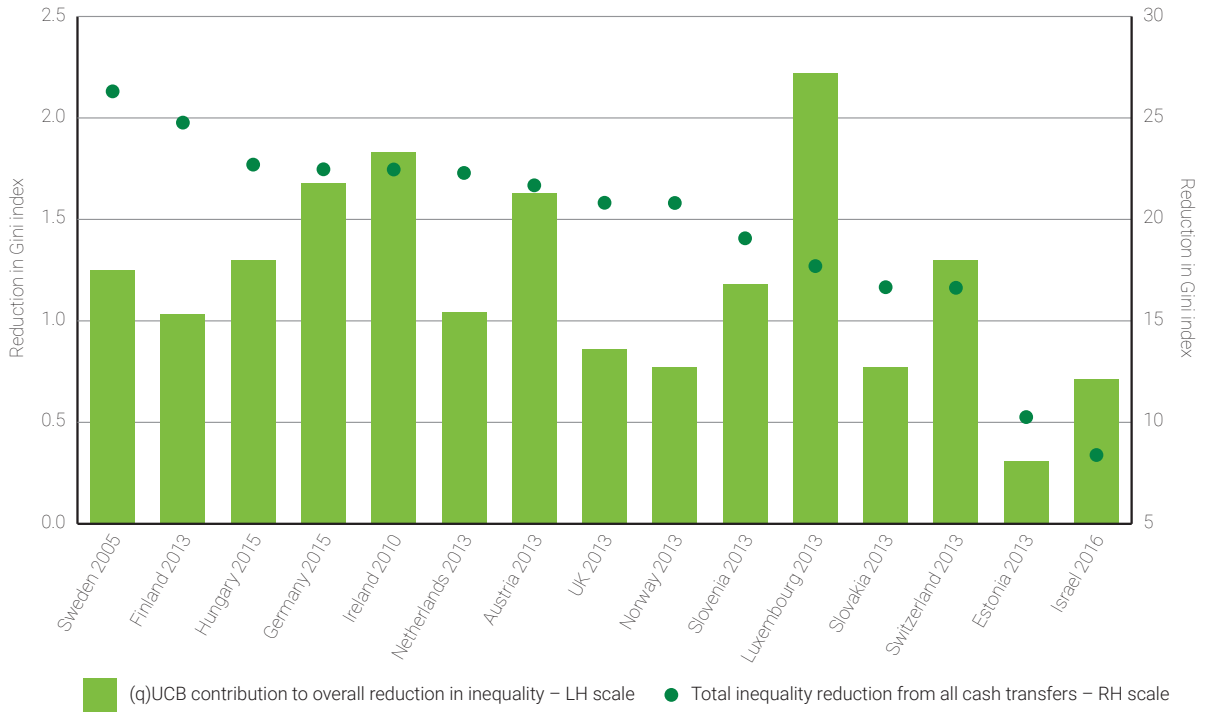
This evidence on the impact of UCBs on inequality in high-income LIS countries – that it reduces inequality to an extent, with more sizeable effects in some countries – accords more broadly with studies on the inequality-reducing impact of social protection spending (see Grosh et al., 2008; Fizsbein and Schady, 2009). In addition, using LIS data, for 26 HICs and MICs for 2013, Caminada et al. (2017) find that child and family benefits contributed, on average, 8% to the

Figure 7 Reductions in income inequality from cash transfers (percentage points)



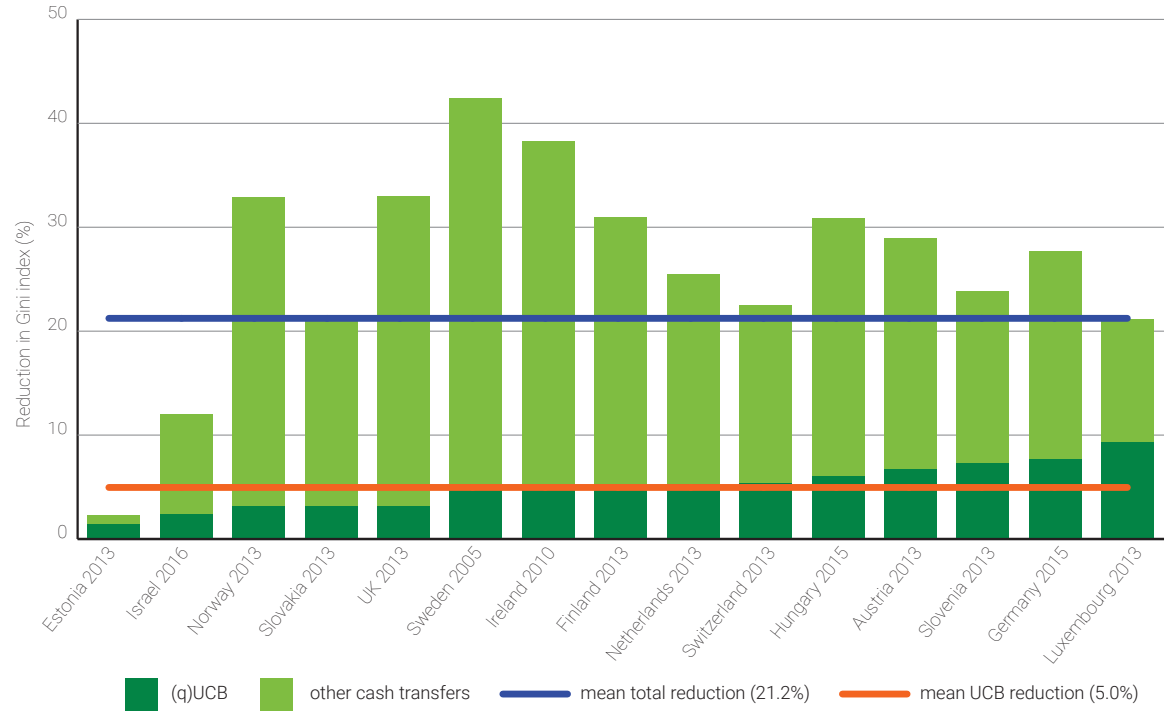
Source: Authors' calculations from LIS

Figure 8 Inequality reduction levels and contribution of UCBs (percentage points)



Source: Authors' calculations from LIS

Figure 9 Inequality reduction from cash transfers for households with children (%)



Source: Authors' calculations from LIS

total reduction of inequality by taxes and transfers; the relatively higher reduction may be explained by the fact that they consider the impact of both taxes and transfers, rather than transfers alone, and their inclusion of means-tested transfers and CCTs, alongside universal schemes.

4.3.3 Universalism, targeting and poverty reduction

How does the poverty impact of UCBs compare with that of child benefits with some degree of means testing? Among UCBs, how do variations in their design and implementation details influence policy impact? Drawing on simulation studies that test these differences, this section compares the poverty reduction impact of alternative child benefits. It then considers the wider 'system' of transfers. Drawing on studies of the poverty impact of the wider tax and transfer system, with a focus on child and family policies, this section reviews the available evidence from cross-country comparative studies that examine how universal or universalistic systems perform compared with systems that rely more heavily on means testing.

The poverty impact of UCBs in comparative perspective – programme-level analysis

A review of country-level simulations[56] that compare the poverty reduction effect of UCBs, compared with benefits with varying types and degrees of targeting, finds that transfers with broad coverage but at least some element of means-testing (or poverty targeting) are likely to achieve the highest poverty reduction impact. It also finds that the potential gains of targeting by a child's age or at household- versus individual-level will depend on a country's demographic and poverty profile, the share of children in the population and where children are in the income distribution.

- In Mozambique, providing a 'generous' child grant (two-thirds of the value of the national poverty line) and a less generous child grant (about 36% of the national poverty line, to accommodate a budget of 1% of GDP) to all households with children aged 0–2 led to reductions in total poverty and even higher reductions in child poverty, though the more generous grant was more poverty reducing. Distributing the generous grant to all households with very small children in the country's poorest districts reduced total and child poverty slightly more than distributing a less generous grant to all households in the country (Cardoso et al., 2018).
- Beukes et al. (2017) simulate the impact of almost doubling the value of South Africa's CSG for existing beneficiaries versus making it universal. They find that the former would have the biggest impact on total poverty – resulting in a seven point decline – and that this option would be the most cost efficient (in terms of the cost per person who escapes poverty owing to the transfer). Making the transfer universal, in turn, would result in a 4.5 point decline in total poverty, at nearly double the per capita cost.
- For Uzbekistan, Oleinik and Kidd (2019) simulate the impact of introducing a UCB progressively to eventually reach either 100% coverage of children or 75% (via a means test to exclude better off households). They assume the initial budget allocation –.8% of GDP – would remain the same between both options but under the latter, the value of the transfer would be higher owing to lower coverage. Under the status quo (no UCB), they estimate a reduction in child poverty of 10.2% by 2034. Under the option that extends the UCB to all children, they anticipate a reduction in child poverty of 35%, whereas under the option of reaching 75% of all children, they anticipate a reduction of 39%, owing to relatively low targeting errors and a higher transfer value.
- In Georgia, a Child Benefit of GEL10 was introduced in May 2015, targeted at the bottom 40% of children. Kidd and Gelders (2015) simulate the impact of increasing its value to GEL25 and coverage to 70% and 100% of under-16s respectively. Both options were poverty reducing. However, the first option, which involved a reallocation of some means-tested assistance to the child benefit but no new financing, performed

56 A common approach to testing the potential poverty reduction impact of alternative types of child benefits relies on simulations, or a combination of empirical ex-post analysis and simulations, that typically consider the incidence and first-round effects of income transfers. As outlined above, these do not take into account administrative costs, benefit take-up in practice, potential behavioural effects and other factors that affect poverty impact, thus potentially overestimating the benefits of targeting by not taking into account its 'costs'.

slightly better than the status quo, reducing child poverty by a further 0.5% and decreasing inequality, while reaching nearly twice as many children.

A study of the poverty reduction impact of UCBs, and variants in its design details, for 14 MICs, based on a common funding assumption of a new allocation of 1% of GDP, also finds that including some element of targeting – by 'weighting' transfers by paying higher amounts to children in the bottom 40% of the income distribution and taxing back benefits through a progressive income tax system – led to higher poverty reduction than a flat rate UCB paid to all households with children (Evans et al., 2018). Table 1 reports the UCB policy design that leads to the highest poverty reduction impact by country.[57] The authors observe that: 'The trade-off between universal and targeted benefits is not necessarily all or nothing; there is a constructive ambiguity that can bridge universal and (selective) poverty targeting aims' (ibid: 7).

More specifically, Evans et al. (2018) find that the poverty reduction effect across all 14 countries is highest if transfers are 'weighted' so that households in the bottom 40% of the income distribution receive relatively more than those in the upper 60%; in 10 of the 14 countries, it leads to considerable amounts of additional poverty reduction (of between 4% and 7% for child poverty). They also find that, in the countries considered, compared with paying a UCB to all households with children, paying allowances to every individual child leads to greater poverty reduction among the total population (by an additional 1.2% to 4.8%) as well as among children (by an additional 2.2% to 7.4%). This is because children are disproportionally situated in households in the lower quintiles of the income distribution in all 14 countries. Overall, the potential gains of alternative policy design details will depend on a country's demographic and poverty profile, the share of households with children in the population and where these households are in the income distribution.

The poverty impact of universalistic systems in comparative perspective – system-level analysis

As emphasised throughout this report, child benefits are only one policy instrument among a broader set of transfer and tax tools that make up a country's fiscal system. A key question is whether and how variations in the system's framing along the universal–targeted continuum matter to the poverty impact of policy. Cross-country comparative analyses, in some cases longitudinal, exploit variations across countries and over time to explore this question.

Based on the experience of European countries with a history of welfare policies that include UCBs, there is some convergence around the finding that universalistic systems (which rely, in a limited fashion, on means testing) tend to be more poverty reducing than ones that rely more heavily on targeting, including narrow means testing. Such evidence confirms the so-called 'paradox of redistribution', whereby systems that more narrowly target benefits achieve lower poverty and inequality impact compared with ones that are universal (Korpi and Palme, 1998; Brady and Burroway, 2010).

While there has been some dispute over this finding (e.g. Kenworthy, 2011; Marx et al., 2013), recent studies, including McKnight (2015) and Jacques and Noël (2018) confirm this pattern. McKnight (2015) finds support for the link between universal programmes and poverty reduction in her study of France, Italy, Sweden and the UK over a four-decade period. She finds that during periods where cash benefits have been more closely targeted on lower-income households, the reduction in poverty and inequality is lower. Jacques and Noël (2018) test this relationship with a time-series cross-sectional study of 20 OECD countries between 2000 and 2011 and find a strong correlation between universalism (measured as the percentage of social benefits that are means- or income-tested and the proportion of private spending in total social expenditures) and poverty reduction impact.

Along similar lines, Richardson (2015) contrasts universal systems (combining universal cash benefits, tax breaks, single parent payments and more extensive parental leave) with targeted systems that offer less comprehensive provision and non-universality. After controlling for economic growth, spending on other social transfers and family composition, he finds that spending on UCBs as a part of a comprehensive universal approach to family

57 Overall, the maximum potential effect of a UCB on child poverty ranges from a reduction in the poverty headcount of 10% in Paraguay to 32% in Mexico, and a reduction in the poverty gap of 25% in Guatemala to 48% in Georgia (Table 1).

Table 1 Summary of simulations with optimal poverty reduction from UCBs in 14 countries

Country and year	Policy approach		Proportional decline in poverty gap (%)	Proportional decline in child poverty headcount ratio (%)
Georgia 2013	Universal to all 0–17-year-olds – with weighting to bottom 40%		48	29
Uruguay 2013			47	28
Egypt 2012			44	31
Serbia 2013			36	27
Colombia 2013			35	24
Peru 2013			27	16
Paraguay 2013			21	10
Panama 2013	Age-specific UCB with weighting to bottom 40%	To children below 3 years old	43	21
Russia 2013			40	28
China 2002			38	23
Dominican Republic 2013			36	23
India 2011		To children below 5 years old	40	29
Mexico 2012			40	32
Guatemala 2006			25	11

Notes: 'Weighting to bottom 40%' implies simulations that employed a 'distributional weighting' that gave higher allowances (20%) to the bottom 40% of children within the same budget constraint of 1% of GDP (in a crude adjustment to reflect the potential impact of 'taxing back' the transfer from higher-income households).
Source: Evans et al. (2018)

benefits results in notably lower poverty rates for every incremental increase in cash spending.

In practice, as outlined in previous chapters and above, countries may combine elements of both universalistic and targeted approaches. Empirical research highlights how systems that feature 'targeting within universalism' have the highest poverty-reducing potential, both in terms of redistributive budgets and benefit levels (e.g. Van Mechelen and Bradshaw, 2013; Van Lanker and Van Mechelen, 2015). In particular, countries with a combination of universal cash benefits and means-tested transfers had relatively more generous child benefit packages than those consisting of solely a universal benefit or a combination of universal benefits and less progressive tax benefits. Van Lancker and Van Mechelen (2015: 25) observe that in such 'best performing' countries, 'two channels of poverty reduction are simultaneously at play: they combine high redistributive budgets with higher benefit levels for low-income families'. According to such evidence, families may be best served by a combination of universal cash benefit systems with supplementary allowances for low-income households: 'Targeting may thus be not so bad after all, if embedded in a universal social insurance context' (Van Mechelen and Bradshaw, 2013; p. 97).

4.4 Child benefits and non-monetary poverty

The previous sections have focused on monetary measures of poverty. This section summarises some of the available evidence on the impact of cash transfers on non-monetary indicators, specifically education, health and child labour measures, with a focus on existing systematic reviews. With the objective of highlighting the ways in which child benefits can influence non-monetary outcomes for children, and implications for benefit design and implementation, it draws on the experience of a range of social assistance transfers across countries, including transfers that display different targeting mechanisms and may be conditional.

The available evidence underscores how cash transfers can have a clear and significant positive effect, in the intended direction, on a range of children's outcomes, including intermediate and final outcomes (e.g. Cooper and Stewart, 2013; Bastagli et al., 2016). The evidence is stronger – both in terms of size and consistency of findings – for gains in intermediate outcomes (e.g. service utilisation such as school attendance or health clinic visits) compared to final outcomes (such as learning, health status and nutrition). This reflects, in part, the critical role played by the quality of services provided and the potential of 'cash-plus' approaches.

Education: Cash transfers positively impact school enrolment and attendance by reducing barriers to school attendance, including the direct cost and opportunity cost of attending school (Bastagli et al., 2016; ILO/UNICEF 2019). There is also a growing body of evidence on cash transfer impact on children's learning outcomes and cognitive development. In the majority of studies on cash transfer impact on school attendance identified by Bastagli et al.'s (2016) systematic review, benefits contributed a significant improvement (12 of 20 studies). Of the five studies identified on cognitive development, three point to a significant improvement. De Walque et al.'s (2017) review of 11 studies on cognitive and language development also find small but significant effects of cash transfers in a majority of studies. Molina Millan et al. (2019) point to the robust impacts of CCTs on schooling outcomes in the longer term (2–13 years), but a positive impact on learning outcomes is evident only in two of eight countries analysed. Studies on the impact of child grants in HICs suggest that learning outcomes improved, particularly for children in low-income families – both in the US, where the large expansion of the EITC in the 1990s led to sizeable improvements in mathematical and reading skills, and in Canada, where a child cash transfer also improved educational outcomes (Jones et al., 2015).

Health: Cash transfers can effectively lead to improvements in the use of health services and measures of dietary diversity. These achievements in intermediate outcomes do not always translate into improved final outcomes for children (such as anthropometric outcome measures), highlighting, as is the case with education, the critical role of the quality of available services and of supply-side interventions such as health supplements. Bastagli et al. (2016) identify 15 studies of health facility usage, of which 9 link social assistance cash transfers to significant improvements in attendance. They identify 12 studies of dietary diversity, of which 7 point to statistically significant increases. However, their review finds improvements in stunting in just 5 of 13 studies, an improvement in wasting in 1 of 5 studies and a reduction in the share of underweight children in 1 in 8 studies. Along similar lines, Molina Millan et al. (2019) find that CCTs improved longer-term anthropometric outcomes in just Colombia and Nicaragua, out of the six LAC countries assessed. Available evidence also points to how transfer receipt can improve mental health, with positive implications for children. For example, transfers may reduce levels of maternal depression and family stress (Mistry et al., 2004, cited in de Walque et al., 2017). In Indonesia, their receipt has been linked to a yearly reduction in suicide of 18% (Christian et al., 2018).

Child labour: Cash transfers reduce the likelihood of children's participation in work and the intensity of that work. Bastagli et al. (2016) report that of 19 studies reporting impacts on children's participation in paid work, 8 showed a statistically significant decrease, and the 5 studies of intensity (number of hours worked) all showed reductions in the number of hours working (ranging from 0.3 to 2.5 fewer hours per week). In a more recent review of 43 studies of programmes in 11 LAC countries, Abramo et al. (2019) also find that CCTs reduced child labour. Studies note that the impact of benefits on child labour depends partly on their integration with other forms

of programming (e.g. health, education, before and after-school care) and that it is common for cash transfers to increase the probability that poorer children will combine schooling and work.

4.5 Behavioural responses to cash transfers

As outlined in the conceptual framework and earlier sections of this chapter, the impact of a UCB on child poverty is also contingent on the potential behavioural incentives associated with such programmes and how households respond in practice. Two issues are often cited as a deterrent to the adoption of a broad-based transfer: the concern that a UCB could affect labour market engagement of working-age adults (specifically, leading to a reduction in participation in paid work and offsetting progress in monetary poverty reduction) and the concern that it might affect decisions over fertility – particularly as UCBs specifically target households with children and in cases where transfer size is contingent on the number of children in a household. This section explores the evidence for each of these issues in turn. It finds that these concerns are largely unwarranted and that where behavioural changes linked to (q)UCBs do occur, they are likely to enhance the welfare of children and other household members.

Labour market responses

According to traditional economic theory, the regular payment of a cash transfer could generate a disincentive to participate in paid work (i.e. withdrawal from participation in paid work or reduction in number of hours worked) as a result of two factors: the additional regular income provided and, in the case of a means test, the loss of eligibility or benefit entitlement associated with an increase in income or assets above the eligibility threshold (e.g. Atkinson, 1995b; van Parijs, 2006; also see Chapter 2). By design, the universal nature of a UCB avoids the potential work disincentive effect associated with a means test. The regular and predictable payment of a benefit, however, could in principle influence decisions regarding participation in paid work as well as type of work undertaken. Such concerns are commonly based on assumptions of functioning labour markets. In practice, labour and related services are often difficult to access or do not function well. Particularly in such contexts, we could expect that the regular additional income of a cash transfer would help tackle barriers to work and productive investments that affect people's work opportunities and ability to work. This could potentially contribute to increased participation in paid work (Bastagli, 2020).

A transfer's effect on working-age adults' participation in paid work is expected to vary depending on individual characteristics and by population subgroup. As a UCB categorically targets households with children and women are typically the main recipients, incentives and behavioural responses may additionally vary for this particular group. In particular, given that women in some contexts on average display weaker labour market attachment than men do, they may face an additional incentive to substitute paid work for unpaid work, notably childcare. This is particularly likely in taxation regimes that decrease the tax burden of the main earner as secondary earners withdraw from the labour market (e.g. in Germany and Poland). Given that the UCB is geared specifically towards improving the life chances of children, the impact of time investments in children wrought by labour market withdrawal should be duly recognised (Box 10). On the other hand, additional income may make childcare more affordable, leading to an increase in women's work effort (Banerjee et al., 2017: 14).

The available evidence on universal transfers – including UBIs and UCBs – drawing primarily from the experience of HICs, indicates there is no or limited impact of such universalistic schemes on aggregate measures of participation in paid work (Marinescu 2017; Jones and Marinescu, 2018; Bastagli, 2020).

Sex-disaggregated analyses, however, indicate that, as might be expected, effects vary, with examples of schemes leading to reduced participation in paid work for some and increased participation for others. On the former, there is some evidence of a reduction in labour supply, especially among partnered women with a lower earning capacity. For example:

- In Germany, evaluations suggest the UCB brought about a shift from full-time to part-time employment among partnered women, particularly in lower-income households, while

Box 10 The value of parental time investments in children

Children benefit from investments of income but also of parental time. An accumulating body of research shows that the time that mothers and fathers spend with children, particularly at a young age, results in improved cognitive outcomes (Carneiro and Rodriguez, 2009; Bono et al., 2016; Carneiro and Ginja, 2016). Indeed, it is argued that recent research may have exaggerated the importance of financial resources compared to the impact of parenting and mentoring in shaping child outcomes (see Francesconi and Heckmann, 2016). A recent study finds that time inputs are generally more productive than money expenditures for children. However, the impact of investments of time on child cognitive development decrease with the age of the child, while the impact of money spending increases, 'though the impact at any age is modest at best' (Del Boca et al., 2014: 5). In LICs and MICs, parental time investments could be particularly fruitful: data for 64 countries suggest that around one in four children did not experience any cognitive or social-emotional caregiving in a three-day period (UNICEF, 2017a).

the labour supply of single mothers and fathers was unaffected (Tamm, 2010; Rainer et al., 2014).

- In Poland, the labour force participation rate of women with children decreased by 2.4 percentage points after the introduction of the *Rodzina 500+* qUCB, compared to that of childless women, especially among mothers with lower levels of education (Magda et al., 2018).
- In Canada, labour force participation and hours worked weekly fell among married women following the introduction of the Universal Child Care Benefit (participation fell by one percentage point, and median hours worked weekly, by one hour). This was particularly among those who were less educated (for whom participation fell 3.2 percentage points, and median hours worked weekly by 1.9). For men, reductions in labour supply were small (the reduction in participation was less than half a percentage point and the reduction in median hours worked weekly was around two minutes) (Schirle, 2015).

In LICs and MICs, evidence on cash transfer programmes can offer insights into the potential labour supply effects of a UCB. Here, the bulk of the evidence suggests that transfers are linked to increased labour force participation, and in some cases, increased work intensity (i.e. number of hours worked). The review by Bastagli et al. (2016) finds that social assistance cash transfers (mostly with some element of means-testing or poverty targeting) have either no effect or a positive effect on work participation for working-age adults. Of the eight studies identified, four found that the impact of the transfer was statistically significant: in three studies, labour force participation increased, while in one, it decreased – but this was driven by reduced work among older people, which is interpreted as welfare enhancing. Along similar lines, Banerjee et al. (2017: 157) aggregate evidence from randomised evaluations of seven government transfers in Latin America and East Asia and find, after one to two years, 'no systematic evidence of an impact of transfers for work behaviour, *either for men or women*' (emphasis added). More recently, Bosch and Schady (2019) conclude that in Ecuador, the relatively generous *Bono de Desarollo Humano* (BDH) did not reduce adult work either for women who received the transfers or for other adults in their households – and that this effect was evident four to five years after initial qualification for the transfer. On the other hand, in an extensive meta-analysis of CCT evaluations in Latin America, Abramo et al. (2019) report that, while most studies find that programme participation has no effect on work or has a positive effect on labour market supply or working conditions, in a share of cases the impact was negative, with a more pronounced effect for women who typically are designated to receive the transfer, and who usually take responsibility for fulfilling the conditionalities attached to CCT participation.

UBI schemes provide additional insights into how universal transfers can affect labour market engagement. A review of the evidence from two UBI schemes, Alaska's Permanent Fund Dividend and Iran's cash transfer, 'suggests that an unconditional income floor generated no general significant disincentive to work', though there was an increase in

part-time work in Alaska (Bastagli, 2020). Similarly, an evaluation of a two-year UBI experiment in nine villages in rural Madya Pradesh found that among recipient households, nearly 21% had increased their income-generating work or production (compared with 9% of households in control villages), there was a shift to working on their own farms rather than as wage labourers, and *both men and women* increased their hours of work (SEWA Bharat and UNICEF, 2014).

A related important question is the effect of cash transfers on the *quality* of work. A UCB might reduce the supply of workers who are willing to engage in precarious work and/or shift the balance between formal and informal work. The evidence supports the view that universal cash transfers can improve workers' ability to bargain and therefore their conditions of work (Bastagli, 2020). The evidence on formal versus informal work is less clear-cut. It is argued that by delinking social protection entitlements to participation in paid employment and formal work, universal tax-financed transfers may generate an incentive for workers to remain in or increase their participation in the informal economy to avoid paying contributions associated with formal work (Levy, 2008). The empirical evidence is mixed, with some examples of shifts towards informal work associated with the expansion of social assistance transfers. For example, de Brauw et al. (2015) find that *Bolsa Família* in Brazil was associated with recipients working, on average, eight fewer hours per week in the formal sector, and nearly eight hours a week more in the informal sector. In Ecuador, where programme rules stipulated that households with a member in formal work were ineligible for the BDH (but in practice, this rule was not enforced), Bosch and Shady (2019) find a small reallocation from the formal to the informal sector, reducing formal employment by 1.2%; they highlight the importance of not conditioning welfare programme eligibility to (the absence of) formal income to help remove incentives to move away from formal employment or disincentives to formalise. The universal nature of transfers such as UCBs avoids this concern.

Impacts on fertility

By targeting households with children and supporting the cost of child raising, child benefits may affect fertility-related decision-making. As outlined in Chapter 2, in some countries, child benefits are intentionally designed to do so. Governments may invoke a pro-natalist logic, particularly in countries with below-replacement fertility rates – as in France, Germany, Poland, Sweden, Belarus, Ukraine, and the Canadian Province of Quebec. Indeed, in Poland, Hagemejer (2019) describes increasing fertility as the key aim of the quasi-universal *Rodzina 500+* benefit.

The empirical evidence from some HICs suggests UCBs can have a moderate positive effect on fertility decisions, notably in countries where they were explicitly designed to have this effect. In Hungary, a 1% increase of child-related benefits was found to increase fertility by 0.2% (Gábos et al., 2009). In Israel, the UCB was linked to a 7.8% increase in fertility, with stronger effects on households in the bottom half of the distribution and new immigrants, for whom it was more 'economically meaningful' (Cohen et al., 2007). In Quebec, the introduction of a universal subsidy in the mid-1990s raised fertility by 12%, on average (Milligan, 2005). In Poland, the effect of the *Rodzina 500+* benefit, introduced in 2016, is so far ambiguous; it is argued that factors such as employment policies and the ability to balance work and childcare will be important mediators (Hagemejer, 2019).

In contrast, the available evidence for large-scale child grants in LICs and MICs suggest no or limited impacts on fertility. In South Africa, women receiving the CSG were less likely to have a subsequent pregnancy than women with similar characteristics who did not receive the grant , and birth spacing increased. The programme also led to decreased adolescent sexual activity and pregnancy in beneficiary households (Rosenberg et al., 2015; and Heinrich et al., 2017, cited in Handa et al., 2018). In Zambia, the Child Grant Programme did not have any demonstrable effects on fertility and there is some evidence of a decreased probability of still birth, miscarriage or abortion (Handa et al., 2016; Palermo et al., 2016). In Kenya, the Cash Transfer for Orphans and Vulnerable Children resulted in delayed first pregnancy among youth (Handa et al., 2016). In Argentina, the AUH had a limited positive impact on fertility in households with at least one child (of around two percentage points) (Garganta et al., 2017).

Casting the net more widely, a rigorous review of the evidence on cash transfers in LICs and MICs, not confined to child benefits, identified 10 relevant

studies (Bastagli et al., 2016). Of these, eight found either no effect, or a negative effect on fertility.[58] The two studies Bastagli et al. (2016) identified that reported a positive effect both focused on Honduras' conditional PRAF or Family Allowance Programme. However, it is notable that PRAF initially contained an 'administrative loophole' (subsequently closed), which led to the raising of transfer values immediately following the birth of a child, and that a follow-up evaluation found no persisting impact on fertility (Palermo et al., 2016; Li, 2016, cited in Handa et al., 2018).

The available evidence points to the potential of cash transfers to expand the choice set of households. Indeed, the evidence for LICs and MICs suggests overwhelmingly that actual fertility rates exceed 'wanted fertility'.[59] Child grants appear to permit recipients to exercise greater choice in determining their family size. Universalistic transfers in particular, by enabling higher population coverage, could expand choices available to households.

4.6 Child benefit design factors conditioning impact on child poverty

Previous sections have discussed how a benefit's value, its population coverage and targeting performance are expected to influence its impact on poverty. This section examines the role of additional benefit design features and how these matter to children's outcomes. Additional benefit design features policy-makers need to consider against the objective of tackling child poverty include the main recipient of the transfer; the duration of benefit payment; its predictability, frequency and mode of delivery; and complementary services (including 'cash plus' efforts).

Main recipient

It is argued that child benefits paid to mothers in two-parent households alter spending patterns in ways that improve child outcomes, but the evidence base is unclear. Some early studies suggested that women were more likely to spend their income on children's health and education (see Thomas, 1990, 1993; Schultz, 1990) and that this was true of child benefits (Lundberg et al., 1997 on the UK). Other studies reported that allocating transfers to mothers improves child outcomes (see review by Duflo, 2012; and the systematic review by Yoong et al., 2012). However, in Macedonia, targeting a CCT to mothers prompted higher spending on food two years into a cash transfer programme but not at the end of its third year (Armand and Carneiro, 2018). More broadly, Hagen-Zanker et al. (2017) find little or no difference in impact relating to the gender of the cash transfer recipient in their meta-review. And in Burkina Faso, giving transfers to fathers led to significantly better nutritional outcomes when harvests were poor (and yielded greater investments) (Akresh et al., 2016). Several studies also comment on the methodological challenge posed by the fact that 'almost all current cash transfer programmes give resources to the mother' (De Walque et al., 2017; see also Duflo, 2012; Akresh et al., 2016; Banerjee et al., 2019).

Research has also suggested that delivering cash to women in two-parent households might enhance their own empowerment, but, again, the evidence is mixed. Some studies report that directing cash transfers to women can increase their decision-making ability (Bastagli et al., 2016; Bonilla et al., 2017) and resource control (Almås et al., 2018). However, others suggest that predetermining the mother as the payee, particularly where grants are conditional, can reinforce a traditional gendered division of labour, with some evidence of this occurring in Latin America (Cecchini and Madariaga, 2011; Rabinovitch and Diepeveen, 2015; Cookson, 2018). In their review of 22 rigorous studies of cash transfers, Buller et al. (2018) report that the majority (73%) show decreases in intimate partner violence (IPV) (of between 11% and 66%) and that, on the whole, there was little evidence of adverse effects; only two studies showed mixed results. The authors note that the greater economic security the grant offers is likely to improve emotional well-being, thereby reducing violence, while the effects on

58 Subsequent evidence from the Transfer Project also found no effect on fertility of either a means-tested transfer in Kenya or of a CCT in Malawi (Handa et al., 2018).

59 For LICs, 'wanted' fertility in 2013 was 4.3 births per woman, while actual fertility was 4.85. In MICs, the corresponding figures are 2.3 and 2.85. Indeed, in every LIC/MIC mentioned in this section, actual fertility exceeds wanted fertility (World Bank, 2019a). There is no comparable measure of 'wanted fertility' for HICs.

intrahousehold conflict and women's empowerment are ambiguous and context specific.

However, Buller et al. (2018) point to several programme design features that have the potential to affect intrahousehold dynamics and thereby lower IPV risk. They suggest that 'how a programme is "framed" and the meaning imbued by a programme's stated intent (e.g., for women's entrepreneurship versus child health) may influence the transfer's impact on gender dynamics and IPV as much as any other program feature' (ibid: 248). In addition, disbursing the transfer in smaller and more regular payments (which are more conducive to small household purchases managed by women) versus larger or lump sum transfers, could render them less disruptive (and therefore less likely to provoke violence) (ibid.). Hsu (2017) supports this point, drawing on payment schedules for the Temporary Assistance for Needy Families (TANF) programme in the US.

Assigning transfers per child or per household, by type of household and age of the child

Policy-makers need to determine whether to assign a child benefit per household (as with child grants in Ecuador) or per child (as with UCBs in HICs). They also need to decide which age range of children to focus upon. Such decisions are likely to condition a benefit's poverty-reducing impact and whether and how it does depend on the country's poverty and demographic profile.

As households with children tend to be poorer, the direct impact of a transfer on poverty reduction will tend to be higher where benefits are allocated based on the number of children in a household and where there is a higher ratio of children to adults. In a simulation covering 14 MICs (Evans et al., 2018) and in a study on Ghana (Evans, 2018), allocating a fixed-value UCB to each child within a household rather than a household-level benefit to a household with any children increased the reduction in poverty. Cash transfers directed to single parents are likely to be particularly effective in reducing poverty, as these households are likely to be poorer to begin with. For example, in Belgium a simulation exercise showed that the UCB and tax breaks related to children reduced the relative poverty headcount among households with children by nearly 12 percentage points, whereas for single-parent households, the reduction was nearly 20 points (Cantillon and Van Mechelen, 2014). Nonetheless, some UCBs place restrictions on the eligibility of single parents, as in Poland, where divorced single parents are only eligible once alimony has been awarded (Hagemejer, 2019).

The age range of children associated with a UCB also varies across countries, as described in Chapter 2. The poverty-reducing impact of focusing a child benefit on a specific age range below 17 years – as in Belarus or Ukraine where child benefits are paid to children up to the age of 3 years – depends on how poverty is distributed over the age range of children and the poverty profile of households with eligible children compared with the rest of the population. Under a fixed budget assumption, expanding the eligible group of children will result in a lower transfer per child. Indeed, because poverty is typically higher among households with the youngest children, then spreading a transfer more thinly might limit poverty reduction.[60] However, in 14 MICs (Evans et al., 2018) and in Ghana (Evans, 2018), simulations show that weighting transfers towards younger children would not improve overall poverty reduction under a fixed budget scenario. The reason is that younger children tend to co-reside with older children and these households therefore received fewer benefits, on average, than they would under a less restrictive scheme (by age).

Conditionality

As outlined in Chapter 2, a common rationale for the inclusion of conditionality – behavioural requirements in terms of school attendance and healthcare visits, for example – in cash transfers is its potential to promote access to and utilisation of services with potential benefits for children's outcomes. A common concern is that conditionalities could, in fact, penalise and 'screen out' precisely the groups they are designed to support: the most vulnerable, who face the highest barriers or opportunity costs in complying with such conditions. If this were the case, conditionalities would work against the objectives of child benefits and against poverty reduction aims.

60 A large literature argues that prioritising investments in the first '1,000 days' of children's lives will yield large public and private returns (see review in Samman and Watkins, 2017).

As with other benefit design features, conditionality design and implementation details appear to matter. In some of the rigorous impact evaluation studies that compare conditional and unconditional transfers, conditionality appears to play a role in enhancing cash transfer impact on intermediate education, health and nutrition outcomes, while in some it does not (Bastagli et al., 2016). The available evidence also highlights the role of social messaging and communication of the desired behaviour (e.g. school attendance and healthcare visits) as well as people's understanding and perceptions, rather than the sanctionary and punitive elements of conditionality (when these are included). For example, in Lesotho, an evaluation of the unconditional CGP stressed that the messaging around the programme had been 'very effective and successful in terms of increasing spending on children's needs', even in the absence of strict and punitive conditionality, and suggested more structured messaging around a wider range of issues could be fruitful (Pellerano et al., 2014: xii). In Morocco, an unconditional 'labelled cash transfer' that was explicitly branded as an education support programme led to large gains in school participation (Benhassine et al., 2015). This suggests that there is 'potential for clear communication regarding the importance of service use and support in accessing relevant quality services to contribute to progress towards programme objectives beyond the implementation of additional elements of conditionality' (Bastagli et al., 2016: 12).

How benefits are paid: frequency and timing, predictability, duration and payment modality

It is argued that the **frequency** of transfer payments may be linked to distinct spending patterns, with lump sum payments potentially associated with spending on durable goods and monthly transfers linked to spending on basic consumption and services. A number of studies provide empirical support for this position. For the US, recipients of the EITC, which is disbursed annually, used the lump sum payment to 'build assets', like cars; participants prized this yearly disbursement, in part, because it enabled spending patterns that 'create feelings of social inclusion and citizenship' (Sykes et al., 2015: 244). For Kenya, Haushofer and Shapiro (2016) find that monthly transfers were more likely to improve food security than an equal amount disbursed through lump sum transfers; lump sum transfers were more likely to be spent on durable goods. For rural Brazil, Morton (2019) shows that different payment schedules associated with *Bolsa Família* (a monthly cash transfer) and the Maternity Wage (a much larger and unpredictable lump sum, received by fewer than half of applicants) led to different patterns of asset investment. While women typically spent monthly payments on 'items like clothing and furniture', they invested lump sums in income-generating assets like cows and fields (ibid.).

Assessing the impact of the frequency and timing of disbursements on child outcomes is challenging, not least as some investments require relatively small and regular amounts of cash (to smooth consumption), whereas others, such as school expenses, may require lump sum payments. Moreover, programmes may combine different payment schemes and/or tie payment to meeting specific requirements. For instance, in Argentina's AUH, 20% of the yearly value is disbursed at year-end if conditionality is met (Rabinovich and Diepeveen, 2015). In Bogotá, Colombia, experiments with the payment frequency of CCTs have compared bi-monthly disbursement with a payment schedule that disbursed one-third of the funds at the time of school enrolment (Barrera-Osorio et al., 2008, 2019). These studies conclude that 'simply changing the timing of the transfer' resulted in gains in secondary and tertiary enrolment which were visible 8–12 years later.

García and Saavedra (2017) reach a similar conclusion in a meta-analysis of 42 CCT programmes in 15 MICs: programmes in which payments were bi-monthly or quarterly rather than monthly tended to report larger effects on school enrolment and attendance. However, for Macedonia, Armand and Carneiro (2018) find no substantial difference in school enrolment or attendance between households who received a CCT in equal instalments and those who received instalments of a relatively smaller amount throughout the year, coupled with a bonus at year-end that was conditional upon a student passing the grade in which they were enrolled.

The evidence for health also highlights how the frequency and timing of payments may matter. A study of benefit timing and birthweight, early height and cognitive development, finds these outcomes

are more sensitive to transfers in utero and early in life (Jain and Mittal, 2018). Moreover, lump sum disbursements could provide an incentive for beneficiaries to commit to actions such as making a birth plan to deliver at a high-quality facility (ibid.). In the State of Yucatan, Mexico, Aguila et al. (2017) find that beneficiaries of more frequent pension payments displayed more consistent spending on basic needs, including doctor visits.

Cash transfers also vary by **delivery modality**. For example, electronic payments may reduce the transaction costs associated with receipt of a transfer, the risk of corruption and potentially the stigma associated with benefit receipt (Roelen et al., 2017). Moreover, in principle, transferring cash through bank accounts or mobile money might trigger saving behaviour and access to formal credit, and thereby affect household investments. At the same time, this modality may reduce opportunities for physical interaction, for example between public officials and benefit recipients, with implications for the sharing of useful information (Bastagli et al., 2016). It also risks excluding potential recipients who lack reliable access to new technology (Roelen et al., 2017).

White et al. (2013) observe that in South Africa and Namibia, the receipt of transfers through ATMs, post offices and banks has replaced distribution through government offices (at a predetermined time and place) – which carried high opportunity costs in terms of time and the need to travel long distances as well as social costs. For Lesotho, Pellerano et al. (2014) propose that an increased reliance on new technologies to deliver transfers could provide a means of increasing payment frequency, while also introducing some flexibility in payment schedules (e.g. higher transfers when needed for school expenses, and during months of food insecurity). In India, the electronic payment of social security led to a decrease in the incidence of bribes for payment (Muralidharan et al., 2016).

Most available studies indicate the predictability of a transfer is important for ensuring optimal household budgeting, consumption smoothing and productive risk-taking (Barrientos, 2012; Daidone et al., 2015; Beazley and Farhat, 2016; Tiwari et al., 2016). This is particularly important for poor households who often only have access to an unreliable income (Barca et al., 2013). The final evaluation of Lesotho's CGP emphasises the central role of regular and predictable transfer payment: '[t]he irregular and low frequency of payment did not allow households to plan their finances around the CGP. Most beneficiary households did not have expectations as to how much and how often they would receive the grant in the future, which defeats one of the main purposes of the grant: to help poor households smooth consumption. Improving the predictability and regularity of payments is essential' (Pellerano et al., 2014: 99). The extent of unpredictability in some settings can be severe: in Nepal, an evaluation found that only 2% of households received the child grant three times a year, as stipulated (Rabi et al., 2015).

The effects of a benefit on poverty are also likely to differ depending on its **duration**. Kugler and Rojas (2018) find that longer exposure to Mexico's *Oportunidades* programme was linked with a higher likelihood of high school completion and entry into tertiary education, while García et al. (2012) find that beneficiaries with longer exposure to Colombia's *Familias en Acción* had higher secondary school attainment and a higher completion rate. Barham et al. (2013) find that longer exposure to a CCT in Nicaragua is linked to relatively higher cognitive development, while Baird et al. (2016) link longer exposure to a UCT in Malawi to child height. In Ecuador, Buser et al. (2017) point to a reversal in the anthropometric outcomes of those children who were subject to an unforeseen discontinuation of the BDH in 2009.

Complementary services and 'cash plus'

The evidence underscores the importance of integrated complementary services accompanying benefits (e.g. Roelen et al., 2017; ILO/UNICEF, 2019). Where high-quality education and health services, and infrastructure (such as potable water and sanitation) are lacking, the ability of a cash transfer to improve non-monetary outcomes for children often falls short (Bastagli et al., 2016; de Walque et al., 2017; ILO/UNICEF, 2019). In such cases, as discussed above, widespread gains in intermediate outcomes – such as improved school and health clinic attendance – do not always translate into final outcomes such as learning and better nutritional indicators. This was evident in Zambia, where the CGP led to improvements in several areas of peoples' lives – food, clothing, shelter, fertiliser, labour supply – and stimulated the local economy, but had inconsistent effects on health

Table 2 Child benefit design features and children's outcomes: a summary of the evidence

Feature	Impact
Basic design parameters	
Targeting	In countries with low and exclusionary social protection coverage, the introduction of benefits with some degree of means testing in recent years has helped address gaps and extend coverage to previously excluded groups, including children. Means testing – especially if narrow and relying on complex administrative procedures – can incur high exclusion errors and non-take-up of benefits, reducing the coverage of the eligible population and the population more broadly, in turn limiting the poverty reduction impact of a transfer. Narrowly means-tested schemes also create incentives for working less or under-reporting income. Broader and simple targeting criteria reduce these risks.
Transfer levels	Higher benefit values are generally associated with a higher impact on poverty and, where more generous transfers are targeted to families or children, to higher child poverty reduction. Indexing benefit values to inflation is critical to ensure real transfer values are not eroded over time, reducing their poverty reduction potential. The potential trade-off between population coverage and transfer value (i.e. concern that higher coverage will lead to lower transfer values) is weakened if not reversed once the fixed budget constraint is dropped and once political economy effects are considered.
Conditionality	Conditionalities set in terms of individual responsibility and that are punitive (e.g. lead to suspension from programme participation in the event of non-compliance) risk additionally penalising vulnerable groups and exclusion. Messaging on conditionality, by which children's utilisation of education and health services are communicated as linked to benefit receipt, has, in some cases, contributed to increased service utilisation. For this to translate into improvements in children's final outcomes requires guaranteeing access to quality services and related investments in service provision.
Main recipient	Some evidence suggests benefits paid to women are associated with higher spending on children.
Age of eligible children	The effect of a benefit on child poverty will depend on where in the income distribution households with eligible children are located and on patterns of co-residence. Although younger children are more likely to be deprived, targeting younger children may not necessarily improve their outcomes, if they reside in households with older children. In such cases, these households receive fewer benefits than they would if benefits were paid to older children too.
How child benefits are paid	
Frequency and timing	Linking timing of benefit payment to the school cycle/year can lead to improved school enrolment. The frequency of payments may engender distinct spending patterns, e.g. with lump sum payments more likely to be spent on durable assets.
Predictability	By fostering optimal household budgeting, consumption smoothing and productive risk-taking, predictable benefits are poverty reducing.
Duration	Longer exposure to benefits is linked with higher rates of educational attendance and school completion, cognitive development and improved anthropometric indicators.
Delivery modality	Electronic payments may trigger savings and credit access while reducing transaction costs associated with the delivery of benefits, possibilities for corruption and the stigma of benefit receipt. Potential pitfalls include reduced opportunities for physical interaction with beneficiaries, the need for strong financial and regulatory frameworks, high set-up costs and the risk of excluding beneficiaries with limited access to new technologies.
Complementary programming	Complementary programmes, including investments in service provision and quality, are critical to benefits' impact on children's outcomes, including in education, health and nutrition.

and child nutrition. Importantly, improvements in rates of skilled birth attendance were found only in those communities with higher-quality health services (Handa et al., 2016). In Niger, Langendorf et al. (2014) showed that providing cash alongside highly nutritious supplements reduced acute malnutrition more than cash or supplementary food alone, while in Bangladesh, Ahmed et al. (2016) found that cash transfers coupled with behaviour change communication had the biggest impact in reducing stunting. Supports that are integral to cash transfer programming include additional or in-kind benefits; information and sensitisation; and specialised case management; while external supports facilitate access to wider public services (Roelen et al., 2017). In Chile, for example, households receiving *Chile Solidario* receive dedicated psychosocial support and receive preferential access to other social programmes; in Ghana, households receiving LEAP are automatically enrolled in the National Health Insurance Scheme (NHIS) (ibid.).

4.7 Community-level and macroeconomic effects of a UCB

As outlined in the Introduction and the conceptual framework illustrated in Figure 4, cash transfers can also impact local economies and the economy more widely. For example, on the one hand, there are concerns that transfers can exert an inflationary impact on local prices, devaluing the transfer itself and adversely impacting non-beneficiaries who may be subject to increasing prices (Handa et al., 2018). This could occur where markets are weak or poorly integrated,[61] with the result that increases in demand cannot be readily met by increases in supply (Filmer et al., 2016). On the other hand, some research posits potentially positive spill-over effects: cash transfers could bolster informal insurance and credit markets (Angelucci and De Georgi, 2009); or they might be used to overcome market failures and stimulate productive investments (Handa et al., 2018).

A growing body of research analyses the meso- or macro-level impact of means-tested transfers and of CCTs. The specific concern with such transfers is that because they will typically benefit only a subset of households within a community, the increased spending of beneficiary households could depress the consumption of non-beneficiary households. This is particularly problematic in cases where there are doubts over the targeting mechanism – in other words, where non-beneficiary households may not differ meaningfully from those who are receiving the transfer. If CCTs promote a specific behaviour – such as eating certain nutritious food – the likelihood of price distortions may be higher. However, the empirical research on conditional and unconditional cash transfers supports the position that they do not distort prices for non-beneficiaries, except in communities that are isolated or poorly integrated. In the Philippines, for example, Filmer et al. (2016) find that the *Pantawid Pamilya Pilipino Program* led to significant nutritional gains for beneficiary children, but also provoked a rise in the prices of perishable protein-rich food (which have relatively high import costs from outside the local market). As a result, stunting rates and other nutritional outcomes worsened for non-beneficiary children. Similarly, in remote villages in Mexico, cash transfers led to some price rises (Cunha et al., 2019).

Elsewhere, there is little evidence that transfers cause inflation.[62] For example, in a recent cross-country review, Handa et al. (2018) assemble data on prices of 10 standard goods from UCT programmes targeted to poor households in Lesotho, Malawi, Zambia and Zimbabwe and find no evidence of inflationary pressures – with the single exception of a weak rise in the price of beef in Lesotho.[63] The authors give three reasons for this lack of effect: programme coverage was relatively low (around 20% of the population), beneficiaries were relatively poor

61 Or for other, related reasons – for example, where demand increases for non-tradeable goods, where the price of transport is high or the marginal cost of producing goods rises with their production (see Filmer et al., 2016).

62 Although, some inflationary impacts have been reported in humanitarian and post-conflict settings with weak or constrained markets and where transfers tend to be 'large and lumpy' (Creti, 2010; IPC-IG, 2015, cited in Handa et al., 2018).

63 Similarly, in rural Nigeria, Aker et al. (2016 , cited in Handa et al., 2018)) report that cash transfers did not have a significant effect on local prices. Cunha et al., (2019) report that in rural Mexico cash transfers led to a positive but negligible price rise, which were relatively larger in villages that were less tied to the outside economy and where competition among local suppliers was limited.

(such that the sum of transfers represented a relatively small cash injection) and there was sufficient market interconnectivity, even in rural areas.

For UCBs, because both coverage and the cumulative transfer amount are likely to be higher than under a more narrowly targeted transfer, the potential for inflationary pressure is higher. The net effect of a UCB on prices is likely to hinge on the extent to which markets become constrained when demand increases (e.g. if labour supply goes down, or competition among vendors is limited). The evidence of the UBI in Alaska shows that it has not been inflationary; whereas in Iran, the inflation that accompanied the introduction of the UBI has complex causes, relating to fuel price hikes and international sanctions (Gentilini et al., 2019).

The bulk of the evidence finds that transfers generate positive spill-overs on local communities, either through overcoming market failures, through risk-sharing (as with Mexico's *Progresa/Oportunidades* CCT (see Angelucci and De Georgi, 2009) and/or through beneficiaries' productive investments and increased demand for local products. Given the breadth of universal transfers, such stimuli are more likely to apply to UCBs than targeted transfers, heightening their poverty-reducing potential. Thome et al. (2016) provide evidence to support the positive impact of UCTs on local communities. They constructed a general equilibrium model for seven SSA countries that showed that UCTs generated substantial positive externalities in local communities, with multipliers ranging from 1.27 in Malawi to 2.52 in Ethiopia (Hintalo area) – with the benefits accruing largely to non-beneficiaries, namely shopkeepers and service providers. Similarly, in Mexico, Gertler et al. (2012) found that *Oportunidades* recipients invested 26% of their transfers, thereby raising their long-term consumption.

Some evidence also shows that universal or broad-based transfers can contribute to growth. It is argued that the boost that *Bolsa Família* payments gave to domestic production helped to cushion the country against the adverse effects of the 2008 financial crisis, and that increased spending on the programme by 1% would yield increases in GDP growth of up to 1.78% (Neri et al., 2014). In Australia, too, the government responded to the 2008 crisis by allocating 41% of its stimulus to one-off payments to vulnerable groups, limiting economic downturn, and boosting consumption and aggregate demand (Standing and Orton, 2018). In Alaska, the Permanent Fund Dividend is reported to have generated over 7,000 jobs and $1.1 billion in personal income (Gentilini et al., 2019). Nikiforos et al. (2017) model the macroeconomic effects of transfers in the US, ranging from a UCB of $250 per month to a UBI of $1,000 a month. They find an expansion in GDP under both scenarios.

5 Universal child benefits, dignity and shame

Key messages:

- Poverty is more than a lack of income and material deprivation – it also has social or relational dimensions. Societal institutions, including welfare policies, may inadvertently or deliberately stigmatise children living in poverty, and their families, which reinforces 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 is integral to whether they are (perceived as) stigmatising or as upholding beneficiary dignity and self-respect.
- Transfer 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 avoid 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 demanding informational checks and validation or the fulfilment of strict conditions. As such, they are understood to be better positioned to reduce shame associated with poverty compared with narrowly means-tested and conditional transfers. If appropriately designed and implemented, UCBs hold the potential of affirming the value of children and caregiving, while offering recipients greater scope for civic engagement and holding government to account.

5.1 Introduction

The psychosocial aspects of poverty are often neglected, yet they are a key component of deprivation. Being poor typically engenders feelings of shame, which can be reinforced through the ways in which people living in poverty are treated (or perceive they are being treated) by other members of society, and by government and its institutions. People living in poverty are often blamed for their own condition and even credited for societal 'failures' such as crime, delinquency and a lack of economic growth (Sutton et al., 2014; Roelen, 2017b; Ali et al., 2018). Shame and processes of stigmatisation, in turn, can compound the experience of deprivation in ways that further undermine well-being, reduce confidence, erode agency and, arguably, even perpetuate poverty (Gubrium et al., 2013; Walker, 2014; Lawson and Elwood, 2018). The way social protection policy is designed and delivered has the potential to amplify feelings of shame or, conversely, to protect and empower recipients by insisting on their dignity.

Although little empirical work directly addresses dignified treatment within social protection,[64] a broader evidence base on how poverty is experienced, and how government service provision can mediate this relationship, can be used to assess its relevance for social protection policy.

This chapter is concerned with how benefits aimed at children affect the dignity of members of recipient households. Section 5.2 describes how poverty can generate shame for children and caregivers, and institutions can convey stigma. It gives examples of ways in which the receipt of cash transfers may deliberately or inadvertently stigmatise recipients, or conversely, reduce the shame of poverty. Section 5.3 then outlines key differences between means-tested, conditional and universal transfers that may carry implications for poverty-related shame. Section 5.4 outlines elements that policy-makers interested in 'shame-proofing' cash transfers should consider, which relate to the framing, structure and delivery of any type of grant. It argues that on balance, large-scale or universal transfers are likely to offer some important advantages in reducing poverty-related shame, minimising any stigma associated with transfer receipt, and in promoting trust and social cohesion within a society. At the same time, it stresses that they are not a panacea in and of themselves. Finally, Section 5.5 concludes with a summary of considerations for policy-makers seeking to uphold the dignity of benefit recipients.

5.2 Poverty, shame and stigmatisation

How poverty and shame are linked

Poverty is more than a lack of income and enforced material deprivation – it also has social or relational dimensions (ATD4W, 2019). Shame is defined as a 'global, painful, and devastating experience in which the self, not just behaviour, is painfully scrutinized and negatively evaluated… This global, negative affect is often accompanied by a sense of shrinking and being small, and by a sense of worthlessness and powerlessness' (Tagney, 2003, cited in Mills et al., 2014: 5). It entails a negative assessment of one's self with reference to one's own aspirations but also with respect to the (perceived) expectations of others (Tracy et al., 2007). Some scholars, notably Amartya Sen, have argued that shame lies at the 'absolutist core' of poverty (Sen, 1983: 159); he often cites Adam Smith's observation that certain commodities – in 18th century Britain, a linen shirt and leather shoes – were needed to appear in public 'without shame'.[65]

Feelings of shame and of humiliation are also evident in people's accounts of poverty in all parts of the world (Walker et al., 2013; see also Narayan et al., 1999, 2000, for a compilation of participatory accounts of poverty from 60 countries). Indeed, it is argued that people living in poverty often prioritise the emotional consequences (e.g. 'suffering') over more material concerns (Walker, 2018; Godinot and Walker, 2019). Moreover, poverty-related shame can also provoke behaviours that are symptomatic of mental ill-health, including social isolation, substance abuse and self-blame. In extreme circumstances, this can even lead to thoughts of suicide (Gamlin, 2013). There is evidence that children experience the shame of poverty, both by absorbing and responding to their parents' feelings, and in managing their own – shame has been described as a 'developmental trauma' with long-term negative consequences (Pitllas, 2016). For example:

- Evidence from the 'Young Lives' research conducted in Ethiopia, India, Peru and Vietnam finds that associations between poverty-related shame and low school performance at age 12 are sustained and predictive of future scores in mathematics and vocabulary, even after controlling for poverty itself (Dornan and Ogando-Portela, 2015).
- In the UK, children living in poverty report being bullied, socially withdrawn and contemplating suicidal acts, resulting from stigma associated with not having the same material goods and clothing as their peers, and an inability to participate in the same social and leisure activities (Ridge, 2009).
- There are reports of children lowering their expectations as a response to the shame and

64 Yang and Walker (2019a) reviewed over 3,000 articles and reports, finding that fewer than 162 (around 5%) presented reliable information on this point.

65 See Sen (1981, 1984, 1990) reflecting on Adam Smith's (1776) *An inquiry into the nature and cause of the wealth of nations* (cited in Alkire, 2002).

stigma of poverty. This has been described as 'a gradual narrowing of their horizons, both socially and economically [...which] can lead to the perception that economic and social limitations are "natural" and normal, thus impacting on children's life expectations' (Attree, 2006: 54, cited in Camfield, 2010: 6) – for example, by limiting the demands they make of their parents (Camfield, 2010).

How social institutions stigmatise people living in poverty

Stigmatisation refers to the process through which shame is institutionalised (Walker, 2014). Social institutions (ranging from extended families to communities, workplaces, schools and bureaucracies) can reinforce feelings of failure and shame, particularly where poverty is characterised as an individual 'failing' and its broader structural causes are overlooked. This tendency to ascribe poverty to the behaviours of individuals appears to be more acute in richer countries (Costa and Dias, 2015). However, globally, in two-thirds of countries, at least 20% of the population reported 'laziness' to be a main cause of poverty, while in one-fifth of countries, over 40% of people held this view (ibid.). Moreover, in a study of seven countries that were selected to exhibit 'maximum difference' from one another (namely China, India, Norway, Pakistan, Republic of Korea, Uganda and the UK), Chase and Bantebya-Kyomuhendo (2014 : 14) point to the 'similarities of the social construction of poverty-related shame across vastly different contexts, providing compelling evidence for the possibility of its universal existence'

Walker and Chase (2014) argue that a 'triad of politics, media and public opinion provides the systemic backdrop against which shame is condoned, facilitated and even promoted, depending on the country context' (cited in Roelen, 2017a: 14). For example, politicians often perpetuate shame-inducing messaging either because they are unwilling to acknowledge the structural causes of poverty or seek to minimise 'dependency' on state provision (Walker and Chase, 2013; Wilkinson and Pickett, 2018). Such discourse, in turn, heightens the painful emotions associated with poverty. Indeed, the process in which dominant norms are imposed on a subordinate group – to the extent that they come to believe that their subordination is a consequence of their own making – has been characterised as symbolic violence (Bourdieu et al., 1999; Roelen, 2017b).

The right to dignified treatment is acknowledged in international agreements relating to social protection, a theme this report has treated in greater depth in Chapter 3. Two key instruments are the ILO's Recommendation 202 on Social Protection Floors (ILO, 2012) and the UN HRC's Guiding Principles on Human Rights and Extreme Poverty (UN HRC, 2012). Recommendation 202 includes the expectation that governments will apply principles including 'respect for the rights and dignity of people covered by the social security guarantees' (Para 2f) and that 'basic income security should allow life in dignity' (Para 8b). The Guiding Principles, in turn, stipulate that 'persons living in poverty have a right to be protected from the negative stigma attached to conditions of poverty' (Para 21) and to be 'recognized and treated as free and autonomous agents' (Para 36).

Rights notwithstanding, welfare institutions can deliberately or inadvertently stigmatise their users (Baumberg, 2016; Roelen, 2017b), particularly when they require them to admit to their poverty publicly to qualify for support – for example, through means testing or subjecting them to repeated tests of their probity. Globally, people in poverty typically report their dealings with bureaucracy in negative terms: as demeaning, stigmatising, as 'violence' and as institutional abuse (Brand and Barón, 2013; Gubrium et al., 2013). This is not necessarily always because of ill-treatment from providers; people feeling the shame of poverty may project anxiety and over-sensitivities on staff working in welfare institutions, provoking a negative reaction, or they may be prone to interpret neutral actions as 'making things difficult', as insulting or being abusive (Baumberg et al., 2012). Equally, service provision is often lacking due to inadequate funding, limited political support, partial information, weak management and, sometimes, various forms of corruption (Keefer and Khemani, 2004; Gubrium et al., 2013). Furthermore, many of the frustrations that transfer beneficiaries attach to providers can be more aptly categorised as structural factors linked to the design of programmes (rather than their frontline delivery). Nonetheless, they are reflective of the prevailing culture.

How cash transfers can affect poverty-related shame

Cash transfers provide a critical linkage between the state and benefit recipients, one that has immense symbolic and practical value. There is evidence that the recipients of cash transfers can regard the associated processes as stigmatising:

- In the UK, recipients report a lack of privacy, being 'made to feel small', and being treated as a number and as a 'form filler' rather than as a human being (Baumberg et al., 2012; Walker, 2014).
- In China, where there is considerable local discretion within a national social assistance scheme, recipients report the humiliation of having their names posted on public boards and having to document why employers consider them inadequate (Yan, 2013).
- In the Republic of Korea, there are reports of some social assistance offices insisting on signed affidavits from all members of the extended family confirming their refusal to support the applicant financially (Jo and Walker, 2013).
- In South Africa, women applying for the CSG report being made to feel 'unworthy' by 'being required to queue for long periods, having to negotiate burdensome and unclear qualifying criteria, and being treated disrespectfully by government officials' (Wright et al., 2015: 5).

Such stigmatisation may have direct effects on children too, as the following studies attest:

- In the UK, parents called for job search reviews may need to take along small children, who then have to encounter long waits with a lack of child-centred facilities and witness parents distressed by their treatment and sanctions (Chase and Walker, 2013).
- In India, the poor quality of school meals and the facilities in which they are served stigmatise the children who rely upon them (Pellissery et al., 2016).
- In urban China, parents may not apply for assistance (*Dibao*) in order to avoid embarrassing their children at school (Chen et al., 2018; Li, 2018).
- In Uganda, parents called to school because of non-payment of fees send their children instead, to avoid their own humiliation (Bantebya Kyomuhendo et al., 2018).

With CCTs conditioned on child behaviours, such as school attendance or educational performance, it is the carers who are usually formally held to account for compliance, which can put a strain on child–parent relationships (Roelen, 2014).

Conversely, there is also evidence, particularly where grants are unconditional, that benefits may be perceived more positively and reduce poverty-related shame for children and their caregivers:

- In South Africa and Malawi, for example, evidence suggests that cash benefits allowed children to escape the shame of wearing old clothes to school (Miller et al., 2010; Adato et al., 2016).
- In Kenya, while the level of transfers from the unconditional Hunger Safety Net Programme was often insufficient to allow parents to release children for school, the educational performance of those who were able to attend improved – stimulated by reduced stigma and increased self-acceptance, which, in turn, elicited more favourable treatment from teachers (Attah et al., 2016).
- In Zimbabwe and Lesotho, where school enrolment increased as a result of unconditional benefits, parents reported feeling better about being able to afford school fees, while money for soap and uniforms enabled children to avoid teasing and embarrassment (Yang and Walker, 2019a).

It is also suggested that participation in social programmes, among communities that had previously been neglected, can instil a sense of self-respect in participants. For example, there is anecdotal evidence that participants in the BRAC Targeting the Ultra Poor Programme in Bangladesh are not stigmatised but, instead, appreciate recognition after years of neglect, despite being targeted through a 'participatory wealth ranking' – a process which could be perceived as very humiliating (BRAC, 2013; Davis, 2015). Similarly, in parts of rural China, recipients who were ostracised, without influence and previously neglected, expressed gratitude that any of the state's largesse should be directed towards them (Li and Walker, 2018; Yang and Walker, 2019b). Equally though, there is no reason to

suppose that a universalistic programme would not be more effective in fostering inclusion and cohesion.

5.3 Cash transfers: delivery mechanisms and poverty-related shame

The previous section has shown that the receipt of a benefit can be associated with stigma; though particularly where it has more universal features, benefits are perceived positively by beneficiaries. Indeed, there is also evidence that cash transfers can not only uphold the dignity and self-respect of recipients but also enable them to engage in reciprocal relations with other community members, and enhance their awareness of their rights and their capacity for civic engagement (Molyneux et al., 2016). Under some circumstances, they may even hold the potential to be transformative, enabling recipients to 'tackle the social relations that produce or reinforce their vulnerability and exclusion' (ibid: 1092). There are two important elements that can affect how the receipt of cash transfers is experienced: i) the modalities they employ for identifying recipients – namely whether, how and to what extent a transfer is targeted – and ii) whether the transfer is conditional on behavioural stipulations. This section explores the impacts of these key features on poverty-related shame, relative to more universalistic transfers.

The targeting of cash transfers

The literature on the stigmatising effect of the targeting of cash transfers focuses largely on means testing. According to Yang and Walker (2019a), the process of means testing accepts and reinforces attitudes that are prejudicial to people living in poverty. They argue that it does so by insisting that applicants admit to their poverty and prove they are deserving of benefits, in what has been described as a 'semi-public confession of failure'. The process of proving worthiness can be demeaning for recipients, particularly because it involves an implicit notion that the recipient may be untrustworthy. Because eligibility criteria are often complex and self-perceptions of poverty may not equate with the threshold for receipt, applicants face uncertainty and the risk of future humiliation if their applications are rejected. This is one explanation that has been put forward for the relatively low take-up of benefits in some contexts (Walker, 2005) – as in Mexico, where stigma was cited as a strong deterrent to enrolment in the *Oportunidades* programme (now *Prospera*) (Robles, 2008).

Moreover, the substantial targeting errors associated with means testing ensure that many eligible recipients are denied a successful outcome with 'their honour and honesty implicitly impugned' (Yang and Walker, 2019a: 37). Yang and Walker (2019a) suggest that whether or not an applicant is successful in proving their eligibility for a benefit, the process of application can have psychologically deleterious effects. In their view, the dependency relationship it implies,[66] coupled with ongoing uncertainty, curtails the autonomy of applicants and recipients alike by reducing or denying them control over their circumstances and undermining self-acceptance. If the claim is successful, they contend, the applicant will have 'proved their poverty and in other people's eyes, their failure as parents and citizens'; whereas if unsuccessful, they are 'without honour and socially excluded' (ibid: 7).

By establishing groups who are eligible to receive benefits and those who are not, critics claim that the process of means testing is inherently divisive in creating envy and claims of unfairness (Devereux et al., 2017). This is reflected in evidence from the UK that non-recipients of benefits consistently exaggerate the incomes of recipients and the benefits they receive (Baumberg Geiger, 2018). Some forms of targeting can be particularly invidious. One example is a situation in which targeting provokes a shuffling of the relative income distribution. Ellis (2012) argues that in SSA, where transfers are directed to households at the bottom of a distribution – unless they are set low, even below the levels of welfare they seek to achieve – the end result can be a mere 'shuffling' of the relative distribution. Indeed, he relates that in Ethiopia, Malawi and Zambia, it is impossible to lift people to a minimal poverty line without shifting them from the bottom to the sixth decile. Another example is a situation in which a benefit triggers community-wide inflation (i.e. where markets are weak or otherwise constrained), leading to poorer outcomes for non-recipients (see

66 They argue that 'an applicant cannot claim a right and therefore they cannot logically be called, for example, claimants. Instead, they find themselves in a dependency relationship, albeit one framed through government legislation' (ibid: 22).

Filmer et al., 2018). Affluence testing, in turn, has also been critiqued as divisive: while it may avoid further stigmatising people living in poverty, it is said to disconnect rich families from the interests of the wider community, with negative consequences for social exclusion.

Different types of means testing carry distinct potential impacts for society. One approach is through PMT, as described in Chapters 2 and 4. Where recipients are identified using a PMT, errors of inclusion and exclusion may be relatively high. Coupled with very limited forms of redress, the process can generate uncertainty, jealousy, resentment, guilt and shame (Gallardo, 2008; Huber et al., 2009). Indeed, in Mexico, Nicaragua and Indonesia, violence has broken out between recipients and non-recipients who could not understand why one group had been favoured over the other (Adato and Roopnaraine, 2004; Hannigan, 2011).

A second approach to means testing involves a reliance on community assessments, validation or endorsement. This has been criticised as problematic in exposing individuals within a community to public scrutiny and shaming, and for providing scope for extortion and corruption for local gatekeepers. However, in some cases, mistargeting has perverse psychosocial impacts. For example, in both India and rural China, the mistargeting of cash transfers is so prevalent that it has resulted in 'negative stigma', whereby benefit receipt signifies high status, good connections and influence within the local community rather than poverty (Pellissery and Mathew, 2013; Li and Walker, 2017). The process is, nevertheless, still divisive: eligible non-recipients not only remain poor and miss out on the benefits to which they are entitled, but they also experience the indignity of rejection and of powerlessness within their communities (Li and Walker, 2018).

Geographic targeting, which provides universal benefits within an area identified as being particularly deprived (or restricts means testing to such areas), can be seen as a targeting mechanism that is less likely to provoke shame. However, the risk is that an entire area becomes stigmatised as a result of the targeting process.

Conditionality

A major concern with CCTs, which require a socially approved behaviour change from grant recipients (Fiszbein and Schady 2009; Sugiyama, 2011), is that they legitimate a discourse of 'blaming the victims' of poverty by linking low income with a presumed 'behavioural deficit' (Yang and Walker, 2019a). This discourse, in turn, may be stigmatising and divisive, and engender political support for further sanctions. For example, Yang and Walker (2019a) contend that by offering financial incentives for compliance with selected behaviours, Mexico's *Prospera* and Brazil's *Bolsa Família*, like most CCTs in Latin America, are premised on a 'deficit model' that conveys the message that '"poor people" are poor parents' (Scott et al., 2014 cited in Yang and Walker, 2019a). Similarly, for the UK, Walker (2015) argues that the left-of-centre Labour government's adoption of work conditionality in the early 2000s enabled a subsequent right-of-centre government to claim with impunity that recipients were 'work-shy', that conditionality should be further increased, and benefits cut.

On the other hand, it is argued that conditionality legitimates transfer receipt for some recipients (De Brauw, 2008; Hanlon et al., 2013) by instilling a sense of control, agency and empowerment in beneficiaries (Roelen, 2017b). For example, Anderson (2004) reports that in the US, participants in the TANF initiative reported pride at holding down a job and modelling self-reliance for their children (cited in Roelen, 2017b: 12). Critics, in turn, counter that such legitimation rests on the 'discriminatory assumption that people in poverty need to be forced to do the sensible thing' (Yang and Walker, 2019a: 40).

Furthermore, the application process for CCTs can impose uncertainties on applicants that relate not only to their eligibility but also to an additional longer-term vulnerability that they may fail to comply with conditionality and therefore be sanctioned. In practice, it is difficult to predict who will be able to fulfil conditions and whether reasons for non-fulfilment are 'legitimate' and sufficient to escape sanction. The common, pragmatic response is to soften either the conditions or the sanctioning. However, Yang and Walker (2019a) argue that in such cases, the stigma still remains – namely the belief that conditionality is required to ensure that people in poverty adopt the 'right' behaviours. Moreover, they argue that the most severely disadvantaged people will have the most difficulty in fulfilling conditions (while being in the most need of the transfer); in such cases, an official might enrol them into a programme

knowing they are unlikely to meet the conditions, despite the risk that this results in their exclusion from the system.

5.4 Shame-proofing cash transfers: elements of framing, structure and delivery

This section synthesises the available evidence on the elements that policy-makers designing a cash transfer should consider to uphold the dignity of transfer beneficiaries (both caretakers and children) and to minimise any stigma associated with the transfer. The framing, structure and delivery of transfers are all important elements that mediate their impacts on individuals and societies.

The *framing* of a transfer refers to the goals and their political presentation, which, in turn, shape how policy is structured and delivered, and how recipients perceive themselves and their relationships to others within society. In more democratic countries, the policy framing will echo, to some extent, the views of the broader society. In all kinds of jurisdictions, it will influence how the community views, evaluates and labels both the programme and its recipients. The framing will be less stigmatising where transfers are presented politically as proactive and positive policies, rather than remedial ones.

The *structure* of a transfer includes principles of eligibility, inclusion and exclusion criteria as well as payment levels. It has a more direct effect on beneficiaries than on the community, determining the mechanisms underlying entitlement and the degree of social inclusiveness, or alternatively, marginalisation. *Delivery* refers to the mechanisms by which entitlements are assessed and benefits are paid. While programme delivery will usually reflect a programme's structure, the mechanisms of delivery (negotiation of access, dealings with officials, and ongoing contact with programme providers) will have the most direct impact on the material and psychosocial welfare of beneficiaries. Therefore, it is incumbent on policy-makers to ensure that such mechanisms promote recipients' dignity rather than actively or inadvertently convey stigma.

Together, directly and indirectly, these three elements affect the psychosocial response of households receiving a cash transfer. However, it is important to emphasise the relational nature of these elements. The experience and response of beneficiaries is as much a product of how transfers and benefits are viewed by others in society – notably the policy-shaping elites and the general public – as it is about the disposition of beneficiaries themselves.

Figure 10 summarises the way in which resources (i.e. a transfer) can be transformed into policy outputs and outcomes, highlighting those elements that need to be in place to promote the dignity of benefit applicants and recipients (Kendall and Knapp, 2000). The figure draws into relief the design features that are needed to ensure a UCB fosters well-being and beneficiary dignity, including:

Structure:

- *Benefit characteristics*: adequate for achieving policy objectives, including adequate delivery modality and frequency.

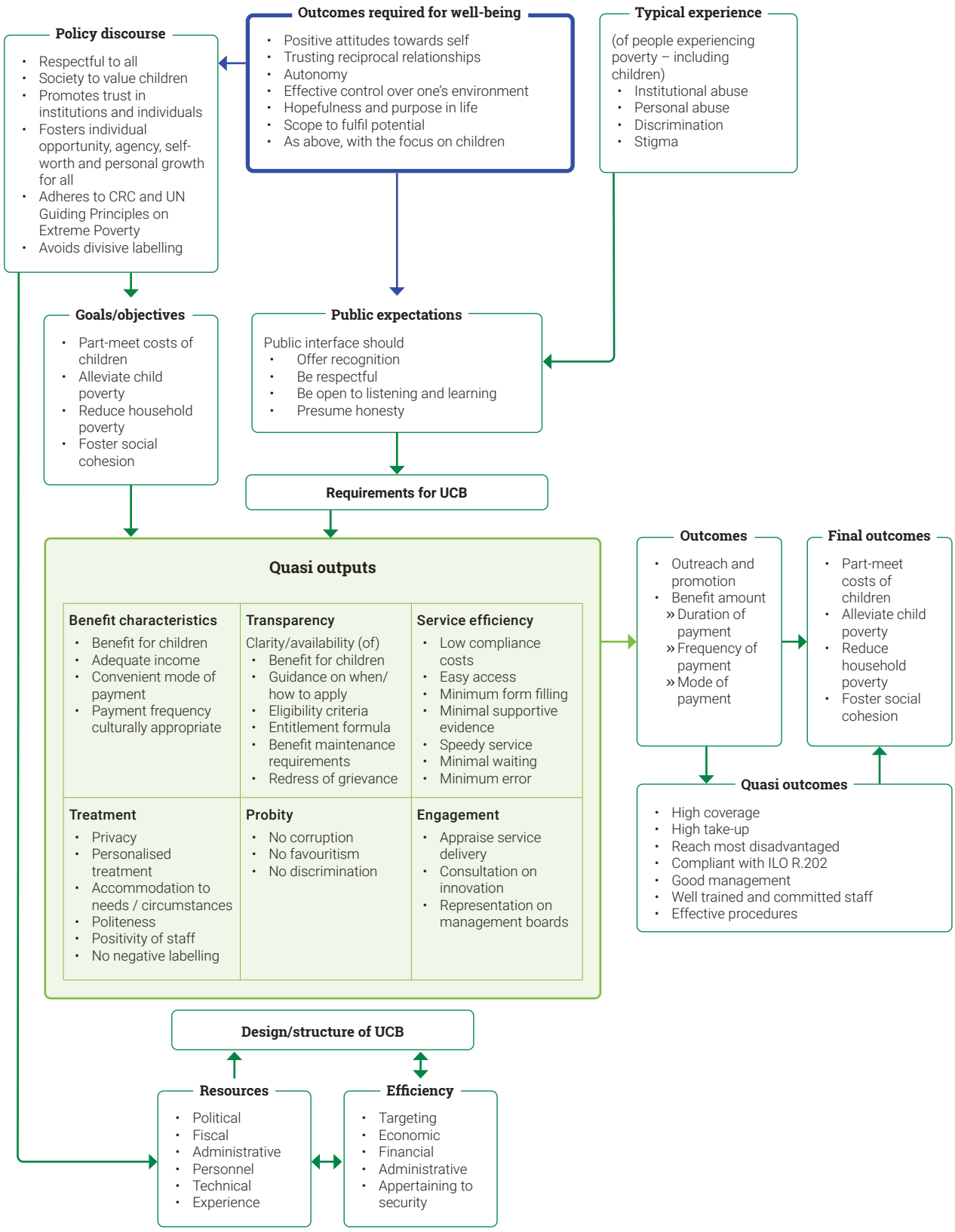
Delivery:

- *Transparent access to the system*: promotional materials should highlight that the purpose is to meet the needs of children; programmes should provide clear information about the application process and eligibility criteria, and the rules associated with maintaining the benefit.
- *Service efficiency*: services should be kept as straightforward as possible, with simple application forms demanding the minimum information and supportive evidence.
- *Probity*: corruption, favouritism and discrimination in the administration of the grant should be prevented, policed and, if present, eliminated.
- *Administrative ethos and user engagement:* active engagement of beneficiaries and prospective beneficiaries in the design and updating of all aspects of structure and implementation should be promoted.
- *Quality of treatment*: applicants and beneficiaries should be treated with respect.

Structure of cash transfers

The modality for delivering transfers is important. Yang and Walker (2019a) argue that where UCBs lend themselves more readily to payment through the

Figure 10 Requirements for the design of a shame-free cash transfer



Source: Yang and Walker (2019a: 46)

income tax system (as a reduction in tax or refundable tax credit), this generally avoids the stigma associated with means testing (see also Sykes et al., 2015 who support this argument in the case of the EITC in the US). Yet, it requires that a comprehensive and effective tax administration be in place, which can be ambitious in many settings. However, the converse might also be posited: that the delivery of a transfer has the potential to communicate the government's commitment to a social contract within a society more transparently than a tax credit might.

It is also argued, that where a hybrid system of transfers exists – one that combines contributory (social insurance) and non-contributory (social assistance) elements – there is a risk of creating social schisms and distinct citizenship levels aligned with the different entitlement mechanisms. The concern is that the reputation of the entire system becomes tarnished by the most stigmatising component, in what Walker and Chase (2013) label as a process of 'pauperisation'.

Where conditions are attached to a grant, these can also be more or less stigmatising for recipients. For example, Gubrium and Lødomel (2013) describe requirements that recipients engage in a full-time job search, even in slack labour markets, as futile, demeaning and disrespectful, in that they assume that people living in poverty have nothing better to do with their time. In the Republic of Korea, work conditions attached to the country's social assistance scheme require that recipients undertake menial unpaid work, marked publicly by uniforms; participants in the scheme describe it as demeaning (Jo and Walker, 2013). A related criticism is that the intention of transfer-related conditions for some CCT programmes – such as PRAF in Honduras or the Food for Education scheme in Bangladesh – is to generate an increased supply of services by stimulating demand. This set-up risks exploiting recipients who necessarily experience inadequate provision for which they may even have to compete (Reimers et al., 2006).

The adequacy of the transfer level also has a bearing on the potential stigma experienced by grant recipients. In an immediate sense, cash transfers that are effective in reducing poverty may also help to reduce the associated shame. A further potential implication of taking into account both the relative as well as the absolute elements of poverty, is that benefits could be set, not at levels that 'ensure mere survival', but that have a substantive impact on poverty reduction, 'paying regard to socially determined needs which would be more consistent with ... living with dignity' Yang and Walker (2019a). There is a fine line, they argue 'between respect born from adequacy and that stemming from inclusion and citizenship' (ibid: 34). The adequacy of benefits, these researchers argue, has symbolic as well as practical value, which vary according to whether the objective is principally to address (child) poverty or to provide a societal contribution to the cost of childrearing. While universal grants generally seek to address both objectives, means-tested grants (including CCTs) have a narrower focus on poverty reduction. Beyond being adequate to meet the welfare goals of the policy, grants should be paid in a manner that is convenient for recipients and at a periodicity consistent with local norms for household budgeting.

There is considerable empirical evidence that, in some settings, recipients perceive low transfer levels to be demeaning, and that where these are higher, they feel relatively more valued. Yang and Walker (2019b) illustrate this compellingly for rural China. They relate that when the *Dibao* social assistance system was initially introduced, recipients felt that the low level of benefits added further to their humiliation. Many would-be recipients took the view that it was not worth applying for the transfer, for to do so was to demonstrate to other villagers their desperate circumstances. The situation in China changed when benefit levels were increased, and it became possible to 'eat on *Dibao*'; after which it was respectable to apply for the transfer and recipients felt that the government cared about their situation. Similarly, in the Republic of Korea and in Pakistan, social assistance recipients also believed that low levels of benefit added to their stigma, and were considered almost a punishment (Jo and Walker, 2013; Choudhry, 2013). In the UK and Germany, recipients perceive lower level unemployment benefits (as opposed to insurance benefits) as degrading, emphasising their low status and exclusion from the mainstream (Spicker, 1984; Leisering and Leibfriend, 1999).

At the same time, there is also some evidence that when transfers are universalistic, even where levels are low, they are perceived more favourably. For example, Nepal's child grant delivers approximately $1 per week for each of up to two children, yet 93% of recipients report feeling the government cared about

their situation. Similarly, two-thirds of recipients of various social protection schemes, including the cash grant, believe that the benefits make people more equal (Adhikari et al., 2014). Drucza (2016) attributes this finding to categorical targeting based on age group and other social vulnerabilities rather than on poverty status, suggesting that this succeeds in creating a sense of citizenship based on perceptions of social inclusion and equality.

Delivery of cash transfers

The shame associated with poverty and the stigma attached to some welfare benefits is experienced most directly during the **process of delivery**, by which we mean all stages of the process of application and receipt – from negotiating access in the first place, to dealing with officials, receiving (or not receiving) assistance and ongoing maintenance.

Transparent access to the system

Unless the payment of a child grant is automatic – based, for example, on the registration of a birth – accessing the system in the first place requires a sequence of actions and informed decisions on the part of the prospective beneficiary. It involves an awareness of the existence of a scheme, the identification of eligibility, the calculation of potential entitlement, knowledge of how to apply and the costs involved, and an understanding of the requirements with respect to evidence and conditionality. Prospective beneficiaries need to decide that the benefits outweigh the costs in order to trigger the decision to apply, and then to persist through the application process.

To facilitate this process, administrators need to ensure that potential applicants have ready access to this information, on an ongoing basis, given that changes in personal circumstances can affect eligibility. In practice, a lack of information and misunderstanding have proved to be major constraints on the uptake of benefits and a source of high administrative costs (Daigneault et al., 2012; Finn and Goodship, 2014). While there are inevitable trade-offs between simplicity and precision in targeting, a simpler benefit design, bolstered by clear messaging on eligibility, generally aids understanding and uptake. In its basic form, a UCB would require only institutional knowledge of the existence of a child and the carer (the potential recipient), and details of the destination address, ATM card, bank account or tax file to which a payment is to be made, together with the bureaucratic infrastructure needed to support the transaction. However, security checks usually add to the complexity. Means-tested and conditional transfers are inevitably more complex, which partially explains lower take-up rates and higher administrative costs (Gugushvili and Hirsch, 2014).

The implication is that policy-makers should aim for a simple and transparent design of cash transfer programmes. Ideally, the application process should be straightforward, involving simple rules and procedures that are communicated effectively prior to an application process, transparent entitlement formula (enabling a more certain outcome and facilitating early decisions on whether to apply) and minimal information demands and requirements for evidence. This may also benefit the administration, helping to minimise mistakes by staff and applicants and to avoid the hassle of dealing with complaints – leading to reduced staffing costs. Yang and Walker (2019a) argue that UCBs are most likely to fulfil these criteria given the minimal information and security requirements. Under means-testing schemes, applicants will not know until relatively late in the application process if they are eligible, nor, where schemes require discretionary decisions and/or an income top-up, how much they are likely to receive. CCTs can also be more complex to administer given the need for ongoing contact with recipients and any monitoring to enforce conditions.

There should also be clarity around the maintenance of the grant, its duration, any requirements for reporting changes in circumstances and a system for the redress of grievance. Evidence suggests that beneficiaries require accessible advice services, together with systems of appeal to protect against bureaucratic abuse and failure (Paes-Sousa et al., 2013).

Service efficiency, probity and user engagement

A second aspect of delivery is the way that **administrative** or **compliance costs** are apportioned between social protection agencies, applicants and recipients. Having decided to apply for a benefit, applicants (and recipients) face costs in terms of time, money and the psychological toll of the process. Applicants will wish to minimise the cost of application, and recipients, that of benefit receipt.

Welfare agencies, on the other hand, will have a vested interest in reducing as many costs as possible – for example, by understaffing, which would lead to lengthy waits and response times, and put staff under pressure. All of these outcomes can have negative consequences for applicants, as well as increase the risk of confrontation with social protection or welfare agency staff.

Faced with high administrative costs and, at times, limited capacity, institutions may seek to increase compliance costs for applicants. This can occur in a number of ways such as requiring applicants to fill in different forms for each agency they interact with (rather than sharing information), or introducing new technologies even before these are fully available (for example, mobile banking in Uganda prior to full cell phone penetration or computerised application in the UK before personal computers were widely available). There is a risk that limited outreach and the burden of the application process serve to ration demand. Moreover, most strategies designed to ease pressures on agencies are likely to place a disproportionate burden on the most disadvantaged.

Means testing and conditionality can place high compliance costs on both applicants and on institutions. Transfers that carry conditions require the recipient to comply with these conditions, and for institutions to provide the services on which conditionality is premised and to monitor their use. Yang and Walker (2019a) argue that the higher costs associated with the administration of means-tested or CCTs means that organisations have an even greater incentive to pass on these costs to beneficiaries. People may be impeded from making an application by complex forms, a lack of literacy, distance from the benefit office and even – as in Mongolia – by the cost of photocopying evidence (Yeung and Howes, 2015). In South Africa, for example, Delany and Jehoma (2016) report that confusion over the means test and employment criteria for child grants, together with the perception that the application was too costly, were deterring application.

A major concern over the compliance costs associated with means testing and CCTs is that the application process can cause anxiety, humiliation and stigma, leading to psychosocial harm – namely reductions in autonomy, self-acceptance and the quality of personal relationships. The implication is that compliance costs should be kept as low as possible.

Probity is another requirement of a shame-proof cash transfer system. The fear is that under a means-tested system, compliance costs may be circumvented by substituting formal procedures with informal discretionary decision-taking that may slip into corrupt practice. One example is from India, where access to welfare benefits requires a Below Poverty Line card, which for many reasons, including endemic corruption, is held by a similar proportion of people in the second-richest income quintile as in the poorest (Pellissery and Mathew, 2013). Along similar lines, in China, the mean-tested *Dibao* has been co-opted as both an incentive and reward for socially approved behaviour, or converted into a universal demo-grant for elders to avoid social dissent arising from difficulties in accessing income (Li and Walker, 2017; Yang and Walker, 2019b). There is a need for vigilance against the potential for corruption, favouritism and discrimination in the administration of a benefit, so that this can be prevented, and if present, eliminated.

The **administrative ethos** and **user interface** shaping the culture that governs a the transfer scheme has an important effect on the treatment of applicants and beneficiaries. National legislation, institutions that deliver services and the funding of these services, together determine the scope for discretion in the modification of the design and implementation of welfare provisions. Firstly, welfare structures can be top down or bottom up. Top-down structures work through various forms of regulation, typically relying on administrative judgement to ensure uniform delivery throughout the programme (Walker, 2005). They are variously characterised as being efficient and rights-based but equally can be perceived as rule-bound and rigid. Devolved systems, in turn, allow structures and procedures to be amended in response to local circumstances. They are considered flexible and responsive, but also potentially inequitable and sometimes discriminatory. Secondly, decisions as to eligibility and entitlement can be either regulated and/or rights-based (i.e. intended to deliver proportional justice with equitable outcomes) or discretionary (potentially allowing for individualised or creative justice) (Titmuss, 1971).

These distinctions help to shape programme cultures and outcomes – although they are not necessarily associated with more generous provision: In the UK, for example, the top-down, rights-based

system of provision for special needs delivered through government offices was shown to be no more uniform in its generosity of provision than the discretionary local scheme that replaced it (Walker and Lawton, 1988; Huby and Walker, 1991). The resultant culture matters in determining the interface with applicants and beneficiaries. It is important in influencing a range of factors including:

- management demand for performance – social protection legal frameworks (e.g. staff rules) should include incentives for staff to treat beneficiaries with respect and ensure timely and appropriate engagement[67]
- the apportionment of compliance costs and the extent to which the interface prioritises the needs and convenience of prospective beneficiaries
- whether there are effective procedures in place for redress of grievance and whether these are adequately publicised and explained
- whether beneficiaries are represented on management boards, consulted on innovations and invited to appraise service delivery
- the importance given to best practice, accuracy of assessment, honest and quality service
- the extent to which flexibility is encouraged or countenanced and under what circumstances and for what purposes
- where the private sector is involved in programme implementation, the extent to which it provides a service that respects beneficiary dignity.

Finally, and arguably most importantly, the culture shapes and/or reflects staff attitudes to applicants and beneficiaries, and hence the way the latter are treated.

Policy needs to facilitate the speedy processing of applications and efficient delivery of services to beneficiaries. Although there is no reason customer service cannot be prioritised under a CCT or means-tested scheme, Yang and Walker (2019a) put forward several reasons why universal schemes are likely to offer a better service. First, under a means-tested scheme, particularly a CCT, compliance costs are likely to be higher because extra checking and monitoring of eligibility and compliance are required. Universal schemes may require less contact with recipients, who are likely to interpret this positively – seen as 'less hassle' and 'less interrogation'. Under universal schemes, welfare agency staff have contact with people from all walks of life, thereby reducing the propensity for an 'us versus them' mentality that could lead to disrespectful treatment of benefit recipients.

Quality of treatment

Finally, how recipients perceive the **quality of treatment** they receive in a bureaucracy also has implications for shame and stigma. People place great importance on being treated with respect in such settings, which they typically assess in terms of factors such as privacy, efficiency, transparency of administrative expectations, accommodation of needs, personalised and positive treatment by staff, and speed of service. Nevertheless, people experiencing poverty frequently report being treated with distain and a lack of respect – to such an extent that in a recent study, people in poverty in six countries agreed that administrative abuse was one of the nine dimensions of poverty (Godinot and Walker, 2019). This is also evident in studies of specific social programmes. For example, Allen et al. (2014: 289) report that participants in the US who were on Medicaid (a programme designed to enable low-income adults to access healthcare) or who lacked health insurance described a perception or fear of being treated poorly in healthcare settings; the stigma they experienced was most often the result of a 'provider-patient interaction that felt demeaning, rather than an internalised sense of shame related to receiving public insurance or charity care'.

Staff themselves may share broader societal beliefs that people in poverty are lazy, dishonest and immoral – attitudes that are reinforced by financial security measures built into benefits systems. Evidence of this is found in South Africa, where applicants for CSGs report staff swearing at them and recounting urban myths about having children in order to get grants (Wright et al., 2015).
In the UK, research suggests that staff administering a work-conditioned programme distinguished between 'good' clients, perceived as compliant and willing to take paid work, and 'bad' ones who were differentiated by labels such as 'waster', 'unemployables', 'nutters', 'snooty' or 'at it'. The

67 An example is the Charter of Rights and Responsibilities developed under the Hunger Safety Net Programme in Kenya, which sets out the rights and responsibilities of beneficiaries as well as of the wider community (Republic of Kenya, 2012).

first group tended to be afforded more time and support than the others (Wright, 2003). Depending on the institutional culture, such labelling will be challenged, condoned or encouraged.

Stigma is not inevitably associated with the receipt of a cash transfer, however. It is often argued that universal schemes suffer fewer problems in this respect because they are not divisive, they avoid the conjunction of personal, social and institutional stigma, and are generally simpler to administer (Gugushvili and Hirsch, 2014). The implication is that resource constraints aside, staff should be trained to understand the circumstances of applicants, the dynamics of the application process, and the rights of beneficiaries – and to act accordingly. Some design features that can facilitate dignified treatment include ensuring the privacy of individuals and their data, allowing for personalised treatment, and supporting staff to treat beneficiaries with respect.

5.5 Considerations for policy-makers

Shame and poverty are closely intertwined. It is therefore incumbent on policy-makers to recognise the relational aspects of poverty and their impact on psychosocial well-being. State institutions responsible for delivering social protection risk stigmatising applicants and recipients, yet, conversely, also have the potential to protect and empower them, and promote civic engagement. Elements of the framing, structure and delivery of cash transfers have the potential either to reinforce the shame often associated with poverty for carers and children alike, or to enhance the dignity of recipients.

The evidence presented in this section highlights several features of child grants that policy-makers ought to consider when taking decisions regarding their design and delivery. Regardless of the transfer type, it identifies steps that policy-makers can take to reduce the shame associated with benefit receipt. These include:

- Setting the value at an adequate level to align with the socially determined needs that enable full participation in society – not just 'mere survival'.
- Ensuring that access to cash transfers is as uncomplicated as possible, and that application and any eligibility requirements are transparent and clearly communicated to applicants.
- Lowering the cost of complying with application requirements for grant applicants – particularly where means testing is involved and conditions requiring monitoring are attached to the grant.
- Facilitating the speedy processing of applications and effective service to grant applicants and recipients.
- Training welfare agency staff and social protection staff to understand the circumstances of applicants and their rights, and the dynamics of the application process, and to treat applicants and grant recipients with respect.
- Ensuring the active participation and involvement of applicants and benefit recipients.

As already suggested, UCBs may offer certain advantages in terms of reducing shame and insisting on the dignity of recipients. First, because they are universal, there is little, if any, stigma attached to the receipt of a UCB; there is no divisive 'othering' or semantic violence in the creation of an 'in' and 'out' group. Informational checks and validation requirements are much reduced and less intrusive; indeed, they are virtually absent once a child is registered (unless there is a change in caregiver). At a societal level, making a grant universal recognises that societies benefit from child raising and should contribute to the costs (Folbre, 1994), thereby affirming the value of children and the role of caregivers. In contrast, means-tested transfers and CCTs have a greater risk of stigmatising recipients by focusing on poverty alleviation – both as an objective and through the process of means testing and stipulating conditions on grant receipt. Rather than risking divisiveness, a universal grant is more likely to promote social cohesion. It also acknowledges recipients as rights holders with an entitlement, rather than beneficiaries. This has important implications for civic engagement and government accountability.

Second, the unconditional nature of the grant itself may confer psychological benefits on recipients while reinforcing social cohesion. Rendering a transfer unconditional minimises the suggestion that poverty is a result of flawed behaviours, and reduces any anxiety associated with fear of non-compliance. Moreover, giving caregivers the choice as to how to use the benefit they receive can enhance autonomy,

self-determination and accomplishment, all of which are dignity-enhancing. Yang and Walker (2019a) remark that locating choice and autonomy as close as possible to the child – as the principle beneficiary – is likely to maximise the dignity of receipt and minimise shame.

Finally, it is argued that making benefits universal and unconditional is likely to make them more sustainable, not least because where stigma is lower, take-up of benefits is likely to be higher. We address the related question of how universality may affect political support for a UCB in the next chapter.

6 The political economy of universal child benefits

Key messages:

- The political economy of child benefits matters to the political feasibility of policy and children's outcomes. Child benefit design and implementation details, as well as the framing of the wider policy context within which they are situated, are shaped by public attitudes and perceptions. The role child benefits play in forming state–citizen relations, trust in government, social cohesion and stability influence the political feasibility of policy and its sustainability and continuity over time.
- 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 among these.
- Social protection can play a critical role in establishing and strengthening state–citizen relations. Universalistic policies, including UCBs, are associated with low inequality, high social trust and cohesion. Compared with narrowly means-tested and conditional transfers, they can act as effective countercyclical stabilisers and can more readily expand in contexts of crisis.
- Depending on programme design, social transfers provide a vehicle for the state to engage with previously disenfranchised and marginalised groups, making citizens aware of entitlements and empowering them to demand them, and fostering processes of government accountability.
- Social transfers can improve social cohesion at the micro level between individuals, particularly where transfers are universal. Narrow and complex means testing may foster tensions between individuals.

6.1 Introduction

This chapter examines the political economy of social protection, and child benefits specifically, with a focus on the (circular) links between public support and policy design features. In particular, it explores whether and how the links between public support and benefit design and implementation details shape: a) the budget available for benefits and their survival in times of social policy retrenchment; b) state-citizen relations; and c) social cohesion between individuals.

From a child poverty perspective, the focus of some debates and analyses is on the 'direct' implications of cash transfers, and of variations in their design, for children's outcomes – for example, in terms of monetary and non-monetary measures (explored in Chapters 4 and 5) and the financial cost and affordability of child benefits (Chapter 7). Yet, as clearly argued by others (e.g. Besley and Kanbur, 1990; Sen, 1995), political economy considerations of universalism, targeting and related policy design choices also matter to poverty, inequality and wider development outcomes. They may also help explain what some consider to be counterintuitive findings such as the 'paradox' that systems that rely more heavily on means testing may have weaker poverty reduction impacts compared with more universalistic systems – a finding that commonly contradicts basic incidence analyses of social transfers that estimate first-round effects under the assumption of a fixed budget (see Chapter 4).

First, this chapter explores the 'classic' question of public support for alternative types of transfers. It looks at how universalistic policies fare in securing public support for policy compared with ones that are narrowly means-tested, or otherwise targeted, and/or conditional. Do universal policies garner more public support than ones that are more narrowly targeted? Do conditionalities in the form of behavioural requirements help to secure or, conversely, weaken, public support? What are the implications in terms of budgets available for social transfers and policy continuity? The analysis highlights the role of public attitudes towards poverty and 'deservingness', including in relation to children and households with children as a population subgroup, in shaping public attitudes and support for alternative policies.

The next section addresses the 'circularity' in the relationship between public support and policy design by exploring the arguments and evidence linking social protection system and programme design to public attitudes. Available evidence suggests that well-designed social protection can strengthen state–citizen relations (including with previously disenfranchised groups), promote citizen emancipation/engagement and processes of government accountability, and foster social cohesion and stability. How do variations in system and transfer design matter? Do universalistic social protection systems and programmes favour processes of strengthened state–citizen relations and social cohesion, including for instance in contexts of crisis? Third, at the micro level, the next section considers how variations in the degree of universalism/targeting and conditionality matter to whether and how policies influence cohesion and stability between individuals.

The concluding section reflects on the implications for child benefit design and implementation arising from the political economy theory and evidence reviewed in this chapter.

6.2 Public support and policy sustainability

Public support and policy continuity

Arguments in favour of targeting emphasise its potential to concentrate resources on vulnerable groups who are disproportionately affected by risks that are not addressed by universal spending, and to legitimise social spending by aiming to reach 'deserving' groups. Such considerations have moved policy discussions towards narrow targeting as a means of achieving higher impacts on poverty (van de Walle, 1998). However, the political economy literature also points to the ways in which narrow targeting may jeopardise public support for social programmes, with potentially important implications for policy continuity and budgets.

Finely means-tested policies that lead to lower coverage or exclusion of the middle classes and high-income groups would draw support primarily from those below the poverty line. In contrast, universalist schemes, by securing broader coverage, are in the interest of additional groups, helping to ensure their continuity and protect redistributive budget levels (Besley and Kanbur, 1990; Sen, 1995; Gelbach and Pritchett, 2002; Van Oorschot and Roosma, 2015). Transfers with broader coverage are thought to garner more support through the creation of alliances between different income groups in favour of policy (Besley and Kanbur, 1990; Van Oorschot, 2006; Nelson, 2007).

Similarly, conditionality in cash transfers is seen by some as a way of legitimising policy and making it more acceptable to the public than unconditional schemes (more on this below). According to this view, by increasing political acceptability, conditions would also increase the budget size and sustainability of a

programme (de Janvry and Sadoulet, 2006). However, in cases in which conditionality acts as an additional screening device, the literature on the political economy of targeting caution against this argument, as more narrowly targeted policies risk losing support from the middle classes, leading to smaller budgets for programmes (Besley and Kanbur, 1990).

The central concern is that policies that are narrowly targeted and conditional reach a comparatively small subgroup of the population, and one that is typically politically weak. This group 'may lack the clout to sustain the programmes and maintain the quality of services offered', which may mean that benefits that are meant exclusively for the poor end up being poor benefits (Sen, 1995: 14). 'Poor benefits' include policies with low budgets and, consequently, transfer values. They commonly are of limited duration and are more susceptible to cuts in crisis contexts.

Available studies of public attitudes suggest that universal or universalistic policies tend to enjoy wider public support compared to more narrowly targeted ones. For example, in the UK there is broader support for the universal National Health System than for other targeted social schemes (Taylor-Gooby, 2005).

Another approach to examining public support for policy (redistributive policy, universalism and targeting in particular) is based on the median voter model. This model is usually based on the assumptions that: a) people vote based on their self-interest, which, in the context of social protection schemes, refers to the likelihood of themselves receiving the benefit; b) that voters are categorised into three income groups and that individuals within each group share voting preferences; and c) that a coalition of two income groups is required to support a policy. Studies that adopt this approach suggest that narrowly targeted transfers secure limited public support. For example, De Donder and Hindriks (1998) develop a model where people vote simultaneously on the level of benefits financed through income tax and eligibility thresholds. They find that the transfer needs to be targeted at more than half of the voting population if it is to be supported by the majority. Moene and Wallerstein (2000) model the extent of public support for means-tested schemes and find that they will likely receive limited support as the middle-income group (the decisive voters) are unlikely to receive any benefits.

Other studies consider policy cuts and continuation in the context of crises as an indicator of public support for alternative policies and the related political sustainability of policy. On the one hand, universal schemes may be more vulnerable during times of retrenchment because they represent a larger share of social spending compared to more narrowly targeted ones and governments are under pressure to cut spending (e.g. Pierson, 1994). On the other, social policy resilience in such contexts may result from the higher public support for one programme over another. Nelson (2007) studies this question in relation to old-age pensions, unemployment insurance and sickness insurance in 18 OECD countries. He finds that, at an aggregate level, 'targeted benefits tend to be more vulnerable to retrenchment than universal provisions' (ibid: 46).

Ravallion (2000) studies how the composition of spending changes with broader expansion and contraction in Argentina in the 1980s and 1990s, asking whether cuts tend to fall more heavily on the social services that matter most to the poor. He finds that means-tested social spending is more vulnerable to fiscal contraction than more universal programmes. For example, Argentina's *Trabajar* public works programme expanded in poor areas in times of fiscal expansion but contracted during periods of recession, while programme disbursement in non-poor areas was protected (ibid.). Hicks and Wodon (1999) find that in selected countries in Latin America, although more people were poor during recessions, there was less spending on schemes targeted to the poor.[68]

68 In contrast, studies of policy continuity in times of crisis highlight how universal programmes with strong legal anchorage survived. Orton (2012), for example, describes how state pensions were protected by constitutional courts during financial crises. In Latvia, in 2009, old-age and service pensions were decreased by 10% (a measure that was expected to continue until 31 December 2012). Likewise, the early retirement pension was decreased by 50% of calculated pensions for persons who retired after 1 July 2009. However, in December 2009, the Constitutional Court of Latvia ruled against the changes, and pension cuts were reimbursed in 2010. In Romania, in 2010, the Constitutional Court ruled against a pension cut demanded by the government as part of austerity measures. Ministers had hoped to cut pensions by 15% and wages by 25% in order to qualify for an IMF loan (ibid.).

Public support and policy budget

Budgetary considerations are at the heart of the political economy of policy design decisions. The choice of instruments and instrument design determines budget availability and social expenditure as budgets are commonly politically determined and not fixed (Mkandawire, 2005; Pritchett, 2005). Several theoretical studies find that narrow targeting may undermine political support for a programme and may thus result in underfunded programmes or even no programme at all (De Donder and Hindriks, 1998; Moene and Wallerstein, 2001; Gelbach and Pritchett, 2002). Such studies also indicate that the budget is likely to be an increasing function of the beneficiary share (Klasen and Lange, 2016).

Studies based on models of public support point to the risks of targeting, mostly in the form of means testing, in undermining public support for policy. Gelbach and Pritchett's (2002) study, which models how voters will decide on tax rates after a targeting mechanism has been set by policy-makers, finds that, in cases of targeted schemes, the level of taxation and redistribution will likely fall, due to a fall in the support for the scheme as a smaller share of the population is covered. In contexts with budgets that are politically determined, they argue, schemes should be universal. They note that '"more for the poor" is less for the poor when political feasibility is respected' (ibid: 20). Moene and Wallerstein's (2000) simulation finds that a lack of support for targeted programmes from middle-income groups leads to a reduction in the budget for these types of programmes, thereby reducing the level of benefits received by the poor. They conclude that schemes with broader targeting would receive greater support as middle-income groups are more likely to benefit; as a result, benefit levels would be maintained.

Programme-specific studies exploit policy reforms or geographic variations to examine the links between policy design and budgets. Pritchett (2005) and Mkandawire (2005) highlight findings from a study of a rice ration programme in Sri Lanka and a food subsidy programme in Colombia: after undergoing reforms, which transformed them from inclusive to narrowly targeted schemes, the programmes saw a reduction in their budgets and benefit levels. These reforms left transfer recipients 'isolated in political terms', which meant the schemes then lacked the necessary support (or attention) to maintain their budgets (Besley and Kanbur, 1990: 11). An empirical study of the *Dibao* minimum income guarantee scheme in China (which covers roughly 52 million people) used a cross-city dataset to estimate the relationship between per capita transfers and the beneficiary share. The study found that a 1% increase in the beneficiary share results in an increase by as much as one-third of a percent in the budget available to programme administrators (Klasen and Lange, 2018).

A number of cross-country comparison studies explore the relationship between targeting levels and budget size. Using data from selected European countries, Korpi and Palme's (1998) seminal study of the interaction between targeting levels and the size of the redistributive budget finds that the more countries target benefits to low-income population groups, the smaller their redistributive budgets. In other words, the more benefits are targeted to the poor, the lower their impact on poverty and inequality – what the authors call the 'paradox of redistribution'. Jacques and Noël (2018) confirm this paradox in their study of 20 OECD countries using time-series cross-sectional data for 2000–2011.[69] They find that countries where social programmes are less anchored in universality have less generous redistributive budgets and are less effective in redistributing income and reducing poverty. Countries with more encompassing welfare states spend more on transfers and services and do more to redistribute and reduce poverty (ibid.).

Another cross-country study examines the levels or 'generosity' of child benefit packages in EU countries and how these vary by type of policy and policy design (van Mechelen and Bradshaw, 2013). Interestingly, they find that countries where universal cash benefits are combined with income-related/means-tested cash benefits, housing allowances or supplementary benefits from social assistance and benefit levels for low-income families are generally higher than in countries where the child benefit package solely consists of universal cash benefits or where universal benefits are combined with tax benefits that favour the better off. They discuss the

69 Using two new OECD indicators to capture universalism directly, through the institutional design of social programmes: (1) the percentage of social benefits that are means- or income-tested and (2) the proportion of private spending in total social expenditures. These two indicators are combined into a universalism index and tested with a time-series cross-sectional design for 20 OECD countries between 2000 and 2011.

political economy implications of this finding in terms of mitigating the adverse effects of targeting by embedding selectivity within universalism; the option of having a universalistic system in place and elements of targeting within it to ensure resources are additionally directed at vulnerable groups (see also Skocpol, 1991).

The role of attitudes towards deservingness

Public attitudes towards the causes of poverty and 'deservingness' influence the support for alternative policies and policy design choices. The available evidence indicates that public support for redistributive policy is linked to people's perceptions of whether poverty is beyond the control of the individual (versus the result of individual behaviour and choices) and of the role and responsibilities of government.

- For the US and Europe, Alesina and Glaeser (2004) show that perceptions of the causes of poverty lead to differences in political support for social transfers. Transfers are perceived as more legitimate and support is more likely where the cause of poverty is perceived to be beyond the control of individuals rather than the result of a lack of effort.
- For Latin America and the United States, Graham (2002) finds that public attitudes towards the causes of poverty and intergenerational mobility are similar: a large share of survey respondents believe poverty to result from a lack of effort, while also believing that opportunities for upward mobility are equally shared. She argues that this may explain limited support for government redistribution.
- For Japan, Republic of Korea, Taiwan and mainland China, Kim et al. (2018: 34) report that 'perceived inequality of opportunity was a significant factor in people's attitudes towards redistribution only in mainland China and Korea', which they suggest may be due to social inequality in these societies.
- For South Africa, Davids and Gouws (2013) find that respondents were more likely to attribute poverty to structural factors rather than individual effort, particularly poorer and black respondents. Pillay et al. (2006: 119) find that 90% of survey respondents agree with the notion that 'the government should take more responsibility for ensuring that everyone is provided for', while data from the South African Social Attitudes Survey from 2009 suggest that 65% of respondents agreed with the statement: 'The government should spend more money on social grants for the poor, even if it leads to higher taxes.'

Attitudes towards targeting and support for targeted programmes also appear to depend on people's perceptions of upwards mobility and of opportunities for 'success'. Graham (2002) finds that, among low-income groups (particularly in the US), individuals who believe that they will improve their economic situation in the future are less likely to support redistribution. Similarly, studies, mostly for the US, that consider the link between beliefs about success being the result of luck rather than effort find that the former is positively correlated with support for government redistribution (Alesina and La Ferrara, 2005; Alesina and Giuliano, 2009).

Public support for policy also varies to reflect people's attitudes towards the relative deservingness of different categories of individuals. An extensive literature demonstrates that people have differing levels of support for (or solidaristic attitudes towards) different categories of people, which, in turn, leads to varying levels of support for distinctive targeted social protection schemes (Van Oorschot, 2006).

A key emerging finding from surveys of public opinion and attitudes is that, in some countries, there are clear patterns in the ranking of 'deservingness' of households. Generally, households that are unable to generate an income or earnings are considered among the most deserving of public support and transfers. For example, in an international review of public opinion studies (of western countries), Coughlin (1980, as cited in Van Oorschot, 2006) found that across countries and over time, there has been a consistently higher preference for schemes targeted at the elderly, the sick or people with disabilities, and lower preferences for schemes targeted at needy families with children; schemes for unemployed people able to work or targeted social assistance (for low-income households) received the least amount of support. More recent evidence confirms these findings (see Van Oorschot, 2006).

At the same time, vulnerable or low-income households with children are generally considered to

be more deserving than similar households without children. Taylor-Gooby (2005: 5) notes that children in the UK are 'a group seen as deserving across a wide range of opinions'. The most recent British Attitudes Survey finds much higher public support for government to top up earnings of low-income parents with children (70% support) than for couples without children (31% of support) (Harding, 2018). Qualitative research conducted by Laenen et al. (2019: 15) finds that in the UK, children are regarded as 'some kind of innocent third party (...) from whom society should not take away any welfare benefits and services because of the choices made by their parents'. Similarly, in Denmark, respondents believed that because 'having children in particular was considered to be very expensive by most, it was deemed necessary that families with children receive support from the welfare state' (ibid: 20).[70]

As noted above, one of the criteria used by the public to determine deservingness relates to reciprocity – namely, if people are considered to have earned the support they receive. According to some, conditionalities can legitimise narrowly targeted programmes (which may be politically unpopular among middle-class groups who do not benefit from them): conditionalities 'make better citizens of the poor' and introduce an element of co-responsibility (Hickey, 2006: 4, as cited in Schüring, 2012). In this sense, the inclusion of conditions is justified in that it makes redistribution more acceptable to the public (Fiszbein and Shady, 2009). On the other hand, others have observed that, for schemes that are more broadly targeted, conditions may act as an additional screening mechanism that can exclude the better off; this, in turn, may dampen public support (e.g. Schüring, 2010).

Based on evidence from the British Attitudes Survey, and in relation to the work requirements for lone mothers with school-age children, Taylor-Gooby (2005: 9) shows that 'the link between welfare payments and some form of valued social participation or reciprocity appears to act as a source of legitimacy for welfare spending'. He argues that the perception of fairness of the welfare state is 'shaped by a valuing of reciprocity or mutuality' (ibid: 8). Broader evidence from European surveys also suggests that people increasingly support stricter conditions on the receipt of unemployment benefits (Van Oorschot and Meuleman, 2014).

In the case of Brazil's *Bolsa Família*, an analysis of the media coverage of the cash transfer finds that conditions attached to the receipt of the programme contribute to its acceptability. In a 2004 survey, the majority of respondents agreed with the 'need to enhance the responsibilities of beneficiary households through the use of conditionalities' (Lindert and Vincensini, 2010: 33). The fear that the scheme would generate dependency was weakened by the inclusion of conditions. According to the study, the monitoring of compliance with the conditions played a key role in shaping public support (ibid.). Similarly, a study of perceptions of non-beneficiaries in Brazil and Turkey finds that conditional transfers enjoy a greater level of support than unconditional transfers, particularly among high-income respondents (who are likely to be those most averse to redistribution but who are also likely to be a minority in many contexts) (Zucco et al., 2019).[71] However, the differences in perceptions are small. The authors conclude that 'the political economy argument about why one should condition benefits does not carry much empirical weight, however intuitive it may seem, and should not be the driving force behind the adoption of conditionalities' (ibid: 13).

However, similar studies in other parts of the world have yielded different results. Silva et al. (2012)

70 Drawing on studies on public attitudes in the US, Van Oorschot (2000) aims to identify the criteria used to determine whether individuals are considered 'deserving', and finds that five main criteria are used: control (whether people have control over their need for assistance); need (the greater the level of need, the greater the perceived deservingness); identity (the closer the poor are perceived to be to the middle-income/rich, the more deserving); attitudes (of gratitude, compliance and docility); and reciprocity (e.g. whether they are perceived to have 'earned' the support). He then evaluates these criteria using data from a survey of the Dutch population and finds that control is the most important criteria used by the public to identify deserving poor. He concludes that 'whether people in need can be blamed or can be held responsible for their neediness seems to be a general and central criterion for deservingness' (Van Oorschot, 2000: 43). This seems to resonate with Graham's (2002) point that poor individuals are considered deserving if the cause of poverty is beyond their own control (i.e. due to structural elements rather than laziness).

71 Similarly, the difference in support for conditional versus unconditional programmes was relatively higher when it was clear that the beneficiaries of the hypothetical programme would likely be from different regions or ethnic groups. The authors suggest that this may be explained by the fact that people are more likely to support conditionalities if they consider themselves to be 'different' to potential programme beneficiaries.

presented survey respondents in the MENA region with information about the types of conditions included in cash transfer programmes in Latin America, before asking if (hypothetical) cash transfer programme recipients should be required to do something in exchange for the assistance received. The majority of respondents (ranging from 64% in Egypt to 75% in Jordan) preferred *not* to include requirements on programme recipients. Preferences for conditionalities increased with income level of the respondent in three of the four countries included in the survey. The authors note that the history of universal targeting of subsidies in MENA countries may have shaped public opinion. They also note the possibility that respondents were aware of the limited access to public services for the poor 'or even that they do not consider it right to reward individuals to comply with what should otherwise be considered a duty' (Silva et al., 2012: 123). Similarly, in Nepal, Drucza (2016) finds that almost none of the respondents in her study were in favour of introducing conditions on the receipt of cash transfers.

6.3 State–citizen relations and social cohesion

The previous section considered public support for policies and the role of people's perceptions and attitudes in shaping public support – for example, in the form of perceptions about the causes of poverty, the role of government, and people's deservingness. Policy analysts and political scientists argue that such attitudes, in turn, are determined by policy design and institutional configurations. Preferences can be path dependent: existing institutional set-ups influence state–citizen relations and social cohesion, thereby shaping people's preferences for targeted or universal schemes (e.g. Esping-Andersen, 1990; Larsen, 2008). Some argue that universalistic systems in particular, have greater potential to strengthen state–citizen relations and social cohesion[72] by reducing inequality, establishing a relation between the state and previously disenfranchised citizens, strengthening processes of government accountability (trust and state legitimacy) and promoting citizens' agency and engagement with the state.

Critically, the details of policy design and implementation matter. As Hickey and King (2016: 1209–1210) point out, 'merely receiving services from the state does not mean people feel they are citizens of the state; how the state treats them is a critical factor' (p. 1209-1210). For example, delays in payments were noted as limiting the contribution of the LEAP programme in Ghana in building beneficiaries' notion of citizenship (Oduro, 2015), while partial and infrequent benefit payments of the Child Grant in Nepal were found to have led some beneficiaries to hold negative perceptions of local government (Adhikari et al., 2014).

Social cohesion and trust

Social protection – including cash transfers for child benefits – is one of the main tools at governments' disposal for tackling poverty and inequality. Well-designed social protection policy can shape cohesion and stability by promoting fairer and more equitable societies. They also have the potential to promote processes of government accountability, citizens' engagement with the state and a willingness to pay taxes (e.g. Green and Janmaat, 2011).

A growing body of evidence shows that well-designed fiscal systems, and direct social transfers and direct taxation specifically, can play a significant role in reducing inequality (Lustig et al., 2013; World Bank, 2014). Data for 11 OECD countries (OECD, 2011) shows that direct taxes and transfers contribute to an average 30% reduction in income inequality, and an average reduction in the income Gini coefficient of 12 percentage points, from 0.41 to 0.29. Direct transfers and taxes contribute to a 41% reduction in income inequality in Sweden and 39% in Denmark. Available evidence suggests that countries with more universal welfare systems achieve greater poverty and inequality reduction (e.g. Korpi and Palme, 1998; Jacques and Noël, 2018, see previous subsection). Studies of individual cash transfer programmes also point to the significant effects they can have in reducing income inequality, as shown in Chapter 4. Examples include Brazil's *Bolsa*

72 Green and Janmaat (2011) define social cohesion with reference to the properties by which whole societies, and the individuals within them, are bound together through the action of specific attitudes, behaviours, rules and institutions. These rely on consensus rather than coercion. The level of analysis implied in the term refers to whole states, although it also applies to smaller communities or groups – as in this report, in the subsection below and Chapter 5.

Família and Mexico's *Oportunidades*, which reduce inequality by about 2.7 % – their population coverage is a critical component of this impact.

Low levels of income inequality, in turn, are linked to social cohesion and stability (Green and Janmaat, 2011). Green and Janmaat (2011) argue that it is no coincidence that the Nordic countries – which score highest in most indicators of social cohesion, including interpersonal trust – have the lowest rates of income inequality.

The role cash transfers, and social protection more widely, can play in promoting social cohesion and stability becomes apparent in contexts of shocks or crisis. By definition, well-designed social protection policies aim to act as automatic stabilisers in a crisis. Social protection's role as a countercyclical stabiliser contributes to social stability in such contexts.

Evidence available for the 2008 financial crisis highlights the central role social transfers played in contributing to social stability and cohesion (e.g. Orton, 2012). The universalistic nature of policy seems critical in this regard. Experience suggests that more universalistic policies can be scaled up more easily in the event of a shock – both administratively and politically, and horizontally (by increasing transfer amounts) and vertically (by expanding to new beneficiaries) (e.g. Orton, 2012; Bastagli, 2014). An important lesson from the 2008 financial crisis is that macroeconomic stability is more assured if countries build up social protection measures during prosperous periods, in preparation for times of adversity (Orton, 2012). Countries with comprehensive social protection systems in place were best able to overcome the crisis. Schemes that were already operating provided policy-makers with the tools to respond rapidly to help attenuate the adverse impacts on labour markets, helping to maintain social cohesion by containing inequality and stimulating aggregate demand (ibid.).

Cash transfers can be particularly effective as automatic stabilisers, since they can take effect with less delay than other discretionary fiscal measures and have an inbuilt countercyclical trigger. The relative administrative simplicity of universalistic transfers (which avoid complex means testing and conditionalities) allows them to act as effective stabilisers (e.g. Grosh et al., 2013; see Box 11).

Trust in state institutions is an important component of social cohesion and the foundation of state–citizen relations. Compared with narrowly targeted and means-tested programmes, universal programmes are commonly thought to work better in building trust in state institutions. In Sweden, universal programmes are found to improve the sense of equality of opportunity and help to avoid entrenching class division (Rothstein, 2011). In Nepal, the package of social protection programmes that combine universal with categorical targeting is associated with public perceptions of social inclusion and equality (Drucza, 2016).

Cash transfer design and implementation details, once again, appear to matter critically in this regard. One of the potential advantages of universal programmes, compared with programmes that rely on narrow and complex targeting and conditionality, is that their comparative administrative simplicity leads to reduced bureaucratic intrusion and discretion. In contexts where narrowly targeted programmes are associated with limited transparency, poor communication of information to the public and a lack of feedback mechanisms, public officials and institutions may be perceived as less trustworthy (Camacho, 2014). Reforms to the Palestinian National Cash Transfer Programme provide a good example of this. The programme changed from using a categorical targeting mechanism to the adoption of a PMT. The poor communication of the planned changes to both the public and to public officials, and a limited understanding of the PMT approach, resulted in confusion about eligibility criteria and the targeting process. This led to high levels of discontent with the Ministry of Social Affairs, with some believing that beneficiary selection was dependent on applicants' political leaning (Jones et al., 2016).

This contrasts with the perceptions linked to less intrusive and complex means testing, coupled with clear eligibility rules and broad population coverage. In Brazil, where the means test for the *Bolsa Família* is based on self-declared income and a clear eligibility threshold, and the programme has a comparatively high coverage (20–25% of the population), cash transfer targeting is perceived as legitimate. Hunter and Sugiyama (2014) remark that this is a result of 'even-handed, non-intrusive, rules-based' targeting methods, where entitlement is triggered automatically by the income test, and there is limited room for discretion.

Box 11 Scaling up child benefits in a crisis

In contexts of crisis that require rapid response, cash transfers can be especially effective in providing additional support, either by increasing the value of the transfer to existing beneficiaries and/or expanding coverage to new households. The 2008 financial and economic crisis provides examples of how child benefits were scaled up to respond to the economic downturn. Responsiveness and effectiveness of response critically hinged on whether policies were well-established pre-crisis, had comparatively high coverage and used simple selection (including means testing) criteria.

In the US, coverage of the TANF programme increased overall by 7% between December 2007 and June 2009, with caseload increases in some states of up to 30%. In Mexico, *Oportunidades* expanded in coverage by 1 million beneficiaries, reaching one in four Mexican families by late 2008. Similarly, Brazil's *Bolsa Família* was expanded to include new beneficiaries. The *Cadastro Unico* social registry, which includes information on low-income households, including non-beneficiaries, helped to facilitate this expansion. The registry has widespread population coverage and is updated on a rolling basis using a comparatively simple means test (self-declared income).

Well-established child benefits with high coverage can be particularly effective. In the aftermath of the 2008 crisis, the Australian government provided five different types of 'bonuses' or one-off payments to households receiving the Family Tax Benefit to help them cope with the fallout from the crisis. These included the Back-to-School Bonus (which was expected to reach 2.7 million children in 1.5 million households) and the Single Income Family Bonus (expected to reach 1.5 million households).
In Brazil, *Bolsa Família* benefit values were raised by 10%. In Mexico, *Oportunidades* monthly payments to the poorest families increased by 24% in 2008. In South Africa, the CSG was also expanded in 2009 in response to stagnating economic growth, with an increase in the benefit level as well as a rise in the age limit, from 14 to 15 years.

Sources: Bastagli (2014); Grosh et al. (2013); Orton (2012)

In the case of poverty-targeted schemes, the level of trust among beneficiaries may differ from that of non-beneficiaries, particularly in communities where the majority of the population consider themselves to be poor. For example, in Peru, the *Juntos* programme (targeted to poor households with children under the age of 14 and pregnant women) was found to have increased programme participants' trust in the institutions with which they interacted (e.g. identity registration offices, the Ministry of Health and the Ministry of Education). However, a decline in trust was recorded among non-beneficiaries; specifically, in relation to the ombudsman in charge of addressing grievances relating to the scheme's targeting and selection process (Camacho, 2014). In Mexico, non-beneficiaries of *Progresa* blamed the government for not being included in the programme and complained about the lack of support or recognition (Adato, 2000).

Conditionality can also play a role in shaping relations between the state and beneficiaries. Some have argued that applying conditions as part of a social protection scheme represents a way of establishing a contract between the state and its citizens, whereby both parties bear 'co-responsibilities' towards one another. Conditionality, however, is not without its critics; the legitimacy of this type of design feature is questioned in many contexts. Lund et al. (2008: 18), for example, argue that conditionalities in South Africa's CSG 'would be inconsistent with the (essentially) social democratic social policy regime set out in the Constitution' and that 'conditional social security, based on assumptions that poor parents are in some way culpable if their children fail to attend school or attend clinics is inconsistent with the structural explanations for poverty which are implicit in the Constitution'.

Whether beneficiaries themselves consider conditionalities to be legitimate seems to be highly context specific. For example, Hunter and Sugiyama (2014) find beneficiary support for conditions attached to the receipt of the *Bolsa Família*, which

respondents believed were in line with their existing responsibilities as parents.

Similarly, Skovdal et al. (2013: 4) studied a CCT for orphaned and vulnerable children in Zimbabwe and found widespread support for the conditions included in the programme because they were seen to prevent the misuse of transfers: they 'entice behaviours that are locally embraced and facilitate social accountability of "free" money'. Similarly, a survey in Zambia found support for conditionalities attached to a cash transfer scheme because many believed they helped to provide 'guidance to beneficiaries and to limit abuse of the transfers' (Schüring, 2010: v). On the other hand, Oduro (2015: 33) finds that the conditionalities attached to the receipt of the LEAP transfer[73] made beneficiaries 'feel "less a person" in that they were being told what to do' – in other words, they felt that it removed their agency. One respondent noted: 'I may be poor, but I am still human, we are all Ghanaians and should be respected as such' (ibid: 31).

In some contexts, social protection schemes represent a rare point of contact between the state and its citizens or may represent the only instance in which citizens directly engage with the state (Kabeer et al., 2010, as cited in Plagerson et al., 2012). In this sense, social protection schemes enable the state to be 'seen' by citizens (Corbridge et al., 2005, cited in Beegle et al., 2018). Plagerson et al. (2012: 971) note that 'a state intervention such as welfare provision, generates multiple ways in which people see and experience the state', while de la Brière and Rawlings (2006: 15) make the point that social protection 'allows the national government to forge a one-to-one relationship with poor households'. This is important as it implies that social protection schemes may shape citizen's perceptions of the state and their engagement with it (Beegle et al., 2018). Many studies of cash transfer programmes attest to the state–citizen linkage that social protection schemes can engender – for example:

- In Nepal, Drucza (2016) finds that cash transfer schemes, including the Child Grant, have enabled some beneficiaries to engage with the government for the first time, and that for two-thirds of beneficiaries, the payment (which is delivered manually by the Village Development Committee) represents the only encounter they have with a government office. She also links receipt of the benefit to an improved sense of self-worth, with one respondent noting that 'the government shows respect to me by giving this' (ibid: 59)
- In South Africa, some CSG recipients recognised the role that the state is playing in 'helping' them; one particular beneficiary expressed pride in her country when comparing it with others that did not provide such a grant (Plagerson et al., 2012).
- In Ghana, evidence from the LEAP programme suggests that the scheme 'brought beneficiaries closer to the state' (Oduro, 2015: 31). Moreover, the ID cards issued as part of the programme provided beneficiaries with an identity and improved their dignity. Participation in the scheme helped recipients feel acknowledged and recognised by the state, with one study respondent noting: 'I feel my heart is at peace because the government has remembered me as a Ghanaian' (ibid: 31). He notes that the introduction of the scheme 'made beneficiaries feel like citizens and forged a sense of being a part of the state' (ibid: 31).

The extent to which being 'seen' is perceived as positive or negative can depend on the intrusiveness of the registration and selection process. For example, beneficiaries of the CSG in South Africa are required to show proof of income in order to assess their eligibility; Plagerson et al. (2012) found that some participants were reticent to share such information, for fear that it could be used against them (ibid). The fact that the CSG is poverty-targeted means that some participants feel 'branded' by the state as 'poor' which may undermine their sense of dignity (ibid.). On the other hand, beneficiaries of the CGP in the Karnali zone in Nepal welcomed the universal coverage of the programme, as this 'made them feel the government treated them fairly' and equally (Adhikari et al., 2014: 40) – for more on dignity and shame see Chapter 5.

Strengthening state accountability and engagement with the state

The growing emphasis placed on the potential role of social protection in empowering citizens is best

73 Conditionalities apply to households with orphans or vulnerable children and relate to school enrolment, preventing children from engaging in exploitative labour, and ensuring access to healthcare and nutritional food (Oduro, 2015).

exemplified in calls for social protection programmes to play a 'transformative' role, particularly in terms of their ability to promote recipients' agency and ability to lay claims to their rights (Plagerson et al., 2012).

Whether or not social protection contributes to recipients' ability to hold the government to account will depend on whether citizens view the state as a duty-bearer and themselves as rights holders (Beegle et al., 2018). This will largely depend on whether the benefits provided by social protection schemes are permanent and statutory, and articulated by the government as a 'right' (i.e., whether the state takes a rights-based approach to social protection) and, in turn, whether citizens themselves recognise this (Hickey and King, 2016). If citizens consider benefits a 'right', they are more likely to hold the government accountable for the provision of social protection and the effective implementation of programmes. This, Molyneux et al. (2014, as cited in Beegle et al., 2014) argue, enables programme participants to engage with the state more actively, make claims, and challenge the state if it does not meet expectations.

For example, Hunter and Sugiyama (2014) surveyed beneficiaries of the *Bolsa Família* and found that 53% of respondents believed that the provision of the programme was 'an obligation of the government'. The authors argue this is largely because programme communication materials consistently portray the transfer as a right (not a favour). Furthermore, benefit recipients stated that they would use electoral mechanisms to hold the government to account for the continued provision of the transfer (ibid.). In South Africa, Plagerson et al. (2012) find that the CSG gives citizens ground for holding the state to account and opportunities for recipients to engage directly with the state.

When cash transfers are seen primarily as charitable 'gifts' or 'grants' from government, there may be less scope for programmes to promote the view of the state as a duty-bearer and to encourage beneficiaries to hold the government to account. For example, beneficiaries of a new poverty-targeted Basic Social Subsidy Programme in Mozambique saw the benefits provided by the programme as a 'gift' from the state or from God – as opposed to a right – and as such, 'people had no sense of entitlement to the PSSB transfer' and 'felt they should not complain, as to do so would be ungrateful' (Jones et al., 2016: 1222). Similarly, in the case of the Social Welfare Fund (SWF) in Yemen, 'beneficiaries emphasised that they were not vocal about their concerns or the lack of spaces to express them, as they feared being taken out of the programme' (ibid: 1220).

Indeed, the extent to which benefits are considered a right rather than a grant also affects beneficiaries' use of accountability mechanisms (such as grievance redress mechanisms). These provide an important channel for enabling recipients to hold implementers to account, as well as to promote their agency and their ability to engage more actively with programme implementers and other services (Jones et al., 2016; Beegle et al., 2018). Such features tend to focus on citizens' ability to appeal decisions about inclusion or exclusion and are increasingly included in social protection programmes. However, individuals may not use accountability mechanisms, even if they do exist, if they fear reprisals or that they will be taken off the programme if they are seen to complain (Molyneux et al., 2016). This is particularly severe in situations where the benefits provided are considered to be 'gifts' or 'grants' rather than rights. Ensuring confidentiality – as well as clarifying the qualifying conditions for schemes – may therefore be important in promoting the effectiveness and usefulness of such accountability mechanisms. Moreover, the extent to which these mechanisms are useful depends largely on effective communication, particularly about programme design and eligibility criteria. For example, due to the limited information available on the SWF scheme in Yemen (both for beneficiaries and implementing institutions), Jones et al. (2016: 1218) note that 'there is limited capacity to demand accountability from local authorities'.

The extent to which recipients are able to hold governments to account and influence political and social change – particularly in relation to social protection – is reliant on their ability to form groups and 'leverage collective action' (Beegle et al., 2018: 169). The inherent design of social protection schemes – in terms of targeting and providing assistance at the individual level, compared to public goods such as education which are provided to broader groups – may actually limit the ability of recipients to form such groups (Hickey and King, 2016). The implications of this may be 'that for social protection interventions to become more accountable and sustainable, there is a need to cast them as universal entitlements rather than means-tested benefits in order to align

poor and non-poor groups around a shared sense of vulnerability' (ibid: 25). This would encourage non-poor groups to contribute their higher political leverage and agency to maintaining social protection schemes and ensuring their implementation and continued performance.

6.4 Social cohesion and stability between individuals

The design and implementation of social protection programmes may also directly influence the extent to which schemes promote social cohesion between individuals or, conversely, aggravate social tensions.

With regards to targeting, a number of studies highlight how poverty-targeted schemes can undermine social cohesion by dividing communities along eligibility criteria lines, which may foment resentment and jealousy. While the *Progresa* programme in Mexico strengthened social relations between beneficiaries, it was found to create divisions and tensions between beneficiaries and non-beneficiaries, with the latter expressing resentment or envy (Adato, 2000). In Mexico, tensions were found to 'surface more often around the times when beneficiaries go to collect their payments' (ibid: vii). Evidence from Nicaragua's *Red de Protección Social* also finds feelings of resentment or sadness among non-beneficiaries (Adato and Roopnaraine, 2004). These studies document weakening social ties as a result of divisions caused by targeting. Similarly, in Malawi a poverty-targeted scheme was found to lead to resentment and increased conflict between beneficiaries and non-beneficiaries, while a cash transfer scheme in Zimbabwe involving community-based targeting also caused tensions. Here, programme recipients would have preferred all members of the community to have a smaller benefit than for a smaller share of the community to have a larger benefit (MacAuslan and Riemenschneider, 2011).

As discussed in Chapter 5, cash transfer programmes may lead to the stigmatisation of programme participants and to the emergence of negative perceptions of beneficiaries among the wider public. For example, a study of Peru's *Juntos* programme finds non-beneficiaries hold a number of negative beliefs about beneficiaries, including that they lie to get on the programme and that they misuse the transfers (Camacho, 2014). In Mongolia, the stigma experienced by beneficiaries of the CMP when it was targeted was identified as an important reason for moving towards a universal approach to the scheme (Hodges et al., 2007). In contrast, evidence from Brazil's *Bolsa Família* finds that recipients do not feel stigma or isolation. The authors argue that this may result from the expansive scope of the programme, which covers around a quarter of the population in Brazil (Hunter and Sugiyama, 2014).

The manner in which poverty targeting is implemented in practice matters, with targeting and selection processes that are obscure or unclear acting as a source of social division (de la Brière and Rawlings, 2006; Pavanello et al., 2016). For example, Pavanello et al. (2016: 1154) find that cash transfer schemes in Yemen and Kenya led to tensions between beneficiaries and non-beneficiaries, particularly 'linked to sentiments of jealousy around the targeting process, which was perceived as leaving out many poor and vulnerable households considered just as needy as those included in the programme'.

In contrast, universal programmes are said to promote solidarity among different segments of society (Ghosh, 2011; Forget, 2012; Standing, 2017). By avoiding potentially contentious and obscure targeting processes, universal schemes may avoid the pitfalls of poverty-targeted ones. Categorically targeted schemes with objective criteria may also be less likely to cause tensions, particularly if categories align with people's perceptions of need and deservingness. For example, in a review of five cash transfer schemes in the Middle East and Africa, Pavanello et al. (2016: 9) find that categorically targeted schemes avoid causing tensions, particularly when the categories are 'quite uncontentious' and 'seen as the deserving poor'.

6.5 Considerations for policy-makers

Public support and policy sustainability
Universal programmes are likely to garner more support, including during economic downturns, and are more likely to secure and maintain higher budgets for transfer programmes, than narrowly means-tested or targeted and conditional schemes. The precise framing and design details of conditionalities may help to determine whether they are seen as legitimate and help bolster political support, or, conversely, stigmatise and undermine social cohesion. Benefits targeting children generally receive public support, alongside (or in some cases secondary to) benefits to the elderly and people with disabilities – population groups that face difficulties in securing a regular income.

State–citizen relations and social cohesion
Social protection programmes, together with wider fiscal policies including taxation, can establish and strengthen state–citizen relations by providing transfers and services over the course of people's lifetimes. They can help reduce inequalities, act as automatic stabilisers in crisis contexts and enable the state to reach previously disenfranchised groups. Universal social protection and fiscal systems are associated with low levels of inequality, high levels of trust in government, and social cohesion. Compared with narrowly means-tested and conditional transfers, they can be effectively expanded in the event of a shock, helping to promote social stability. Reaching marginalised groups may involve some degree of targeting. Transfers that are articulated by government as a 'right' are permanent and statutory, which may help to trigger the empowerment of beneficiaries and promote government accountability, whereby citizens are made aware of their entitlements and demand them.

Social cohesion between individuals
By reducing socioeconomic inequalities, social protection transfers can promote social cohesion at the micro level between individuals. In the delivery and implementation of cash transfers, narrow and complex targeting mechanisms can, in contrast, create tensions between beneficiaries and non-beneficiaries. Similarly, conditionalities that are punitive and paternalistic may heighten social divisions and tensions.

When considering the introduction of a child benefit or programme reform, this chapter has highlighted the following key issues and policy design and implementation features that policy-makers should take into account:

UCBs/qUCBs

- Children are generally perceived as a 'deserving' population group.
- Evidence plays a vital role in informing people of how effective child benefits can be (misconceptions and a lack of information can create negative perceptions).
- Compared with other types of transfers, UCBs/qUCBs can foster social cohesion/state–citizen relations by reaching a vulnerable population group (children) on which there is commonly general agreement.
- UCBs/qUCBs can deliver additional support effectively and rapidly in contexts of shocks, acting as a social stabiliser and fostering cohesion.

Child benefit design and implementation details

- Universalistic policy generally attracts more public support, with potentially higher budgets and greater sustainability (compared with narrowly means-tested transfers).
- Universalistic programmes can foster positive public attitudes to social transfers by promoting social cohesion, trust in government and low levels of inequality.
- Elements of targeting can help ensure previously marginalised and disenfranchised groups are reached but their design and implementation should minimise risks of triggering social tensions and divisions (e.g. by adopting broad and clear targeting criteria, clear communication and outreach, feedback and grievance mechanisms).
- Conditionalities may help legitimise policy when they are understood as 'co-responsibilities' in the context of child benefit programmes framed in terms of children's rights; but they may also

reinforce social divisions and work against social cohesion if punitive, coercive and perceived as paternalistic.

Child benefit positioning within wider social policy

The wider policy context, including the institutional and legal framing of social policies, matters to how child benefits work in practice and how they are perceived by the public. Child benefits can be especially effective in garnering public support, by strengthening state–citizen relations, trust and cohesion, if framed as rights or entitlements and as part of a wider universalistic system of policies.

7 The costs and financing of universal child benefits

Key messages:

- The comparative analysis of levels of spending on child benefits across countries shows the considerably higher share of resources that are allocated in HICs relative to LICs and MICs, and a general tendency for higher spending to be correlated with broader coverage of the child population. Spending on child benefit packages averages about 0.4% of GDP in LICs and MICs, compared with 1.7% of GDP for HICs. Across 90 LICs and MICs, spending ranges from negligible shares of GDP to shares exceeding 2%. OECD countries, even those with long-established child benefit 'packages', devote different amounts to child-related cash transfers, ranging from under 0.2% to 2.5% of GDP. The general tendency is 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.
- At a minimum, costing a UCB requires setting a transfer value and accounting for the proportion of children in a population. 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.
- 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 limits on eligibility can help ensure the progressive realisation of a child benefit within budgetary constraints – as in South Africa, where the CSG was initially targeted to 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.
- Costing a UCB transfer – in comparison with a means-tested or poverty-targeted child benefit – raises the paradox that 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 1.3 times higher in LICs relative to a benefit targeted to poor children only; whereas in UMICs, 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. We estimate the cost of implementing a UCB under a range of assumptions regarding transfer value. Costs will be comparatively 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.

7.1 Introduction

The cost of a UCB and its affordability in lower-income settings have attracted considerable debate. On the one hand, no LIC or MIC currently offers a fully universal child benefit – affordability is cited as a key constraint. The experience of Mongolia – which retreated from a full UCB to a broadly means-tested child grant – attests, in part, to the challenges involved in the sustainable financing of a universal transfer (ILO/UNICEF, 2019). Meanwhile, simulations of the additional 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.

- In South Africa, the 2016/17 budget for child grants was ZAR 60 billion (around 1.3% of GDP), whereas the cost of a UCB was estimated at ZAR 87 billion, a 45% increase (Zembe-Mkabile et al., 2019).
- In Brazil, the cost of a UCB was estimated at BRL 26.6 billion per year, a 40% increase over the cost of the country's current cash benefits for children (BRL 19.1 billion) (Soares et al., 2019).

On the other hand, in terms of affordability and fiscal space, it is argued that virtually all societies are able or within reach of being able to implement a basic social protection floor, including a UCB (Ortiz et al., 2017).

This chapter aims to synthesise the available evidence on the cost of introducing and maintaining a UCB and to highlight considerations around financing. The cost of a cash transfer will depend on its value and coverage, and how the programme is designed and implemented (e.g. whether universal, targeted and/or conditional). It will also be determined by the proportion and number of children in the population. We aim to highlight each of these elements and the extent to which they influence overall costs, as well as practical examples of ways that countries have financed transfer programmes.

Section 7.2 seeks to provide broader context on the costs of child-related benefit packages as well as specific child benefit programmes, with an emphasis on LICs and MICs. It also assesses the costs of administering different types of transfers (universal, targeted and conditional). Section 7.3 reviews trends in OECD countries' spending on cash child benefits, given many of these countries have long established histories of providing UCBs. It then assesses the impacts of the post-2008 retrenchment and of declines in the child population in most OECD countries.

Section 7.4 estimates the cost of introducing a UCB in LICs and MICs, illustrating the issues LICs are likely to face in this respect, particularly given their relatively high current and expected child populations. We examine what a UCB would cost under three different sets of assumptions about transfer value – set relative to the national poverty line, to an absolute poverty line and to median income or consumption, respectively. We also compare the costs of extending the transfer to 0–4 year olds versus 0–14 year olds, and use this illustration as an entry point for the discussion of progressive realisation. Section 7.5 explores additional considerations related to affordability – including projected population trends across groups of countries and a benchmarking exercise, exploring what a UCB would cost countries in each income group relative to complementary government spending on health, education and

defence. Section 7.6 discusses the options facing countries at different income levels have for dedicating more resources to child benefits, in light of their resource structure and revenue-raising capacity. It also looks at how countries that deliver transfers to large proportions of their child population have financed them in practice and assesses the options for countries to expand their fiscal space for increased social protection spending.

7.2 Spending on child-related transfers in low- and middle-income countries

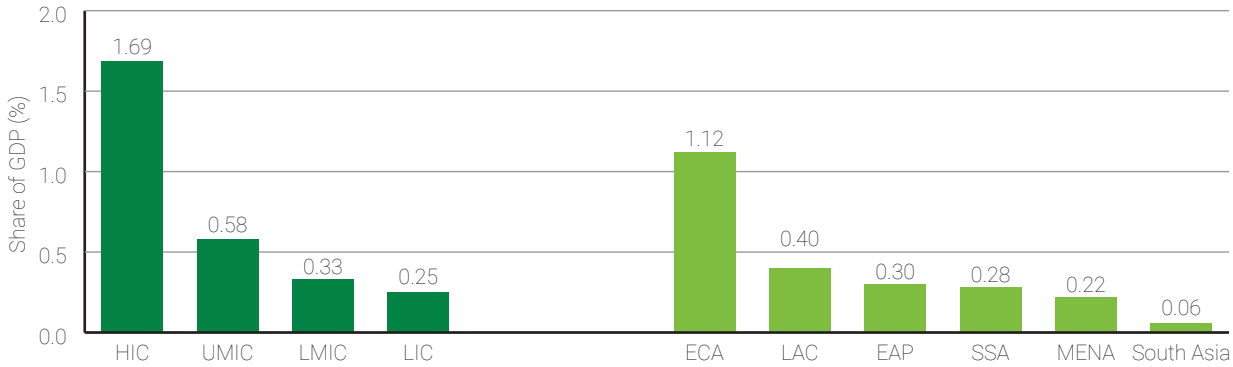
This section describes spending on child benefit packages and on child-related cash transfers, with an emphasis on LICs and MICs. It shows that spending on child benefits is higher on average in richer countries but varies considerably across countries both as a share of GDP and in relation to coverage of the child population. In contrast, spending on specific transfers correlates highly with the proportion of children that are covered. The section also underlines the administrative costs associated with various types of transfers and presents very limited data on trends in transfer spending.

Total costs

As discussed in Chapter 1, on average globally, 1.1% of GDP is spent on child benefit packages (ILO, 2017). Overall, LICs and MICs spend 0.4% of GDP on child benefits compared with 1.7% of GDP in HICs, and HICs spend nearly seven times as much on benefits as LICs do (Figure 11). At a regional level, spending is lowest in South Asia and highest in ECA; it accounts for 0.4% of GDP or less in all developing regions except ECA.

Among the 90 LICs and MICs, child benefits spending varies widely, from almost negligible shares of GDP (in Nigeria, Tanzania and Gambia, among others) to shares that exceed 2% (Madagascar and Georgia) (Figure 12). The median share is 0.2% of GDP; 16 countries (18%) have shares that are equal to or greater than 1% of GDP, and 34 countries (38%) have shares that are equal to or less than 0.1% of GDP. Evidence from those 30 countries with data on both child benefits spending and on coverage of the child population show these are broadly correlated (r=.6, p=.0005), but also point to some significant variations (Figure 13). For example, Mexico and Romania spend 1.1% and 1.2% of GDP respectively on child benefits, but this covers 25% of children in Mexico compared with all children in Romania. Such variations highlight differences in the composition of benefit packages across countries.

Figure 11 Spending on child benefit packages by income group and region (% of GDP)



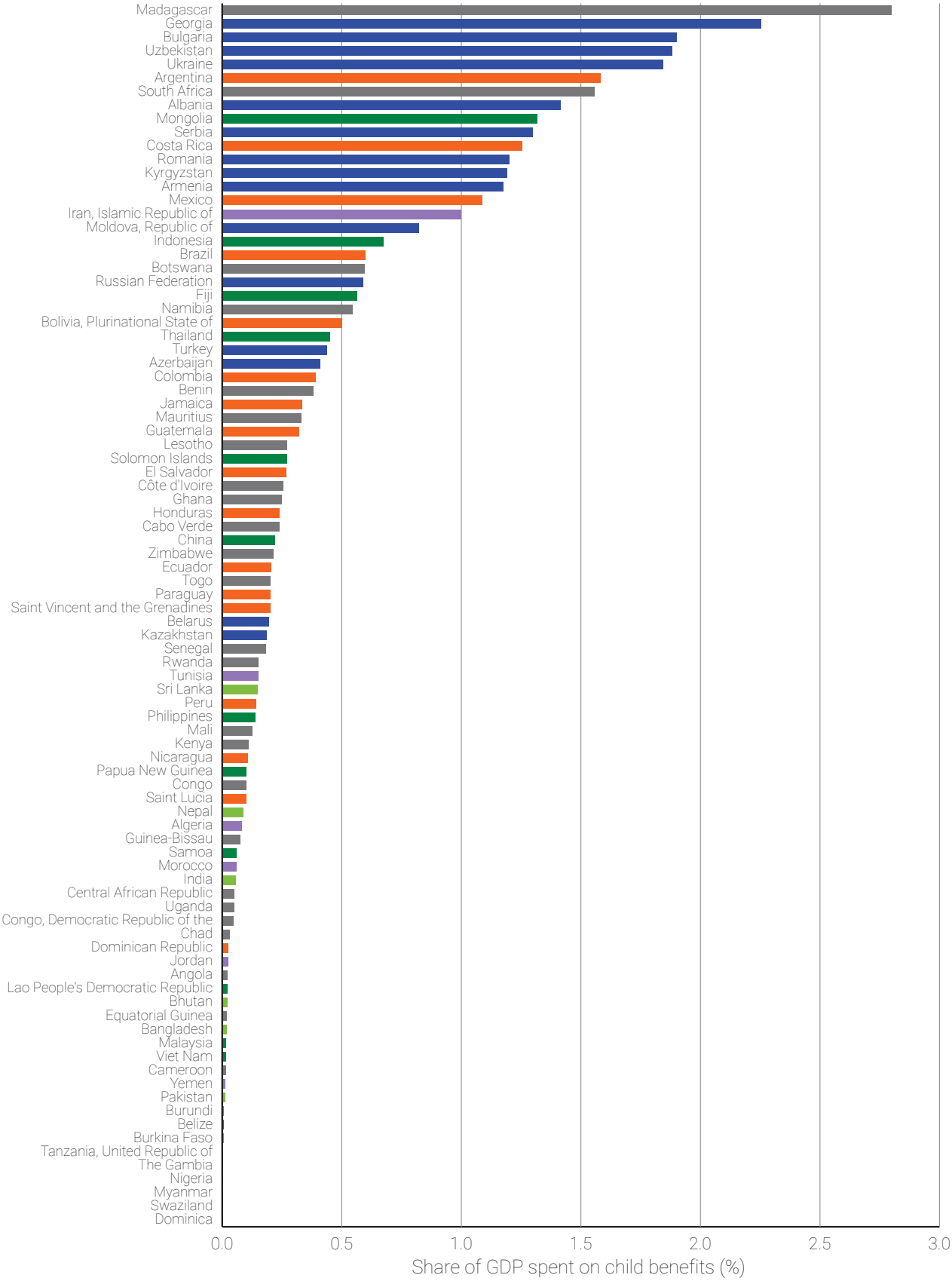
HIC	high-income country
UMIC	upper-middle-income country
LMIC	lower-middle-income country
LIC	low-income country

ECA	Europe and Central Asia
LAC	Latin America and the Caribbean
EAP	East Asia and the Pacific
SSA	sub-Saharan Africa
MENA	Middle East and North Africa

Notes: Averages for income groups and regions are country-weighted. Regional averages are for LICs and MICs within each region only, using World Bank regional designations.

Source: Author elaboration of country-level data from ILO (2017) for 90 LICs and MICs and 48 HICs, accessed June 2019 (see www.social-protection.org/gimi/ShowWiki.action?id=594#tabs-3)

Figure 12 Spending on child benefit packages in 90 LICs and MICs, by country (% of GDP)

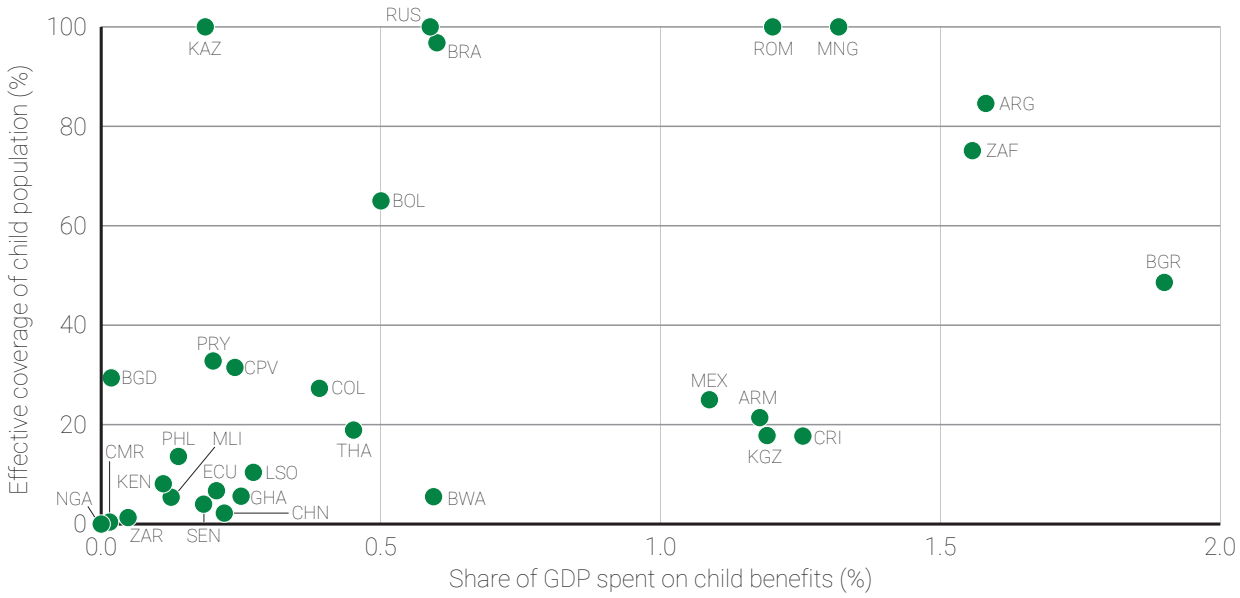


Notes: Grey indicates SSA, Blue indicates ECA, orange indicates LAC, purple indicates MENA, dark green indicates EAP and light green indicates South Asia.

Source: Author elaboration of data from ILO (2017) for 90 LICs and MICs, accessed June 2019 (see www.social-protection.org/gimi/ShowWiki.action?id=594#tabs-3)

Our main interest is in cash transfers, which make up more than half of total social assistance spending in LICs and MICs (World Bank, 2018c). The balance between different types of cash transfers varies across regions, with CCTs accounting for a relatively higher portion of spending than UCTs in LAC and in SSA, while the reverse holds true in other regions (Figure 14).

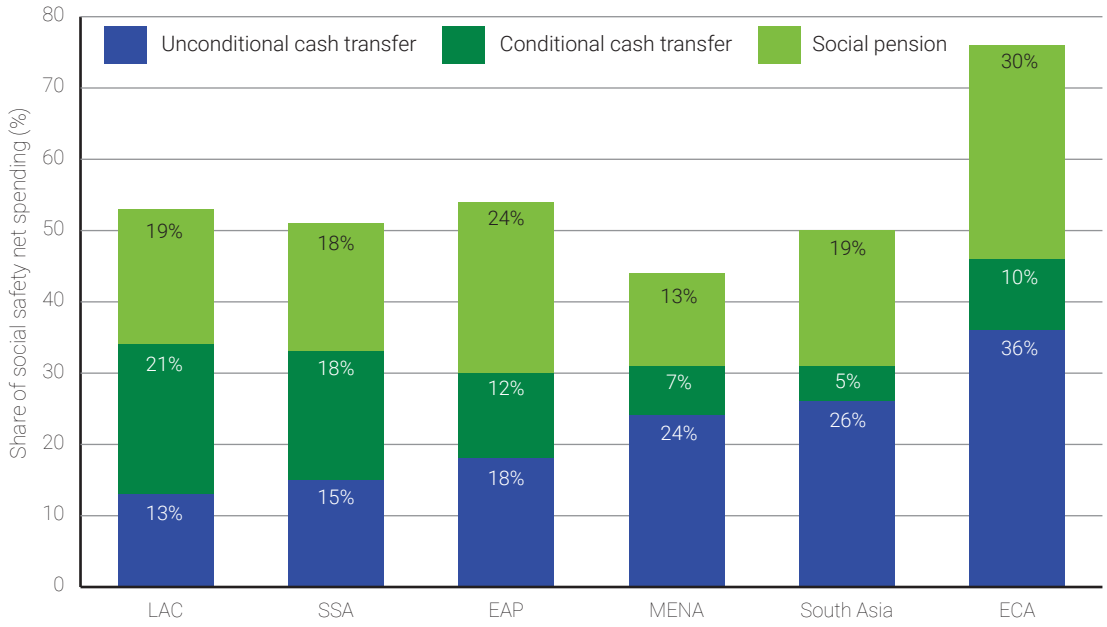
Figure 13 Share of GDP spend on child benefit packages and effective coverage of the child population in 30 LICs and MICs (%)



Notes: For full list of country codes see https://unstats.un.org/unsd/tradekb/knowledgebase/country-code

Source: Author elaboration of data from ILO (2017) for 30 LICs and MICs which have data on both spending on child benefit packages and on effective coverage of child and family benefits, accessed June 2019 (see www.social-protection.org/gimi/ShowWiki.action?id=594#tabs-3)

Figure 14 Cash transfers as a share of social assistance across regions, by instrument (%)



Notes: Estimates are based on a sample of 112 countries (see World Bank 2018c: appendix D)

Source: Author elaboration of data from World Bank (2018c: 30)

Data that we have assembled on child transfers for 14 countries (see Annex 1, Table A1), which is illustrative rather than indicative, shows that spending as a share of GDP varies considerably – from 0.03% of GDP for Ghana's LEAP (which covered fewer than 1% of children) to 1.4% for Mongolia's CMP (prior to 2017, when the benefit was universal) (Figure 15). These data also point to a broad correlation between spending on child benefits and effective coverage (r=.6, p=.03).

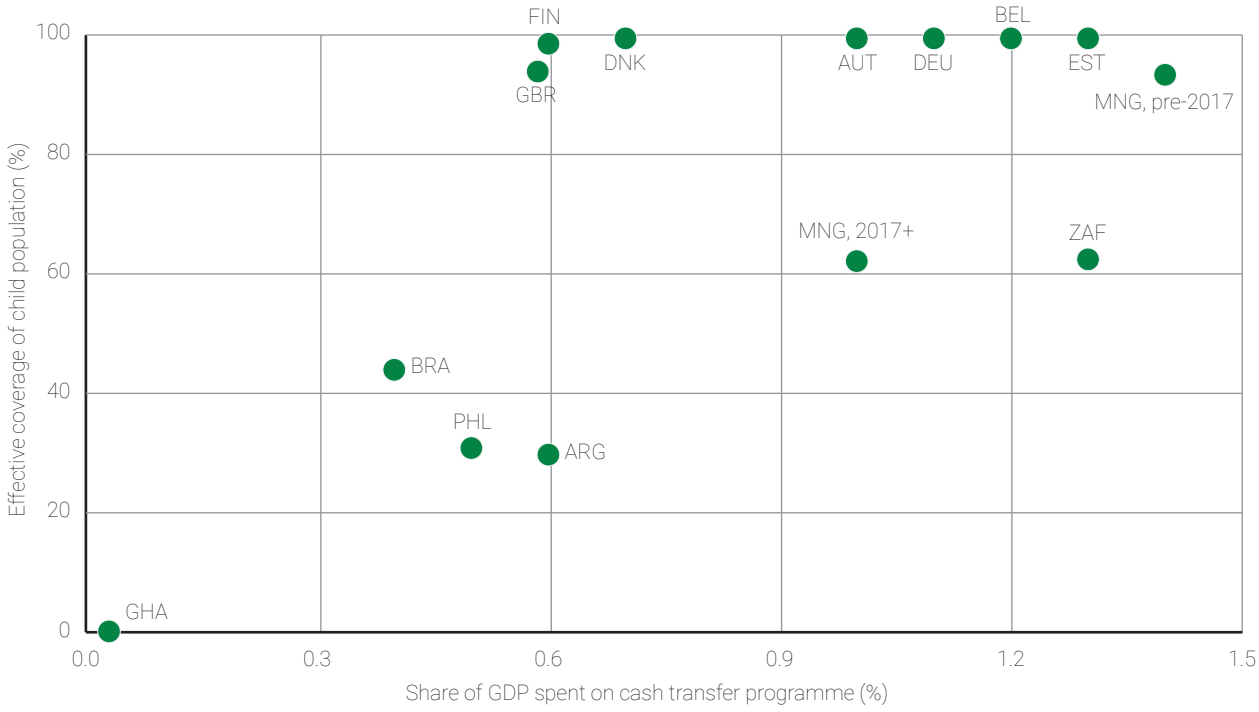
Composition of costs

Spending on any transfer programme involves the value of the transfer itself and the cost of delivering that transfer – which can include eligibility determination (including targeting and screening, if any), beneficiary registration, contribution collection (for social insurance schemes), benefit/claims processing, dealing with appeals, governance and financial controls, and monitoring and evaluation (Ortiz et al., 2017). These costs are influenced by programme coverage and maturity, the type of targeting in use (and its accuracy) and any conditionality. Higher administrative costs are often cited as a key difference between targeted and universal transfers, and between CCTs and UCTs.

Several reviews that compile evidence on administrative costs across programmes show that these vary widely:

- Across 26 means-tested or poverty-targeted programmes in LAC, the share of costs ranged from 0.4% to 29%, with a median of 9% (Grosh, 1994).
- Grosh et al. (2008: 390) conclude that 'the administrative costs of well-executed cash or near-cash programmes cluster in the range of 8 to 15% of total costs'. They find that the administrative costs of 10 CCT programmes ranged from 4% of total costs to 12%.
- The Governance and Social Development Resource Centre (GSDRC, 2010: 1) reports that 'the proportion of total spending absorbed by administration and implementation costs has been reported as low as 1% and as high as 39%'. The nine programmes they review exhibit costs ranging from 3% to 27%, with a median of 10% and a mean of 13%.

Figure 15 Share of GDP spend on specific child-related cash transfer programmes and effective coverage of child population, selected countries (%)



Notes: To ensure relatively like comparisons, we include only those countries in which transfers are intended to cover children age 16 and older.
Source: Author elaboration of data in Annex 1, Table A1

Programme costs vary widely, depending not only on the complexity of schemes, but also according to their coverage and their maturity. Transfers reaching large numbers of households may give rise to efficiencies of scale. Moreover, while the initial administrative costs of a programme may be high owing to the need to procure and install supportive systems, these are likely to fall as schemes become more established. For example, in the first seven years of *Prospera* in Mexico, administrative costs fell from 51% of the programme's budget to 6% (Lindert et al., 2006). Similarly, for the CGP in Lesotho, 100% of costs in the programme's first 15 months were devoted to its start-up, after which programme costs fell markedly (Kardan et al., 2014, cited in Handa et al., 2018).

However, such variations notwithstanding, it is notable that both Grosh (1994) and GSDRC (2010) report a median administrative cost of approximately 10% across the programmes they review, suggesting this may be a reasonable estimate. For universal grants, the administrative costs are expected to be reduced compared to means-tested and conditional schemes. An ILO review of cash and near-cash schemes finds that the administrative costs of six universal schemes averaged 2.5% of the total, while the costs of 40 targeted schemes averaged 11% (Ortiz et al., 2017).[74] One implication is that opting for a UCB over a targeted transfer scheme may free additional resources that could be transferred to recipients (though reaching hitherto excluded children could involve additional upfront costs).

Few studies attempt to determine how various design elements of a transfer programme might affect the cost of its administration. A notable exception is Coady et al. (2005) who use data for Mexico's *Progresa* to quantify the costs of targeting and of conditionality. They distinguish current and long-run costs, as well as the cost of recertifying beneficiary eligibility (Table 3). The authors note that the 11% cost of administering the CCT is in line with the median estimated by Grosh (1994). Relative to this baseline, dropping household targeting leads to a 33% decrease in cost, dropping conditions results in a 24% fall and removing both elements results in a programme cost of around 5% – a 58% fall. They conclude that 'As expected, the costs associated with targeting and imposing conditions on transfers are substantial, together accounting for more than half of total programme costs' (ibid: 30).

However, different types of targeting incur different costs. Grosh and Leite (2014, cited in Devereux et al., 2017). report that targeting costs in a sample of MICs averaged 4% of total programme costs, but ranged between 25% and 75% of administrative costs. According to Devereux et al. (2017), means testing – including PMTs – typically costs more than categorical targeting, self-targeting and possibly community-based approaches (which draw upon local knowledge). Their review identifies one study (Watkins 2008, cited in Devereux et al. (2017), that carefully simulates the direct costs associated with different methodologies for Zambia, based on some 'strong' assumptions about how each approach would work. That particular study reports that community-based targeting is the least costly approach and means testing, the costliest, with PMT, geographic and categorical targeting lying in between.

This discussion begs the question of the cost effectiveness of distinct approaches to targeting, but

Table 3 Cost-transfer ratio by programme type

Programme type	Present	Long-run	Long-run (including recertification)
Targeted/conditional	0.111	0.044	0.081
Untargeted/conditional	0.074	0.044	
Targeted/unconditional	0.084	0.032	0.069
Untargeted/unconditional	0.047	0.032	

Notes: The cost-transfer ratio is the ratio of non-transfer costs to the value of the transfers.
Source: Coady et al. (2005: 17)

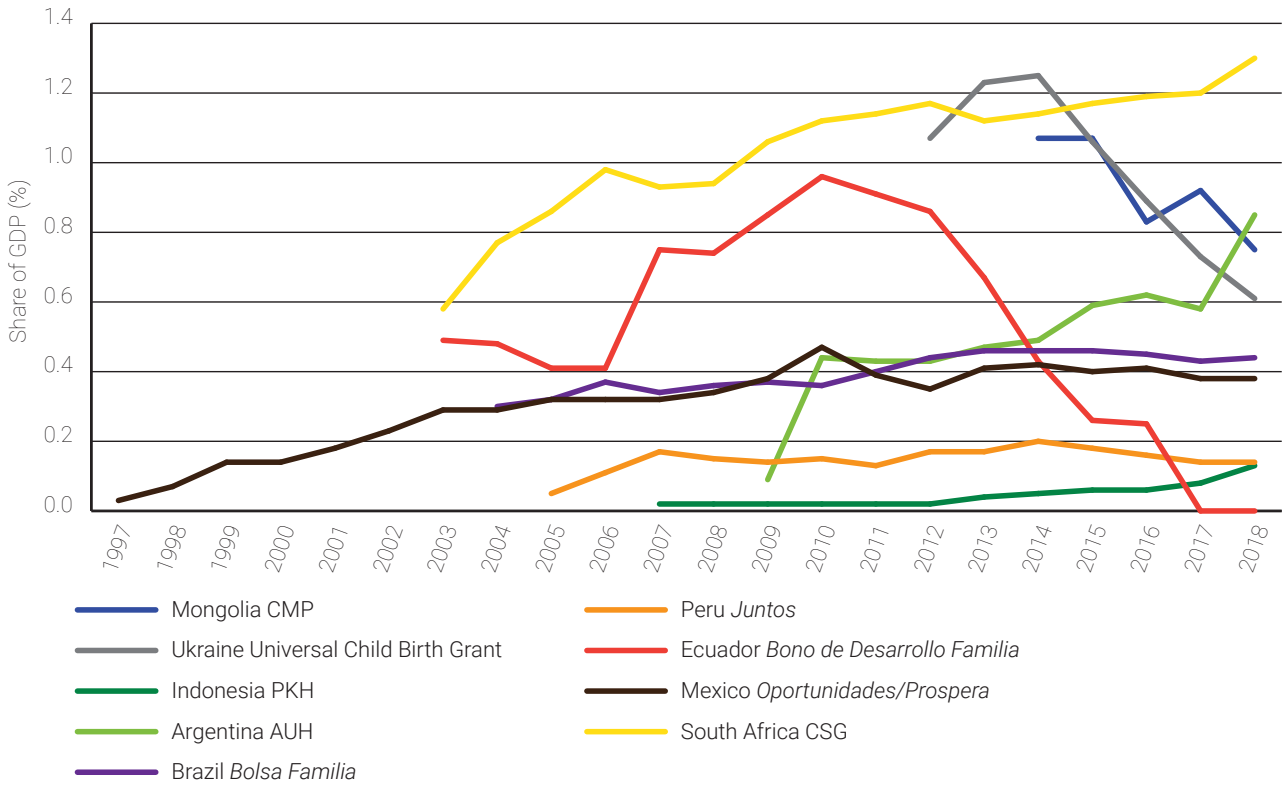
74 For the universal schemes, estimates ranged from 0.5% to 4.5% and for the targeted schemes, from 2.2% to 30%.

the information on this is patchy at best. Ravallion (2009) suggests that overall spending influences targeting effectiveness – that early benefits at low levels of spending tend to be captured more by the non-poor, while the poor both benefit more when programmes expand and are the first to bear the cost of contractions. Along similar lines, the International Rescue Committee (IRC) found that the biggest factor driving cost-efficiency across its unconditional cash transfer programmes was the scale at which they were run (IRC, 2015). However, more work in this vein is needed. A lack of comparable data on this theme is highlighted by Devereux et al. (2017: 194) who point to 'insufficient evidence in the literature on information required for optimal decisions about whether or not to target and the choice of targeting methodology'.

Trends

Available data on spending on specific benefit programmes as a share of GDP for comparatively large programmes (in terms of child population coverage) in nine LICs and MICs show a gradual increase in spending over time. The exceptions are Mongolia and Ukraine, where spending on the CMP and Universal Child Birth Grant continuously declined over shorter periods, and Ecuador's BDH programme, from 2010 onward (Figure 16).[75]

Figure 16 Trends in spending on child-related cash transfers in nine MICs, by programme, 1997–2018 (% of GDP)



Sources: Author elaboration of data from ECLAC for Latin American countries; National Budgets for South Africa; World Bank (2017c) and https://pkh.kemsos.go.id/ (2011 onward) for Indonesia; Office of Statistics for Mongolia; and personal communication with UNICEF Ukraine staff for Ukraine

75 There is a broader lack of trend data on social assistance spending. According to the World Bank (2018c), consistent data for 10 or more years exist only for LAC and ECA (showing in the former, a sharp increase from 0.43% of GDP in 2003 to 1.26% in 2015, and in the latter, a moderate rise from 1.2% in 2003 to 1.6% in 2014).

7.3 Spending on child-related cash transfers in OECD countries

The most detailed evidence on child benefits derives from the OECD, which has tracked overall spending on 'family benefits', including cash transfers and 'in-kind' benefits, for 35 years for most of its member countries.[76] This section focuses on OECD countries which have a long-established history of providing child benefits, many of which are UCBs. The analysis describes how spending on cash transfers varies across OECD countries and trends in recent decades. It analyses both total spending and changes in spending per child, thereby accounting for marked shifts in the proportion of the child population in many countries.

Spending levels

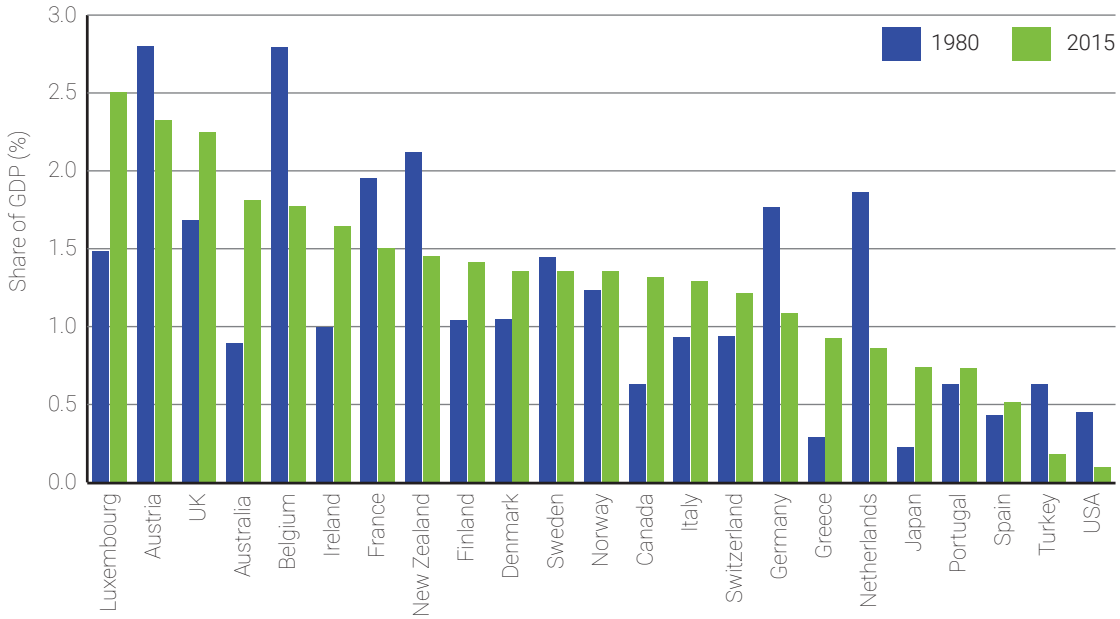
Data are available on the cash transfer component of family benefits as a share of GDP for 23 countries between 1980 and 2015 (Table 4). They show that spending in 2015 ranged from around 0.5% of GDP or less in countries including Spain and Turkey, to around 2.5% of GDP in Luxembourg. The median was 1.4%, up from 1.0% in 1980. Data for the 13 newer OECD member countries point to lower spending levels on child-related cash transfers (a median of 1% compared with 1.4% for the more established members), though spending in four of these 'new entrants' – Estonia, Hungary, Czech Republic and Slovakia – is above the median for the longer-term members.

A large caveat should be underlined from the outset: where redistribution to households with children occurs through tax credits or reductions (e.g. in the US and Germany), this will not be captured in these data, given they measure transfers alone. Therefore, these data should be treated as illustrative of country spending patterns rather than as indicative of the net amount of redistribution that occurs through the tax and transfer system.

Spending trends

Spending rose over the 35-year period in 14 (of 23) countries (Figure 17), with increases of more than 30% in high-spending countries including Luxembourg, UK, Australia, Ireland and Finland. Some low-spending countries have also spent more, especially

Figure 17 Spending on `family benefits' cash transfers in 1980 and 2015 (% of GDP)



Notes: Trends for Greece may be difficult to interpret consistently with other countries due to significant falls in GDP in recent years.
Source: Author elaboration of data from OECD (2019) database, accessed February 2019 (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

76 The definition of 'family benefits' denotes cash transfers of all kinds, including social insurance, means-tested social assistance and categorical non-means-tested transfers such as UCBs. It also encompasses spending on 'in-kind benefits' that includes early childhood education and services for residential and affiliated social services for children/families (see Annex 3 for Chapter 7 methodology).

Japan, while others spent less, as in Turkey, where spending decreased from 0.63% of GDP to 0.18%. The data for the US is revealing of the type of partial information that a focus on spending alone can impart for some countries – while data on spending suggest a fall from already low levels, trend data on tax credits point to a marked surge in support for households with children since 1990 (Box 12).

Table 4 Spending on 'family benefit' cash transfers as % of GDP in 23 established OECD countries, 1980–2015

Country	Expenditure (% of GDP)				'Austerity' 2010–2015 PPT change
	1980	2015	PPT change	% growth	
Luxembourg	1.49	2.51	1.02	69	-0.79
Austria	2.80	2.32	-0.48	-17	-0.37
UK	1.69	2.25	0.56	33	-0.35
Australia	0.90	1.81	0.92	102	-0.07
Belgium	2.80	1.77	-1.02	-37	0.01
Ireland	1.00	1.64	0.65	65	-1.18
France	1.95	1.51	-0.45	-23	-0.10
New Zealand	2.12	1.45	-0.66	-31	-0.82
Finland	1.04	1.41	0.37	36	-0.16
Denmark	1.05	1.36	0.31	30	-0.21
Sweden	1.45	1.36	-0.09	-6	-0.08
Norway	1.23	1.36	0.13	10	-0.08
Canada	0.63	1.32	0.69	109	0.27
Italy	0.93	1.29	0.36	39	0.60
Switzerland	0.94	1.22	0.28	30	0.06
Germany	1.77	1.09	-0.68	-38	-0.14
Greece	0.29	0.93	0.64	219	0.02
Netherlands	1.86	0.86	-1.00	-54	0.14
Japan	0.23	0.74	0.52	229	-0.06
Portugal	0.63	0.74	0.10	16	-0.19
Spain	0.43	0.51	0.08	19	-0.08
Turkey	0.63	0.18	-0.45	-71	0.05
US	0.45	0.10	-0.35	-79	-0.02
Average	**1.23**	**1.29**	**0.06**	**28**	**-0.16**
Median	**1.04**	**1.36**	**0.13**	**19**	**-0.08**

Notes: Countries ranked descending by 2015 spending level. PPT change is percentage point change.
Source: Data (and author calculations) from OECD (2019) database, accessed February 2019 (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

Box 12 Tax credits to families with children: trends in the US

Countries that use the tax system to provide cash and near-cash transfers to families with children are not considered in OECD social expenditure data. This is a particular problem for interpreting trends on spending on children in the US, which appears to be one of the lowest spenders on children in general and to have the most negative trend in spending on cash family transfers. In fact, the US has invested heavily in expanding tax credits to families at the federal level since the early 1970s, and some states also offer their own tax credits and transfers for families.

We illustrate trends in refundable federal-level tax expenditures, focusing on two tax credits that are directed towards children, the EITC and the Additional Child Tax Credit, which together make up 0.5% of GDP. Trend data clearly show that tax credits have not only overtaken spending on cash transfers for children but have hugely increased per capita spending on income support to families with children overall (Figure 18).

Figure 18 Family cash transfer and tax credit spending in the US, 1980–2014

Notes: EITC spending will include a small element for families/workers without children, but this does not alter the overall scale of change and difference between cash and tax credit spending on families with children.

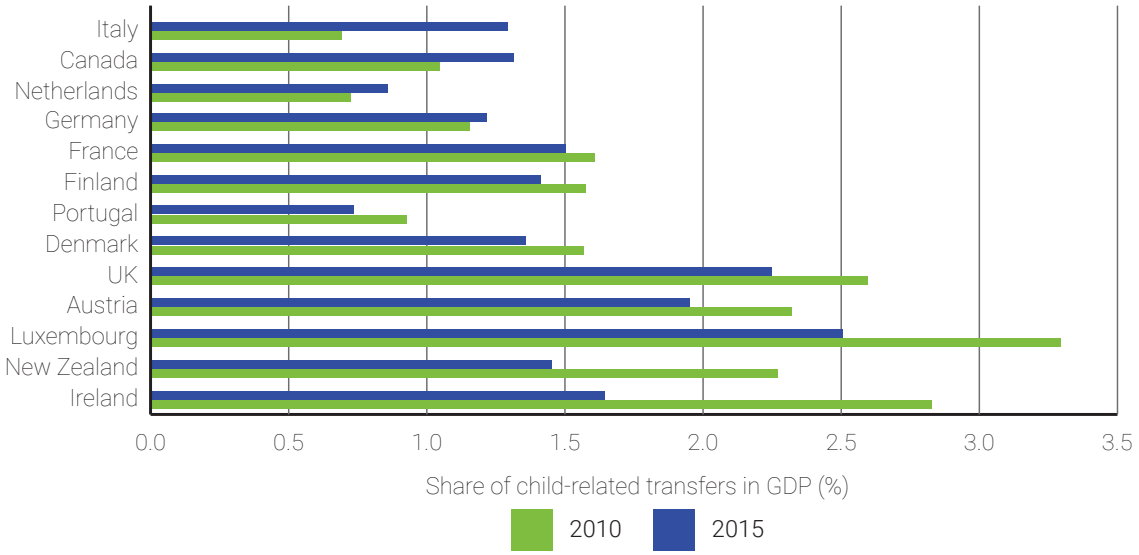
Source: Authors' calculations and elaboration of data from OECD (2019) database, accessed February 2019 (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart), and from Budget of the US Government, Fiscal Year 2018, Table 8.5.

The US has never had a 'universal' cash transfer for children, relying instead on means-tested social assistance to families with children (the Aid to Families with Dependent Children (AFDC) and TANF). However, reforms in the 1990s led to the scaling-back of social assistance to families and expansion of employment-related support from tax credits and childcare subsidies. This tendency makes the US an outlier in OECD countries. Nonetheless, the trend it exhibits, of moving from sole reliance on cash transfers to increased use of refundable tax credits for families with children, and especially to supplement the low-income earnings of lone parents and other parental workers, has been repeated across other OECD countries – e.g. Australia, Canada and the UK.

Source: Falk (2014)

Given the well-documented policies of fiscal austerity being implemented in OECD countries (Taylor-Goodby et al., 2017; Alesina et al., 2018), we examine, separately, changes in spending over the 2010–2015 period. The data show that 16 of the 23 countries, including the top 12 countries with the highest shares of spending on child-related benefits in 2015, except Belgium, cut spending between 2010 and 2015. A small number of countries have increased their spending on child-related benefits, but by relatively less. It is notable that, even in HICs, budgets for cash transfers can shift markedly in relatively short periods (Figure 19). Trend data for the 13 newer OECD member countries are available for 2000–2015 only and indicate a mixed picture, with rises in about half of the countries and falls in the remainder (Table 5). Comparing 2010 and 2015 spending levels indicates cuts in all but three countries – Chile, Mexico and Republic of Korea.

Figure 19 Share of spending on 'family benefits' cash transfers in countries with largest change between 2010 and 2015 (% of GDP)



Source: Data (and author calculations) from OECD (2019) database, accessed February 2019 (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

Table 5 Spending on 'family benefit' cash transfers as % of GDP in 13 newer OECD countries, 2000–2015

Country	Expenditure (% of GDP)					'Austerity' 2010–2015 PPT change
	2000	2010	2015	PPT change	% growth	
Estonia	1.52	2.14	2.01	0.49	33	-0.12
Hungary	1.88	2.21	1.73	-0.15	-8	-0.48
Czech Republic	1.33	1.86	1.50	0.17	13	-0.35
Slovakia	1.53	1.58	1.45	-0.08	-5	-0.13
Latvia	1.22	1.27	1.28	0.05	4	0.01
Slovenia	1.50	1.59	1.28	-0.22	-15	-0.32
Iceland	1.00	1.40	1.02	0.01	1	-0.38
Israel	1.57	1.05	0.82	-0.74	-47	-0.23
Lithuania	0.94	1.77	0.80	-0.14	-15	-0.97
Chile	0.94	0.67	0.76	-0.18	-19	0.09
Poland	0.95	0.78	0.69	-0.26	-27	-0.09
Mexico	0.14	0.43	0.44	0.30	208	0.01
Republic of Korea	0.00	0.05	0.18	0.18	5900	0.13
Average	**1.12**	**1.29**	**1.07**	**-0.04**	**463**	**-0.22**
Median	**1.22**	**1.40**	**1.02**	**-0.08**	**-5**	**-0.13**

Notes: Spending for Republic of Korea in 2000 is rounded to zero. For Poland, the 2015 data point is from 2013, the latest year available. PPT change is percentage point change.

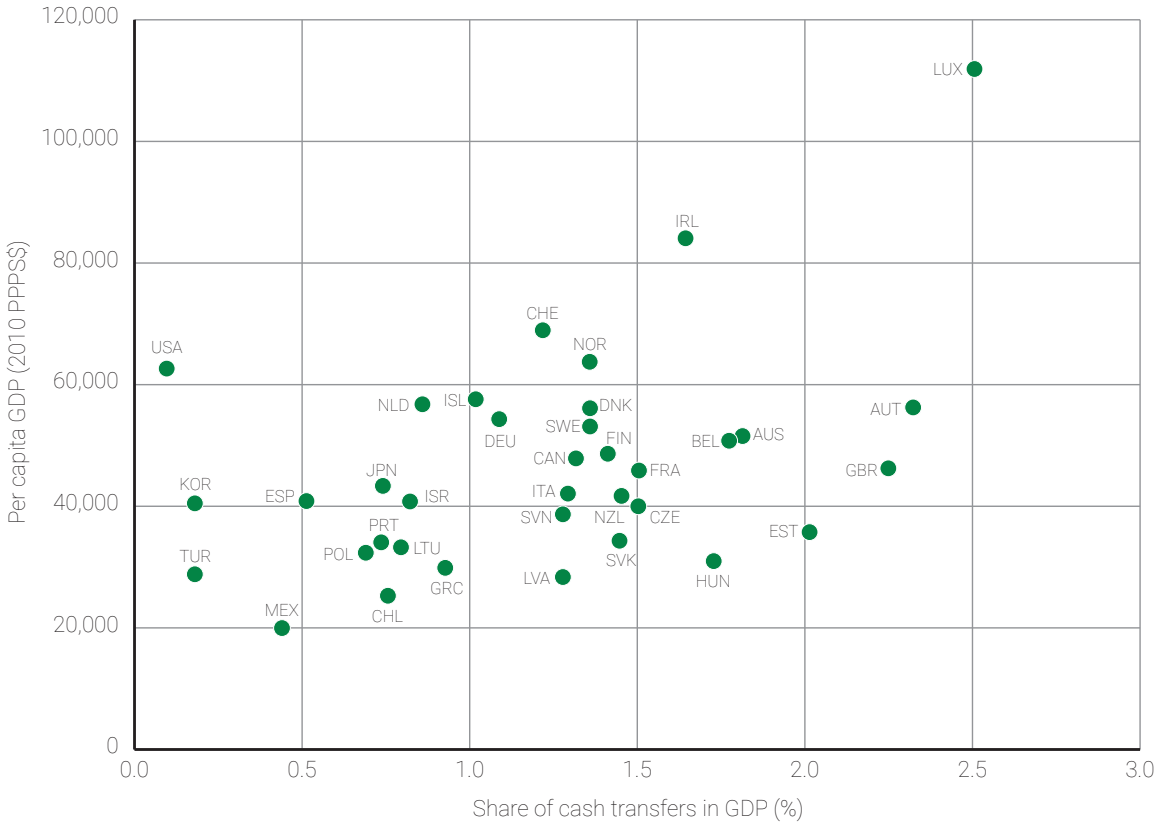
Source: Data (and author calculations) from OECD (2019) database, accessed February 2019 (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

The analysis points to different spending levels across OECD countries. Moreover, although positively correlated, levels of per capita GDP and the share of GDP that is spent on child-related transfers vary considerably between countries (Figure 20). Turkey, the Republic of Korea and the US allocate relatively low amounts to such transfers, despite considerably different income levels, whereas Estonia dedicates a higher share than either Denmark or Norway. It should be recalled that spending on transfers represents only one element of a child benefit package, and that a full assessment of spending that benefits children should take this broader landscape (of in-kind transfers and tax credits) into account. However, these differences also hint that country-level factors are likely to condition these spending decisions and point to the possibility that exists for countries at different income levels to prioritise cash transfers for children.

Previous sections of this report have already established the importance of a focus on underlying population characteristics – namely the share of the child population and of households with children – in shaping the impact of any child-focused cash transfer programme. Unsurprisingly, this is also important to include in any analysis of child-related spending over time, given that child populations within countries tend to change. Therefore, we revisit the spending data to make explicit these underlying shifts in the proportion of the child population.

Over past decades, child populations in most OECD countries have fallen (Figure 21). Some countries have had proportional declines in their population of children of over 30%, namely Portugal, Japan, the Republic of Korea, the Slovak Republic and Spain. In contrast, a small number of countries have seen growth in their 0–17-year-old population, namely the US, Australia, Israel and Luxembourg. Changing

Figure 20 GDP and spending on 'family benefits' cash transfers in 36 countries as a % of GDP



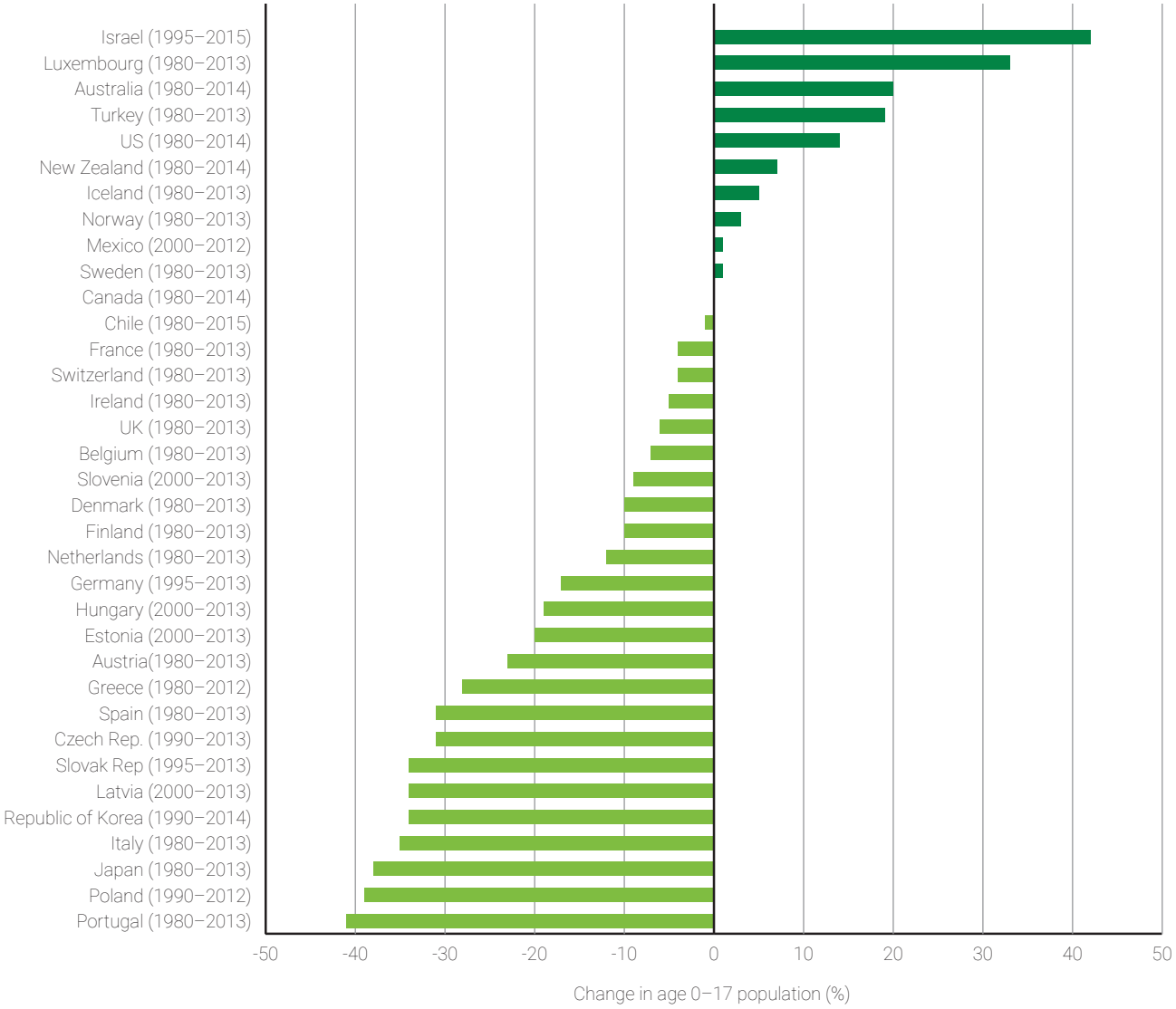
Source: Author elaboration of data on GDP from World Bank (2019a), accessed in June 2019, and on cash transfers from Tables 4 and 5 (OECD (2019) database, accessed February 2019) (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

populations mean that interpreting the earlier spending trends expressed as a percentage of GDP may miss the fact that lower spending has resulted from declining populations or vice versa. Indeed, it may be the case that lower spending has occurred in the face of a rising child population, or that higher spending has occurred despite a falling share of the child population – as is notable in Japan.

To account for population change, OECD data on cash family benefits was recomputed to give expenditure in every country in 'real per capita' terms, allowing for both price inflation and for changes to the 0–17 population (Figure 21). The countries are divided into three groups, based on the magnitude of change in their spending levels (Figure 22).[77] The key message is that growth in spending on transfers does not reflect reductions in numbers of children, for most countries. Underlying this are several interesting tendencies. First, only five countries show declining levels of real spending (Poland, Germany, Turkey, Netherlands and the US). Of those, Germany and Poland show growth in spending in per capita terms, while the other three exhibit declines across both real and real per capita spending, indicating that not only did child transfers fall but they failed to keep pace with changes in the child population. As remarked on above, in some countries, this emphasis on transfers provides partial insights only - as in the United States (Box 12), where declines in transfer spending were offset by rises in tax credit spending. Second, in a small number of countries, notably Luxembourg, Australia, New Zealand and Israel, real spending and real spending per capita have both increased, but the growth in real spending has not kept pace with the change in the child population. Finally, while the decline in the

77 This allows scaling on the y-axis to reflect different levels of growth and avoid the compression of data points. Note that the Republic of Korea has been omitted as the calculation of growth from a very low absolute starting point produces figures of 1,289% real growth in spending and 2,011% growth in real per-capita spending, making it an outlier for scaling.

Figure 21 Change in the 0-17 population at country level over past decades (%)

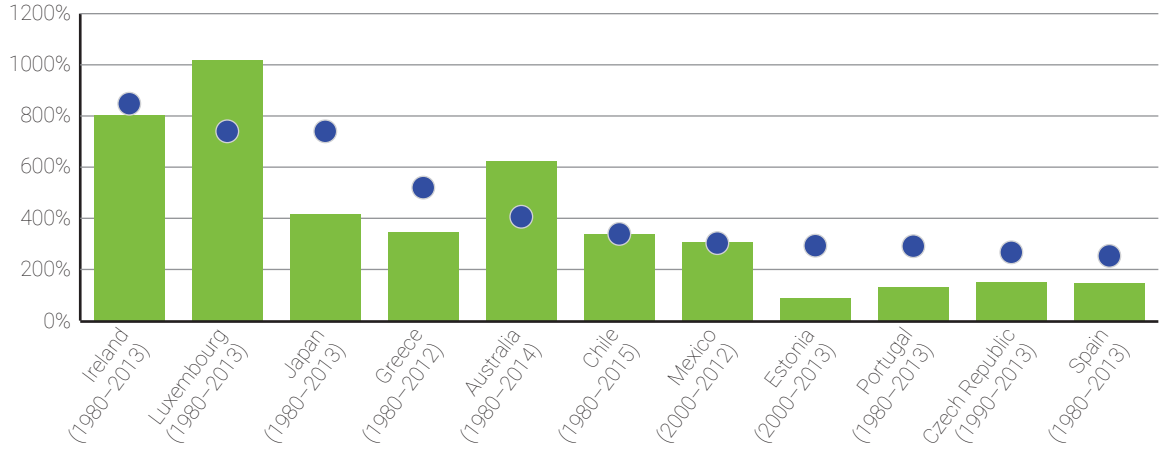


Notes: Populations for 2013, 2014 and 2015 are based on the 2015 UN DESA median variant estimate.
Source: Author calculations and elaboration of data from UN DESA (2017b), accessed February 2019

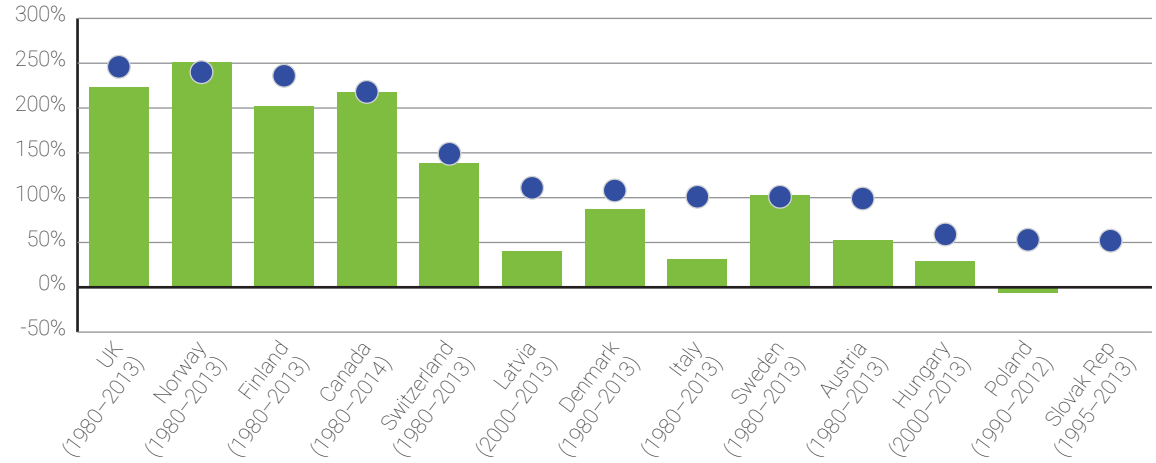
child population appears to have resulted in higher spending per child in many countries, it does not explain considerable differences between them. For example, Portugal and Japan both registered large declines in their child population between 1980 and 2013 – in excess of 30% – yet real spending per capita increased around 750% in Japan, compared with 300% in Portugal. More broadly, this exercise affirms the importance of population characteristics as a key element of projecting the costs and affordability of a UCB or broad-based child transfer, an issue which we revisit later in this section (Section 7.5). An assessment of growth in real per capita spending improves our understanding of the consistent 'value' of these cash benefits for the population receiving them, but we have no data on the caseload for these transfers to enable us to know whether this growth in value represents an increased generosity of transfers or increasing populations who are entitled to them and claim them in practice.

Figure 22 Trends in real spending and real per capita (0–17) spending on cash family benefits in OECD countries, various years (%)

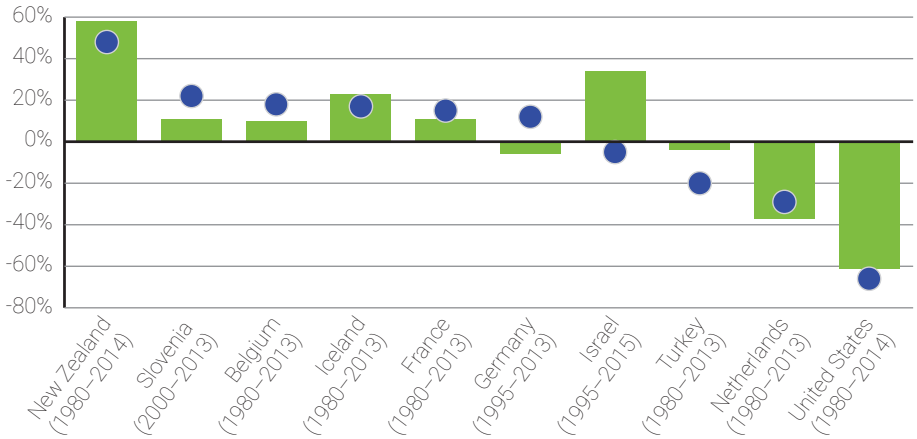
A. 11 Highest-spending growth countries



B. 13 Mid-level spending growth countries



C. 10 Lowest-level spending growth countries



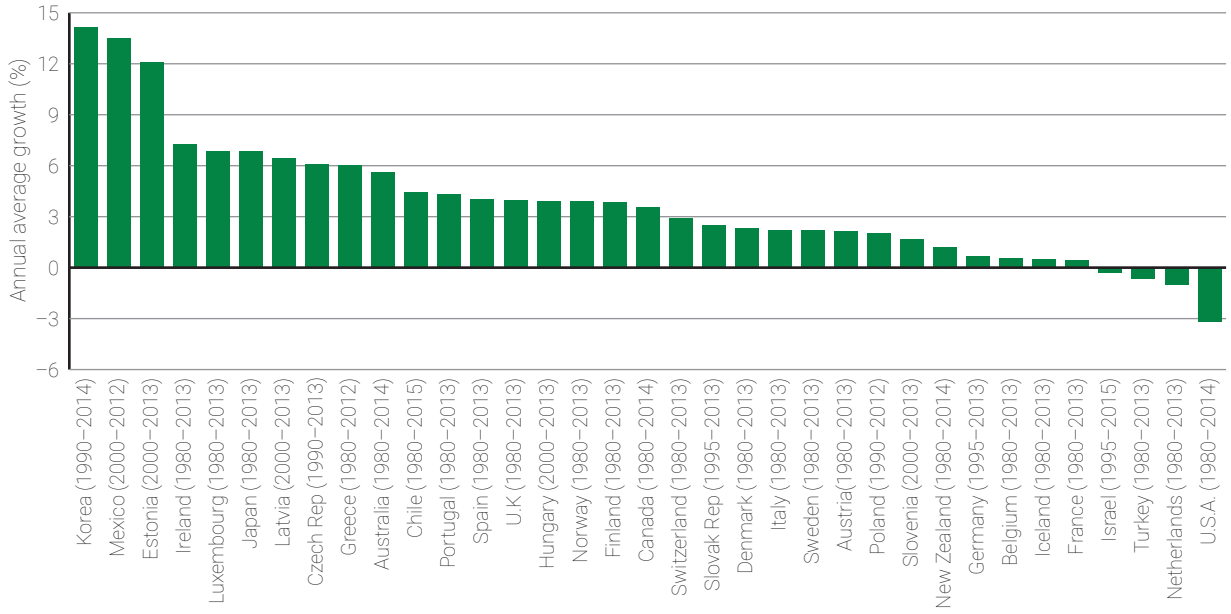
Source: Author calculations and elaboration of data from OECD (2019) database, accessed February 2019. (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

Another issue in interpreting the spending data in Figure 22 is that growth or decline are occurring over varying periods, making a consistent comparison difficult if similar levels of growth occur over different time periods. For this reason, the most consistent way of calculating real per capita spending trends is to use 'average annual growth' that controls for the different underlying number of years of trend data across countries (Figure 23). The resulting figures point to high growth rates, in excess of 10% per child yearly, in countries including the Republic of Korea, Mexico and Estonia, as well as growth rates exceeding 5% per child annually in Ireland, Luxembourg, Japan, Latvia, Czech Republic and Australia. Countries such as Turkey and the Netherlands are at the other extreme, with negative annual growth rates per capita. Again, these very different growth rates illustrate the diversity of country-level trajectories but suggest that the overall tendency is towards the expansion of child benefits, even where child populations are falling.

7.4 How much would a universal child benefit cost in low- and middle-income countries?

The previous analysis for OECD countries, with long-established histories of providing child-related benefits (and available trend data), has showed that while levels of spending on child-related transfers vary considerably between countries, the overall tendency is an increase in child benefit spending over time even though the share of children fell in most countries. While the experience of OECD countries delivering UCBs provides a useful reference on UCB costing (and spending in practice), it is not necessarily particularly relevant to low- and middle-income contexts, where the proportion of children in national populations are higher, poverty is conceptualised differently (in absolute terms, rather than relative to a societal median) and GDPs are lower. For this reason, we consider separately the question of what a UCB could cost LICs and MICs. Section 7.2 illustrated that investments in LICs and MICs in child protection are typically lower than in HICs, but again, with considerable variation, which relates to the coverage and value of the transfer, and the cost of its administration. Here we consider how these factors – specifically, the share of the child population and transfer value – apply to the costing of a UCB.

Figure 23 Annual average growth in per capita real spending on family benefits (%)



Source: Author calculations and elaboration of data from OECD (2019) database, accessed February 2019 (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

Proportion of children in the population

The first factor influencing costs is the share of the population who would be eligible to receive a UCB. As noted in Chapter 1, UN population data is available for 0–14 and 0–19 age groups rather than the 0–17 category that is the focus of the CRC; the analyses presented in this section consider the former. Since 1980, the proportion of children in the general population has been falling overall across all countries within each income classification, although the underlying proportions are far higher in LICs and lower-middle-income countries (LMICs) than in countries with higher economic resources (Figure 24). LICs not only have the highest proportion, but this proportion has declined more slowly (on average, 45% of the population were aged 0–14 in 1980, falling in the 2000s to 42% in 2017). LMICs have had a steeper decline from a lower starting point: 40% in 1980 to 30%. Decline is still more rapid in UMICs, from a lower starting point of 36%, falling to 21%. This meant that by 2017, the proportion of children in UMICs was nearing the levels of OECD countries and HICs.

However, while declining proportions of children in the overall population may point to lower relative costs of covering their needs in comparison to other age groups of the population, this is not the case in terms of absolute numbers of children. When we consider the actual potential 'caseload' for UCBs, we see real absolute increases in children in LICs and LMICs over the past 37 years (from 122 to 308 million, and from 601 to 903 million, respectively).

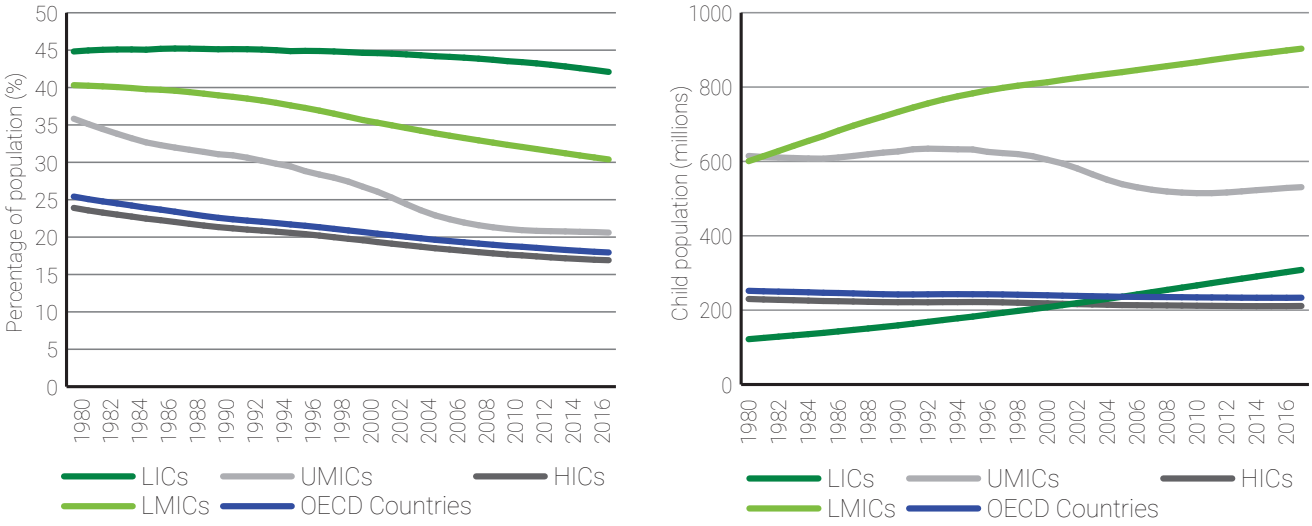
To the extent that child grants are funded from sources other than personal income taxes, as is often the case in LICS, this higher caseload may be especially problematic. We will return to discuss the underlying population trends more fully in the next subsection as we discuss considerations relating to affordability, but this assessment already highlights an inverse relationship between population-based costs and national economic resources.

Setting the value of a transfer

The second main driver of costs is the value of the transfer. The arithmetic of universal transfers means a lower level of transfer when compared to a selective or 'targeted' transfer for the same budget. We demonstrate what difference this simple arithmetic trade-off can make for a hypothetical LIC, St Clausia, in which 62% of all children are poor (Table 6). The example (which for simplicity, does not account for the costs of transfer implementation) shows that for a given budget, the value of the transfer could vary eight-fold, from $36 under the most restrictive scenario (12% of 0–14-year-old children) to $4.50 if the same budget were allocated among all children.

Moving from the hypothetical example to the economic reality of low- and middle-income contexts highlights the very real trade-offs countries confront in financing large-scale transfers. Here, we identify the per capita UCB that 1% of GDP would afford for countries at different income levels, considering the amount of the transfer as a share of the extreme

Figure 24 Population of children (0–14 years) by country income classification



Source: Author calculations and elaboration of data from World Bank (2019a) on population (0–14) and total population, accessed February 2019

Table 6 St Clausia: arithmetic of transfer levels for targeting children

Category of children	Target population (million)	Monthly value of transfer ($PPP)	% of $1.90 poverty line
All 0–14s	4.7	4.37	7.6
Poor children (62%)	2.9	7.05	12.2
Near poor and poor children (82%)	3.9	5.33	9.2
All 0–4s	1.7	11.96	20.7
Children with disabilities (12%)	0.6	36.44	63.0

Source: Author elaboration of hypothetical data.

Table 7 Per capita UCBs that result from 1% GDP: values per poverty line

Income group	GDP (million $PPP)		Child population (million)		Extreme poverty line ($PPP)	Per capita UCB (% of extreme poverty line)		Income group poverty lines ($PPP)	Per capita UCB (% of poverty line)	
	2017	1% of GDP	0–14 years	0–4 years		0–14 years	0–4 years		0–14 years	0–4 years
LIC	1,577,729	15,777	275	103	1.90	8	22	-	-	-
LMIC	21,392,075	213,921	924	320	1.90	33	96	3.20	20	57
UMIC	45,816,701	458,167	533	185	1.90	124	357	5.50	43	123

Notes: This does not include allowances for administrative costs.
Source: Author calculations of data from World Bank (2019a) for GDP and UN DESA (2017b) for populations, accessed in March 2019

poverty line (adjusted for each income group). Across the LICs, the budget afforded by 1% of GDP would result in a UCB with a value of 8% of the extreme poverty line for 0–14-year-olds, or 22% of the extreme poverty line if allocated only to 0–4-year-olds (Table 7). In turn, the higher aggregate GDP of MICs can 'fund' much higher levels of transfer: LMICs could fund a per capita UCB at 20% and 57% of the $3.20 poverty line, respectively, while UMICs could fund 43% or 123% of the $5.50 poverty line, depending on the age group covered.

So far, we have only discussed the costs of a UCB as the outcome of an allocation of 1% of GDP – for the purposes of comparing the effects of a 'fixed budget' assumption on the value of transfers across groups of countries. This hints already at the challenge that funding a UCB may pose for LICs in particular. An alternative approach to assessing costs is to start from assumptions on the value of potential transfers and then determine their cost. We discuss three potential approaches which set the transfer: i) relative to the national poverty line, ii) international poverty lines and iii) relative to median household income or consumption.

Scenario 1: Setting the transfer relative to the national poverty line

The first scenario sets the value of the benefit at 25% of a country's national poverty line.[78] Across 96 LICs and MICs, the cost for a country to provide a UCB to 0–14-year-olds is 4.6% on average (costs for each country are provided in Annex 4). Among income groups and regions, the range is considerable: it spans from 1.5% for UMICs to 8.7% for LICs, and from 1.2% for ECA (excluding Kyrgyzstan, which is an influential outlier) to 2.3% for LAC (Table 8).

78 Note that the use of national poverty lines to set a transfer will result in grant values that are likely to produce very different marginal improvements in well-being across contexts (Ortiz et al., 2017).

The tables also show the cost of providing a transfer to poor households only versus all households, taking into account the higher administrative costs associated with the former. This computation again raises the paradox that the marginal cost of making a transfer universal is lowest in the LICs, where resources are most scarce, but poverty rates are highest. It costs 1.3 times as much to administer a transfer universally in LICs relative to a targeted transfer, whereas in UMICs, the corresponding ratio is 7.5. For regions, the variation is higher still: the ratio ranges from 1.4 in SSA to 14 in MENA.

This builds on earlier, similar costing work by Ortiz et al. (2017) for 57 LICs and LMICs, which also sets the

Table 8 The cost of universal and means-tested child benefits by country income group and region (% of GDP)

8A: Estimates by income group

Country income group	All children (% of GDP)	Number of countries <= 1% of GDP	Poor children only (% of GDP)	Number of countries <=1% of GDP	Ratio of universal to means-tested transfer
LICs	8.7	0 of 31	6.7	1 of 27	1.3
LMICs	3.6	9 of 34	1.4	18 of 32	2.6
UMICs	1.5	7 of 31	0.2	25 of 25	7.5

8B: Estimates by region

Region	All children (% of GDP)	Number of countries <= 1% of GDP	Poor children only (% of GDP)	Number of countries <=1% of GDP	Ratio of universal to means-tested transfer
East Asia and Pacific	1.7	5 of 11	0.7	8 of 10	2.4
Europe and Central Asia	7.2	2 of 7	1.8	4 of 5	4.0
Europe and Central Asia (minus Kyrgyzstan)	1.2	-	0.2	-	6.0
Latin America and Caribbean	2.3	4 of 22	0.5	16 of 18	4.6
Middle East and North Africa	1.4	3 of 3	0.1	3 of 3	14.0
South Asia	2.3	2 of 8	0.8	5 of 7	2.9
sub-Saharan Africa	6.8	3 of 43	4.9	8 of 41	1.4
sub-Saharan Africa (minus Democratic Republic of Congo)	6.1	-	4.1	-	1.5

Notes: The benefit is set at 25% of the national poverty line and poor households are identified by this metric. The costs assume that targeted benefits incur administrative costs of 11% and that universal benefits incur administrative costs of 3% (see Ortiz et al., 2017). In Table 8B, we cost ECA with and without Kyrgyzstan, and SSA with and without the Democratic Republic of Congo (DRC) because these countries are influential outliers within their regions.

Source: Author calculations of data from ILO (2019) (https://www.social-protection.org/gimi/gess/ShowWiki.action?wiki.wikiId=3051)

benefit at 25% of a country's national poverty line. [79] Their study also classifies children into five-year age bands (0–4, 5–9 and 10–14), providing insights into the costs of extending a UCB to different age groups. It shows that reaching all children aged 0–4 would cost, on average, 1.4% of GDP, while reaching all children aged 5–9 and 10–14 would require an additional 1.3% and 1.2% of GDP respectively.

Scenario 2 – Setting the transfer value relative to international poverty lines

The second scenario costs transfers at the level of the poverty gap[80] to allow computation of the cost of eliminating poverty among households with children at a country level. We base the poverty calculation on international poverty lines, as used by the World Bank. To compare the lower-bound estimate across country income levels, we also use the poverty gap for the lower line in MICs – namely $1.90 for LMICs and $3.20 for UMICs.

Table 9 shows the poverty gaps in $ PPP for each country income group and the resulting daily UCB that results. The costs are expressed as a percentage of GDP and are shown for each poverty line for the 0–14 and 0–4 age groups. All transfers are costed using a simple 'per capita' allocation to every child in those age bands. The analysis clearly shows that financing a UCB would be much more challenging for LICs: they would need to spend 2.3% of GDP to close the average poverty gap for children aged 0–14, compared with 0.1% for LMICs ($1.90 a day poverty line) or 0.8% ($3.20 a day poverty line). For UMICs, the cost would represent an even more manageable 0.2% of GDP to reach all 0–14 year olds.

Note that global poverty gaps for children are higher than average poverty gaps (Newhouse et al., 2016) at all levels of income, and thus if child-related poverty was to inform the value of transfer to be costed, they would be higher. We have no data to demonstrate this at national or aggregate level, so this analysis is only illustrative of the magnitude of investment that would be needed.

Scenario 3 – Setting the transfer relative to median income or consumption

The third scenario we consider costs a UCB on the basis of national-level data from household income or consumption surveys, drawing on a selection of countries who report recent data on median income or consumption.[81] Using median income as an anchor for costing gives a clear 'relative' income approach to setting transfers that reflect a proportion of 'typical' rather than mean income, where means are often pulled upwards in value by the top end of the income/consumption distribution. In this way, it is closer in spirit to the earlier analysis that focused on poverty in OECD countries, with poverty measured in relation to median income in a country rather than an absolute threshold. We estimate the costs associated with a transfer that is valued at 10%, 20% and 30% of median income or consumption, respectively, and present the results separately for LICs, MICs and UMICs (Table 10).

It is notable that, once again, a UCB places a higher burden on poorer countries – costs exceed 2% of GDP for seven LICs (six in SSA and Tajikistan), one LMIC and no UMICs. And within the LICs and LMICs, there are countries that would find a UCB at the stipulated levels more and less affordable. Again, a key explanatory factor is the share of children in their populations. It is notable that in the LICs in which a UCB would cost over 2% of GDP, children make up between 40% and 50% of the population (except in Tajikistan, where the share is 35%) whereas in Bhutan and Bangladesh, the two countries that would find it most affordable, the shares are 27% and 29%, respectively.

79 They do not use equivalence scales to account for economies of scale within larger households as is common outside the OECD.

80 For the purpose of this exercise, the poverty gap is standardised by the population in poverty only, as opposed to the conventional definition of the gap, which is standardised relative to the total population.

81 It should be noted that values of median income tend to be higher than the same point in the distribution of household consumption, and that countries who use household income for national statistics will therefore report higher costs as a share of GDP compared to countries that use consumption.

Table 9 The cost of UCBs valued as mean poverty gaps (% of GDP)

Country income group	Transfer level calculation					
	Poverty gaps (% of PL)			Daily UCB (PPP$)		
	$1.90	$3.20	$5.50	$1.90	$3.20	$5.50
LIC	16.80	–	–	0.32	–	–
LMIC	3.50	13.80	–	0.07	0.44	–
UMIC	–	2.00	7.00	–	0.06	0.39

Country income group	Spend (% of GDP)					
	$1.90		$3.20		$5.50	
	0–14 years	0–4 years	0–14 years	0–4 years	0–14 years	0–4 years
LIC	2.27	0.85	–	–	–	–
LMIC	0.12	0.04	0.80	0.28	–	–
UMIC	–	–	0.03	0.01	0.18	0.06

Sources: Author calculations of data from World Bank (2019a) for GDP, World Bank (2019b) for poverty gaps, UN DESA (2017b) for populations, accessed in March 2019.

Note: Selected countries which have data for period 2014–2017 in World Bank (2019b)

Table 10 The cost of a UCB valued as a proportion of median household income or consumption by income group (% of GDP)

10A: Low-income countries

Country	Median income/ consumption (PPP$)	Year	UCB for 0–14 population			UCB for 0–4 population		
			10%	20%	30%	10%	20%	30%
Niger	61.98	2014	4.1	8.1	12.2	1.7	3.3	5.0
Gambia	116.18	2015	3.8	7.7	11.5	1.5	3.0	4.5
Ethiopia	83.60	2015	2.6	5.1	7.7	0.9	1.8	2.8
Tajikistan	157.72	2015	2.4	4.7	7.1	0.9	1.8	2.8
Mozambique	45.01	2014	2.2	4.4	6.6	0.8	1.7	2.5
Burkina Faso	62.62	2014	2.1	4.2	6.3	0.8	1.6	2.4
Uganda	67.00	2016	2.1	4.1	6.2	0.8	1.6	2.4
Togo	58.52	2015	1.9	3.8	5.7	0.7	1.4	2.1
Cameroon	109.08	2014	1.7	3.4	5.2	0.7	1.3	2.0
Bolivia	298.22	2016	1.6	3.2	4.7	0.5	1.1	1.6
Côte d'Ivoire	84.99	2015	1.3	2.5	3.8	0.5	1.0	1.4
Yemen	94.37	2014	1.2	2.4	3.6	0.4	0.9	1.3
Benin	58.37	2015	1.1	2.2	3.3	0.4	0.9	1.3
Bangladesh	93.85	2016	0.9	1.8	2.7	0.3	0.6	0.9
Bhutan	204.84	2017	0.7	1.4	2.1	0.2	0.5	0.7
Average			**2.0**	**3.9**	**5.9**	**0.7**	**1.5**	**2.2**
Median			**1.9**	**3.8**	**5.7**	**0.7**	**1.4**	**2.1**

10B: Lower-middle-income countries

Country	Median income/ consumption (PPP$)	Year	UCB for 0–14 population			UCB for 0–4 population		
			10%	20%	30%	10%	20%	30%
West Bank and Gaza	263.75	2016	2.5	5.1	7.6	1.0	1.9	2.9
Mauritania	146.72	2014	1.9	3.8	5.7	0.7	1.4	2.2
Nicaragua	227.02	2014	1.6	3.3	4.9	0.5	1.1	1.6
Kyrgyzstan	137.24	2016	1.4	2.8	4.2	0.6	1.1	1.7
Honduras	165.81	2016	1.4	2.7	4.1	0.4	0.9	1.3
Kenya	73.24	2015	1.2	2.4	3.6	0.4	0.9	1.3
El Salvador	236.74	2016	1.0	2.1	3.1	0.3	0.7	1.0
Viet Nam	234.87	2016	1.0	2.0	3.1	0.4	0.7	1.1
Moldova	247.47	2016	1.0	2.0	3.0	0.3	0.7	1.0
Pakistan	116.95	2015	1.0	2.0	2.9	0.4	0.7	1.1
Myanmar	127.71	2015	0.8	1.6	2.4	0.2	0.5	0.7
Ukraine	313.83	2016	0.7	1.4	2.2	0.3	0.5	0.8
Philippines	128.78	2015	0.7	1.4	2.0	0.2	0.5	0.7
Zambia	47.38	2015	0.6	1.3	1.9	0.2	0.5	0.7
Mongolia	221.63	2016	0.6	1.2	1.8	0.3	0.5	0.8
Timor-Leste	72.51	2014	0.6	1.2	1.8	0.2	0.4	0.7
Egypt	146.67	2015	0.5	1.1	1.6	0.2	0.4	0.6
Sri Lanka	196.83	2016	0.5	0.9	1.4	0.1	0.3	0.4
Average			**1.1**	**2.1**	**3.2**	**0.4**	**0.8**	**1.1**
Median			**1.0**	**2.0**	**3.0**	**0.3**	**0.7**	**1.0**

10C: Upper-middle-income countries

Country	Median income/ consumption (PPP$)	Year	UCB for 0–14 population			UCB for 0–4 population		
			10%	20%	30%	10%	20%	30%
Guatemala	170.58	2014	1.0	2.0	3.0	0.3	0.7	1.0
Paraguay	324.03	2016	0.9	1.9	2.8	0.3	0.6	0.9
Ecuador	288.31	2016	0.9	1.8	2.6	0.3	0.6	0.9
Peru	299.88	2016	0.8	1.5	2.3	0.3	0.5	0.8
Costa Rica	455.75	2016	0.7	1.5	2.2	0.2	0.5	0.7
Dominican Republic	313.14	2016	0.7	1.5	2.2	0.2	0.5	0.7
Malaysia	626.13	2015	0.7	1.4	2.1	0.2	0.5	0.7
Namibia	167.14	2015	0.7	1.4	2.1	0.3	0.5	0.8
Brazil	366.54	2015	0.6	1.3	1.9	0.2	0.4	0.6
Iran	376.00	2014	0.6	1.2	1.8	0.2	0.4	0.7
Serbia	335.58	2015	0.6	1.2	1.8	0.2	0.4	0.6
Colombia	271.18	2016	0.6	1.1	1.7	0.2	0.4	0.5
Belarus	516.42	2016	0.6	1.1	1.7	0.2	0.4	0.6
Montenegro	367.37	2014	0.5	1.1	1.6	0.2	0.3	0.5
Gabon	230.89	2017	0.5	1.0	1.6	0.2	0.4	0.6
Armenia	184.83	2016	0.5	1.0	1.5	0.2	0.4	0.5
Turkey	410.71	2016	0.5	1.0	1.5	0.2	0.3	0.5
Thailand	362.18	2015	0.5	1.0	1.4	0.1	0.3	0.4
Bosnia and Herzegovina	471.00	2015	0.5	0.9	1.4	0.2	0.4	0.7
Bulgaria	460.10	2014	0.4	0.9	1.3	0.1	0.3	0.4
Russia	512.15	2015	0.4	0.8	1.2	0.2	0.3	0.5
Macedonia	270.22	2014	0.4	0.8	1.2	0.1	0.3	0.4
Mexico	216.32	2016	0.4	0.8	1.2	0.1	0.3	0.4
Kazakhstan	296.47	2015	0.4	0.8	1.2	0.2	0.3	0.5
South Africa	134.55	2014	0.4	0.7	1.1	0.1	0.3	0.4
Romania	271.40	2016	0.2	0.4	0.6	0.1	0.1	0.2
Average			**0.6**	**1.2**	**1.7**	**0.2**	**0.4**	**0.6**
Median			**0.5**	**1.1**	**1.6**	**0.2**	**0.4**	**0.6**

Notes: Selected countries which have data for period 2014–2017 in PovcalNet. Cost estimates are shown as % of GDP and countries are ranked in descending order by the proportion of GDP that results from a transfer to all 0–14-year-olds; values at 10% of median income or consumption. These are banded into coloured bands: purple for costs that are over 2% of GDP, light green for costs that are between 1% and 2%, and dark green for costs that are less than 1%.

Sources: Author calculations of data from World Bank (2019a) for GDP, World Bank (2019b) for median values, and UN DESA (2017b) for population, accessed in March 2019

What does a UCB cost and how can it be realised progressively?

Comparing results across the scenarios shows the range of estimates that these types of costing exercises yield (Table 11). A transfer that equates to 25% of the national poverty line would be the most expensive – on average, it would require 4.6% of GDP to cover all 0-14 year olds, while for LICs, the cost would be nearly 9%. Under the other scenarios, the cost would be 2% of GDP or higher for LICs, – even drawing on a lower-bound estimate of 10% of median consumption – and around 1% for LMICs and lower still in UMICs.

This table reveals several points relating to cost. First, above, we estimated average spending on cash and near-cash transfers in the established OECD countries at 1.3% of GDP and in the newer countries at 1.1%. This is not dissimilar to the estimate that, on average, implementing a UCB (at 25% of the national poverty line) in a UMIC would cost 1.5% GDP. However, we also estimated that HICs currently spend, on average, around 1.7% of GDP on child and family benefits, compared with 0.25% in LICs, 0.33% in LMICs and 0.58% in UMICs. The large gap between current spending on all social protection directed to children (excluding health) and the costs of a UCB points to the considerable resource mobilisation that funding a UCB is likely to require in many countries.

Second, the data suggest the progressive realisation of a UCB may be a viable option for some countries (see Box 13 for Uzbekistan). Across the scenarios, a UCB restricted to 0–4-year-olds would cost between 35% and 40% of the value of a UCB administered to all 0–14-year-olds. It may be much more feasible, even for LICs, to embark on a path towards universality by administering a transfer to this younger age group. Indeed, many quasi- or fully universal child benefit schemes were not initially designed as universal but instead, their coverage progressively increased over time. As discussed in Chapter 2, programmes can expand towards universal coverage from different starting points and following different trajectories; often these are closely related to the availability of finance.

Table 11 Average cost of alternative UCBs for children aged 0–4 and 0–14 years old (% of GDP): summary table

Scenario	Value of transfer	LICs	LMICs	UMICs
1a	25% of national poverty line (0–14), 96 countries	8.7%	3.6%	1.5%
1b	25% of national poverty line (0–14), 57 countries	5.5%	3.6%	-
1c	25% of national poverty line (0–4), 57 countries	2.1%	1.4%	-
2a	International poverty line (0–14) (mean poverty gap)	2.3%	0.8%	0.2%
2b	International poverty line (0–4) (mean poverty gap)	0.9%	0.3%	0.1%
3a	10% of median income/consumption (0–14) (lower-bound estimate)	2.0%	1.1%	0.6%
3b	10% of median income/consumption (0–4) (lower-bound estimate)	0.7%	0.5%	0.2%

Notes: Scenario 1a is the average cost across the 96 LICs and MICs available in ILO (2019); Scenario 1b is the average of the same 57 LICs and LMICs as in Ortiz et al. (2017), but using ILO (2019); Scenario 1c 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 Table 10. Scenarios 1a-1c assume administrative costs of 3% (see Ortiz et al., 2017), while Scenarios 2 and 3 do not include administrative costs.

Box 13 A proposal for the progressive introduction of a UCB in Uzbekistan

It has been suggested that a UCB could be phased in progressively in Uzbekistan, to minimise its financial impact. Two proposals have been advanced, both of which set benefit values at a rate close to the current family allowance (allocated via means testing and community targeting) and aim, initially, for the benefit to reach all children aged 0–3, to ensure that every child receives support during this critical period in their development. Both options would commence in 2020 and initially cost 0.8% of GDP. Under the schemes (which differ in the value they allocate to children of different ages), 0–3-year-olds would initially be targeted but no child would be subsequently removed from the register, with the end result that by 2034 all children aged 0–14 would be covered (at a cost of 1.3% to 1.5% of GDP, depending on the option selected). The amount of investment is expected to level off thereafter owing to projected decreases in fertility and strong GDP growth.

Source: Oleinik and Kidd (2019)

7.5 Universal child benefit affordability: population trends and benchmarking spending

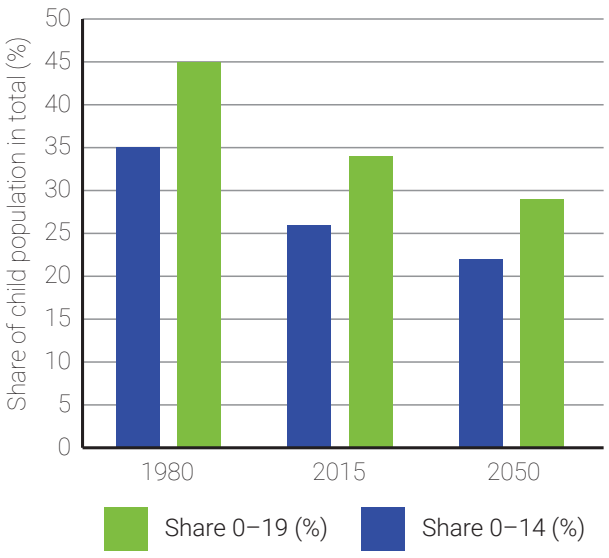
Whether or not a government deems a UCB or large-scale cash transfer to be affordable ultimately reflects a political decision to prioritise a given outcome and to commit the resources it requires. However, this decision will be circumscribed in practice by the cost of a programme (as shown in the previous subsection, which highlighted the greater demands a UCB places on many LICs and LMICs, relative to UMICs) and a country's capacity to raise revenue or to divert income from other sources. To inform consideration of affordability, this subsection explores future demographic trends, particularly for LICs, and how spending on a UCB compares with government spending on other priorities. This information foregrounds the discussion in the following section on avenues open to countries at different income levels to obtain funding for greater investments in cash transfers that benefit children.

Current and potential demand for a UCB

The potential demand for UCBs reflects the underlying child population; Section 7.3 explored how such population trends have affected spending in OECD countries over the recent past, while Section 7.4 included the share of the child population as a key element underlying the costing of a UCB. The most pressing question for consideration when setting up a 'new' UCB is the projected future population of children.

The OECD countries we examine have already gone through the demographic transition (characterised by a shift from high to low mortality), as reflected in their declining share of children in their total population. However, this transition is taking place throughout all regions of the world. Whereas in 1980, children aged 0–14 made up 35% of the world's population and the 0–17 population accounted for 45%, by 2015, the respective shares were 26% and 34% and they are expected to fall further still in coming decades (Figure 25).

Figure 25 Share of children and young people aged 0–14 and 0–19 in the global population, 1980–2050 (%)



Source: Author calculations of data from UN DESA (2017b), accessed in March 2019

Nonetheless, population projections suggest that trends will vary markedly between countries in different income groups (Figure 26). In UMICs, populations are projected to decline, on average, by about 20% by 2050, while LMICs can expect a fairly flat 3–6% increase. However, LICs face a considerable rise in their projected child populations: by 2050 the overall 0–14 population is projected to increase by 67% and the 0–4 population, by 55%. The concern is that expected increases for LICs put considerable pressure on affordability if GDP growth does not exceed population growth and government allocation of spending to children falls below population growth, especially where the ability to levy additional taxes is restricted.

Benchmarking spending on social transfers

One way to put costs into perspective is to conduct a benchmarking exercise that illustrates how the cost of a UCB might compare with other spending priorities. We focus on health and education, two key areas of government spending that disproportionately benefit children, given children are the main recipients of education spending and, in poorer countries, may have larger demands for health services than adult populations. It is important to underline that spending on health, education and cash benefits to children are complementary and mutually reinforcing components of a child benefit package – indeed, levels of spending on these services would need to be maintained or increased to maximise the benefits of social spending accruing from a UCB. The comparison highlights variations in spending patterns across countries, even those within the same income groups, and provides an indication of the scale of resources required for a UCB.

For the latter, we refer to a benchmark of 1% of GDP since on average globally 1% of GDP is spent on child benefit packages and the median cost of (q)UCBs/UCBs reviewed in this report is 1% (Annex 1 Table A1).

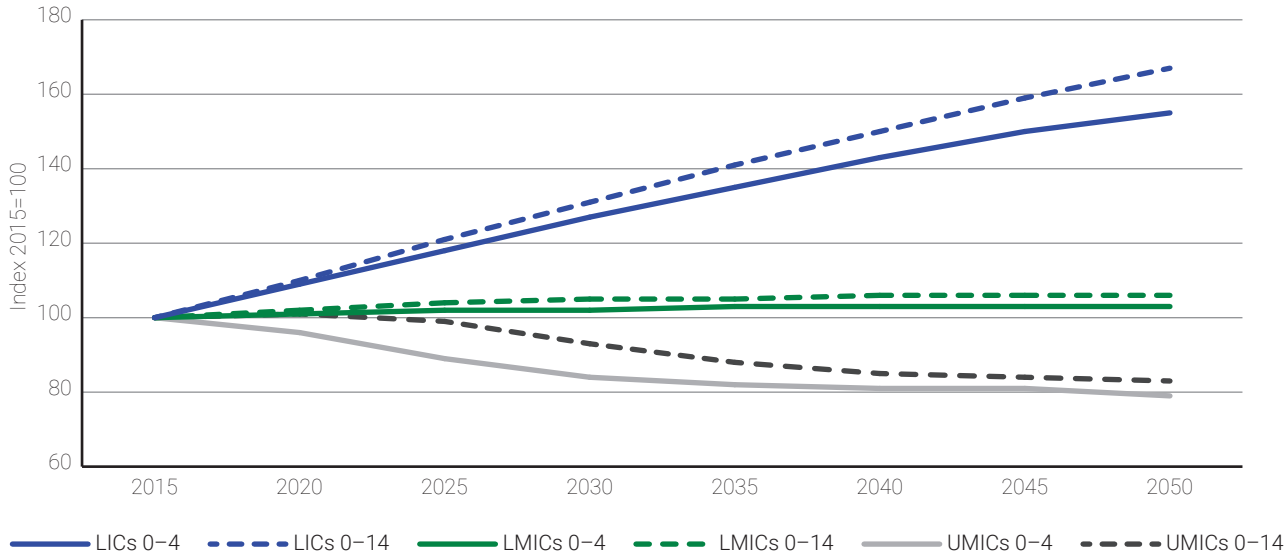
For the 29 LICs (Figure 27A), 1% of GDP is the equivalent of:

- 61% of government spending on health, on average (it is over half of health spending in 18 of these countries)
- 26% of spending on education, on average, for the 28 countries that have education spending data (it is over one-third of spending in 10 of these countries).

For the 43 LMICs (Figure 27B), 1% of GDP equates to:

- 44% of government spending on health, on average, in the 32 countries that have data (it is over 50% of health spending in 19 of these countries)
- 20% of government spending on education, on average, in the 30 countries with data (it is over 30% in 20 countries).

Figure 26 Population projections for children aged 0–4 and 0–14 by income group, 2015–2050 (%)



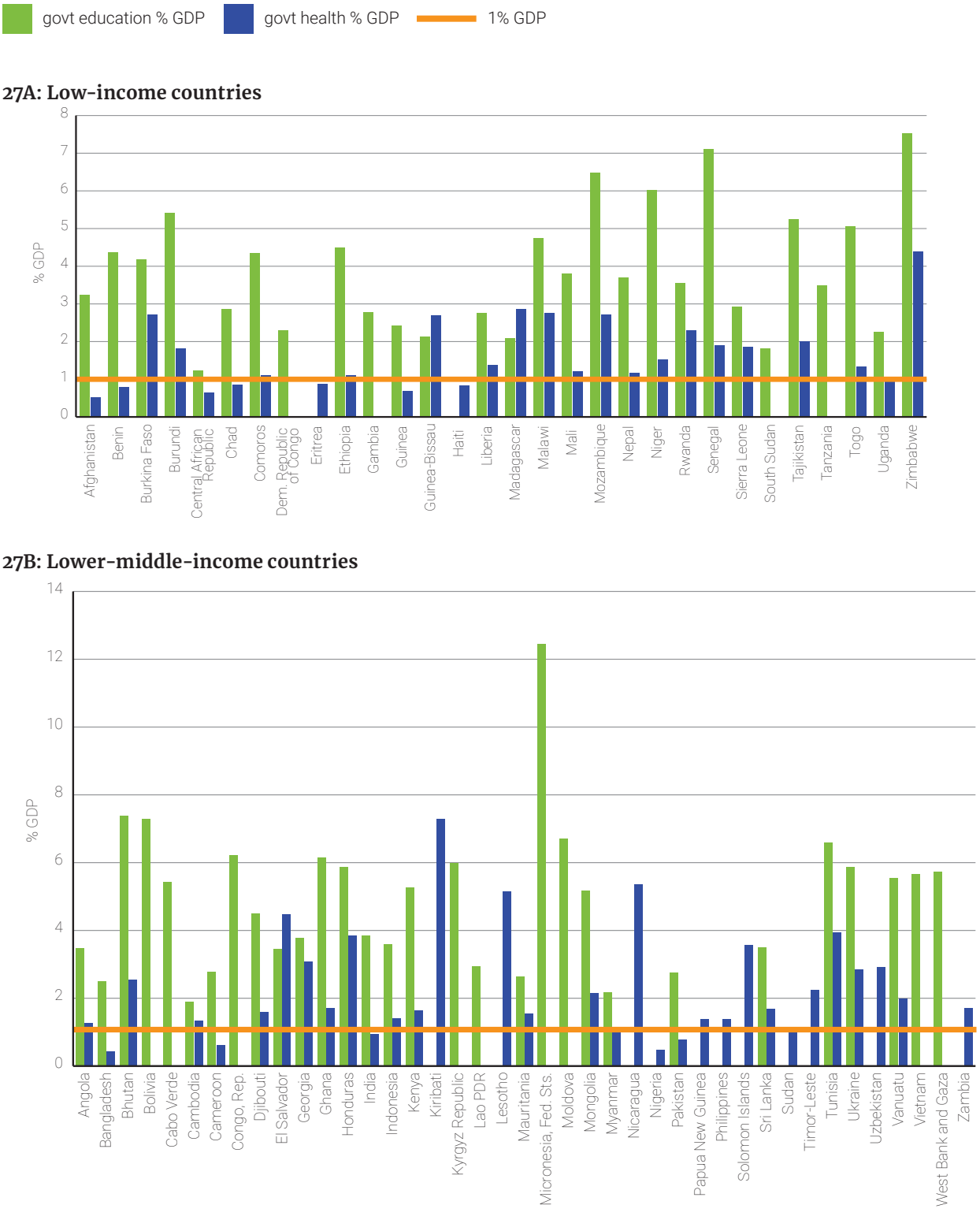
Source: Author calculations and elaboration of data from UN DESA (2017b), accessed in March 2019

For the 44 UMICs (Figure 27C), 1% of GDP equates to:

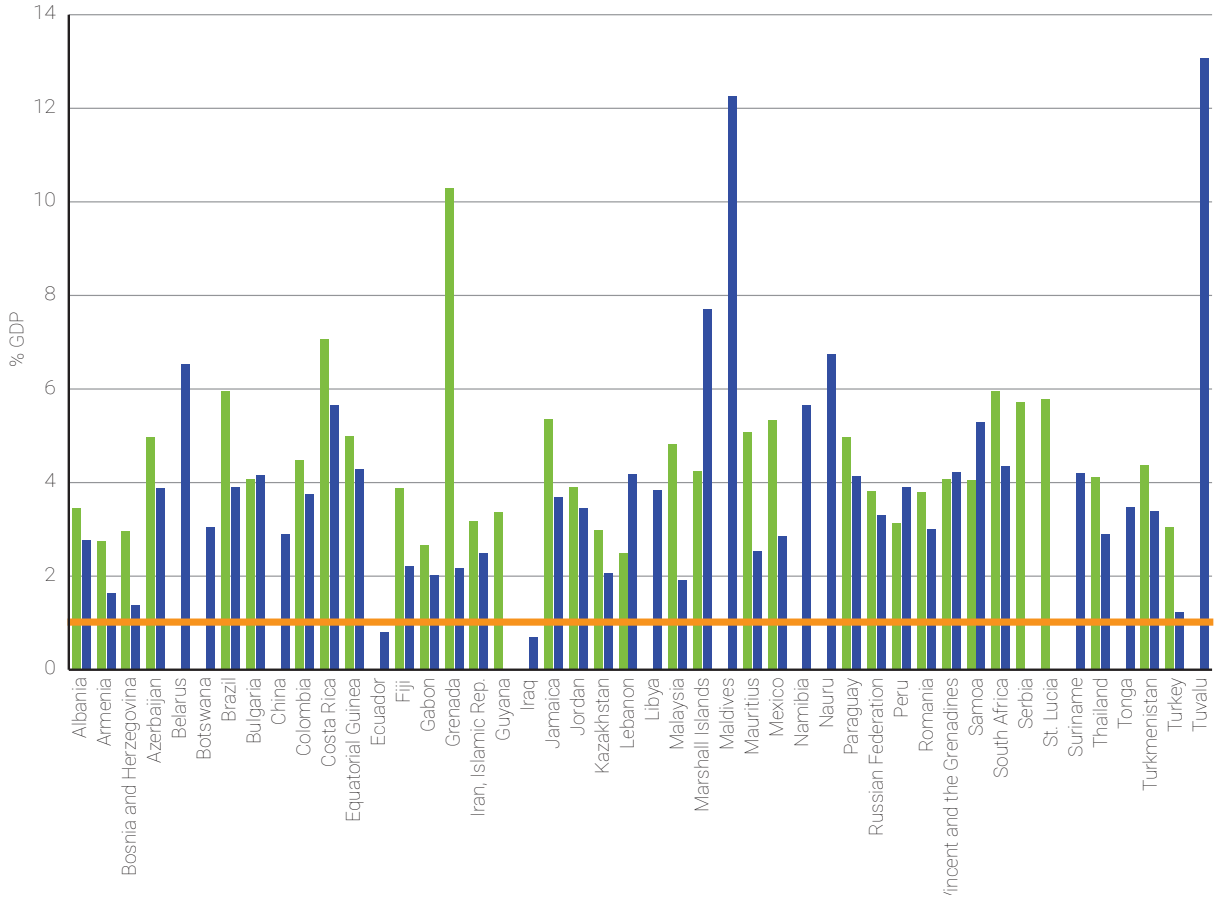
- 26% of government health spending, on average, in the 43 countries that have data (and over 50% in just 7 countries)
- 23% of spending on education, on average, in the 34 countries that have data (and over 33% in just 14 countries).

Another way to benchmark costs is to consider the cost of a UCB compared with other government

Figure 27 Government spending on health and education (% of GDP)



27C: Upper-middle-income countries



Notes: Countries ranked left to right in ascending level of 2017 gross national income (GNI) per capita. Government spending on education and health does not include 'out of pocket' or other private spending in these areas.

Source: Author elaboration of data from UNESCO (n.d.) and WHO (n.d.) databases, accessed March 2019

priorities – a common comparison is military spending. For 119 of the 163 countries for which data are available (73%), military spending exceeds 1% of GDP; in 51 countries (31%), it exceeds 2% of GDP; and indeed in 7 countries (4%), it exceeds 5% of GDP (World Bank, 2019a). It follows that some reallocation of this spending could mobilise considerable additional resources to improve child outcomes.

7.6 Financing child benefits

While debates over whether to expand a child benefits package are ultimately political, they are necessarily embedded within considerations of the fiscal system and the opportunities for raising additional revenue (or reallocating existing revenue) that it may afford. Sources of funding for social protection are diverse – including official development assistance (ODA); domestic revenues; private, community and non-governmental organisation financing as well as household savings and out-of-pocket expenditures (Barrientos, 2007). The challenge that countries face is three-fold: i) to put in place an optimal financing mix to generate needed resources to establish and strengthen social protection systems, ii) to ensure the incentives that financial modalities generate and reinforce poverty reduction, and iii) to secure legitimacy for social protection institutions and policies (ibid.).

Typically, countries have several broad options to raise additional revenue (Heller, 2005; Bastagli, 2015; Ortiz et al., 2017). Growth aside, they can aim to increase taxes, borrow money and/or obtain additional foreign aid. They might also aim to make government operations more efficient and/or reallocate funding from other budget items.

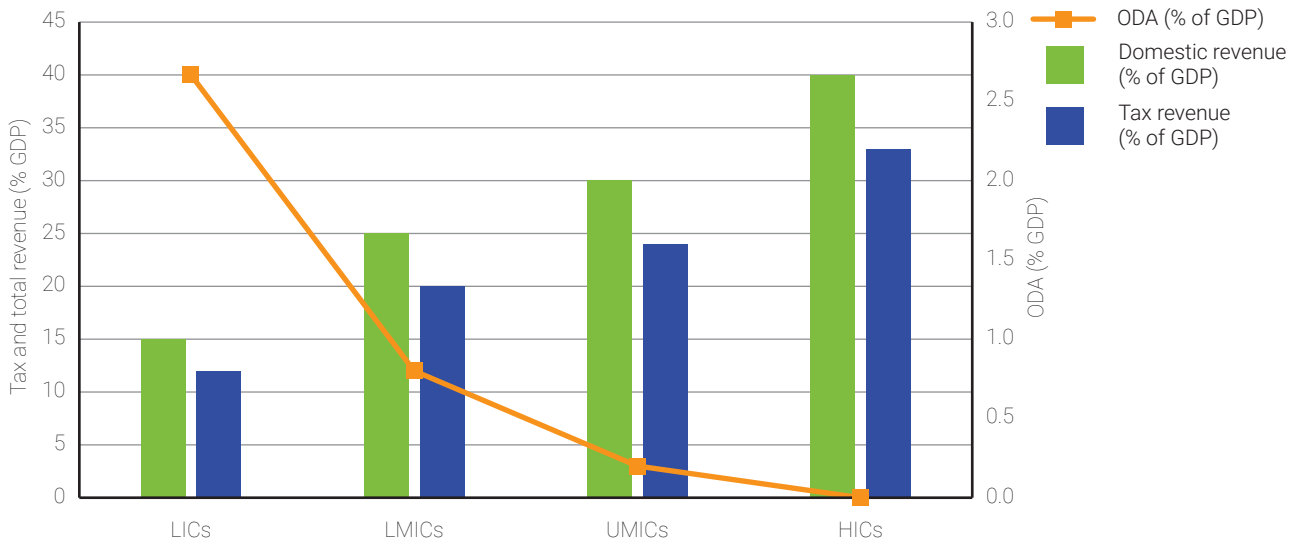
These approaches encompass multiple specific choices, as countries face constraints linked to their incomes, alongside factors such as societal preferences, natural resources, economic structure, administrative capacity (Glenday et al., 2019). This section outlines the level and the structure of revenues in LICs and MICs, how countries with large-scale cash transfers are funding these, and the possibilities that have been mooted for countries at different income levels to finance social spending – highlighting both their revenue-raising potential and their implications for equity and related development outcomes.

Structure of country finances

As countries grow, they tend to rely more on domestic revenues, including tax, and less on ODA (Figure 28). For example, in 2010, overall tax revenue was around 157 times the amount of ODA in UMICs and 14 times the amount in LMICs; only in LICs is the pattern reversed, with ODA contributing 1.2 times the amount of tax revenue (Hanna and Olken, 2018). Within country groupings, the chief trend in terms of tax and domestic revenues is one of 'remarkable stability' (Glenday et al., 2019: 30–40), while the share of ODA has climbed over time and relatively higher shares have been devoted to LICs (ibid: 9). Glenday et al. (2019) report that, overall, UMICs have increased their tax collection efforts over the past two decades relative to their tax capacity, while the performance of LICs and LMICs appears to be declining – though they identify countries at all income levels where effort is relatively high and relatively low. For LICs, the capacity to generate additional revenues may be particularly constrained: Manuel et al. (2018) judge that LICs have the potential to increase their revenue from 17% to 19% of GDP, and MICs from 25% to 30%.

Not only does the share of tax in GDP vary across countries by income group, its composition also varies. A key distinction across regions and country income groups is the comparatively high reliance in HICs on direct taxes (primarily personal income tax), compared with high reliance on indirect taxes in MICs and LICs (ADB, 2014; IMF, 2014; Bastagli, 2015). In lower-income settings, challenges to raising additional revenue through direct income tax include low levels of urbanisation, a large agricultural economy, the high degree of informality, the sizeable resistance to increases in the tax burden among higher-income groups with political influence, and a lower capacity to administer the taxation system and reduce evasion (Tanzi and Zee, 2000; Bastagli, 2015; Hanna and Olken, 2018; Ter-Minassian, 2020). Where increases in tax revenue have been achieved

Figure 28 Share of tax and domestic revenue and of ODA by income group (% of GDP)



Notes: Tax revenue includes social security contributions.

Source: Author elaboration of data on tax revenue and domestic revenue from Glenday et al. (2019: 33, Table 5.1) and data on ODA from Bharali and Gill (2019)

Table 12 Revenue increments with income transitions

Transition	Increase in taxes and contributions (% GDP)	Increase in non-tax revenue (% GDP)	Increase in domestic revenue (% GDP)
Low to lower-middle	8.1	1.7	9.8
Lower- to upper-middle	4.0	1.0	5.0
Upper-middle to high	8.6	1.0	9.6

Source: Glanday et al. (2019)

in LICs and MICs in recent years, they are mainly associated with increases in indirect taxes, such as consumption taxes, and with the taxation of natural resources in resource-rich countries. These are set against declining trade tax revenues, modest gains in personal income tax and limited revenue from property and corporate income tax (Tanzi, 2013; Mansour, 2014; Bastagli, 2015).

These distinct tax structures carry implications for spending on child benefits. In HICs, a reliance on direct taxes and the development of progressive personal income tax systems have gone hand in hand with the establishment of welfare systems, including UCBs (see Chapter 2). In other contexts, that rely more heavily or predominantly on indirect taxes, the taxation of natural resources or ODA, while these present opportunities for financing social programmes, they may also have implications for the sustainable financing of child benefits. More specifically, high reliance on indirect taxation, such as consumption taxes, raise questions about the overall net effect of tax and transfer policy as consumption taxes may be regressive, falling disproportionately on lower-income groups and offsetting progress achieved through social programmes (e.g. Lustig et al., 2013). High reliance on revenue from natural resources requires careful consideration of potential volatility, instability and financing sustainability concerns; while high or exclusive reliance on external funding raises issues of country ownership and policy legitimacy (Barrientos, 2007).

How countries finance large-scale child benefits

Countries with UCBs or qUCBs have financed child benefits in diverse ways. While most, notably in the OECD, rely on personal income taxes, particularly in a context of economic growth, taxes on financial transactions and natural resources have also been important, as has ODA. For example:

- Most modern welfare states financed UCBs through sharp increases in income taxes. In Sweden, for example, post-war welfare schemes were financed through sharp increases in taxes, considered acceptable by taxpayers owing to the universal nature of the schemes, but also aided by strong economic growth and low unemployment levels (Bergh, 2011).
- South Africa finances its CSG through public taxation, which is possible in part owing to a well-developed formal economy and economic growth: in the early 2000s, economic growth enabled the progressive expansion of the CSG (Patel and Plagerson, 2016).
- In Argentina, the non-contributory AUH was introduced to cover informal workers after the recession of the 1990s and early 2000s increased informal employment and reduced the coverage of the contributory child benefit scheme for formal-sector workers (Roca, 2011). Both schemes are implemented by the ANSES and the AUH is financed from a range of ANSES revenue, including – among other sources – fines and surcharges, income from institutional investments, employer and employee contributions, and a tax on personal assets (D'Elia et al, 2010).
- Between 1997 and 2008, Brazil earmarked 21% of revenue generated from a Financial Transaction Tax (*Contribuicao Provisoria sobre Movimentacao ou Transmissao de Valores e de Creditos e Direitos de Natureza Financiera*, or CPMF) to fund its *Bolsa Família*. The tax, which collected nearly $20 billion yearly, levied a very small tax on financial instruments such as bonds, foreign currency transactions, derivatives, and bank debits and credits (ILO, 2016b).
- Mongolia funds its CMP through a Human Development Fund which is based on mineral

resource taxes. However, turmoil in global natural resource prices was one factor leading to the introduction of targeting in the previously universal CMP in 2010 (Yeung and Howes, 2015).

- In Iran, resources from energy and bread subsidies were reallocated to a UBI, though its value has been severely eroded by inflationary pressures, particularly in rural areas (Enami and Lustig, 2018; Salehi-Isfahani and Mostafavi-Dehzooei, 2018).
- Development partners initially financed the lions' share of Kenya's Cash Transfer for Orphans and Vulnerable Children and Lesotho's CGP. In Kenya, external finance covered 57% of the costs in 2008 and this fell to 16% in 2016 (Beegle et al., 2018). In Lesotho, the CGP was initially established as a pilot with funding from the EU (and technical support from UNICEF), but the government now covers the total cost of the transfer and 70% of its administrative costs (Pellerano et al., 2016).
- In Nepal, the increased budgetary outlay on social protection (including the Child Grant) in the post-war era were partly covered by rising tax revenues owing to improved tax compliance, macroeconomic growth and trade tax growth (Koehler, 2011).

In some instances, the fiscal context can represent an opportunity for the establishment of child benefits or their expansion. Mongolia, Iran, Alaska and Peru (in the case of the *Bono Juancito Pinto* scheme) all introduced a child benefit (or similar schemes) to redistribute natural wealth. In others, the economic or fiscal context represents a constraint on political ambitions and the feasibility of various design options. For example, budget considerations shaped South Africa's initial targeting of the CSG to children under seven (Patel and Plagerson, 2016), and equally the UK's decision to initially allocate the child benefit to the second child and subsequent children in a household (Bennett and Dornan, 2006).

Conversely, economic contraction and shrinking government budgets can lead to the retrenchment of social protection programmes. The shifts in Mongolia's CMP provide one illustration of how financial crises can lead to programme retrenchment, with targeting being introduced to a previously universal scheme. In addition, in both the UK and Canada, the 2008 financial crisis led to the introduction of some targeting into previously universal programmes. For example, in Canada, various benefits (including the universal scheme) were consolidated into a single Canada Child Benefit – which is tax-free and income-tested (Banting and Myles, 2015). Similarly, in the UK, in 2013, a High-Income Child Benefit Tax was introduced to tax back the Child Benefit from high-income earners. This – combined with a freeze to the adjustment of the benefit level – was introduced to cut the cost of the scheme and reduce the budget deficit (Béland et al, 2014).

Options to finance increased spending on child benefits

Countries seeking to mobilise resources for increased spending on child benefits must either raise new revenues (through economic growth, increased tax, borrowing or ODA) or reallocate revenues from other sources. We focus here on possibilities under each of these alternatives, providing concrete examples of country experiences, and highlighting the implications for revenue-raising potential as well as distributional considerations.

Domestic resource mobilisation

Macroeconomic management

Economic growth can positively contribute to government revenue. Beyond ensuring a conducive macroeconomic climate, a number of LICs and MICs have used deficit spending and 'more accommodative macroeconomic frameworks' during the global recession to finance social services and support socioeconomic recovery (Ortiz et al., 2017).

Increase revenue from taxation

As discussed, countries have the potential to raise additional revenue through taxation (see Box 14) even though they may face structural constraints in terms of income level and other factors that circumscribe what is possible. A focus on the tax mix and specific country contexts highlights revenue-raising options and related policy sustainability and equity considerations.

In addition to raising income tax progressively and improving tax compliance, Ortiz et al. (2017) point to areas including financial transactions, natural resource extraction or tourism to generate new revenues. The financial sector may be a particularly

fruitful revenue source – as in Brazil, where the aforementioned CMPF financed *Bolsa Família* for over a decade (ibid.). Bolivia, Mongolia and Zambia have financed universal old-age pensions, child benefits and other schemes from taxes on mining and gas, and Ghana, Liberia and the Maldives have all introduced taxes on tourism (ibid.). While the taxation of natural resources can be an important source of revenue, it should be approached cautiously. Available evidence indicates that resource-rich countries may neglect the development of non-resource taxation, and that easy revenues from extractive industries may deter politicians from embarking on deeper tax reforms (Crivelli and Gupta, 2014). Moreover, as noted for Mongolia above, the risk is that taxation contingent upon revenue from natural resources may be volatile and unpredictable. According to some, an emphasis on corporate income tax may not be effective given high international tax competition (Ter Minassian, 2019), and indeed, LICs and MICs across all regions except LAC reduced their corporate tax rates between 2005 and 2014 in an effort to stimulate growth (Ortiz et al., 2017).

The importance of indirect taxes such as consumption taxes to lower-income countries has already been highlighted. While they present an important opportunity for social protection and child benefit financing, they also raise questions about equity and sustainability. Several studies demonstrate how consumption taxes fall disproportionately on lower-income groups, offsetting progress in poverty reduction (O'Donaghue et al., 2004; Lustig et al., 2013). Even where the regressive nature of taxes is 'corrected' via progressive spending, people's perception of unfair treatment may have implications for their willingness to pay taxes and for policy sustainability (Bastagli, 2015). In contrast, tax systems that are perceived as fair and effective can be associated with a 'virtuous circle': increased tax revenues improve service provision, thereby increasing citizen's willingness to be taxed (Fjeldstad and Heggstad, 2011). Nonetheless, for LICs, it has been suggested that regressive taxation coupled with progressive social expenditures could support the extension of social protection and that it may be more fruitful to prioritise greater efficiency in collecting taxes over efforts to extend the tax base (Barrientos, 2007).

Box 14 Proposals for tax reform to make South Africa's CSG universal

In South Africa, an estimated 15.1 million children were eligible for the CSG in 2016 and the programme had a take-up rate of 82% (or 63% of all children). Full take-up would cost an additional ZAR 12 billion, while a universal benefit would cost ZAR 15 billion more still. A recent study proposed reforms to personal income taxes that could generate this funding, including:

1. Making UCB taxable (estimated yield ZAR 1.7 billion)
2. Introducing a new tax band at a rate of 45% for the highest earners (estimated yield ZAR 8.5 billion)
3. Making UCB taxable, introducing a tax rate of 45% for highest earners and increasing tax rates for higher earners progressively (estimated yield ZAR 15.3 billion)
4. Making use of so-called fiscal drag – if tax band thresholds or personal rebates are inflated by less than the inflation rate of taxpayers' income.

Source: Wright et al. (2016)

In many countries, contributory child benefits cover a small share of the population. This is one reason why, in some countries, this gap in coverage has been addressed through the establishment of non-contributory child benefits aiming to integrate contributory ones. This was the case in Argentina – where the AUH was specifically set up to reach households with children not covered by contributory schemes (Roca, 2011) – and in Belgium and Switzerland. One option is the extension of contributory child benefit schemes, through various forms of incremental formalisation, in line with ILO Recommendation No. 202 (ILO 2012). For example, the Monotax that has been in place since 2006 in Uruguay, and is currently being planned in Argentina, Brazil and Ecuador, levies a tax on microentrepreneurs who join the contributory social security scheme and who are then entitled to its benefits (with the exception of unemployment protection). This has been effective in formalising

many previously informal enterprises and extending social security coverage to independent workers (ILO, 2014b, cited in Ortiz et al., 2017).

There may also be scope to tackle 'revenue gaps' by reducing illicit financial flows, tax exemptions and incentives, the under-taxation of the land, property and wealth of high net-worth individuals, and tax avoidance and evasion (Bastagli, 2015; Ortiz et al., 2017). The average annual outflow of 'illicit capital' is estimated to surpass 10% of GDP in 30 LICs and MICs, and to exceed 5% in 61 LICs and MICs (Ortiz et al., 2017). Tax incentives can also represent a considerable foregone opportunity to raise resources. In SSA, for example, in 1980, around 10% of LICs offered tax holidays, while by 2005, about 80% did (Keen and Mansour, 2009), although evidence of their effectiveness in attracting investors is at best unclear (OECD, 2014).

Borrowing money or debt restructuring

According to Ortiz et al. (2017), more than 80 countries have renegotiated and/or restructured debts, then invested the savings in social programmes that directly benefit children. Other innovative forms of borrowing include social impact bonds in which payment is linked to positive outcomes.

Securing additional external financing

Finally, external aid is an important source of resource mobilisation for poorer countries. Financial support by donors – including UNICEF, DFID, the World Bank and the EU – has often been crucial in the piloting and subsequent scaling up of numerous child benefit programmes (Barrientos, 2007). The relative share of financing between the government and development partners can also change over time, once significant upfront costs (e.g. relating to administrative structures) have been paid.

Manuel et al. (2018) assess the maximum revenue potential of LICs at $120 per person, on average – less than 10 times the $1,290 per person average in MICs. They conclude that even if revenues were maximised, the world's poorest 48 countries could still not afford to extend basic health, education and social protection to all their citizens. At the same time, the OECD Development Assistance Committee contributed just 0.31% of their GNI to developing countries in 2015 (Ortiz et al., 2017), less than half the longstanding United Nations target of 0.7%; this gap between actual levels and the normative threshold points to the possibility of significantly higher ODA receipts. Nevertheless, while external funding can be critical in launching and extending social protection, a high reliance on external assistance can raise concerns around country ownership, policy legitimacy and sustainability (Bachelet et al., 2011; Barrientos, 2013b; Bastagli, 2015; Hagen-Zanker and McCord, 2011). Indeed, this occurred in Nicaragua where tensions arising from the perception that the programme was largely donor driven led to the discontinuation of the country's CCT (Bastagli, 2010). Cooperation between national governments and donors should include an agreement over the transition to an increasingly nationally financed sustainable social protection system.

Reallocating spending and improved financial management

Reallocation of public expenditures

Expenditures can be reallocated from one type of social protection scheme to another, and from other public ends towards social protection – though given the practical obstacles, the timeframe for shifts in public spending is usually relatively long (Barrientos, 2007). For example, in Georgia, Kidd and Gelders (2015) have proposed using funding dedicated to means-tested child benefits to fund a UCB. Practical examples of shifts that have increased social protection spending include a reallocation of military expenditure, as occurred in Costa Rica, Thailand and South Africa, and the dismantling of universal subsidies that disproportionately favour middle- and upper-income groups. A key candidate for reform in some countries, especially oil producers, is energy subsidies, which exceed 2% of GDP in several LICs and MICs (Ter-Minassian, 2020). India and Ghana have both used fuel subsidies to develop social protection systems (Ortiz et al., 2017).

Two recent simulation exercises reinforce the potential for subsidy reform to allow equity-enhancing spending on children:

- In Tunisia, where the poverty headcount was estimated at 22% and child poverty at 32%, Gyori and Veras Soares (2019) simulate a shift in government spending from the provision

of a universal food and energy subsidy, which represented 94% of social spending in 2013, to a UCB. While food and energy subsidies reduced poverty by 7 percentage points (at a cost of $2,080 to lift a person out of poverty), a universal child subsidy that absorbed the same budget would reduce poverty by 13 points (at a cost of $1,084 to lift a person). In other words, a UCB could be twice as cost efficient in reducing poverty as the subsidies, while reducing the gap between child poverty and overall poverty substantially.

- In Madagascar, where poverty rates are high and children constitute around 40% of the population, Aran et al. (2016) show that reallocating fuel subsidies to a UCB would reduce poverty from 71.5% to around 67% (depending on the age group of children targeted).

Improved financial management

Improvements in financial management can also generate savings that can be channelled into social protection. In Brazil, for example, the launch of the *Bolsa Família* reform in 2003 spurred the consolidation and rationalisation of existing social protection programmes and, in turn, an expansion of programme coverage and increases in transfer levels (Bastagli and Veras Soares, 2013). Broader gains within social protection programming are also a possibility. Pellerano et al. (2019) argue that Zambia's social protection system could be made more efficient by reducing fragmentation across social assistance interventions, streamlining operational procedures to achieve economies of scale and removing the affluence test – but caution that realising these gains would require significant investment in systems and capacity-building. Reforms to other parts of government could also prove fruitful – for example, Ter-Minassian (2020) proposes that the government wage bill, which averages 27% of government spending in LICs and MICs, could be a candidate for reform over the medium term.

This chapter has discussed the costs of means-tested and universal benefits, and options for funding them. It has shown that financing a UCB is likely to require considerable resource mobilisation, either through the generation of new revenue and/or the reallocation of financing from other sources. At the same time, as highlighted in Chapter 6, ultimately political factors are a critical determinant of whether a government deems child-related cash transfers to be affordable, and if so, what form they take.

8 Universal child benefits: realisation in practice

Key messages

- Child poverty remains high, with uneven progress in poverty reduction across countries, and persistent overrepresentation of children in poverty compared with older age groups. Despite clear evidence of the effectiveness of well-designed social protection including child benefits in tackling child poverty and increases in the number of such programmes in countries worldwide, social protection coverage of children remains comparatively low.
- The moment is ripe for discussion of the policy options for achieving universal social protection and the role of child benefits as part of these efforts. The notion of universalism is at the forefront of the international policy agenda, particularly in light of the 2030 Agenda, and its clear call for policies that 'leave no one behind', including a specific target on achieving social protection systems and measures for all.
- The debate on the potential advantages and limitations of a UCB over other types of child benefits needs to carefully consider compliance with child rights concerns, child poverty reduction objectives, dignity and shame outcomes, the political economy of alternative design options and financial cost. While the related policy considerations are common across a range of contexts, the specific policy priorities, options and trade-offs that policy-makers face vary depending on a country's child poverty and demographic profile, administrative capacity and fiscal capacity.
- Both individual child benefit programmes and systems of programmes vary by degrees of universalism and may incorporate elements of universalism and targeting in achieving universal social protection. Theory and evidence converge in highlighting 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. 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 common, 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. At the time of writing, lively debates and policy reforms moving towards UCBs or qUCBs are taking place in a number of countries and reflect the range of pathways countries take.
- In practice, as governments ponder the options for introducing a child benefit, expanding an existing one and/or establishing a UCB, there are a number of key questions they should consider and policy options moving forward. Building on the findings of this report, these are presented here in the form of a checklist for policy-makers.

8.1 The challenge and the opportunity

Cash transfers are increasingly being adopted by countries worldwide as central elements of their poverty and inequality reduction strategies. This trend reflects efforts to address a common historical shortcoming of welfare systems in LICs and MICs: the comparatively limited (or absent) social protection policies explicitly and directly aimed at reaching children. While the number of cash transfer programmes, including child benefits, has increased over the last two decades in countries worldwide (Honorati et al., 2015; ILO, 2017), social protection coverage of children/households with children remains comparatively low, ranging from an average of 16% in countries in Africa, to 28% in Asia and the Pacific and 66% in LAC – compared with 88% in ECA (ILO, 2017).

At the same time, there is a strong and growing body of evidence on the benefits of social protection for children and wider social outcomes. For cash transfers specifically, the available evidence highlights how effective they can be in significantly impacting both intermediate outcomes, such as expenditure on children's goods, school attendance and healthcare visits, and final outcomes, such as cognitive development and health (Cooper and Stewart, 2013; Bastagli et al., 2016). If appropriately designed, and as part of wider social policy, child benefits effectively promote the realisation of child rights, poverty and inequality reduction, dignity and cohesion, and public support for social protection policy. Critical to determining these impacts are benefit design and implementation details, including child population coverage, transfer values, and programme links with complementary services and wider social policy provision.

In the face of persistently high levels of child poverty, with uneven progress in poverty reduction across countries, and the persistent over-representation of children in poverty compared with older age groups (UNICEF, 2016; Alkire et al., 2017), the under-coverage or lack of social protection for children emerges as a key policy priority. This report has explored the (potential) role of a specific policy instrument available to governments in the pursuit of this objective: UCBs. More specifically, it has critically examined the potential advantages of a UCB compared with other types of child benefits. Finally, this report assesses the options for UCB implementation in the context of efforts to strengthen and extend social protection to children in the realisation of universal social protection.

The moment is ripe for discussion of the establishment and strengthening of universal policies to expand social protection for children. Indeed, the notion of universalism is at the forefront of the international policy agenda – particularly in light of Agenda 2030, with its universal goals and targets, its clear call for policies that 'leave no one behind' and the inclusion of a specific target (1.3) on extending universal social protection. This is not simply a lofty ambition: the USP2030 initiative, co-led by the World Bank and the ILO, seeks to realise this aim by supporting countries to design and implement universal and sustainable social protection systems (USP2030, n.d.).

This final chapter synthesises the report's main findings and offers practical considerations and options for countries as they approach the design and reform of child benefits – including the introduction, or progressive realisation, of a UCB. It includes a checklist for policy-makers considering alternative child benefit options and the adoption of a UCB.

8.2 Policy options and trade-offs

The debate on the potential benefits and disadvantages of a UCB compared with other types of child benefits is framed around a range of arguments covering, among others, child rights concerns, child poverty reduction objectives, the dignity of children and their carers, political economy and financial cost. With the objectives of a) contributing to an informed policy debate on this topic, and b) proposing concrete options for extending social protection to all children, this report has reviewed the main arguments from these different angles and has examined the evidence in terms of practice, policy design and administration, and impact.

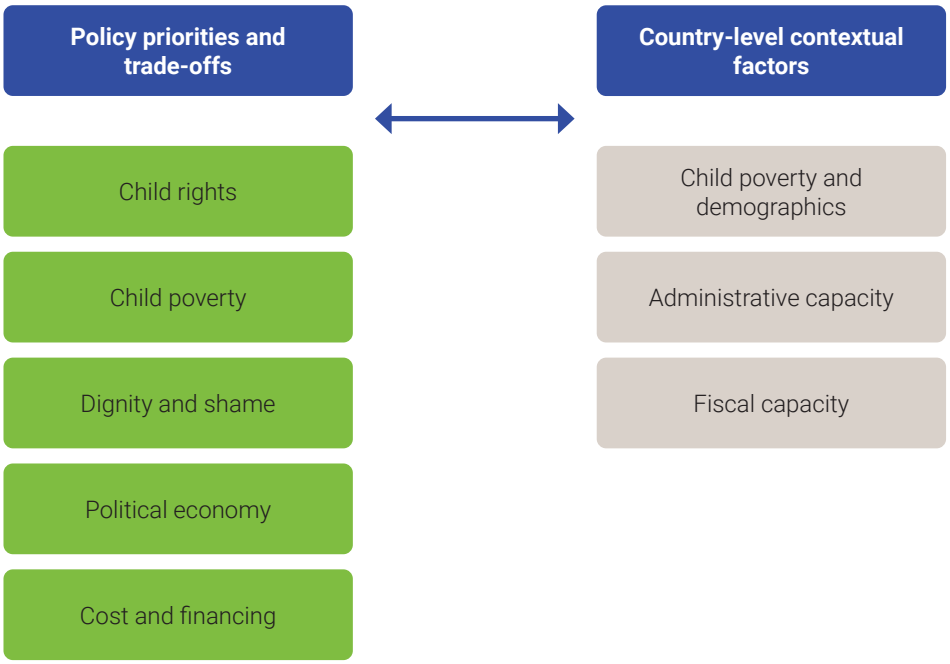
While the policy issues and trade-offs considered in this report are common across a range of contexts, the specific policy priorities, options and trade-offs that policy-makers face vary depending on country-specific circumstance. In particular, factors that affect the challenges and opportunities encountered across the key dimensions examined

here (e.g. child rights, child poverty, political economy and policy financing) include a country's child poverty profile and demographic structure, administrative capacity and fiscal capacity (see Figure 29). This section summarises the main arguments and evidence presented in this report, taking into account the ways in which these variations in circumstance matter. Table 13 summarises the main arguments and findings.

Child rights

- Compared with narrowly targeted and means-tested transfers, UCBs may be more in line with the *principle of equality and non-discrimination* as a result of their comparatively high coverage rates and low exclusion errors. Administrative simplicity is also an advantage in this regard.
- At the same time, when progressively trying to achieve universal coverage, 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. Programmes must also ensure there is a reasonable relationship of proportionality between the means employed and the aim they seek to realise.
- Compared with narrowly targeted and conditional transfers with high administrative and behavioural requirements, UCBs may better respect the *principle of the best interests of the child*; there is more limited scope for the abuse of (potential) transfer recipients that arises from administrative complexities.
- The simpler application and monitoring and compliance processes associated with UCBs also mean they are better positioned than narrowly means-tested programmes to *respect the dignity* of those entitled to transfers and to minimise stigmatisation.
- Children's rights must be seen in their indivisibility. Cash transfer design alternatives should be considered in terms of their compliance with children's right to social protection while not undermining other rights.

Figure 29 Universal child benefit policy options and trade-offs: key considerations



Child poverty

- In tackling child poverty, both monetary and non-monetary, a potential advantage of a UCB over other types of child benefits is its comparatively higher (or indeed full) child population coverage. It is no surprise that UCBs and qUCBs have higher child population coverage rates compared with transfers that are means tested or otherwise targeted to subgroups of the child population.
- At the same time, total coverage is only one of the determinants of a child benefit's impact on poverty. Although high population coverage is associated with lower exclusion errors, a programme's impact on poverty will also depend on the value of the transfer and the profile of the excluded. UCB debates commonly point to the potential trade-off between child population coverage and transfer value: in the context of a fixed budget, the intuitive appeal of some form of means testing or other targeting is its potential to direct resources to those most in need – ensuring higher transfer values for recipients (compared with universal programmes where resources are spread more thinly).
  Such considerations commonly fail to take policy implementation and dynamics into account. In practice, programme budgets are not fixed, and means testing and other forms of targeting display administrative and social costs that may offset progress in poverty reduction.
- The available evidence suggests that, while achieving higher population coverage than more narrowly targeted child benefits, UCBs do not necessarily provide lower transfer levels. Cross-country studies, including longitudinal analyses, for HICs show that UCBs typically display higher transfer values than more narrowly targeted transfers. The highest levels of transfers to low-income households with children are achieved by systems that include a universal benefit scheme topped up with a means-tested benefit for low-income children. This is one example of 'selectivity within universalism'.
- The evidence on poverty impact shows that universal and large-scale child benefits can be highly effective in reducing child monetary poverty. In some HICs, such as Germany and Luxembourg, they are responsible for around half of the impact of cash transfers on child poverty reduction. In LICs and MICs, simulations suggest that UCBs could reduce monetary child poverty significantly. An exercise for 14 MICs showed that universal child transfers financed by 1% of GDP reduced total poverty and child poverty uniformly. The maximum poverty reduction occurred when transfers were 'weighted' towards the bottom 40% (and 'taxed back' from higher earners); this led to a fall in the child poverty headcount of up to 32% and a fall in the child poverty gap of up to 48%.
- Cross-country studies, including longitudinal studies for HICs, indicate that in countries that rely more heavily on means testing (or during periods where cash benefits have been more closely targeted on lower-income households), the reduction of poverty and inequality is lower than in systems (or time periods) that rely primarily on universal/istic approaches. Universalistic systems that combine universal policies with support for low-income households appear to have the highest poverty reduction impact.
- When considering alternative child benefit design features – and specifically whether to adopt a universalistic approach and/or different variants of targeting – against the objective of reducing child poverty, there are a number of contextual factors that need to be taken into account; these include: the share of children and the share of households with children within a country, and where in the income distribution they are situated. The share of households with children varies greatly across countries worldwide, from under 30% to over 80%. In countries with a high share of children and high levels of evenly distributed poverty, the marginal impact on poverty of means testing diminishes.
- Child benefits also improve non-monetary outcomes for children. The evidence highlights the significant impact achieved by a range of different types of benefits on children's intermediate outcomes in education and health (e.g. school enrolment and attendance, healthcare visits). The evidence on final outcomes (e.g. learning and anthropometric measures) is weaker and highlights the critical role of providing complementary high-quality services. While cash transfers alone may help tackle some

of the barriers to accessing services and service utilisation, high-quality services and in-kind transfers are required for meaningful impact on final outcomes. The duration of payments is also critical in this respect.

Dignity and shame

- The way child benefits are framed, structured and delivered is integral to whether they are stigmatising or uphold the dignity and self-respect of transfer recipients.
- Elements of targeting that enable transfers and services to reach children that were previously excluded can promote processes of inclusion and dignity. Policy design details are critical in this respect.
- Narrow means testing, which entails administrative complexity and stringent, intrusive, informational demands, can lead to social divisiveness as well as feelings of shame.
- Conditionality that narrowly reinforces the notion that poverty is a result of individual behaviour can negatively impact the dignity of children and their families. Punitive approaches to non-compliance with behavioural conditions are associated with anxiety and stigma.
- The universal and unconditional nature of UCBs and qUCBs also help affirm the value of children and caregiving compared with child benefits that more narrowly target low-income groups and explicitly pursue a poverty reduction objective.

Political economy

- Compared with narrowly means-tested benefits, universal programmes typically command broader public support, 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 public attitudes studies, children and households with children are commonly among these, though in some contexts second to households of older people and people with disabilities.
- Social protection can play a critical role in establishing and strengthening state–citizen relations. Universalistic policies 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 more readily expand in contexts of crisis.
- Depending on programme design, benefits provide a vehicle for the state to engage with previously disenfranchised and marginalised groups, making citizens aware of entitlements and empowering them to demand them, as well as fostering processes of government accountability.
- Child benefits can improve social cohesion at the micro level between individuals, particularly when they are universal. Narrow and complex means testing may foster tensions between individuals.

Cost and financing

- Spending on child-related transfers varies widely across countries. In some HICs with well-established UCBs, such transfers account for up to 2.5% of GDP. At the same time, comparatively high child population coverage can be achieved with lower levels of resources – for instance, through the implementation of broad means testing or by setting age eligibility limits. This is the case, for instance, for South Africa's CSG, which reaches 63% of children and costs 1.3% of GDP, and Brazil's *Bolsa Família*, which reaches 44% of the country's population of children at a cost of 0.4% of GDP. These examples, and the history of gradual expansion of child benefits in countries such as South Africa and the UK, indicate how fiscal capacity considerations and related financing plans may be incorporated as part of the progressive realisation of UCBs.
- This report's estimations of the cost of a UCB in LICs, based on different assumptions about the value of the transfer, indicate that covering all children aged 0–14 years would require a minimum of 2% of GDP, compared with 0.7% of GDP for 0–4-year-olds. Establishing initial limits on eligibility (e.g. by age) can facilitate implementation and the progressive realisation of a UCB.
- Costing a UCB versus a means-tested transfer to poor children raises the paradox that the

marginal cost of making a transfer universal is lowest in LICs where resources are most scarce and child (and total) poverty is highest.
- Financing a full UCB will require resource mobilisation through a combination of approaches, including through strengthening progressive tax systems, improved financial management of programmes, and the extension of contributory social protection. For LICs, it may also require mobilising external finance, while balancing concerns related to country ownership and legitimacy.

Child poverty and demographic structure

A country's demographic structure and poverty profile –including, importantly, the share of children in the population, and the levels and depth of child poverty – will matter critically to child benefit design and implementation options and related trade-offs. In countries in which children make up a high or majority share of the population and are present in most households, a UCB would reach a majority of households, with implications for policy administration and cost (Chapters 2 and 7). From a child poverty reduction perspective, the marginal benefits of means testing are reduced in contexts in which children make up a high share of the total population and with high poverty rates; nevertheless, some degree of means testing may help ensure resources reach the most marginalised and poorest groups to reduce the poverty gap, and as part of a gradual realisation of universal coverage (Chapters 4 and 7). From a political economy perspective, high population coverage can help promote social cohesion and public support for policy, implying a UCB in contexts with high numbers of children could reinforce its role as a cornerstone of wider social policy and universal social protection (Chapter 6).

Administrative capacity

One of the potential advantages of a UCB compared with targeted and conditional transfers is its administrative simplicity. Whether to target or condition and how to target/condition (e.g. informational requirements, frequency of recertification, compliance monitoring) will require consideration of administrative capacities and constraints (Chapter 2). As Mkandawire (2005) points out, countries that may have a greater need to concentrate resources on poorer groups due to budget and financial constraints, may be those that have the weakest administrative capacity to do so. Still, as shown in this report, targeting and conditionality in child benefits vary by administrative complexity, with broader means testing, for instance, presenting some potential administrative advantages.

Fiscal capacity and affordability

The cost and affordability of a UCB is one of the main concerns raised in UCB debates. The analysis presented in this report indicates how total programme costs can vary depending on how transfer values are set and the size and composition of the target child population. It illustrates the ways in which child benefit design details can be adjusted to meet fiscal constraints, while moving towards the gradual implementation of a quasi- or full UCB. In particular, as the experience of countries that have achieved qUCBs or full UCBs shows (Chapters 2 and 7), policy options include progressive realisation through the introduction of a child benefit to particular subgroups of children depending on age, other categorical features or a simple broad means test – targeting practices that display comparatively low administrative (and social) costs. The concrete options for mobilising resources to finance a child benefit will vary across countries. Chapter 7 outlines the opportunities that could be harnessed as part of wider efforts to strengthen universal social protection. The political economy of child benefits, and related public support and social cohesion linkages, reinforces the case that efforts to introduce or move towards universalistic social policies, such as UCBs, may also contribute to mobilising resource objectives (Chapter 6).

Table 13 UCB policy options and trade-offs: a summary of the evidence

	Policy options and trade-offs
Child rights	UCBs have the advantage of higher or full child population coverage compared with more narrowly targeted and conditional transfers. An element of targeting may help address inequalities and exclusion from universal schemes by explicitly aiming to reach groups that are excluded from universal programmes in practice. This may be required to ensure compliance with the principle of non-discrimination and equity. Targeting and conditionality complexity risks violating principles of non-discrimination and of the best interests of the child when they are exclusionary and not designed with the objective of progressive realisation of universal policy. If appropriately designed, elements of targeting can help ensure children that face discrimination and barriers to accessing services and income are supported in the progressive realisation of universal policy coverage.
Child poverty	UCBs display a potential advantage in reducing child poverty over more narrowly targeted and conditional benefits by ensuring comparatively higher child population coverage. Benefit impact on poverty is determined by population coverage and incidence, but also by transfer value, frequency and regularity of payment and additional features. Policies with higher targeting effectiveness do not necessarily achieve higher poverty impact. Once second round effects of transfers and administrative and political economy dynamics are taken into account, the potential benefits associated with narrow targeting are reduced. Exclusion errors vary depending on the scale and coverage of a programme, with higher population coverage associated with lower exclusion errors. Narrow means testing is commonly associated with higher targeting errors. From a systems perspective, those that rely on universalistic approaches are associated with higher redistributive budgets and transfer values compared with ones that rely more narrowly on means testing.
Dignity and shame	By avoiding targeting, UCBs avoid identifying 'haves and have nots' and 'deserving and non-deserving' and minimise the risks of divisiveness and social tensions. Some degree of targeting and conditionality may help promote the dignity of marginalised and disenfranchised groups by helping to ensure that transfers and services reach these previously excluded or under-served children and their families. The administrative complexity of narrow means testing and stringent and punitive conditionality, by creating strict 'in' and 'out' groups and including complex informational checks and compliance processes, could lead to stigma and shame. Conditionality designed around individual behaviour, reflecting an emphasis on ascribing circumstances and poverty to individual responsibility rather than structural causes, risks engendering stigma and low self-respect.
Political economy	A UCB is better placed in securing public support for policy, compared with narrowly targeted benefits, by promoting social cohesion and reaching higher numbers of people. This, in turn, is associated with higher political feasibility, policy continuity, policy budgets and transfer levels. Benefits may command more support if recipients are perceived to be deserving. Children and households with children are commonly among these, although often second to groups that are considered to face adversities in securing regular income, typically older persons and people with disabilities. Some degree of targeting and conditionality can help secure public support for policy by signalling government's prioritisation of those most in need or otherwise deserving. Narrow and complex targeting and punitive conditionality can conversely, undermine social cohesion and support for policy.
Costs and financing	This report's estimations of the cost of a UCB in LICs, based on different assumptions about the value of the transfer, indicate that covering all children 0–14 years would require a minimum of 2% of GDP, compared with 0.7% of GDP for 0–4-year-olds. Establishing initial limits on eligibility (e.g. by age) can facilitate initial implementation and the progressive realisation of a UCB. Costing a UCB versus a means-tested transfer to poor children raises the paradox that the marginal cost of making a transfer universal is lowest in LICs where resources are most scarce and child (and total) poverty is highest. Financing a full UCB will require resource mobilisation through a combination of approaches including through strengthening progressive tax systems, improved financial management of programmes and the extension of contributory social protection. For LICs, it may also require mobilising external finance, while balancing concerns related to country ownership and legitimacy.

8.3 Realising universal child benefits in practice

This report has shown the ways in which child benefit policy design and administration details vary in practice – including for those that fall within the category of UCBs or qUCBs – and how these matter to policy impact and children's outcomes. At the systems level too, the combination of different programmes, and the ways in which transfers interact with the tax system in practice, demonstrate the range of options available to governments. They also reflect the ways in which policies and systems incorporate elements of universalism and targeting in securing universal social protection provision – coverage and adequacy – for children. Interestingly, the different approaches converge on policies and systems that are universalistic and in which some form of targeting is used as a tool to reach universalism. This is referred to as 'selectivity within universalism', in which extra benefits are directed at groups (e.g. low-income/consumption, by age, disability status) within the context of a universal policy and system design. Whether from a child rights, a child poverty or a 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, or full UCBs, through a variety of different trajectories (Chapter 2). There is not a single linear route to a UCB and progressive realisation is common, through an iterative process and combination of efforts which involve the establishment and strengthening of legislation and policy regulation, administrative and financing capacity, and political and public support for policy. As this report goes to print, lively debates and policy reforms moving towards UCB or qUCBs are taking place in a number of countries and reflect the range of pathways countries take (see Box 15).

Progressive realisation of a UCB may include the introduction of policies that initially reach specific groups of children (e.g. infants) and are 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).

Countries' demographic and poverty profiles shape the policy opportunities, challenges and trade-offs faced by policy-makers. In countries with high child poverty rates and a high share of children in the population, simulations indicate that UCBs could have significant impact on child poverty and that narrow means testing makes limited sense.

At the same time, these are countries where the financial costs (e.g. as 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.

In practice, as governments ponder the options for introducing a child benefit, expanding an existing child benefit and/or establishing a UCB, there are a number of key questions and policy options that they should consider. Building on the findings of this report, these are listed in Table 14, in the form of a checklist for policy-makers.

Box 15 Current UCB activity worldwide

UCBs are riding high on the agenda in a number of countries where governments are actively considering the adoption of UCBs or qUCBs. These include Angola, Bangladesh, Brazil, Kenya, Malaysia, Mozambique, Tunisia, Thailand and the US. A summary of examples follows.

Brazil

A lively ongoing debate in Brazil questions the appropriate tax-transfer policies for households with children. Brazil relies on a combination of direct cash benefits and tax deductions leading to a complex system of tax-transfer policies that mostly benefits children in higher-income families. Transfers paid to families with children through the *Bolsa Família*, *Salário Família,* and the income tax deduction for dependent children vary from BRL 52.14 to the richest children, to close to zero to children of families paying little income tax after deductions. Moreover, about 2 million children receive more than one benefit, while 17 million children receive nothing. Half of these excluded children and youth are found in the lower third of the income distribution, compared with 10% in the upper third. The Brazilian Institute of Geography and Statistics estimates the number of children aged 0–17 in Brazil at 54.5 million. A universal benefit equal to the *Bolsa Família* child benefit (BRL 41 per month) would cost about BRL 26.6 billion per year. The present system costs about BRL 19.1 billion per year – about BRL 7.5 billion less. This is a relatively small sum as a percentage of public expenditure and researchers estimate that a gradual four-year implementation period would enable its financing, even in the current fiscal situation. A look at where families with children fall in the income distribution shows that a UCB would be the second most progressive transfer out of dozens that exist at the time of writing in Brazil. Only the means-tested *Bolsa Família* would be more pro-poor. Most of the new beneficiaries (i.e. those not currently covered) are poor and vulnerable children in the lower half of the income distribution.

Source: Soares et al. (2019)

European Union

While many EU countries have UCBs or qUCBs, there is a growing debate on the need for a targeted initiative on top of the foundation of universalistic social protection provision. The EU is exploring a 'Child Guarantee for Vulnerable Children'. Given that more than 25% of all children in the EU are at risk of poverty or social exclusion, in 2015 the European Parliament called for a child guarantee that would help ensure that every child in Europe at risk of poverty or social exclusion has access to free healthcare, free education, free early childhood education and care, decent housing and adequate nutrition. In 2017, the Parliament requested the European Commission (EC) to implement a preparatory action on establishing a possible child guarantee scheme. The EC has commissioned a 'Study on the feasibility of a child guarantee for vulnerable children' (EC, 2017). A means-tested cash transfer across the EU may be one of the forms the allocation will assume, resonating with calls to combine universal social policies with programmes with broad means testing.

Source: European Commission (2019)

Thailand

The country embarked on a progressive road towards a qUCB in 2015. In April 2019, the Royal Thai Government approved the expansion of its CSG scheme, extending the critical support to children from 0–3 years to all children under the age of 6 from poor families with an annual income below 100,000 Baht (about $3,300). As a result of the recent policy expansion, nearly 1.8 million children are expected to benefit from the grant by 2024 (nearly 50% of the child population under the age of 6).

Source: UNICEF (2019)

Tunisia

A UCB is currently under consideration by the Government of Tunisia to address the high child poverty rate of 21% – as compared to a 13% rate for adult poverty. Recent studies have assessed the cost and impact on poverty of a UCB as compared with the country's fuel and food subsidies in the context of wider debates on energy subsidy reform. Compared with existing energy subsidies, a UCB would be highly progressive, with the poorest decile receiving about 15% of the benefits, compared with 6% for the richest decile. A UCB of about 350 dinars a year ($10 a month) per child would have substantial positive impacts and would be sufficient to compensate fully for the negative effects on child poverty of the elimination of energy subsidies, which are the main target for subsidy reform. At full-scale implementation (for all children aged 0–17), a UCB would cost 0.89% of GDP in 2023, compared with a cost of 2.5% of GDP for energy subsidies alone in 2018. A UCB would be cost-effective: the cost of achieving a 1 percentage point reduction in the child poverty headcount would be less through the UCB than through the existing poverty-targeted social assistance programme, the National Support Programme for Needy Families. The current programme reaches households that tend not to have children and displays high inclusion and exclusion errors. Proposed reforms that would result in the phasing out of energy subsidies, reductions in the public salary bill and increased public revenue, would lead to an expected net gain of about 2.5 percentage points (of GDP) in fiscal space between 2018 and 2023. Under these circumstances a UCB would be affordable. The UCB would require 37% of this additional fiscal space in 2023. The aim is to launch the qUCB in 2020/2021 with an initial focus on younger children (0–5 years) with a view to scaling up later.

Sources: UNICEF (2017c); Veras Soares and Gyori (2018); Hodges and El Lahga (2019)

The United States

California has just enacted a $1,000 per family Young Child Tax Credit for children under the age of six in working families (Legislative Council of California, 2019). This is not quite a qUCB – it is per family and conditioned on earnings. It phases out for families with earnings over $25,000 per annum. It is arguably the most progressive tax credit to be established in the US. At the national level, in June 2019, the House Ways and Means Committee passed a child tax credit (CTC) expansion proposal alongside their tax extenders bill (Congressional Budget Office, 2019). A vote was successfully passed to eliminate the current earnings requirement so that all children except for the wealthiest would get the full $2,000 per annum CTC. An amendment was also passed to increase the CTC to $3,000 per annum for children under the age of four. These provisions will be enacted into law in June 2021. In essence, the provision would create a national qUCB for all but 2% of children in families who earn above the threshold. Moreover, recent simulations suggest that the bill would deliver impressive poverty reduction results: the CTC components of the bill alone would reduce the child poverty rate by 23% (for children under 17) and the deep child poverty rate for children under 4 by 42%. If passed into law, and combined with previous CTC expansions, the CTC will cut child poverty by 37% and deep child poverty by 44% (Collyer et al., 2019).

Sources: Collyer et al. (2019); Congressional Budget Office (2019); Legislative Council of California (2019)

Table 14 UCB realisation in practice: a checklist for policy-makers

Area	Background questions	Child benefit design considerations
Child rights	What international rights treaties and/or domestic legal frameworks has the country signed up to? What global or domestic political commitments to children's right to social protection has the country made? Has the country submitted a recent report, or alternative reports, on human rights conventions such as the CRC? Did the child rights reports, or the response, consider issues of child poverty and social protection that could serve as a foundation and guide to decisions around social protection?	In designing the current or planned child benefit, has consideration been given to and has evidence been provided on: • compliance with the principle of equity and non-discrimination, taking into account child poverty in the country, its determinants, and inequalities between children? • the child's best interest, as stipulated by the CRC?[82] • whether design features risk undermining other child rights, on the basis that child rights are interdependent and indivisible? If an element of targeting or conditionality is being considered: ▪ is this in the context of wider efforts to achieve universal social protection coverage? ▪ can it be justified on objective and reasonable fact? ▪ does it pursue a legitimate aim under human rights law? ▪ is there a reasonable relationship of proportionality?
Child poverty	What is the current and projected future demographic structure of the population, considering the share of children and patterns of co-residence? What is the existing level and depth of child poverty? How is it distributed geographically and among population groups? What are the estimated impacts of child poverty and current human capital on future human capital accumulation and economic growth?	For current or planned child benefits, who is eligible for the transfer (e.g. in relation to legal status/citizenship/residence, age, geographic area, ethnicity)? What is the child population coverage of the current or planned child benefit, by design and in practice (actual coverage)? Who remains excluded from the benefit? What is the value of the transfer? Does it vary depending on individual or household characteristics? Is its adjustment over time officially regulated and/or does it take place on an ad hoc basis? What is the extent of exclusion errors, against the stated target child population and the total child population? What is the extent of inclusion errors?

82 According to the UN CRC Committee (2013), states must be able to describe how the best interests have been examined and assessed, and what weight has been assigned to them in the decision.

Area	Background questions	Child benefit design considerations
Child poverty (continued)		If there is an element of targeting, how is the eligibility threshold set, and what are the informational requirements, regulations for recertification and other implementation details? What are the implications in terms of administrative capacity, financial costs and social costs? Have the options for minimising errors of exclusion and inclusion, non-take-up and the creation of incentives to reduce work effort and/or under-report income been considered? If there is a conditionality component, against what behaviours are they set, how is non-compliance regulated (monitored and responded to), and have supply-side investments been made as part of the conditionality mechanism? Have the options for minimising errors of exclusion and inclusion, non-take-up and the creation of unintended incentive effects among recipients and service providers been considered? Have the barriers to accessing services and reasons for low service quality been addressed through complementary interventions such as supply-side investments as part of (or alongside) the child benefit programme?
Dignity and shame	Are issues of dignity and shame considered by policy-makers. Are they present in the policy discourse? What is known of the effects of child benefit policy design on the dignity and shame of children and their carers?	Does the way the transfer is framed, and the associated discourse, avoid divisive language and encourage a culture of mutual respect? Does the way a transfer is framed and delivered ensure that those entitled to a benefit are treated with dignity? Is the transfer value designed to meet the material needs of children and their families and/or does it consider enabling their full participation in the life of the community? If a targeting and/or conditionality element is being considered, does it risk being divisive by creating 'haves' and 'have nots', thereby undermining social cohesion? Is it likely to stigmatise children and/or their caregivers? Do the targeting or conditionality components introduce or reinforce public perceptions that poverty may be rooted in individual failings? What are the opportunities for the design features to encourage the civic engagement of recipients and their ability to hold governments to account?

Area	Background questions	Child benefit design considerations
Political economy	What does available information on public attitudes reveal about public support for alternative cash benefit programmes (e.g. perceived deservingness of different groups) and for alternative design parameters (e.g. conditionality)? What does this information suggest about the political feasibility of alternative policy options and related windows of opportunity to introduce or reform policy? Taking into account the available evidence on the effects of child benefits and how they work in practice, what are the public misconceptions regarding child benefits? What are the opportunities for increasing the utilisation and dissemination of evidence to promote informed public debate and tackle misconceptions?	What are the potential political economy effects of a particular child benefit design feature: in terms of public support for policy, social cohesion (vs divisiveness), and establishing and strengthening state–citizen relations? Specifically: How will the inclusion / exclusion of particular population groups affect public support for policy? If an element of targeting or conditionality is being considered, how might their design details potentially affect social divisiveness and stability, including in times of crisis, when one of social protection's critical functions is that of acting as an automatic stabiliser?
Financing	What is the current proportion of the child population and how is this projected to change? What is the composition of public expenditures, including social spending and social protection spending specifically? What are their trends over time? Are there any public expenditure reviews available or underway? What are the country's revenues – levels and composition – and their trends over time? How does a country's tax effort compare to its potential (either relative to comparators or using more sophisticated models of tax potential)? What efforts are underway to raise additional revenue? What possibilities are there for mobilising external assistance (particularly for LICs)? What opportunities exist to reallocate resources from other programmes (e.g. policies that disproportionately favour upper-income groups)? What are the possibilities for improving financial management within the government? Have the distributional, equity and sustainability implications of alternative financing sources been examined? How will reliance on alternative financing sources matter to the net effects of policy and their sustainability?	What is the total cost of the current or planned child benefit? What are the financial costs by component, what are the costs of the transfer, and any targeting and conditionality components? How do these costs vary (or are expected to vary) as a programme matures? How is the programme financed? Is the tax system used/could it be used to administer the child benefit? Is the benefit taxed back for households above a certain income threshold? If considering child benefit reform: what is the likely cost of the benefit under various assumptions of child population coverage and transfer size? What are the expected costs of administration of any targeting and conditionality elements? What opportunities exist to expand contributory social insurance – such as through various incremental formalisation policies and the extension of contributory social protection? What are the opportunities for combining social assistance and contributory programmes to raise revenue for social protection financing and to finance a universal child benefit?

References

Executive summary

Alkire, S., Jindra, C., Robles, G. and Vaz, A. (2017) 'Children's multidimensional poverty: disaggregating the global MPI', Briefing 46. Oxford: Oxford Poverty and Human Development Initiative, University of Oxford

Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. (2016) *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: Overseas Development Institute

Cooper, K. and Stewart, K. (2013) *Does money affect children's outcomes?* CASE reports (80). London: Centre for Analysis of Social Exclusion, London School of Economics and Political Science

ILO (2017) *World social protection report 2017–19: universal social protection to achieve the Sustainable Development Goals*. Geneva: International Labour Organization

ILO and UNICEF – United Nations Children's Fund (2019) *Towards universal social protection for children: achieving SDG 1.3*. Geneva: International Labour Organization and New York: United Nations Children's Fund

Ortiz, I., Cummins, M., Capaldo, J. and Karunanethy, K. (2015) *The decade of adjustment: a review of austerity trends 2010–2020 in 187 countries*. Extension of Social Security Working Paper no. 53. Geneva: International Labour Organization

Townsend, P. (2009) 'Investment in social security: a possible UN model for child benefit' in P. Townsend (ed.) *Building decent societies: rethinking the role of social security in development*, 151–166. Basingstoke: Palgrave MacMillan

UNGA – United Nations General Assembly (1990) Convention on the Rights of the Child. General Assembly Resolution A/RES/44/25 entered into force 2 September 1990

UNGA (2015) Transforming Our World: The 2030 Agenda for Sustainable Development. General Assembly Resolution A/RES/70/1 adopted on 25 September 2015

World Bank (2018a) *Poverty and shared prosperity report 2018: piecing together the poverty puzzle.* Washington DC: World Bank

Chapter 1

Alkire, S., Jindra, C., Robles, G. and Vaz, A. (2017) 'Children's multidimensional poverty: disaggregating the global MPI', Briefing 46. Oxford: Oxford Poverty and Human Development Initiative, University of Oxford

Atkinson, A.B. (1995a) *Incomes and the welfare state*. Cambridge: Cambridge University Press

Banerjee, A., Niehaus, P. and Suri, T. (2019) *Universal basic income in the developing world.* NBER Working Paper no. 25598. Cambridge MA: National Bureau of Economic Research

Barrientos, A. (2013a) *Human development income transfers in the longer term.* Working Paper no. 116. Brasilia: International Policy Centre for Inclusive Growth

Barrientos, A. (2013b) *Social assistance in developing countries*. New York: Cambridge University Press

Barrientos, A. and DeJong, J. (2006) 'Reducing child poverty with cash transfers: a sure thing?' *Development Policy Review* 24 (5): 537–552

Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. (2016) *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: Overseas Development Institute

Black, M.M., Walker, S.P., Fernald, L.C.H., Andersen, C.T., DiGirolamo, A.M., Lu, C., ... and Grantham-McGregor, S. (2017) 'Early childhood development coming of age: science through the life course' *Lancet* 389 (10064): 77–90

Cooper, K. and Stewart, K. (2013) *Does money affect children's outcomes?* CASE reports (80). London: Centre for Analysis of Social Exclusion, London School of Economics and Political Science

Daelmans, B., Darmstadt, G.L., Lombardi, J., Black, M.M., Britto, P.R., Lye, S., ... and Richter, L.M. (2017) 'Early childhood development: the foundation of sustainable development' *Lancet* 389 (10064): 9–11

Duflo, E. (2003) 'Grandmothers and granddaughters: old-age pensions and intrahousehold allocation in South Africa' *World Bank Economic Review* 17 (1): 1–25

Engle, P.L., Fernald, L.C., Alderman, H., Behrman, J., O'Gara, C., Yousafzai, A., ... and Iltus, S. (2011) 'Strategies for reducing inequalities and improving developmental outcomes for young children in low-income and middle-income countries' *Lancet* 378 (9799): 1339–1353

Esping-Andersen, G. (1990) *The three worlds of welfare capitalism*. Cambridge: Polity Press

García, J.L., Heckman, J.J., Leaf, D.E. and Prados, M.J. (2017) *Quantifying the life-cycle benefits of a prototypical early childhood program.* NBER Working Paper no. 23479. Cambridge MA: National Bureau of Economic Research

Gentilini, U.; Grosh, M. E., Rigolini, J. P., Yemtsov, R. G. (2019) *Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices* (English). Washington, D.C.: World Bank

Glewwe, P. and Krafft, C. (2014) *Benefits and costs of the education targets for the post-2015 development agenda.* Copenhagen: Copenhagen Consensus Center

Heckman, J.J. (2008) 'Schools, skills, and synapses' *Economic Inquiry* 46 (3): 289–324

Honorati, M., Gentilini, U., Yemtsov, R. G. (2015) *The state of social safety nets 2015.* Washington, D.C.: World Bank Group

ILO – International Labour Organization (2014) *World social protection report 2014/15: building economic recovery, inclusive development and social justice.* Geneva: International Labour Organization

ILO (2017) *World social protection report 2017–19: universal social protection to achieve the Sustainable Development Goals*. Geneva: International Labour Organization

ILO and UNICEF – United Nations Children's Fund (2019) *Towards universal social protection for children: achieving SDG 1.3*. Geneva: International Labour Organization and New York: United Nations Children's Fund

Mkandawire, T. (2005) *Targeting and universalism in poverty reduction*. Social Policy and Development Programme Paper no. 23. Geneva: United Nations Research Institute for Social Development

Newhouse, N., Suarez-Becerra, P. and Evans, M. (2016) *New estimates of extreme poverty for children*. World Bank Policy Research Working Paper no. 7845. Washington DC: World Bank

OECD – Organisation for Economic Cooperation and Development (2018) 'CO2.2: child poverty'. Paris: Organisation for Economic Cooperation and Development

Ortiz, I., Cummins, M., Capaldo, J. and Karunanethy, K. (2015) *The decade of adjustment: a review of austerity trends 2010–2020 in 187 countries*. Extension of Social Security Working Paper no. 53. Geneva: International Labour Organization

Richter, L.M., Daelmans, B., Lombardi, J., Heymann, J., Boo, F.L., Behrman, J.R., ... and Lucas, J.E. (2016) 'Investing in the foundation of sustainable development: pathways to scale up for early childhood development' *Lancet* 389 (10064): 103–118

Skocpol, T. (1991) 'Targeting within universalism: politically viable policies to combat poverty in the United States' in C. Jencks and P.E. Peterson (eds) *The urban underclass*, 411–36. Washington DC: Brookings Institution

Standing, G. (2017) *Basic income and how we can make it happen*. London: Pelican Books

Townsend, P. (2009) 'Investment in social security: a possible UN model for child benefit' in P. Townsend (ed.) *Building decent societies: rethinking the role of social security in development*, 151–166. Basingstoke: Palgrave MacMillan

UNGA – United Nations General Assembly (1990) Convention on the Rights of the Child. General Assembly Resolution A/RES/44/25 entered into force 2 September 1990

UNGA (2015) Transforming Our World: The 2030 Agenda for Sustainable Development. General Assembly Resolution A/RES/70/1 adopted on 25 September 2015UNICEF (2016) *The state of the world's children 2016: a fair chance for every child*. New York: United Nations Children's Fund

UNICEF (2017a) *Early moments matters for every child*. New York: United Nations Children's Fund

WHO – World Health Organization (2018) 'Nurturing care for early childhood development: a framework for helping children survive and thrive to transform health and human potential'. Geneva: World Health Organization

World Bank (2018a) *Poverty and shared prosperity report 2018: piecing together the poverty puzzle.* Washington DC: World Bank

World Bank (2018b) 'The human capital project: frequently asked questions'. Webpage. Washington DC: World Bank (www.worldbank.org/en/publication/human-capital/brief/the-human-capital-project-frequently-asked-questions)

World Bank (2018c) *The state of social safety nets 2018.* Washington DC: World Bank

Chapter 2

Abe, A. K., (2002) *Effects of Child-related Benefits in Japan,* paper for International Workshop on Low Fertility and Social Policies, 19-22 November, National Institute of Population and Social Security ResearchWorking Paper No. EM 8/12

Abramo, L., Cecchini, S. and Morales, B. (2019) *Social programmes, poverty eradication and labour inclusion: lessons from Latin America and the Caribbean.* Santiago: Economic Commission for Latin America and the Caribbean

Adam, S. and Brewer, M. (2003) *Supporting families: the financial cost and benefits of children since 1975.* Bristol: The Policy Press

Adato, M. and Hoddinott, J. (2010) *Conditional cash transfers in Latin America.* Washington DC: International Food Policy Research Institute

Atkinson, A.B. (1995b) 'On targeting and social security: theory and western experience with family benefits' in D. van de Walle and K. Nead (eds) *Public spending and the poor,* 25–68. Baltimore MA: Johns Hopkins University Press for the World Bank

Baas, D. (2014) '"Weltfremder barrikadenkletterer" erfand kindergeld', *Welt*, 14 October (www.welt.de/geschichte/article133150210/Weltfremder-Barrikadenkletterer-erfand-Kindergeld.html)

Badan Pusat Statistik (2018) '2018 National Socio-Economic Survey'. Dataset, Indonesian Office for National Statistics, Government of Indonesia

Banting, K. and Myles, J. (2015) 'Framing the new inequality: the politics of income redistribution in Canada' in D.A. Green, W.C. Riddell and F. St-Hilaire (eds) *Income inequality: the Canadian story,* 509–540. Montreal: Institute for Research on Public Policy

Barrientos, A. (2007) *Financing social protection.* Brooks World Poverty Institute Working Paper no. 5. Manchester: Brooks World Poverty Institute

Barrientos, A. (2013c) 'The rise of social assistance in Brazil' *Development and Change* 44 (4): 887–910

Bastagli, F. (2008) 'Conditionality in public policy targeted to the poor: promoting resilience?' *Social Policy and Society* 8 (1): 127–140

Bastagli, F. (2009) *From social safety net to social policy? The role of conditional cash transfers in welfare state development in Latin America*, IPC-IG Working Paper N. 60

Beegle, K.G., Coudouel, A. and Monsalve, E. (2018) *Realizing the full potential of social safety nets in Africa.* Washington DC: World Bank Group

Béland, D., Blomqvist, P., Andersen, J.G., Palme, J. and Waddan, A. (2014) 'The universal decline of universality? Social policy change in Canada, Denmark, Sweden and the UK' *Social Policy and Administration* 48 (7): 739–756

Bennett, F. and Dornan, P. (2006) 'Child benefit: fit for the future – 60 years of support for children'. CPAG Policy Briefing, August. London: Child Poverty Action Group

Bennett, F., Brewer, M. and Shaw, F. (2009) *Understanding the compliance costs of benefits and tax credits.* London: Institute for Fiscal Studies

Bergh, A. (2011) *The rise, fall and revival of the Swedish welfare state: what are the policy lessons from Sweden?* IFN Working Paper no. 873. Stockholm: Research Institute of Industrial Economics

Bertranou, F. and Maurizio, R. (2012) 'Semi-conditional cash transfers in the form of family allowances for children and adolescents in the informal economy in Argentina' *International Social Security Review* 65 (1): 53–72

Bosworth, J., Alviar, C., Corral, L., Davis, B., Musembi, D., Mwasiaji, W., ... and Wiseman, W. (2016) 'The cash transfer programme for orphans and vulnerable children: the catalyst for cash transfers in Kenya' in B. David, S. Handa, N. Hypher, N. Rossi, P. Winters, and J. Yablonski (eds) *From evidence to action: the story of cash transfers and impact evaluation in sub-Saharan Africa.* Oxford: Food and Agriculture Organization, United Natiosn Children's Fund and Oxford University Press

Bradshaw, J. and Finch, N. (2002) *A comparison of child benefit packages in 22 countries.* Research Report no. 174. Leeds: Her Majesty's Stationery Office for the Department for Work and Pensions

Bundesagentur fur Arbeit (n.d.) 'Kindergeld für Kinder mit Behinderung' (webpage, Nürnberg, Bundesagentur fur Arbeit) (www.arbeitsagentur.de/familie-und-kinder/kindergeld-fuer-kinder-mit-behinderung)

Cecchini, S. and Madariaga, A. (2011) *Conditional cash transfer programmes: the recent experience in Latin America and the Caribbean.* Santiago: United Nations Economic Commission for Latin America and the Caribbean

CGD – Center for Global Development (2015) 'Kenya's social cash transfer programme'. Webpage. Washington DC: Center for Global Development (http://millionssaved.cgdev.org/case-studies/kenyas-social-cash-transfer-program)

Coady, D., Grosh, M. and Hoddinott, J. (2004) *Targeting of transfers in developing countries: review of lessons and experience.* Washington DC: World Bank

CPAG – Child Poverty Action Group (2017) 'Inflation and benefit freeze dragging working parents further away from being able to meet basic family costs'. Press release, 21 August (https://cpag.org.uk/node/3046)

Currie, J. (2004) *The take up of social benefits.* NBER working paper 10488. Cambridge MA: National Bureau of Economic Research

Dalgety, J. (2010) *Changing families' financial support and incentives for working: the summary report of the evaluation of the working for families package.* Wellington: Inland Revenue and Ministry of Social Development

D'Elia, V., Rottenschweiler, S., Calabria, A., Calero, A. and Gaiada, J. (2010) *Fuentes de financiamiento de los sistemas de seguridad social en países de América del Sur.* Buenos Aires: Administración Nacional de la Seguridad Social

Development Pathways (2018) 'Role of IMF-backed elimination of universal social protection in protests', Development Pathways Blog, 16 January (www.developmentpathways.co.uk/blog/role-imf-backed-elimination-universal-social-protection-protests/)

DSD – Department of Social Development, SASSA – South African Social Security Agency and UNICEF (2016) *Removing barriers to accessing child grants: progress in reducing exclusion from South Africa's child support grant.* Pretoria: UNICEF South Africa.

Esping-Andersen, G. (1990) *The three worlds of welfare capitalism.* Bristol: Policy Press

Farthing, R. (2012) 'Save the child benefit'. CPAG Policy Briefing. London: Child Poverty Action Group

Ferreira, F. and Robalino, D. (2010) *Social protection in Latin America: achievements and limitations.* World Bank Policy Research Working Paper no. 5305. Washington DC: World Bank

Finanz.at (n.d.) 'Familienbeihilfe 2019 - Höhe & Anspruch - Kinderbeihilfe in Österreich' (webpage, Salzburg, Finanz.at) (www.finanz.at/steuern/familienbeihilfe/)

Fiszbein, A. and Schady, N. (2009) *Conditional cash transfers: reducing present and future poverty.* Washington DC: World Bank

Frejka, T. and Gietel-Basten, S. (2016) 'Fertility and family policies in Central and Eastern Europe after 1990' *Comparative Population Studies* 41 (1): 3–56

Garde, M., Mathers, N. and Dhakal, T. (2017) 'The evolution of Nepal's child grant: from humble beginnings to a real driver of change for children?' *Global Social Policy* 17 (3): 359–364.

Goldsmith, S. (2010) 'The Alaska permanent fund dividend: a case study in implementation of a basic income guarantee', paper presented at the 13th Basic Income Earth Network Congress, Sao Paulo, 30 June to 2 July

Gough, I. (2008) 'European welfare states: explanations and lessons for developing countries' in A.A. Dani and H. de Haan (eds) *Inclusive states: social policy and structural inequalities.* Washington DC: World Bank

Government of Canada (2018) *Equality and growth: a strong middle class.* Ottawa ON: Government of Canada

Granvik, M. (2016) *Policy diffusion, domestic politics and social assistance in Lesotho, 1998–2012.* UNU-WIDER Working Paper no. 2016/146. Helsinki: United Nations University World Institute for Development Economics Research

Hagen-Zanker, J., Mallett, R. and Ghimire, A. (2015) *How does Nepal's child grant work for Dalit children and their families? A mixed-methods assessment of programme delivery and impact in Bajura and Saptari.* London: Overseas Development Institute

HMRC – Her Majesty's Revenue and Customs (2017) 'Child benefit, child tax credit and working tax credit take-up rates 2015–16'. London: Her Majesty's Revenue and Customs

Hodges, A., Dufay, A.-C. Dashdorj, K., Yung Jong, K., Mungun, T. and Budragchaa (2007) *Child benefits and poverty reduction: evidence from Mongolia's child money programme.* Maastricht School of Governance Working Paper no. 002. Maastricht: Maastricht School of Governance

Honorati, M., Gentilini, U. and Yemtsov, R.G. (2015) *The state of social safety nets 2015.* Washington DC: World Bank Group

ILO – International Labour Organization (2010) *Extending social security to all: a guide through challenges and options*. Geneva: International Labour Organization

ILO (2016a) 'Financing social protection through financial transaction taxes: Brazil'. Geneva: International Labour Organization

ILO (2016b) 'Child money programme: Mongolia'. Geneva: International Labour Organization

ILO and UNICEF – United Nations Children's Fund (2019) *Towards universal social protection for children: achieving SDG 1.3.* Geneva: International Labour Organization and New York: United Nations Children's Fund

ISSA: International Social Security Association (2017) *Social security programmes throughout the world: Americas 2017.* Geneva: International Social Security Association

ISSA (2018) *Social security programmes throughout the world: Europe 2017.* Geneva: International Social Security Association

Kälvesten, A.-L. (1955) 'Family policy in Sweden' *Marriage and Family Living* 17 (3): 250–254

Kamerman, S. and Kahn, A. (1988) 'Social policy and children in the United States and Europe', in J. Palmer, T. Smeeding and B. Torrey (eds) *The vulnerable,* 351–380. Washington DC: Urban Institute Press

Kangas, O. (1991) *The politics of social rights.* Stockholm: Swedish Institute for Social Research

Kardan, A., Sindou, E., and Pellerano, L. (2014) *Lesotho child grants programme: the historic and future costs of the CGP and its affordability.* Oxford: OPM

Kidd, S. (2015) 'The political economy of "targeting" of social security schemes', Pathways Perspectives no. 19. Orpington: Development Pathways

Koehler, G. (2011) *Social protection and socioeconomic security in Nepal*. IDS Working Paper no. 370. Brighton: Institute of Development Studies

Larsen, C. A. (2006) *The institutional logic of welfare attitudes: How welfare regimes influence public support*. London: Routledge

Lavers, T. and Hickey, S. (2015) *Investigating the political economy of social protection expansion in Africa: at the intersection of transnational ideas and domestic politics.* ESID Working Paper no. 47. Manchester: Effective States and Inclusive Development Research Centre

Lindert, K. (2015) 'Brazil: Bolsa Família program – scaling-up cash transfers for the poor'. Washington DC: World Bank

Lindert, K., Londer, A., Hobbs, J. and de la Brière, B. (2007) *The nuts and bolts of Brazil's Bolsa Família programme: Implementing conditional cash transfers in a decentralised context*. SP Discussion Paper no. 0709. Washington DC: World Bank

Lister, R. (2006) 'An agenda for children: investing in the future or promoting well-being in the present?' in J. Lewis (ed.) *Children, changing families and welfare states*. Cheltenham: Edward Elgar

Lucas, B., Ludwig, C., Chapuis, J., Maggi, J. and Crettaz, E. (2019) *Le non-recours aux prestationssociales à Genève: quelles adaptations de la protection sociale aux attentes des familles en situation de précarité?* Rapport de recherche, Geneva: Haute Ecole de Travail Social et Haute Ecole de Santé (HES-SO\\Genève)

Lundquist, A. (2011) *Family policy paradoxes: gender equality and labour market regulation in Sweden, 1930–2010.* Bristol: Policy Press

Magda, I., Kiełczewska, A. and Bradt, N. (2018) *The 'Family 500+' child allowance and female labour supply in Poland.* IBS Working Paper no. 01/2018. Warsaw: Institute for Structural Research

Mathers, N. (2017) 'Why a universal child grant makes sense in Nepal: a four-step analysis' *Global Social Policy* 17 (3): 353–358

Mätzke, M. and Ostner, I. (2010) 'The role of old ideas in the new German family policy' *German Policy Studies* 6 (3): 119–162

MISSOC – European Union Mutual Information System on Social Protection (2018) 'Comparative tables' (electronic dataset, Brussels, European Union) (www.missoc.org/missoc-database/comparative-tables/)

NPC – National Planning Commission of Nepal (2018) *Needs assessment, costing and financing strategy for the Sustainable Development Goals*. Kathmandu: National Planning Commission

OECD (2011) *Doing better for families*. Paris: OECD Publishing

Osorio, R. and De Souza, P. F. (2013) '*Bolsa Família* after *Brasil Carinhoso*: an analysis of the potential for reducing extreme poverty'. IPC-IG Research Brief N. 41. Brasilia: International Policy Centre for Inclusive Growth

Patel, L. and Plagerson, S. (2016) 'The evolution of the child support grant' in A. Delany, S. Jehoma and L. Lake (eds) *South African child gauge* 2016, 39–43. Cape Town: Children's Institute

Pellerano, L. and Barca, V. (2014) *Does one size fit all? The conditions for conditionality in cash transfers*. Oxford Policy Management Working Paper. Oxford: OPM

Pellerano, L., Daidone, S., Davis, B., Farooq, M., Homayoun, M., Kardan, A., ... and Safi, N. (2016) 'Does evidence matter? role of the evaluation of the child grants programme in the consolidation of the social protection sector in Lesotho' in B. David, S. Handa, N. Hypher, N. Rossi, P. Winters and J. Yablonski (eds) *From evidence to action: the story of cash transfers and impact evaluation in sub-Saharan Africa.* Oxford: Food and Agriculture Organization, United Nations Children's Fund and Oxford University Press

Rathbone, E. (1940) *The case for family allowances.* Middlesex: Penguin Books

Rawlings, L. and Rubio, G. M. (2003) *Evaluating the impact of conditional cash transfer programs: lessons from Latin America* (English). Policy Research working paper series; no. WPS 3119. Washington, DC: World Bank

Richardson, D. and Bradshaw, J. (2012) 'Family-oriented anti-poverty policies in developed countries' in United Nations Department of Economic and Social Affairs *Family oriented policies for poverty reduction, work-family balance and intergenerational solidarity,* 55–91. *New Work: United Nations Department of Economic and Social Affairs*

Roca, E.E. (2011) 'Argentina: extension of universal family allowances, the universal child allowance' in United Nations Development Programme *Sharing innovative experiences volume 18: successful social protection floor experiences*. Geneva: Global South-South Development Academy and International Labour Organization

Salehi-Isfahani, D. and Mostafavi-Dehzooei, M.H. (2018) *Cash transfers and labor supply: evidence from a large-scale program in Iran.* Working Paper no. 1090. Giza: Economic Research Forum

Salehi-Isfahani, D., Wilson Stucki, B. and Deutschmann, J. (2015) 'The reform of energy subsidies in Iran: the role of cash transfers' *Emerging Markets Finance and Trade* 51 (6): 1144–1162

Sanyal, P.R. (2019) 'Effectiveness of the Canadian child benefit programmes'. Presentation at International Conference on Universal Child Grants, Geneva, 6–9 February (https://drive.google.com/file/d/1tlECfMJ7RYByNNHb9MAy9FVcBd7i-h2L/view)

Sepúlveda, M. (2018) 'Ensuring inclusion and combatting discrimination in social protection programmes: the role of human rights standards' *International Social Security Review* 70 (4): 13–43

Soares, S. and de Souza, P.H.G.F. (2012) 'No child left behind: a universal benefit for children in Brazil'. Research Brief no. 27. Brasilia: International Policy Centre for Inclusive Growth

South African Government (1996) *Report of the Lund Committee on Child and Family Support.* Pretoria: South African Government

Tesseva, I. (2012) *Evaluating the performance of means-tested benefits in Bulgaria*. EUROMOD Working Papers EM8/12. Colchester: EUROMOD at the Institute for Social and Economic Research

Timmins, N. (1996) *The five giants: a biography of the welfare state.* London: Fontana Press
TUC – Trade Unions Congress (2015) *Eroding child benefit*. London: Trade Unions Congress
UK Government (n.d. a) 'Claim child benefit' (webpage, London, UK Government) (www.gov.uk/child-benefit)
UK Government (n.d. b) 'High income child benefit tax charge' (webpage, London, UK Government) (www.gov.uk/child-benefit-tax-charge)
UNICEF (2017b) *UNICEF annual report 2017 – Nepal*. Kathmandu: United Nations Children's Fund
UNICEF UCB Country Profile – Argentina (2018) UNICEF country office unpublished document
UNICEF UCB Country Profile – Mongolia (2018) UNICEF country office unpublished document
UNICEF UCB Country Profile – South Africa (2018) UNICEF country office unpublished document
UNICEF, ANSES – Administración Nacional de la Seguridad Social, Ministerio de Desarrollo Social de la Nación, Consejo de Coordinación de Políticas Sociales (2017) 'Análisis y propuestas de mejoras para ampliar la Asignación Universal por Hijo'. Buenos Aires: United Nations Children's Fund
World Bank (2018d) *Argentina: escaping crises, sustaining growth, sharing prosperity*. Washington DC: World Bank

Chapter 3

Abu Hamad, B. and Pavanello, S. (2012) *Beneficiary and community perspectives on the Palestinian national cash transfer programme.* Transforming Cash Transfers, Part 1, December. London: Overseas Development Institute
ANSES – Administración Nacional de la Seguridad Social (2018) 'Montos de asignación universal por hijo y por embarazo para protección social'. Webpage. Buenos Aires: Administración Nacional de la Seguridad Social (www.anses.gob.ar/informacion/montos-de-asignacion-universal-por-hijo-y-por-embarazo-para-proteccion-social)
Attanasio, O., Fitzsimons, E. Gomez, A., Gutierrez, M.I., Meghir, C. and Mesnard, A. (2010) *Children's schooling and work in the presence of a conditional cash transfer program in rural Colombia*. Chicago IL: University of Chicago Press
Babajanian, B. and Scott, L. (2018) 'Accessing social assistance and special social services in Kazakhstan', *Policy in Focus* 15 (3), December
Bagash, T., Pereznieto, P. and Dubai, K. (2012) *Transforming cash transfers: beneficiary and community perspectives on the social welfare fund in Yemen.* London: Overseas Development Institute
Baird, S., McIntosh, C. and Ozler, B. (2010) *Cash or condition? Evidence from a cash transfer experiment.* World Bank Policy Research Working Paper no. 5259. Washington DC: World Bank
Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. (2016) *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: Overseas Development Institute
Bradshaw, J. and Hirose, K. (2016) *Child benefits in Central and Eastern Europe: a comparative review.*
Budapest: International Labour Organization, ILO DWT and Country Office for Central and Eastern Europe
Brown, C.S., Ravallion, M. and van De Walle, D. (2016) *A poor means test? Econometric targeting in Africa.* World Bank Policy Research Working Paper no. 7915. Washington DC: World Bank
Budlender, D, Burns, J. and Woolard, I. (2008) *Analysis of survey data on the impact of social security grants*. Report prepared for National Department of Social Development, Pretoria.
Bukuluki, P. and Watson, C. (2012) *Beneficiary and community perspectives on the senior citizen grant (SCG) in Uganda.* Transforming Cash Transfers, December. London: Overseas Development Institute
Butchart, A. and Hillis, S. (2016) *INSPIRE: seven strategies for ending violence against children.* Geneva: World Health Organization
Canavire, G. and Ospina, M. (2015*) Intrahousehold time allocation: an impact evaluation of conditional cash transfer programs.* Centro de Investigación Económicas y Financieras (CIEF) Working Paper no. 15–17. Medellin: Centro de Investigación Económicas y Financieras
Cheema, I.., Farhat, M., Hunt, S., Javeed, S., Pellerano, L. and O'Leary, S. (2014) *Benazir income support programme: first follow-up impact evaluation report*. Oxford: Oxford Policy Management

Cheetham, M., Moffatt, S. and Addison, M. (2018) *"It's hitting people that can least afford it the hardest": The impact of the roll out of Universal Credit in two North East England localities: a qualitative study.* Middlesborough: Teeside University and Newcastle Upon Tyne: Newcastle University

Davies, M. (2009) *Social transfers evaluation. summary report.* London: UK Department for International Development and Brighton: Institute of Development Studies

de Hoop, J., Friedman, J., Kandpal, E. and Rosati, F. (2017) *Child schooling and child work in the presence of a partial education subsidy.* Discussion Paper no. 10992. Bonn: Institute of Labor Economics

Dercon, S. (2011) *Social protection, efficiency and growth.* CSAE Working Paper no. WPS/2011-17. Oxford: Centre for the Study of African Economies

Detrick, S. (1999) *A commentary on the United Nations Convention on the Rights of the Child.* Leiden: Martinus Nijhoff Publishers

Devereux, S., Roelen, K., Béné, C., Chopra, D., Leavy, J. and McGregor, J.A. (2013) *Evaluating outside the box: an alternative framework for analysing social protection programs.* IDS Working Paper no. 431. Brighton: Institute of Development Studies

DSD – Department of Social Development, SASSA and UNICEF (2016) *Removing barriers to accessing child grants: progress in reducing exclusion from South Africa's child support grant*. Pretoria: UNICEF South Africa.

ECLAC – United Nations Economic Commission for Latin America and the Caribbean (2012) *Gender equality observatory of Latin America and the Caribbean: annual report 2012 – a look at grants, support and burden for women*. LC/G.2561/Rev.1. Santiago: United Nations Economic Commission for Latin America and the Caribbean

ECLAC (2019) *Social panorama of Latin America 2018*. Santiago: United Nations Economic Commission for Latin America and the Caribbean

Edström, J. (2007) 'Rethinking "vulnerability" and social protection for children affected by AIDS' *IDS Bulletin* 38 (3): 101–105

Federative Republic of Brazil (1988) Constitution of the Federative Republic of Brazil. Brasilia: Federative Republic of Brazil

Glewwe, P., Kremer, M. and Moulin, S. (2009) 'Many children left behind? Textbooks and test scores in Kenya' *American Economic Journal: Applied Economics, American Economic Association* 1 (1): 112–35

Goldblatt, B., Rosa, S. and Hall, K. (2006) *Implementation of the child support grant: a study of four provinces and recommendations for improved service delivery.* Cape Town: Children's Institute

Gupta, S. (2017) *Perils of the paperwork: the impact of information and application assistance on welfare program take-up in India.* Harvard MA: Harvard University

Hanna, R. and Olken, B.A. (2018) 'Universal basic incomes versus targeted transfers: anti-poverty programs in developing countries' *Journal of Economic Perspectives* 32 (4): 201–226

Hoddinott, J., Gilligan, D. and Taffesse, A.S. (2009) 'The impact of Ethiopia's productive safety net program on schooling and child labor' in S. Handa, S. Devereux and D. Webb (eds) *Social protection for Africa's children*. London: Routledge

ICRHP – International Council on Human Rights Policy (2010) *Modes and patterns of social control: implications for human rights policy*. Geneva: International Council on Human Rights Policy

ILO – International Labour Organization (2012) 'R202 Social Protection Floors Recommendation, 2012 (No. 202)'. Geneva: International Labour Organization

ILO (2017) *Social protection assessment-based national dialogue: towards a nationally defined social protection floor in the Kyrgyz Republic.* Geneva: International Labour Organization

ILO (2019) 'Universal social protection for human dignity, social justice and sustainable development'. General survey concerning the Social Protection Floors Recommendation, 2012 (No. 202). Geneva: International Labour Organization

Jhabvala, R. and Standing G. (2010) 'Targeting to the "poor": clogged pipes and bureaucratic blinkers' *Economic and Political Weekly* 45 (26–27): 239–46

Jones, H. and Pells, K. (2016) 'Undermining learning: multi-country longitudinal evidence on corporal punishment in schools'. Innocenti Research Brief no. 6. Florence: UNICEF Office of Research-Innocenti

Kaplan, J. and Jones, N. (2013) *Child-sensitive social protection in Africa: challenges and opportunities*. London: African Child Policy Forum and Overseas Development Institute

Kidd, S. (2014) *Social exclusion and access to social protection schemes*. Canberra: Government of Australia, Department of Foreign Affairs and Trade

Kidd, S. and Athias, D. (2019) *Hit and miss: an assessment of targeting effectiveness in social protection*. Development Pathways Working Paper, March. Orpington: Development Pathways and Church of Sweden

Kidd, S. and Wylde, E. (2011) *Targeting the poorest: an assessment of the proxy means test methodology.* Canberra: Australian Aid

Koehler, G. (2011) *Social protection and socioeconomic security in Nepal.* IDS Working Paper no. 370. Brighton: Institute of Development Studies

Langford, M. (2008) *Social rights jurisprudence: Emerging trends in international and comparative law.* Cambridge: Cambridge University Press

Levine, S., van Der Berg, S. and Yu, D. (2009) *Measuring the impact of social cash transfers on poverty and inequality in Namibia.* Stellenbosch Economic Working Paper no. 25/09. Stellenbosch: University of stellenbosch

McCord, A. (2017) *Community-based targeting in the social protection sector.* ODI Working Paper no. 514. London: Overseas Development Institute

Martínez Franzoni, J. and Voreend, K. (2010) 'Transferencias condicionadas, regímenes de bienestar e igualdad de género: ¿blancos, negros o grises?' *Revista de Ciencias Sociales* 4 (122)

Miller, C., Tsoka, M. and Reichert, K. (2008) *Impact evaluation report external evaluation of the Mchinji social cash transfer pilot.* Boston MA: Center for International Health and Development (CIHD) at Boston University for the Government of Malawi, USAID and UNICEF Malawi

Moeckli, D. (2010) 'Equality and non-discrimination', in D. Moeckli, S. Shah and S. Sivakumaran (eds) *International human rights law,* 189–208. Oxford: Oxford University Press

Newhouse, D., Suarez-Becerra, P. and Evans, M.C. (2016) *New estimates of extreme poverty for children.* World Bank Policy Research Working Paper no. 7845. Washington DC: World Bank

OECD – Organisation for Economic Co-operation and Development (2018) 'Poor children in rich countries: why we need policy action'. Policy Brief on Child Well-Being. Paris: OECD Publishing

Ogando-Portela, M.J. and Pells, K. (2015) *Corporal punishment in schools: longitudinal evidence from Ethiopia, India Peru and Viet Nam.* Innocenti Discussion Papers no. 2. Florence: UNICEF Office of Research-Innocenti

Ortiz, I. (2001) *Social protection in Asia and the Pacific*. Manila: Asian Development Bank

Pereznieto, P., Jones, N., Abu Hamad, B. and Shaheen, M. (2014) *Effects of the Palestinian national cash transfer programme on children and adolescents: a mixed methods analysis.* London: Overseas Development Institute and New York: United Nations Children's Fund

Pierri, G. and Assaad, R. (2015) *The impact of Argentina's Asignación Universal Por Hijo cash transfer program on children's educational outcomes*. Working Paper prepared for APPAM 2014 Fall Conference, February 2015

Porter, C. and Dornan, P. (2010) *Social protection and children: a synthesis of evidence from young lives longitudinal research in Ethiopia, India and Peru.* Oxford: Young Lives, University of Oxford

Republic of Colombia (1991) *Constitution of the Republic of Colombia*. Bogota: Republic of Colombia

Republic of South Africa (1996) *Constitution of the Republic of South Africa*. Pretoria: Republic of South Africa

Roelen, K. and Sabates-Wheeler, R. (2011) 'A child sensitive approach to social protection: serving practical and strategic needs'. Paper presented at the Social Protection for Social Justice conference, Institute of Development Studies, London, 13–15 April

Roelen, K., Devereux, S., Abdulai, A.G., Martorano, B., Palermo, T. and Ragno, L.P. (2017) *How to make 'cash plus' work: linking cash transfers to services and sectors*. Innocenti Working Paper no. 2017-10. Florence: UNICEF Office of Research-Innocenti

Sabates-Wheeler, R., Devereux, S. and Hodges, A. (2009) 'Taking the long view: what does a child focus add to social protection?' *IDS Bulletin* 40 (1): 109–119

SASSA – South African Social Security Agency and UNICEF (2013) *Preventing exclusion for the Child Support Grant:a study of exclusion errors in accessing CSH benefits.* Pretoria: South African Social Security Agency and United Nations Children's Fund

Sepúlveda, M. (2017) 'Ensuring inclusion and combatting discrimination in social protection programmes: the role of human rights standards' *International Social Security Review* 70 (4): 13–43

Sepúlveda, M. (2019) *The legal and human rights case for universal child benefits.* New York: United Nations Children's Fund

Sepúlveda, M. and Nyst, C. (2012) *The human rights approach to social protection.* Helsinki: Ministry of Foreign Affairs of Finland

Stephens, J. and Artiga, S. (2013) 'Key lessons from Medicaid and CHIP for outreach and enrolment under the Affordable Care Act'. Issue Brief. Washington DC: The Kaiser Commission on Medicaid and the Uninsured

Stewart, D. and Orton, I. (2018) 'Is it time for universal child grants?' Policy in focus 15 (3): 10-12

UN Women – United Nations Entity for Gender Equality and the Empowerment of Women (2015) *Progress of the World's Women 2015-2016: Transforming Economies, Realizing Rights*. New York: UN Women

UNCESCR – United Nations Committee on Economic, Social and Cultural Rights (2008) General Comment No. 19 on the right to social security (Art. 9), UN Doc. E/C.12/GC/19 adopted at the thirty-ninth session

UNCESCR (2009) General Comment No. 20 on non-discrimination in economic, social and cultural rights, (arts. 2, para 2, of the International Covenant on Economic, Social and Cultural Rights), UN Doc. E/C.12/GC/20 of 2 July 2009

UNGA – United Nations General Assembly (1990) Convention on the Rights of the Child. General Assembly Resolution A/RES/44/25 entered into force 2 September 1990

UNICEF – United Nations Children's Fund (2012) *Social protection strategic framework. integrated social protection systems enhancing equity for children.* New York: United Nations Children's Fund

UNICEF (2014) *Assessing child-sensitivity in social protection: a toolkit for social transfers*. Kathmandu UNICEF Regional Office for South Asia

UNICEF and World Bank (2016) 'Ending extreme poverty: a focus on children'. New York: United Nations Children's Fund and Washington DC: World Bank

United Nations Committee on the Elimination of Racial Discrimination (2004) General Recommendation No. 30 on the rights of non-citizens, UN Doc. HRI/GEN/1/Rev.7/Add.1 of 4 May

UN CRC Committee – United Nations Committee on the Rights of the Child (2013) General Comment No. 14 on the right of the child to have his or her best interests taken as a primary consideration (Art. 3, para. 1), UN Doc. CRC/C/GC/14 of 29 May 2013

UN HRC – United Nations Human Rights Committee (1989) General Comment No. 18 on non-discrimination, UN Doc. HRI/GEN/1/Rev.9 (Vol. I) of 10 November 1989

University of the Philippines Population Institute (2017) *Assessment of the modified conditional cash transfer program for indigenous people in geographically isolated and disadvantaged areas: final report*. Manila: University of the Philippines, United Nations Children's Fund, Department of Social Welfare and Development and Australian Aid

Uruguayan Congress (2006) Uruguay: Law 18.076 on the Status of Refugees. Montevideo: Republic of Uruguay

Uruguayan Congress (2008) Uruguay: Migration Law 18.250. Montevideo: Republic of Uruguay

Viswanathan, S. and Newton-Lewis, T. (2018) 'Conditional cash transfers for improving nutrition outcomes: lessons from Bihar Child Support Programme' *Policy in Focus* 15 (3), December

Walker, R. (2014) *The shame of poverty*. Oxford: Oxford University Press

Welfare Conditionality (2018) *Final findings report: welfare conditionality project 2013–2018*. York: Department of Social Policy and Social Work, University of York

Wodon, Q. (2012) *Improving the targeting of social programs in Ghana.* Washington DC: World Bank

World Bank (2012) *World development report 2012: gender equality and development*. Washington DC: World Bank

International treaties and conventions

American Convention on Human Rights (1969) (www.cartercenter.org/resources/pdfs/peace/democracy/des/amer_conv_human_rights.pdf)
African Charter on Human and People's Rights (1986) (https://au.int/sites/default/files/treaties/36390-treaty-0011_-_african_charter_on_human_and_peoples_rights_e.pdf)
Arab Charter on Human Rights (1994) (http://www.humanrights.se/wp-content/uploads/2012/01/Arab-Charter-on-Human-Rights.pdf)
Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979) (www.un.org/unispal/wp-content/uploads/2018/09/CEDAW.C.PS_.Q.1.pdf)
Convention on the Rights of the Child (CRC) (1989) (www.unicef.org.uk/what-we-do/un-convention-child-rights/)
Convention on the Rights of Persons with Disabilities (CRPD) (2006) (www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html)
Declaration of Philadelphia (1944) Annex to ILO Constitution (www.ilo.org/dyn/normlex/en/f?p=1000:62:0::NO:62:P62_LIST_ENTRIE_ID:2453907:NO#declaration)
European Convention on Human Rights (1950) (www.echr.coe.int/Pages/home.aspx?p=basictexts&c)
International Convention on the Elimination of All Forms of Racial Discrimination (CERD) (1979) (https://ohchr.org/EN/ProfessionalInterest/Pages/CERD.aspx)
International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMW) (1990) (www.ohchr.org/EN/ProfessionalInterest/Pages/CMW.aspx)
International Covenant on Economic, Social and Cultural Rights (ICESCR) (1966) (www.ohchr.org/en/professionalinterest/pages/cescr.aspx)
International Covenant on Civil and Political Rights (ICCPR) (1976) (www.ohchr.org/EN/ProfessionalInterest/Pages/CCPR.aspx)
Universal Declaration of Human Rights (UDHR) (1948) (www.un.org/en/universal-declaration-human-rights/index.html)

Case law

Argentina

Case Molina María Elvira Silvana c/Estado Nacional – Ministerio de Trabajo s/ amparo, case No. 22.268/03, Juzgado Federal de Primera Instancia de la Seguridad Social N. 8
Case Sales, Andrés Julio y otros c/Estado Nacional – Ministerio de Trabajo s/amparos y sumarísimos, No. 8992/04, sentencia interlocutoria of 17 June 2004, Juzgado Federal de Primera Instancia de la Seguridad Social No. 9

Brazil

Brazilian Specialized Federal Court of the 3rd Region sentenced the National Institute of Social Security (*Instituto Nacional do Seguro Social*, INSS) to grant foreign residents the benefit enshrined in Article 203 paragraph V of the Constitution

European Court of Human Rights

Marckx v. Belgium, Application No. 6833/74, Judgement of 13 June 1979
Gaygusuz v. Austria, Application No. 177371/9, Judgment of 16 September 1996

Human Rights Committee

Toussaint v. Canada, CCPR/C/123/D/2348/2014, 2018 of 24 July 2018

Inter American Court of Human Rights

I/A Court HR Advisory Opinion No. 4 'Proposed amendments to the naturalization provisions of the Constitution of Costa Rica', OC-4/84 of 19 January 1984

South Africa

Khosa and others v. The Minister of Social Development and Others, (CCT 13/03, CCT 12/03) [2004] ZACC 11; 2004 (6) SA 505 (CC); 2004 (6) BCLR 569 (CC) (4 March 2004), Judgment of 14 March 2004

United Kingdom and Northern Ireland

In the matter of an application by Siobhan McLaughlin for Judicial Review (Northern Ireland) [2018] UKSC 48, Judgement of 30 August 2018

Chapter 4

Abramo, L., Cecchini, S. and Morales, B. (2019*) Social programmes, poverty eradication and labour inclusion. lessons from Latin America and the Caribbean.* Santiago: Economic Commission for Latin America and the Caribbean

Aguila, E., Kapteyn, A. and Perez-Arce, F. (2017) 'Consumption smoothing and frequency of benefit payments of cash transfer programs' *American Economic Review* 107 (5): 430–35

Ahmed, A., Hoddinott, J., Roy, S., Sraboni, E., Quabili, W. and Margolies, A. (2016) *Which kinds of social safety net transfers work best for the ultra-poor in Bangladesh? Operation and impacts of the Transfer Modality Research Initiative.* Dhaka: International Food Policy Research Institute and World Food Programme.

Akresh, R., de Walque, D. and Kazianga, H. (2016) *Evidence from a randomized evaluation of the household welfare impacts of conditional and unconditional cash transfers given to mothers or fathers.* World Bank Policy Research Working Paper no. 7730. Washington DC: World Bank

Alatas, V., Banerjee, A., Hanna, R., Olken, B. and Tobias, J. (2010) *Targeting the poor: evidence from a field experiment in Indonesia*. NBER Working Paper no. 15980. Cambridge MA: National Bureau of Economic Research

Alkire, S. (2011) *Multidimensional poverty and its discontents.* OPHI Working Paper no. 46. Oxford: Oxford Poverty and Human Development Initiative, University of Oxford

Almås, I., Armand, A., Attanasio, O. and Carneiro, P. (2018) 'Measuring and changing control: women's empowerment and targeted transfers' *The Economic Journal* 128 (612): F609–F639

Alvarez Agis, E.A., Panigo, D.T. and Cañete, C. (2013) 'El impacto de la Asignación Universal por Hijo en Argentina. Presentación formal de resultados anticipados en 2010'. *Empleo, desempleo & políticas de empleo* (15). Buenos Aires: CEIL. (https://ri.conicet.gov.ar/bitstream/handle/11336/17814/CONICET_Digital_Nro.20778.pdf?sequence=1&isAllowed=y)

Angelucci, M. and de Giorgi, G. (2009) 'Indirect effects of an aid program: how do cash transfers affect ineligibles' consumption?' *American Economic Review* 99 (1): 486–508

Armand, A. and Carneiro, P. (2018) *Impact evaluation of the conditional cash transfer program for secondary school attendance in Macedonia.* Impact Evaluation Report no. 69. Washington DC: International Initiative for Impact Evaluation

Atkinson, A.B. (1995b) 'On targeting and social security: theory and western experience with family benefits' in D. van de Walle and K. Nead (eds) *Public spending and the poor*, 25–68. Baltimore MA: Johns Hopkins University Press for the World Bank

Bäckman, O. and Ferrarini, T. (2010) 'Combating child poverty? A multilevel assessment of family policy institutions and child poverty in 21 old and new welfare states' *Journal of Social Policy* 39 (2): 275–296

Baird, S., Mcintosh, C. and Özler, B. (2016) *When the money runs out: do cash transfers have sustained effects?* World Bank Policy Research Working Paper no. 7901. Washington DC: World Bank

Banerjee, A.V., Hanna, R., Kreindler, G.E. and Olken, B.A. (2017) 'Debunking the stereotype of the lazy welfare recipient: evidence from cash transfer programs' *World Bank Research Observer* 32 (2): 155–184

Barca, V., Hurrell, A., MacAuslan, I., Visram, A. and Willis, J. (2013), 'Paying attention to detail: how to transfer cash in cash transfers' *Enterprise Development and Microfinance* 24 (1): 10–27

Bárcena-Martín, E., Blanco-Arana, M.C. and Pérez-Moreno, S. (2018) 'Social transfers and child poverty in European countries: pro-poor targeting or pro-child targeting?' *Journal of Social Policy* 47 (4): 739–758

Barham, T., Macours, K. and Maluccio, J.A. (2013) 'Boys' cognitive skill formation and physical growth: long-term experimental evidence on critical ages for early childhood' *American Economic Review* 103 (3): 467–471

Barrera-Osorio, F., Bertrand, M., Linden, L.L. and Perez-Calle, F. (2008) *Conditional cash transfers in education design features, peer and sibling effects evidence from a randomized experiment in Colombia*. NBER Working Paper no. 13890. Cambridge MA: National Bureau of Economic Research

Barrera-Osorio, F., Linden, L.L. and Saavedra, J.E. (2019) 'Medium-and long-term educational consequences of alternative conditional cash transfer designs: experimental evidence from Colombia' *American Economic Journal* 11 (3): 54–91

Barrientos, A. (2012) 'Social transfers and growth: what do we know? What do we need to find out?' *World Development* 40 (1): 11–20

Barrientos, A. and DeJong, J. (2006) 'Reducing child poverty with cash transfers: a sure thing?' *Development Policy Review* 24 (5): 537–552

Bastagli, F. (2020) 'UBI and work' in U. Gentilini et al. (eds) *Exploring universal basic income : a guide to navigating concepts, evidence, and practices*. Washington DC: World Bank

Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. (2016) *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: Overseas Development Institute

Beazley, R. and Farhat, M. (2016) *How can lump-sum cash transfers be designed to improve their productive potential*? Oxford Policy Management Working Paper, February. Oxford: Oxford Policy Management

Beegle, K., Coudouel, A. and Monsalve, E. (eds) (2018) *Realizing the full potential of social safety nets in Africa*. Washington DC: World Bank.

Benhassine, N., Devoto, F., Duflo, E., Dupas, P. and Pouliquen, V. (2015) 'Turning a shove into a nudge? A "labelled cash transfer" for education' *American Economic Journal* 7 (3): 86–125

Besley, T. and Kanbur, R. (1990) *The principles of targeting*. World Bank Policy Research Working Paper no. 385. Washington DC: World Bank

Beukes, R., Jansen, A., Moses, M. and Yu, D. (2017) 'Exploring the eligibility criteria of the child support grant and its impact on poverty' *Social Indicators Research* 134 (2): 511–529

Bonilla, J., Zarzur, R.C., Handa, S., Nowlin, C., Peterman, A., Ring, H., ... and Zambia Child Grant Program Evaluation Team (2017) 'Cash for women's empowerment? A mixed-methods evaluation of the Government of Zambia's child grant program' *World Development* 95 (July): 55–72

Bono, E.D., Francesconi, M., Kelly, Y. and Sacker, A. (2016) 'Early maternal time investment and early child outcomes' *The Economic Journal* 126 (596): F96–F135

Bosch, M. and Schady, N. (2019) 'The effect of welfare payments on work: regression discontinuity evidence from Ecuador' *Journal of Development Economics* 139 (June): 17–27

Brady, D. and Burroway, R. (2012) 'Targeting, universalism, and single-mother poverty: a multilevel analysis across 18 affluent democracies' *Demography* 49 (2): 719–746

Brown, C., Ravallion, M. and van de Walle, D. (2017) 'Reaching poor people' *Finance and Development* 54 (4): 48–51

Buller, A.M., Peterman, A., Ranganathan, M., Bleile, A., Hidrobo, M. and Heise, L. (2018) 'A mixed-method review of cash transfers and intimate partner violence in low- and middle-income countries' *World Bank Research Observer* 33 (2): 218–258

Buser, T., Oosterbeek, H., Plug, E., Ponce, J. and Rosero, J. (2017), 'The impact of positive and negative income changes on the height and weight of young children' *World Bank Economic Review* 31 (3): 786–808

Caminada, K., Wang, J., Goudswaard, K. and Wang, C. (2017) *Income inequality and fiscal redistribution in 47 LIS countries (1967-2014)*. LIS Working Paper Series No. 724. Luxembourg: LIS (https://openaccess.leidenuniv.nl/bitstream/handle/1887/56313/kc_2017_16.pdf?sequence=1)

Cantillon, B. and van Mechelen, N. (2014) 'Cracks in a policy paradigm – poverty and social security: the case of Belgium' *International Review of Sociology* 24 (2): 270–290

Cardoso, J., Castigo, F., Salvucci, V. and Bruckauf, Z. (2018) 'Unconditional child grant in Mozambique: microsimulation of its impact on poverty and inequality'. Paper presented at Crescimento Inclusivo em Moçambique: Conferência Anual 2018, Maputo, 27 November

Carneiro, P. and Ginja, R. (2016) 'Partial insurance and investments in children' *Economic Journal* 126 (596): F66–95

Carneiro, P. and Rodriguez, M. (2009) 'Evaluating the effect of maternal time on child development using the generalized propensity score'. Paper presented at Institute for the Study of Labor, 12th IZA European Summer School in Labor Economics, Amersee Lake, 27 April to 3 May

Cecchini, S. and Madariaga, A. (2011) *Conditional cash transfer programmes: the recent experience in Latin America and the Caribbean.* Santiago: United Nations Economic Commission for Latin America and the Caribbean

Christian, C., Hensel, L. and Roth, C. (2018) 'Income shocks and suicides: causal evidence from Indonesia' *Review of Economics and Statistics* 101 (5): 1–18

Chzhen, Y. (2014) *Child poverty and material deprivation in the European Union during the Great Recession.* Innocenti Working Paper no. 2014-06. Florence: UNICEF Office of Research-Innocenti

Cirillo, C. and Tebaldi, R. (2016) *Social protection in Africa: inventory of non-contributory programmes*. Brasilia: International Policy Centre for Inclusive Growth

Coady, D., Grosh, M. and Hoddinott, J. (2004) *The targeting of transfers in developing countries: review of experience and lessons*. Social Safety Net Primer Series. Washington DC: World Bank

Cohen, A., Dehejia, R. H. and Romanov, D. (2007) *Do financial incentives affect fertility?* NBER Working Paper no. 8639. Cambridge MA: National Bureau of Economic Research

Cookson, T. (2018) *Unjust conditions: women's work and the hidden cost of cash transfer programs.* Oakland CA: University of California Press

Cornia, G.A. and Stewart, F. (1993) *Two errors of targeting*. Innocenti Institute Occasional Papers – Economic Policy Series no. 36. Florence: UNICEF International Child Development Centre

Cunha, J.M., De Giorgi, G. and Jayachandran, S. (2019) 'The price effects of cash versus in-kind transfers' *The Review of Economic Studies* 86 (1): 240–281

Daidone, S., Pellerano, L., Handa, S. and Davis, B. (2015) 'Is graduation from social safety nets possible? Evidence from sub-Saharan Africa' *IDS Bulletin* 46 (2): 93–102

Dang, H.A.H. and Dabalen, A.L. (2017) *Is poverty in Africa mostly chronic or transient? Evidence from synthetic panel data*. World Bank Policy Research Working Paper no. 8033. Washington DC: World Bank.

De Brauw, A., Gilligan, D.O., Hoddinott, J. and Roy, S. (2015) 'Bolsa Família and household labor supply' *Economic Development and Cultural Change* 63 (3): 423–457

de Walque, D., Fernald, L., Gertler, P. and Hidrobo, M. (2017) 'Cash transfers and child and adolescent development' in D.A.P. Bundy et al. (eds) *Child and adolescent health and development.* 3rd edition. Washington DC: World Bank

Del Boca, D., Flinn, C. and Wiswall, M. (2013) 'Household choices and child development' *Review of Economic Studies* 81 (1): 137–185

Development Pathways and UNICEF – United Nations Children's Fund (2017) 'Preliminary microsimulations of universal child benefits in Indonesia'. Jakarta: UNICEF Indonesia

Duflo, E. (2012) 'Women empowerment and economic development' *Journal of Economic Literature* 50 (4): 1051–79

Enami, A. and Lustig, N. (2018) 'Poverty reduction efforts in Iran: the wrecking force of inflation', Economic Research Forum Policy Portal, 12 June (https://theforum.erf.org.eg/2018/06/12/poverty-reduction-efforts-iran-wrecking-force-inflation/)

Evans, M. (2018) *Simulating policy options for universal child allowances in Ghana.* UNU-WIDER Working Paper no. 2018/145. Helsinki: United Nations University World Institute for Development Economics Research

Evans, M., Hidalgo, A. and Wang, M. (2018) *Universal child allowances in 14 middle income countries: options for policy and poverty reduction.* Working Paper no. 783. Luxembourg: LIS Cross-National Data Center

Filmer, D., Friedman, J., Kandpal, E. and Onishi, J. (2016) *Cash transfers, food prices, and nutrition impacts on nonbeneficiary children.* World Bank Policy Research Working Paper no. 8377. Washington DC: World Bank

Finn, D. and Goodship, J. (2017) *Take-up of benefits and poverty: an evidence and policy review*. London: Centre for Economic and Social Inclusion

Firpo, S., Pieri, R., Pedroso Jr, E. and Souza, A.P. (2014) 'Evidence of eligibility manipulation for conditional cash transfer programs' *EconomiA* 15 (3): 243–260

Fiszbein, A. and Schady, N.R. (2009) *Conditional cash transfers: reducing present and future poverty*. Washington DC: World Bank

Francesconi, M. and Heckman, J.J. (2016) 'Child development and parental investment: introduction' *The Economic Journal* 126 (596): F1–F27

Francese, M. and Prady, D. (2018) *Universal basic income: debate and impact assessment*. IMF Working Paper WP/18/273. Washington DC: International Monetary Fund

Freije, S. and Yang, J. (2018) *Mongolia distributional impact of taxes and transfers.* World Bank Policy Research Working Paper no. 8639. Washington DC: World Bank

Gábos, A., Gál, R. I., and Kézdi, G. (2009) 'The effects of child-related benefits and pensions on fertility by birth order: a test on Hungarian data' *Population Studies* 63 (3): 215–231

García, S. and Saavedra, J.E. (2017) 'Educational impacts and cost-effectiveness of conditional cash transfer programs in developing countries: a meta-analysis' *Review of Educational Research* 87 (5): 921–965

García, A., Romero, O.L., Attanasio, O. and Pellerano, L. (2012) 'Impactos de largo plazo del programa familias en acción en municipios de menos de 100 mil habitantes en los aspectos claves del desarrollo del capital humano'. Technical report, *Union Temporal Econometria S.A.* SEI. con la asesoria del IFS

Garganta, S., Gasparini, L., Marchionni, M. and Tappatá, M. (2017) 'The effect of cash transfers on fertility: evidence from Argentina' *Population Research and Policy Review* 36 (1): 1–24

Gentilini, U., Grosh, M. and Rutkowski, M. (2019) 'Understanding coverage: what does universal social protection really mean?' Development Matters blog, 28 January (https://oecd-development-matters.org/2019/01/28/understanding-coverage-what-does-universal-social-protection-really-mean/)

Gertler, P., Martinez, S. and Rubio-Codina, M. (2012) 'Investing cash transfers to raise long term living standards' *American Economic Journal: Applied Economics* 4 (1): 164–192

Grosh, M. (2016) 'On the always vexing question of targeting: how are Latin American and the Caribbean CCTs doing?'. Paper presented at International symposium: the contribution of CCTs to the creation of rights-based social protection systems, Mexico City, 28–30 September

Grosh, M.E. and Baker, J.L. (1995) *Proxy means tests for targeting social programs: simulations and speculation*. Washington, DC: World Bank

Grosh, M., del Ninno, C., Tesliuc E. and Ouerghi A. (2008) *For protection and promotion: the design and implementation of effective safety nets*. Washington, DC: World Bank

Hadiwidjaja, G., Paladines,C. and Wai-Poi M. (2013) *The many dimensions of child poverty in Indonesia: patterns, differences and associations*. Jakarta: World Bank

Hagemejer, K. (2019) '"Family 500+" child grant scheme in Poland: a note on impacts and controversies'. Draft paper prepared for the International Labour Organization/Overseas Development Institute/UNICEF international conference on universal child grants, Geneva, 6–8 February

Hagen-Zanker, J., Pellerano, L., Bastagli, F., Harman, L., Barca, V., Sturge, G., ... and Laing, C. (2017) 'The impact of cash transfers on women and girls'. London: Overseas Development Institute

Handa, S., Natali, L., Seidenfeld, D., Tembo, G. and Davis, B. (2016) *Can unconditional cash transfers lead to sustainable poverty reduction? Evidence from two government-led programmes in Zambia*. Florence: UNICEF Office of Research-Innocenti

Handa, S., Daidone, S., Peterman, A., Davis, B., Pereira, A., Palermo, T. and Yablonski, J. (2018) 'Mythbusting: confronting six common perceptions about cash transfer programs in sub-Saharan Africa' *World Bank Research Observer* 33 (2): 259–298

Hanna, R. and Olken, B.A. (2018) 'Universal basic incomes versus targeted transfers: anti-poverty programs in developing countries' *Journal of Economic Perspectives* 32 (4): 201–26

Haushofer, J. and Shapiro, J. (2016) 'The short-term impact of unconditional cash transfers to the poor: experimental evidence from Kenya' *Quarterly Journal of Economics*,131 (4): 1973–2042

Higgins, S. (2012) 'The impact of Bolsa Família on poverty: does Brazil's conditional cash transfer program have a rural bias?' *Journal of Politics and Society* 23 (1): 88–125

Hsu, L.C. (2017) 'The timing of welfare payments and intimate partner violence' *Economic Inquiry* 55 (2): 1017–1031

ILO – International Labour Organization (2016a) 'Child money programme: Mongolia'. Geneva: International Labour Organization

ILO (2017) *World social protection report 2017–19: universal social protection to achieve the Sustainable Development Goals*. Geneva: International Labour Organization

ILO and UNICEF – United Nations Children's Fund (2019) *Towards universal social protection for children: achieving SDG 1.3*. Geneva: International Labour Organization and New York: United Nations Children's Fund

Inchauste, G., Lustig, N., Maboshe, M., Purfield, C. and Woolard, I. (2017) The distributional impact of fiscal policy in South Africa, in Inchauste, G. and Lustig, N. (2017) *The distributional impact of fiscal policy: Evidence from developing countries*. Washington DC: World Bank (http://www.commitmentoequity.org/wp-content/uploads/2017/09/CEQ-WP29_Inchauste-Lustig-Maboshe-Purfield-Woolard_South-Africa_REVISED-May2017.pdf)

Jacques, O. and Noël, A. (2018) 'The case for welfare state universalism, or the lasting relevance of the paradox of redistribution' *Journal of European Social Policy* 28 (1): 70–85

Jain, R. and Mittal, S. (2018) *The role of cash transfers in improving child health: a review of the evidence.* Ahmedabad: J-Pal South Asia

Jones, D. and Marinescu, I. (2018) *The labor market impacts of universal and permanent cash transfers: evidence from the Alaska Permanent Fund*. NBER Working Paper no. 24312. Cambridge MA: National Bureau for Economic Research

Jones, L. E., Milligan, K. S., and Stabile, M. (2015) *Child cash benefits and family expenditures: Evidence from the national child benefit*. NBER Working Paper 21101. Cambridge, MA: National Bureau of Economic Research (www.nber.org/papers/w21101)

Kenworthy, L. (2011) *Progress for the poor.* Oxford: Oxford University Press

Kidd, S. (2019) 'Targeted or inclusive approaches to child benefits in East Asia and the Pacific?'. Presentation, Development Pathways, Orpington, 11 June

Kidd, S. and Athias, D. (2019) *Hit and miss: an assessment of targeting effectiveness in social protection*. Development Pathways Working Paper, March. Orpington: Development Pathways and Church of Sweden

Kidd, S. and Gelders, B. (2015) *Child wellbeing and social security in Georgia: the case for moving to a more inclusive national social security system*. Georgia: United Nations Children's Fund

Kidd, S., Gelders, B. and Bailey-Athias, D. (2017) *Exclusion by design: an assessment of the effectiveness of the proxy means test poverty targeting mechanism*. Extension of Social Security Working Paper no. 56. Geneva: International Labour Organization and Development Pathways

Klasen, S. and Lange, S. (2015) *Accuracy and poverty impacts of proxy means-tested transfers: an empirical assessment for Bolivia.* Courant Research Centre Discussion Paper no. 164. Göttingen: Courant Research Centre

Korpi, W. and Palme, J. (1998) 'The paradox of redistribution and strategies of equality: welfare state institutions, inequality, and poverty in the Western countries' *American Sociological Review* 63 (5): 661–687

Kugler, A.D. and Rojas, I. (2018) *Do CCTs improve employment and earnings in the very long-term? Evidence from Mexico*. NBER Working Paper no. 24248. Cambridge MA: National Bureau of Economic Research

Laderchi, C.R., Saith, R. and Stewart, F. (2003) 'Does it matter that we do not agree on the definition of poverty? A comparison of four approaches' *Oxford Development Studies* 31 (3): 243–274

Langendorf, C., Roederer, T., de Pee, S., Brown, D., Doyon, S., Mamaty, A.A., ... and Grais, R.F. (2014) 'Preventing acute malnutrition among young children in crises: a prospective intervention study in Niger' *PLoS Medicine* 11 (9): p.e1001714

Leibbrandt, M., Woolard, I., Finn, A. and Argent, J. (2010) *Trends in South African income distribution and poverty since the fall of Apartheid*. OECD Social, Employment and Migration Working Papers no. 101. Paris: Organisation for Economic Cooperation and Development

Levy, S. (2008) *Good intentions, bad outcomes: social policy, informality and economic growth in Mexico*. Washington DC: Brookings Institution Press

Lindert, K., Skoufias, E. and Shapiro, J. (2006) *Redistributing income to the poor and the rich: public transfers in Latin America and the Caribbean*. World Bank Social Safety Nets Primer Series. Washington DC: World Bank

López-Calva, L.F. and Lustig, N.C. (eds) (2010) *Declining inequality in Latin America: a decade of progress?* Washington DC: Brookings Institution Press

Lundberg, S.J., Pollak, R.A. and Wales, T.J. (1997) 'Do husbands and wives pool their resources?' *Journal of Human Resources* XXXII (3): 463–480

Magda, I., Kiełczewska, A., and Brandt, N. (2018) *The effects of large universal child benefits on female labour supply.* IZA Discussion Paper no. 11652. Bonn: Institute of Labor Economics

Marinescu, I. (2017) *No strings attached: the behavioural effects of US unconditional cash transfer programs.* New York NY: Roosevelt Institute

Matin, I. and Halder, S.R. (2004) *Combining methodologies for better targeting of the extreme poor: lessons from BRAC's CFPR/TUP programme*. CFPR-TUP Working Paper no. 2. Dhaka: BRAC Research and Evaluation Division

Matsaganis, M., O Donoghue, C., Levy, H., Coromaldi, M., MercaderPrats, M., Rodrigues, C.F. and Tsakloglou, P. (2006) 'Reforming family transfers in southern Europe: is there a role for universal child benefits?' *Social Policy and Society* 5 (2): 189

Matsaganis, M., Levy, H. and Flevotomou, M. (2010) 'Non-take up of social benefits in Greece and Spain' *Social Policy & Administration* 44 (7): 827–844

Marx, I., Salanauskaite, L., and Verbist G. (2013) *The paradox of redistribution revisited: and that it may rest in peace?* IZA Discussion Paper no. 7414. Bonn: Institute of Labor Economics

McKnight, A. (2015) *A fresh look at an old question: is pro-poor targeting of cash transfers more effective than universal systems at reducing inequality and poverty?* LIS Working Paper Series no. No. 640. Luxembourg: Luxembourg Income Study

Milligan, K. (2005) 'Subsidizing the stork: new evidence on tax incentives and fertility' *Review of Economics and Statistics* 87 (3): 539–555

Molina Millan, T., Barham, T.C.J., Macours, K., Maluccio, J.A. and Stampini, M. (2019) 'Long-term impacts of conditional cash transfers in Latin America: review of the evidence' *World Bank Economic Review*

Morton, G.D. (2019) 'The power of lump sums: using maternity payment schedules to reduce the gender asset gap in households reached by Brazil's Bolsa Família conditional cash transfer' *World Development* 113: 352–367

Muralidharan, K., Niehaus, P. and Sukhtankar, S. (2016) 'Building state capacity: evidence from biometric smartcards in India' *American Economic Review* 106 (10): 2895–2929

Neri, M., Vaz, F. and Ferreira De Souza, P. (2014) 'Efeitos macroeconômicos do Programa Bolsa Família: uma análise comparativa das transferências sociais', in T. Campello and M. Neri (eds) (2014) *Programa Bolsa Família: uma década de inclusão e cidadania*. Brasilia: Institute of Applied Economic Research

Nikiforos, M., Steinbaum, M. and Zezza, G. (2017) *Modeling the macroeconomic effects of a universal basic income.* New York NY: Roosevelt Institute

OECD – Organisation for Economic Cooperation and Development (2018) 'CO2.2: child poverty'. Paris: Organisation for Economic Cooperation and Development

Oleinik, Y. and Kidd, S. (2019) 'Leaving no child behind: a universal child benefit system for Uzbekistan'. (mimeo)

Owusu-Addo, E., Renzaho, A.M. and Smith, B.J. (2018) 'The impact of cash transfers on social determinants of health and health inequalities in sub-Saharan Africa: a systematic review' *Health Policy and Planning* 33 (5): 675–696

Palermo, T., Handa, S., Peterman, A., Prencipe, L. and Seidenfeld, D. (2016) 'Unconditional government social cash transfer in Africa does not increase fertility' *Journal of Population Economics* 29 (4): 1083–1111

Pellerano, L., Moratti, M., Jakobsen, M., Bajgar, M. and Barca, V. (2014) *Child grants programme impact evaluation, follow-up report*. Oxford: Oxford Policy Management

Rabi, A., Koehler, G., Okubo, T. and Dhakal, T. (2015) *Strategies and options for scaling up and enhancing the child grant nationally in Nepal*. Kathmandu: UNICEF Nepal

Rabinovich, L. and Diepeveen, S. (2015) 'The design of conditional cash transfers: experiences from argentina's universal child allowance' *Development Policy Review* 33 (5): 637–652

Rainer, H., Bauernschuster, S., Danzer, N., Fichtl, A., Hener, T., Holzner, C. and Reinkowski, J. (2014) 'Child benefit and child allowances in Germany: their impact on family policy goals' *CESifo DICE Report* 12 (1): 37–45

Ravallion, M. (2009) 'How relevant is targeting to the success of an antipoverty program?' *World Bank Research Observer* 24 (2): 205–231

Richardson, D. (2015) *Child poverty and family policies in the OECD*. Florence: UNICEF Office of Research-Innocenti

Roelen, K. (2017a) 'Monetary and multidimensional child poverty: a contradiction in terms?' *Development and Change* 48 (3): 502–533

Roelen, K., Devereux, S., Abdulai, A., Martorano, B., Palermo, T. and Ragno, L.P. (2017) *How to make "cash plus" work: linking cash transfers to services and sectors*. Innocenti Working Paper no. WP-2017-10. Florence: UNICEF Office of Research-Innocenti

Rosenberg, M., Pettifor, A., Nguyen, N., Westreich, D., Bor, J., Bärnighausen, T., Mee, P., Twine, R., Tollman, S. and Kahn, K. (2015) 'Relationship between receipt of a social protection grant for a child and second pregnancy rates among South African women: A cohort study'. *PloS One* 10(9)(www.ncbi.nlm.nih.gov/pmc/articles/PMC4580643/)

Saez, E. (2010) 'Do taxpayers bunch at kink points?' *American Economic Journal: Economic Policy* 2 (August): 180–210

Salehi-Isfahani, D. and Mostafavi-Dehzooei, M.H. (2018) 'Cash transfers and labor supply: evidence from a large-scale program in Iran' *Journal of Development Economics* 135: 349–367

Samman, E. and Watkins, K. (2017) *Africa's opportunity – reaping the early harvest of the demographic transition and ensuring no one is left behind.* London: Overseas Development Institute

Schirle, T. (2015) 'The effect of universal child benefits on labour supply' *Canadian Journal of Economics* 48 (2): 437–463

Schultz, T.P. (1990) 'Testing the neoclassical model of family labor supply and fertility' *Journal of Human Resources* 25 (4): 599–634

SEWA Bharat and UNICEF (2014) *A little more, how much it is... piloting basic income transfers in Madhya Pradesh, India.* New Delhi: SEWA Bharat and United Nations Children's Fund

Soares, F. V., Soares, S. S., Sousa, M. M., and Osório, R. G. (2006) *Cash Transfer Programmes in Brazil: impacts on inequality and poverty.* Working Paper n. 21. Brasilia: International Poverty Centre (https://ipcig.org/pub/IPCWorkingPaper21.pdf)

Soleimaninejadian, P. and Yang, C. (2016) 'Effects of subsidy reform on consumption and income inequalities in Iran' *International Journal of Economics and Management Engineering* 10 (12): 2596–2605

Stampini, M., Robles, M., Sáenz, M., Ibarrarán, P. and Medellín, N. (2016) 'Poverty, vulnerability, and the middle class in Latin America' *Latin American Economic Review* 25 (1): 4

Standing, G. and Orton, I. (2018) 'Development and basic income: an emerging economic model' in D. Barrowclough (ed.) *The ins and outs of inclusive finance: Some lessons from microfinance and basic income*. New York and Geneva: United Nations Conference on Trade and Development

Sykes, J., Križ, K., Edin, K. and Halpern-Meekin, S. (2015) 'Dignity and dreams: what the earned income tax credit (EITC) means to low-income families' *American Sociological Review* 80 (2): 243–267

Tamm, M. (2010) 'Child benefit reform and labor market participation' *Journal of Economics und Statistics (Jahrbücher für Nationalökonomie und Statistik)* 230: 313–27

Thomas, D. (1990) 'Intra-household resource allocation: an inferential approach' *Journal of Human Resources* 25 (4): 635–64

Thomas, D. (1993) 'The distribution of income and expenditure within the household' *Annales de Economie et de Statistiques* 29: 109–136

Thome, K., Taylor, J.E., Filipski, M., Davis, B. and Handa, S. (2016) *The local economy impacts of social cash transfers: a comparative analysis of seven sub-Saharan countries*. Rome: Food and Agriculture Organization

Tiwari S, Daidone S, Ruvalcaba M.A., Prifti, E., Handa, S., Davis, B., ... and Seidenfeld, D. (2016) 'Impact of cash transfer programs on food security and nutrition in sub-Saharan Africa: a cross-country analysis' *Global Food Security* 11 (December): 72–83

UNICEF – United Nations Children's Fund (2017a) *Early moments matters for every child*. New York: United Nations Children's Fund

Van de Walle, D. (1998) 'Targeting revisited' *World Bank Research Observer* 13 (2): 231–248

Van Lancker, W. and van Mechelen, N. (2015) 'Universalism under siege? Exploring the association between targeting, child benefits and child poverty across 26 countries' *Social Science Research* 50: 60–75

Van Parijs, P. (2006) 'Basic income: a simple and powerful idea for the 21st century' in B. Ackerman, A. Alstott and P. van Parijs (eds) *Redesigning distribution*. Madison WI: Real Utopias Project

White, P., Hodges, A. and Greenslade, M. (2013) *Guidance on measuring and maximising value for money in social transfer programmes–second edition*. London: UK Department for International Development

World Bank (2019a) 'World development indicators' (electronic dataset, World Bank, Washington DC) (https://databank.worldbank.org/source/world-development-indicators)

Yoong, J., Rabinovich L. and Diepeveen, S. (2012) *The impact of economic resource transfers to women versus men: a systematic review, technical report*. London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London

Zembe-Mkabile, W., Wright, G., Noble, M. and McLennan, D. (2019) 'Exploring options for a universal child benefit in South Africa using personal income tax'. Presentation at ILO/ODI/UNICEF international conference on universal child grants, Geneva, 6–8 February

Chapter 5

Adato, M. and Roopnaraine, T. (2004) *A social analysis of the Red de Protección Social (RPS) in Nicaragua*. Washington DC: International Food Policy Research Institute

Adato, M., Sabates-Wheeler, R. and Devereux, S. (2016) 'Accessing the "right" kinds of material and symbolic capital: the role of cash transfers in reducing adolescent school absence and risky behaviour in South Africa' *Journal of Development Studies* 52 (8): 1132–46

Adhikari T.P., Thapa F.B., Tamrakar S., Buda Makar, P., Hagen-Zanker, J. and Babajanian, B. (2014) *How does social protection contribute to social inclusion in Nepal? Evidence from the child grant in the Karnali Region*. London: Overseas Development Institute

Alkire, S. (2002) *Valuing freedoms: Sen's capability approach and poverty reduction*. Oxford: Oxford University Press

Allen, H., Wright, B., Harding, K. and Broffman, L. (2014) 'The role of stigma in access to health care for the poor' *Milbank Quarterly* 92 (2): 289–318

Ali, S., Ohls, C., Parker, G. and Walker, R. (2018) 'Rationalizing poverty in New York: tales from the middle class' *Journal of Poverty* 22 (4): 310–333

ATD4W (2019) *The hidden dimensions of poverty: international participatory research.* Paris: ATD Quart Monde

Attah, R., Barca, V., Kardan, A., MacAuslan, I., Merttens, F. and Pellerano, L. (2016) 'Can social protection affect psychosocial wellbeing and why does this matter? Lessons from cash transfers in sub-Saharan Africa' *Journal of Development Studies* 52 (8): 1115–1131

BRAC (2013) 'An end in sight for ultra-poverty: scaling up BRAC's graduation model for the poorest'. BRAC Briefing Note 1. Dhaka: BRAC

Bantebya Kyomuhendo, G., Chase, E. and Kyoheirwe Muhanguzi, F. (2019) *Children mediating shame in the context of poverty: experiences from Uganda in cross cultural perspective* in K. Roelen, R. Morgan and Y. Tafere (eds) *Putting children first: new frontiers in the fight against child poverty in Africa*, 49–70. Stuttgart: Ibidem Press

Baumberg, B. (2016) 'The stigma of claiming benefits: a quantitative study' *Journal of Social Policy* 45 (2): 181–199

Baumberg, B., Bell, K. and Gaffney, D. (2012) *Benefits stigma in Britain*. London: Turn2Us

Baumberg Geiger B. (2018) 'Benefit "myths"? the accuracy and inaccuracy of public beliefs about the benefits system', *Social Policy and Administration* 52 (5): 998–1018

Brand, A-C. and Barón, B. (2013) *Extreme poverty is violence: breaking the silence, searching for peace*. Paris: International Movement ATD Fourth World

Bourdieu, P. et al. (eds) (1999) *The weight of the world*. Cambridge: Polity Press

Camfield, L. (2010) '"Stew without bread or bread without stew": Children's understandings of poverty in Ethiopia' *Children and Society* 24: 271–281

Chase, E. and Bantebya-Kyomuhendo, G. (eds) (2014) *Poverty and shame: global experiences*. Oxford: Oxford University Press

Chase, E. and Walker, R. (2013) 'The co-construction of shame in the context of poverty: beyond a threat to the social bond' *Sociology* 47 (4): 739–754

Chen, Y., Walker, R. and Hong, l. (2018) 'Subjective experiences of older people in poverty in urban China and the role of social policy' *Asia Pacific Journal of Social Work and Development* 28 (1): 1–14

Choudhry, S. (2013) 'Separating the sheep from the goats: tackling poverty in Britain for over four centuries' in E. Gubrium, S. Pellissery and I. Lødemel (eds) *The shame of it: global perspectives on anti-poverty policies*, 111–132. Bristol: Policy Press

Costa da, L. and Dias, J. (2015) 'What do Europeans believe to be the causes of poverty? A multilevel analysis of heterogeneity within and between countries' *Social Indicators Research* 122: 1–20

Daigneault ,P-M., Jacob, S. and Tereraho, M. (2012) 'Understanding and improving the take-up of public programs: lessons learned from the Canadian and international experience in human services' *International Journal of Business and Social Science* 3 (1): 39–50

Davis, S. (2015) 'An approach to ending poverty that works' *Harvard Business Review,* 22 January (https://hbr.org/2015/01/an-approach-to-ending-poverty-that-works)

De Brauw, A. (2008) *Must conditional cash transfer programs be conditioned to be effective? The impact of conditioning transfers on school enrollment in Mexico*. Washington DC: International Food Policy Research Institute

Delany, A. and Jehoma, S. (2016) 'Implementation of social grants: improving delivery and increasing access' in A. Delany, S. Jehoma and L. Lake (eds) *South African child gauge 2016*, 60–7. Cape Town: Children's Institute

Devereux, S., Masset, E., Sabates-Wheeler, R., Samson, M., Rivas, A.-M. and te Lintelo, R. (2017) 'The targeting effectiveness of social transfers' *Journal of Human Development Effectiveness* 9 (2): 162–211

Dornan, P. and Ogando-Portela, M. (2015) 'Does shame and stigma undermine children's learning?' Paper presented at 4th conference on regulating for decent work, International Labour Office, Geneva, 8–10 July

Drucza, K. (2016) 'Cash transfers in Nepal: do they contribute to social inclusion?' *Oxford Development Studies* 44 (1): 49–69

Ellis, F. (2012) '"We are all poor here": economic difference, social divisiveness and targeting cash transfers in sub-Saharan Africa' *Journal of Development Studies* 48 (2): 201–214

Filmer, D., Friedman, J., Kandpal, E. and Onishi, J. (2018) *General equilibrium effects of targeted cash transfers nutrition impacts on non-beneficiary children*. World Bank, Policy Research Working Paper no. 8377. Washington DC: World Bank

Finn, D. and Goodship, J. (2014) *Take-up of benefits and poverty: an evidence and policy review*. London: Centre for Economic and Social Inclusion

Fiszbein, A. and Schady, N. (2009) *Conditional cash transfers: reducing present and future poverty*. Washington DC: World Bank

Folbre, N. (1994) 'Children as public goods' *American Economic Review* 84 (2): 86–90

Gallardo, E. (2008) 'Política social y vida comunitaria. effectos del programa oportunidades en dos comunidades mazatecas de Oaxaca'. Masters thesis at El Colegio de La Frontera Norte, Tijuana, México

Gamlin, J. (2013) 'Shame as a barrier to health seeking among indigenous Huichol migrant labourers: an interpretive approach of the "violence continuum" and "authoritative knowledge"' *Social Science and Medicin,* 97: 75–81

Godinot, X. and Walker, R. (2019) 'Poverty in all its forms: determining the dimensions of poverty through merging knowledge' in H. Hahn and R. Lepenies (eds) *Dimensions of poverty*. Heidelberg: Springer

Gubrium, E. and Lødemel, I. (2013) '"Not good enough": social assistance and shaming in Norway' in E. Gubrium, S. Pellissery and I. Lødemel (eds) *The shame of it: global perspectives on anti-poverty policies*. Bristol: Policy Press

Gubrium, E., Pellissery, S. and Lødemel, I. (eds) (2013) *The shame of it: global perspectives on anti-poverty policies.* Bristol: Policy Press

Gugushvili, D. and Hirsch, D. (2014) *Means-testing or universalism: what strategies best address poverty?* Loughborough: Centre for Research in Social Policy

Hanlon, C., Medhin, G., Kortmann, F. and van Uffelen, J.-G. (2013) 'Psychological morbidity, long term food aid and food insecurity in rural Ethiopia: a cross-sectional community study' in D. Rahmato, A. Pankhurst and J.-G. van Uffelen (eds) *Food security, safety nets and social protection in Ethiopia.* Addis Ababa: Forum for Social Studies

Hannigan, L. (2011) 'Social assistance: understanding the gap' in C. Manning and S. Sumarto (eds) *Employment, living standards and poverty in contemporary Indonesia*. Singapore: Institute of Southeast Asian Studies

Huber, L., Zarate, P., Durand, A., Madalengoitia, O. and Morel, J. (2009) *Programme Juntos: certezas y malentendidos en torno a las transferencias condicionadas—estudio de caso de seis distritos rurales del Peru*. Lima: United Nations Populations Fund, Instituto de Estudios Peruanos and United Nations Children's Fund

Huby, M. and Walker, R. (1991) 'The social fund and territorial justice' *Policy and Politics* 19 (2): 87–98

ILO – International Labour Organization (2012) 'R202 Social protection floors recommendation, 2012 (No. 202)'. Geneva: International Labour Organization

Jo, Y.-N. and Walker, R. (2013) 'Self-sufficiency, social assistance and the shaming of poverty in South Korea' in E. Gubrium, S. Pellissery and I. Lødemel (eds) *The shame of it: global perspectives on anti-poverty policies*. Bristol: Policy Press

Keefer, S. and Khemani, P. (2004) 'Why do the poor receive poor services?' *Economic and Political Weekly*, 28 February, 835–45

Kendall, J. and Knapp, M. (2000) *The third sector and welfare state modernisation: inputs, activities and comparative performance*. London: Centre for civil society, London School of Economics and Political Science (http://eprints.lse.ac.uk/29055/1/CSWP_14.pdf)

Lawson, V. and Elwood, S. (eds) (2018) *Relational poverty politics: forms, struggles, and possibilities*. Athens: University of Georgia Press

Leisering, L. and Leibfried, S. (1999) *Time and poverty in the welfare state*, Cambridge: Cambridge University Press

Li, Q. (2018) Personal communication based on fieldwork in Guangzhou.

Li, M. and Walker, R. (2017) 'Shame, stigma and the take-up of social assistance: insights from rural China' *International Journal of Social Welfare* 26 (3): 230–238

Li, M. and Walker, R. (2018) 'On the origins of welfare stigma: comparing two social assistance schemes in rural China' *Critical Social Policy* 38 (4): 667–687

Miller, C., Tsoka, M., Reichert, K. and Hussaini, A. (2010) 'Interrupting the intergenerational cycle of poverty with the Malawi social cash transfer' *Vulnerable Children and Youth Studies* 5: 108–121

Mills, C. Zavaleta, D. and Samuel, K. (2014) *Shame, humiliation and social isolation: missing dimensions of poverty and suffering analysis.* OPHI Working Paper no. 71. Oxford: Oxford poverty and Human Development Initiative

Molyneux, M., Jones, W.N. and Samuels, F. (2016) 'Can cash transfer programmes have "transformative effects"?' *Journal of Development Studies* 52 (8): 1087–1098

Narayan, D., Patel, R., Schafft, K., Rademacher, A. and Koch-Schulte, S. (1999) *Can anyone hear us? Voices from 47 countries*. Washington DC: World Bank

Narayan, D., Chambers, R., Shah, M.K. and Petesch, P. (2000) *Voices of the poor: crying out for change.* New York NY: Oxford University Press for the World Bank

Paes-Sousa, R., Regalia, F. and Stampini, M. (2013) 'Conditions for success in implementing CCT programs: lessons for Asia from Latin America and the Caribbean'. Policy Brief 192. Washington DC: Inter-America Development Bank

Pellissery, S. and Mathew, L. (2013) 'Thick poverty, thicker society and thin state: policy spaces for human dignity in India' in E. Gubrium, S. Pellissery and I. Lødemel (eds) *The shame of it: global perspectives on anti-poverty policies*. Bristol: Policy Press

Pellissery, S., Biswas, S. and Abraham, B. (2016) 'A dignified meal: negotiated spaces in India's school meal program' *International Journal of Social Quality* 6 (2): 35–51

Pitllas, S. (2016) *Child poverty as a potential developmental trauma: shame, self-esteem and redignification of childhood.* Madrid: Universidad Pontificia Comillas

Reimers, F., DeShano da Silva, C. and Trevino, E. (2006) *Where is the "education" in conditional cash transfers in education?* Montreal: United Nations Educational, Scientific and Cultural Organisation Institute for Statistics

Republic of Kenya (2012) 'Kenya social protection sector review, June'. Nairobi: Minister of State for Planning, National Development and Vision 2030

Ridge, T. (2009) *Living with poverty: a review of the literature on children's and family's experiences of poverty.* Research Report no. 594. London: Department for Work and Pensions

Robles, G. (2008) *Targeting efficiency and take-up of Oportunidades, a conditional cash transfer, in urban Mexico.* DPhil thesis. Oxford: University of Oxford

Roelen, K. (2014) 'Sticks or carrots? Conditional cash transfers and their effect on child abuse and neglect: researchers observe both benefits and harms of CCT programs' *Child Abuse & Neglect* 38 (3): 372–382

Roelen, K. (2017b) *Shame, poverty and social protection.* IDS Working Paper no. 489. Brighton: Institute of Development Studies

Scott, J., Treas, J and Richards, M. (eds) (2014) *Wiley Blackwell companion on the sociology of the family.* Malden: Blackwell Publishers Inc.

Sen, A. (1983) 'Poor, relatively speaking' *Oxford Economic Papers* 35 (2): 153–169

Spicker, P. (1984) *Stigma and social welfare*. London: Croom Helm

Sugiyama, N. (2011) 'The diffusion of conditional cash transfer programs in the Americas' *Global Social Policy* 11 (2–3): 250–78

Sutton, E., Pemberton, S., Fahmy, E. and Tamiya, Y. (2014) 'Stigma, shame and the experience of poverty in Japan and the United Kingdom' *Social Policy and Society* 13 (1): 143–154

Sykes, J., Križ, K., Edin, K. and Halpern-Meekin, S. (2015) 'Dignity and dreams: what the earned income tax credit (EITC) means to low-income families' *American Sociological Review* 80 (2): 243–267

Titmuss, R. (1971) 'Welfare "rights", law and discretion' *Political Quarterly* 42 (2): 113–132

Tracy, J. L., Robins, R. W. and Tangney, J. P. (eds) (2007) *The self-conscious emotions: theory and research*. New York NY: Guilford Press

UN HRC – United Nations Human Rights Committee (2012) Guiding Principles on Extreme Poverty and Human Rights. Resolution A/HRC/RES/21/11 adopted on 18 October 2012

Walker, R. (2005) *Social security and welfare: concepts and comparisons.* Milton Keynes: Open University Press/ McGraw-Hill

Walker, R. (2014) *The shame of poverty.* Oxford: Oxford University Press

Walker, R. (2015) '"We've never had it so good" – how does the world today compare to 1957?'. Panel discussion, Oxford Martin School, 11 May (http://www.oxfordmartin.ox.ac.uk/videos/view/490)

Walker, R. (2018) 'How to define poverty with those left furthest behind?'. Presentation at United Nations High Level Political Forum, New York, July

Walker, R. and Chase, E. (2013) 'Separating the sheep from the goats: tackling poverty in Britain for over four centuries' in E. Gubrium, S. Pellissery and I. Lødemel (eds) *The shame of it: global perspectives on anti-poverty policies*, 133–156. Bristol: Policy Press

Walker, R. and Chase, E. (2014) 'Adding to the shame of poverty: the public, politicians and the media' *Poverty* 148: 9–13

Walker, R. and Lawton, D. (1988) 'Social assistance and territorial justice: the example of single payments' *Journal of Social Policy* 17 (4): 437–476

Walker, R., Bantebya Kyomuhendo, G., Chase, E., Choudhry, S., Gubrium, E., Yongmie Nicola, J., ... and Ming, Y. (2013) 'Poverty in global perspective: is shame a common denominator?' *Journal of Social Policy* 42 (2): 215–233

Wilkinson, R. and Pickett, K. (2018) *The inner level: how more equal societies reduce stress, restore sanity and improve everyone's wellbeing.* London: Penguin Random House

Wright, S. (2003) 'The street level implementation of unemployment policy' in J. Millar (ed.) *Understanding social security: issues for policy and practice*, 235–254. Bristol: Policy Press

Wright, G., Neves, D., Ntshongwana, P. and Noble, M. (2015) 'Social assistance and dignity: South African women's experiences of the child support grant' *Development Southern Africa* 32 (4): 443–457

Yan, M. (2013) 'New urban poverty and new welfare provision: China's dibao system' in E. Gubrium, S. Pellissery and I. Lødemel (eds) *The shame of it: global perspectives on anti-poverty policies*, 17-36. Bristol: Policy Press

Yang, L. and Walker R. (2019a) *Universal child benefits and dignity and shame.* New York NY: United Nations Children's Fund

Yang, L. and Walker, R. (2019b) 'Shame, face and social relations in northern China: ramifications for social assistance provision' *China Quarterly*, under review

Yeung, Y. and Howes, S. (2015) *Resources-to-cash: a cautionary tale from Mongolia.* Canberra: Australian National University, International Mining for Development Centre

Chapter 6

Adato, M. (2000) *The impact of PROGRESA on community social relationships.* Washington DC: International Food Policy Research Institute

Adato, M. and Roopnaraine, T. (2004) *A social analysis of the Red de Protección Social (RPS) in Nicaragua.* Washington DC: International Food Policy Research Institute

Adhikari, T.P., Thapa, F.B, Tamrakar, S., Magar, P.B., Hagen-Zanker, J. and Babajanian, B. (2014) *How does social protection contribute to social inclusion in Nepal? Evidence from the child grant in the Karnali Region.* London: Overseas Development Institute

Alesina, A. and La Ferrara, E. (2005) 'Preferences for redistribution in the land of opportunities. *Journal of Public Economics* (89) 897–931

Alesina, A. and Giuliano, P. (2009) *Preferences for redistribution.* NBER Working Paper no. 14825. Cambridge MA: National Bureau of Economic Research

Alesina, A. and Glaeser, E. (2004) *Fighting poverty in the US and Europe: a world of difference.* Oxford: Oxford University Press

Bastagli, F. (2014) *Responding to a crisis: the design and delivery of social protection.* ODI Working Paper. London: Overseas Development Institute

Beegle, K., Coudouel, A. and Monsalve, E. (eds) (2018) *Realizing the full potential of social safety nets in Africa.* Africa Development Forum Series. Washington DC: World Bank

Besley, T. and Kanbur, R. (1990) *The principles of targeting.* World Bank Policy Research Working Paper no. 385. Washington DC: World Bank

Camacho, L.J. (2014) *The effects of conditional cash transfers on social engagement and trust in institutions.* Discussion Paper no. 24/2014. Bonn: German Development Institute (Deutsches Institut für Entwicklungspolitik)

Davids, Y. D. and Gouws, A. (2013) 'Monitoring perceptions of the causes of poverty in South Africa', *Social Indicators Research* (110) 1201–1220

De Donder, P. and Hindriks, J. (1998) 'The political economy of targeting' *Public Choices* 95: 177–200

de Janvry, A. and Sadoulet, E. (2006) 'Making conditional cash transfer programs more efficient: designing for maximum effect of the conditionality', *The World Bank economic review* 20(1): 1–29

De la Brière. B. and Rawlings, L. (2006) *Examining conditional cash transfer programmes : a role for increased social inclusion?* World Bank Social Protection Discussion Paper N. 0603. Washington DC: World Bank

Drucza, K. (2016) 'Cash transfers in Nepal: do they contribute to social inclusion?' *Oxford Development Studies* 44 (1): 49–69

Fiszbein, A. and Shady, N. (2009) *Conditional cash transfers: reducing present and future poverty.* Washington DC: World Bank

Forget, E. (2012) 'Canada: The Case for a Basic Income', in Murray M.C and Pateman, C. (eds.) *Basic income worldwide: horizons of reform* (pp.81-101). New York: Palgrave Macmillan

Gelbach, J.B. and Pritchett, L. (2002) 'Is more for the poor less for the poor? The politics of means-tested targeting' *Topics in Economic Analysis & Policy* 2 (1): 1–28

Ghosh, J. (2011) 'Cash transfers as the silver bullet for poverty reduction: a sceptical note', *Economic and Political Weekly* 46 (21): 67–71

Graham, C. (2002) *Public attitudes matter: a conceptual frame for accounting for political economy in safety nets and social assistance policies.* Social Protection Discussion Paper no. 0233. Washington DC: World Bank

Green, A. and Janmaat, J.G. (2011) *Regimes of social cohesion: societies and the crisis of globalisation.* London: Centre for Learning and Life Chances in Knowledge Economies and Societies (LLAKES) at the Institute of Education, University of London

Grosh, M., Fruttero, A. and Oliveri, M.L. (2013) 'Understanding the poverty impact of the global financial crisis in Latin America and the Caribbean – Part II: the role of social protection'. Paper presented at IZA Conference. Washington DC: World Bank

Harding, R. (2018) *Key findings: how will Britain navigate the global, social, economic and Brexit challenges of the near future?* London: National Centre for Social Research

Hickey, S. (2006) The politics of what works in reducing chronic poverty: a synthesis report for the Ministry of Foreign Affairs, The Netherlands. CPRC Working Paper 91. London: Chronic Poverty Research Centre

Hickey, S. (2011) 'The politics of social protection: what do we get from a 'social contract' approach?' *Canadian Journal of Development Studies* 32 (4): 426–438

Hickey, S. and King, S.D. (2016) *Understanding social accountability: politics, power and building new social contracts.* Manchester: University of Salford

Hicks, N. and Wodon, Q. (1999) *Social protection for the poor in Latin America*. CEPAL Review Paper no. 73. Santiago: United Nations Economic Commission for Latin America and the Caribbean

Hodges, A., Dashdorj, K., Yun Jong, K., Dufay, A-C., Budragchaa, U. and Mungun, T. (2007) *Child benefits and poverty reduction: evidence from Mongolia's child money programme.* Maastricht: Maastricht Graduate School of Governance and United Nations Children's Fund

Hudson, J., Patrick, R. and Wincup, E. (2016) 'Introduction to themed special issue: exploring 'welfare' attitudes and experiences' *Journal of Poverty and Social Justice* 24 (3): 215–226

Hunter, W. and Sugiyama, N.B. (2014) 'Transforming subjects into citizens: insights from Brazil's Bolsa Família' *Perspectives on Politics* 12 (4): 829–845

Jacques, O. and Noël, A. (2018) 'The case for welfare state universalism, or the lasting relevance of the paradox of redistribution' *Journal of European Social Policy* 28 (1): 70–85

Jones, N., Abu-Hamad, B., Pereznieto, P. and Sylvester, K. (2016) 'Transforming cash transfers: citizens' perspectives on the politics of programme implementation' *Journal of Development Studies* 52 (8): 1207–1224

Kim, H., Huh, S., Choi, S. and Lee, Y. (2018) 'Perceptions of inequality and attitudes towards redistribution in four East Asian welfare states' *International Journal of Social Welfare* 27 (1): 28–39

Klasen, S. and Lange, S. (2016) *How narrowly should anti-poverty programs be targeted? Simulation evidence from Bolivia and Indonesia*. Poverty, Equity and Growth Discussion Paper no. 213. Göttingen: Courant Research Centre

Korpi, W. and Palme, J. (1998) 'The paradox of redistribution and strategies of equality: welfare state institutions, inequality and poverty in the western countries' *American Sociological Review* 63 (5): 661–687

Laenen, T., Rossetti, F. and van Oorschot, W. (2019) *Why deservingness theory needs qualitative research: comparing focus group discussions on social welfare in three welfare regimes.* SPSW Working Paper no. CeSo/SPSW/2019-01. Leuven: Centre for Sociological Research, KU Leuven

Larsen, C.A. (2008) 'The institutional logic of welfare attitudes: how welfare regimes influence public support' *Comparative Political Studies* 41 (2): 145–168

Lindert, K. and Vincensini, V. (2010) *Social policy, perceptions and the press: an analysis of the media's treatment of conditional cash transfers in Brazil*. Social Protection Discussion Paper no. 1008. Washington DC: World Bank

Lund, F., Noble, M., Barnes, H. and Wright, G. (2008) *Is there a rationale for conditional cash transfers for children in South Africa.* Working Paper no. 53. Durban: University of Kwazulu-Natal

Lustig, N., Pessino, C. and Scott, J. (2013) *The impact of taxes and social spending on inequality and poverty in Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay: an overview.* CEQ Working Paper no. 13. New Orleans LA: Tulane University

MacAuslan, I. and Riemenschneider, N. (2011) 'Richer but resented: what do cash transfers do to social relations?' *IDS Bulletin* 42 (6): 60–66

Mkandawire, T. (2005) *Targeting and universalism in poverty reduction.* Social Policy and Development Programme Paper no. 23. Geneva: United Nations Research Institute for Social Development

Moene, K.O. and Wallerstein, M. (2001) 'Targeting and political support for welfare spending' *Economics of Governance* 2 (1): 3–24

Molyneux, M., Jones, N. and Samuels, F. (2016) 'Can cash transfer programmes have 'transformative' effects?' *Journal of Development Studies* 52 (8): 1087–1098

Nelson, K. (2007) 'Universalism versus targeting: the vulnerability of social insurance and means-tested minimum income protection in 18 countries, 1990-2002' *International Social Security Review* 60 (1): 33–58

Oduro, R. (2015) 'Beyond poverty reduction: conditional cash transfers and citizenship in Ghana' *International Journal of Social Welfare* 24: 27–36

OECD (2011) *Divided we stand: why inequality keeps rising.* Paris: Organisation for Economic Cooperation and Development

Orton, I. (ed.) (2012) *Coping with the crisis: managing social security in uncertain times.* Geneva: International Social Security Association

Pavanello, S., Watson, C., Onyango-Ouma, W. and Bukuluki, P. (2016) 'Effects of cash transfers on community interactions: emerging evidence' *Journal of Development Studies* 52 (8): 1147–1161

Pierson, P. (1994) *Dismantling the welfare state? Reagan, Thatcher and the politics of retrenchment.* Cambridge: Cambridge University Press

Pillay, U., Roberts, B. and Rule, S. (2006) *South African social attitudes: changing times, diverse voices.* Cape Town: HSRC Press

Plagerson, S., Harpham, T. and Kielmann, K. (2012) 'Cash transfers and citizenship: evidence from South Africa', *Journal of Development Studies* 48 (7): 969–982

Pritchett, L. (2005) *A lecture on the political economy of targeted safety nets*. Social Protection Discussion Paper Series no. 0501. Washington DC: World Bank

Ravallion, M. (2000) *Are the poor protected from budget cuts? Theory and evidence for Argentina.* World Bank Policy Research Working Paper no. 2391. Washington DC: World Bank

Rothstein, B. (2011) *The quality of government: corruption, social trust, and inequality in international perspective.* Chicago IL: University of Chicago Press

Schüring, E. (2010) *Strings attached or loose ends? The role of conditionality in Zambia's social cash transfer scheme.* Kiel: Poverty Reduction, Equity and Growth Network

Schüring, E. (2012) *To condition or not – is that the question? An analysis of the effectiveness of ex-ante and ex-post conditionality in social cash transfer programs*. Dissertation. Maastricht: University of Maastricht

Silva, J., Levin, V. and Morgandi, M. (2012) *The way forward for social safety nets in the Middle East and North Africa.* MENA Development Report. Washington DC: World Bank

Skocpol, T. (1991) 'Targeting within universalism: politically viable policies to combat poverty in the United States' in C. Jencks and P.E. Peterson (eds) *The urban underclass*, 411–36. Washington DC: Brookings Institution Press

Sen, A. (1995) 'The political economy of targeting' in D. van de Walle and K. Nead (eds) *Public spending and the poor.* Baltimore NJ and London: Johns Hopkins University Press

Skovdal, M., Robertson, L., Mushati, P., Dumba, L., Sherr, L., Nyamukapa, C. and Gregson, S. (2013) 'Acceptability of conditions in a community-led cash transfer programme for orphaned and vulnerable children in Zimbabwe' *Health Policy and Planning* 29 (7): 809–817

Standing, G. (2017) *Basic income: and how we can make it happen.* London: Pelican Books

Taylor-Gooby, P. (2005) *Attitudes to social justice*. London: Institute for Public Policy Research

Van de Walle, D. (1998) 'Targeting revisited' *World Bank Research Observer* 13 (2): World Bank

Van Mechelen N. and Bradshaw J. (2013) 'Child poverty as a government priority: child benefit packages for working families, 1992–2009' in I. Marx and K. Nelson (eds) *Minimum income protection in flux. reconciling work and welfare in Europe*. London: Palgrave Macmillan

van Oorschot, W. (2000) 'Who should get what and why? On deservingness criteria and the conditionality of solidarity among the public', *Policy and Politics* 28(1): 33–49

Van Oorschot, W. (2006) 'Making the difference in social Europe: deservingness perceptions among citizens of European welfare states' *Journal of European Social Policy* 16 (1): 23–42

Van Oorschot, W. and Meuleman, B. (2014) 'Popular deservingness of the unemployed in the context of welfare state policies, economic conditions and cultural climate' in S. Kumlin and I. Stadelmann-Steffen (eds) *How welfare states shape the democratic public.* Cheltenham: Edward Elgar Publishing

Van Oorschot, W. and Roosma, F. (2015) *The social legitimacy of differently targeted benefits.* ImPRovE Discussion Paper no. 15/11. Antwerp: Herman Deleeck Centre for Social Policy – University of Antwerp

World Bank (2014) *South Africa economic update: fiscal policy and redistribution in an unequal society*, Vol 6. Washington, DC: World Bank Group

Zucco, C., Luna, J.P. and Baykal, O.G. (2019) 'Do conditionalities increase support for government transfers?' *Journal of Development Studies,* Early Access, February 2019

Chapter 7

Alesina, A., Favero, C.A. and Giavazzi, F. (2018) 'What do we know about the effects of austerity?' *AEA Papers and Proceedings* 108: 524–30

Aran, M., Aktakke, N. and Evans, M. (2016) *Benefit incidence of fuel subsidies in Madagascar and recommendations for child-friendly reallocation.* Development Analytics Research Paper Series no. 1602. Istanbul: Development Analytics

ADB – Asian Development Bank (2014) *Asian development outlook 2014: fiscal policy for inclusive growth.* Manila: Asian Development Bank

Bachelet, M. (ed.) (2011) *Social protection floor for a fair and inclusive globalization: report of the Social Protection Floor Advisory Group.* Geneva: International Labour Organization

Banting, K. and Myles, J. (2015) *Framing the new inequality: the politics of income redistribution in Canada*. Montreal: Institute for Research on Public Policy

Barrientos, A. (2007) *Financing social protection*. Brooks World Poverty Institute Working Paper no. 5. Manchester: Brooks World Poverty Institute

Barrientos, A. (2013b) *Social assistance in developing countries*. Cambridge: Cambridge University Press

Bastagli, F. (2010) 'Poverty, inequality and public cash transfers: lessons from Latin America'. Background Paper for the European Report on Development 2010 on Social Protection for Inclusive Development. Florence: European University Institute

Bastagli, F. (2015) *Bringing taxation into social protection analysis and planning*. ODI Working Paper no. 421. London: Overseas Development Institute

Bastagli, F. and Veras Soares, F. (2013) 'The future of social protection in Brazil: challenges and possible responses', in J. Midgley and D. Piachaud (eds) *Social protection, economic growth and social change*. Cheltenham: Edward Elgar Publishing

Beegle, K., Coudouel, A. and Monsalve, E. (eds) (2018) *Realizing the full potential of social safety nets in Africa.* Washington DC: World Bank

Béland, D., Blomqvist, P., Andersen, J.G., Palme, J. and Waddan, A. (2014) 'The universal decline of universality? Social policy change in Canada, Denmark, Sweden and the UK' *Social Policy and Administration* 48 (7): 739–756

Bennett, F. and Dornan, P. (2006), *Child benefit: fit for the future – 60 years of support for children*. CPAG Policy Briefing, August. London: Child Poverty Action Group

Bergh, A. (2011) *The rise, fall and revival of the Swedish welfare state: what are the policy lessons from Sweden?* IFN Working Paper no. 873. Stockholm: Research Institute of Industrial Economics

Bharali, I. and Gill, I. (2019) 'Measuring the gap between ability and effort in domestic resource mobilization'. Brookings Future Development blog, 29 April (www.brookings.edu/blog/future-development/2019/04/29/measuring-the-gap-between-ability-and-effort-in-domestic-revenue-mobilization/)

Budget of the US Government (2018) (www.govinfo.gov/features/budget-fy2018)

Coady, D., Perez, R. and Vera-Llamas, H. (2005) *Evaluating the cost of poverty alleviation transfers programs: an illustration based on PROGRESA in Mexico*. Food Consumption and Nutrition Division, Discussion Paper no. 199. Washington DC: International Food Policy Research Institute

Crivelli, E. and Gupta, S. (2014) *Resource blessing, revenue curse? Domestic revenue effort in resource-rich countries*. IMF Working Paper WP/14/5. Washington DC: International Monetary Fund

D'Elia, V., Rottenschweiler, S., Calabria, A. Calero, A. and Gaiada, J. (2010) *Fuentes de financiamiento de los sistemas de seguridad social en países de América del Sur*. Buenos Aires: Administración Nacional de la Seguridad Social, Argentina

Devereux, S., Masset, E., Sabates-Wheeler, R., Samson, M., Rivas, A.-M. and te Lintelo, R. (2017) 'The targeting effectiveness of social transfers' *Journal of Human Development Effectiveness* 9 (2): 162–211

Enami, A. and Lustig, N. (2018) 'Poverty reduction efforts in Iran: the wrecking force of inflation', Economic Research Forum Policy Portal, 12 June (https://theforum.erf.org.eg/2018/06/12/poverty-reduction-efforts-iran-wrecking-force-inflation/)

Falk, G. (2014) *Low-income assistance programs: trends in federal spending*. Washington DC: Congressional Research Service

Fjeldstad, O-H. and Heggstad, K. (2011) *The tax systems in Mozambique, Tanzania and Zambia: capacity and constraints*. CMI Report no. 2011:3. Bergen: CHR Michelsen Institute

Glenday, G., Bharali, I. and Wang, Z. (2019) *Enhancing domestic revenues: constraints and opportunities – a cross-country comparative study of tax capacity, effort and gaps*. Durham NC: Center for Policy Impact in Global Health and Duke University Center for International Development

Grosh, M. (1994) *Administering targeted social programs in Latin America: from platitudes to practice*. World Bank Regional and Sectoral Studies. Washington DC: World Bank

Grosh, M., del Ninno, C., Tesliuc, E. and Ouerghi A. (2008) *For protection and promotion: the design and implementation of effective safety nets*. Washington DC: World Bank

GSDRC – Governance and Social Development Resource Centre (2010) 'Helpdesk research report: financing and cost-effectiveness of cash transfer schemes'. Birmingham: Governance and Social Development Resource Centre

Gyori, M. and Veras Soares, F. (2019) *Social protection reform in Tunisia: comparing the costs and cost-efficiency of food and energy subsidies with a proposed universal child grant*. Presentation at ILO/ODI/UNICEF international conference on universal child grants, Geneva, 6–8 February

Hagen-Zanker, J. and McCord, A. (2010) *Financing social protection in the light of international spending targets: a public sector spending review*. London: Overseas Development Institute

Handa, S., Daidone, S., Peterman, A., Davis, B., Pereira, A., Palermo, T. and Yablonski, J. (2018) 'Mythbusting: confronting six common perceptions about cash transfer programs in sub-Saharan Africa' *World Bank Research Observer* 33 (2): 259–298

Hanna, R. and Olken, B.A. (2018) 'Universal basic incomes versus targeted transfers: anti-poverty programs in developing countries' *Journal of Economic Perspectives* 32 (4): 201–26

Heller, P.S. (2005) *Understanding fiscal space*. IMF Policy Discussion Paper no. 05/04. Washington DC: International Monetary Fund

ILO – International Labour Organization (2012) 'R202 – Social protection floors recommendation, recommendation concerning national floors of social protection'. Webpage. Geneva: International Labour Organization (www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R202)

ILO (2016b) 'Financing social protection through financial transaction taxes: Brazil'. Geneva: International Labour Organization

ILO (2017) *World social protection report 2017–19: universal social protection to achieve the Sustainable Development Goals*. Geneva: International Labour Organization

ILO (2019) 'Social protection floor cost calculator' (online calculator, International Labour Organization, Geneva)

ILO and UNICEF – United Nations Children's Fund (2019) *Towards universal social protection for children: achieving SDG 1.3*. Geneva: International Labour Organization and New York: United Nations Children's Fund

IMF – International Monetary Fund (2014) *Fiscal policy and income inequality.* IMF Policy Paper. Washington DC: International Monetary Fund

IRC – International Rescue Committee (2015) *Cost efficiency analysis: unconditional cash transfer programs.* New York: International Rescue Committee (https://www.rescue.org/report/cost-efficiency-unconditional-cash-transfers)

Keen, M. and Mansour, M. (2009) *Revenue mobilisation in sub-Saharan Africa: challenges from globalisation*. IMF Working Paper no. WP/09/157. Washington DC: International Monetary Fund

Kidd, S. and Gelders, B. (2015) *Child wellbeing and social security in Georgia: the case for moving to a more inclusive national social security system*. Georgia: United Nations Children's Fund

Koehler, G. (2011) *Social protection and socioeconomic security in Nepal.* IDS Working Paper no. 2011(370). Brighton: Institute of Development Studies

Lustig, N., Pessino, C. and Scott, J. (2013) *The impact of taxes and social spending on inequality and poverty in Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay: an overview.* CEQ Working Paper no. 13. New Orleans LA: Tulane University

Manuel, M., Desai, H., Samman, E. and Evans, M. (2018) *Financing the end of extreme poverty*. ODI Report. London: Overseas Development Institute

Mansour, M. (2014) *A tax revenue dataset for sub-Saharan Africa: 1980–2010*. Working Paper no. 119. Clermont-Ferrand: Fondation de Reserche et Developpement International

Newhouse, D., Suarez-Becerra, P. and Evans, M.C. (2016) *New estimates of extreme poverty for children*. World Bank Policy Research Working Paper no. 7845. Washington DC: World Bank

O'Donoaghue, C., Baldini, M. and Mantovani, D. (2004) *Modelling the redistributive impact of indirect taxes in Europe: an application of EUROMOD.* Euromod Working Paper no. EM7/01. Colchester: Institute for Social and Economic Research, University of Essex

OECD – Organisation for Economic Cooperation and Development (2014) *Domestic revenue mobilisation in fragile states*. Paris: Organisation for Economic Cooperation and Development

OECD (2019) 'Family benefits public spending' (electronic database, Paris, Organisation for Economic Cooperation and Development) (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

Oleinik, Y. and Kidd, S. (2019) *Leaving no child behind: a universal child benefit system for Uzbekistan* (mimeo)

Ortiz, I., Duran, F., Pal, K., Behrendt, C. and Acuña-Ulate, A. (2017) *Universal social protection floors: costing estimates and affordability in 57 lower income countries*. Extension of Social Security (ESS) Working Paper no. 58. Geneva: International Labour Organization

Ortiz, I., Cummins, M. and Karunanethy, K. (2017) *Fiscal space for social protection and the SDGs: options to expand social investments in 187 countries*. Extension of Social Security (ESS) Working Paper no. 48. Geneva: International Labour Organization

Patel, L. and Plagerson, S. (2016) *The evolution of the child support grant.* Johannesburg: Centre for Social Development in Africa, University of Johannesburg

Pellerano, L., Daidone, S., Davis, B., Farooq, M., Homayoun, M., Kardan, A., ... and Safi, N. (2016) 'Does evidence matter? Role of the evaluation of the child grants programme in the consolidation of the social protection sector in Lesotho' in B. David, S. Handa, N. Hypher, N. Rossi, P. Winters and J. Yablonski, J. (eds) *From evidence to action: the story of cash transfers and impact evaluation in sub-Saharan Africa.* Oxford: Food and Agriculture Organization, United Nations Children's Fund and Oxford University Press

Pellerano, L., Kampamba, R., Banda, C. and Musama, O. (2019) 'Financing a universal child grant in Zambia – tax-benefit analysis using SOUTHMOD'. Presentation at ILO/ODI/UNICEF international conference on universal child grants, Geneva, 6–8 February

Ravallion, M. (2009) 'How relevant is targeting to the success of an antipoverty program?' *World Bank Research Observer* 24 (2): 205–231

Roca, E.E. (2011) 'Argentina: extension of universal family allowances, the universal child allowance' in United Nations Development Programme *Sharing innovative experiences volume 18: successful social protection floor experiences*. Geneva: Global South-South Development Academy and International Labour Organization

Salehi-Isfahani, D. and Mostafavi-Dehzooei, M.H. (2018) 'Cash transfers and labor supply: evidence from a large-scale program in Iran' *Journal of Development Economics* 135: 349–367

Soares, S.S.D., Ansiliero, G., Amaral, A.D., de Souza, P.H.G.F. and Paiva, L.H. (2019) *A universal child grant in Brazil: what must we do, and what can we expect from it?* Working Paper no. 181. Brasília: International Policy Centre for Inclusive Growth

Tanzi, V. (2013) *Tax reform in Latin America: a long term assessment*. CEQ Working Paper no. 15. New Orleans LA: Tulane University

Tanzi, M.V. and Zee, H.H. (2000) 'Tax policy for emerging markets-developing countries' *National Tax Journal* 53 (2): 299–322

Taylor-Gooby, P., Leruth, B. and Chung, H. (eds) (2017) *After austerity: welfare state transformation in Europe after the great recession*. Oxford: Oxford University Press

Ter-Minassian, T. (2020) 'Financing issues and options: a primer' in U. Gentilini et al. (eds) *Exploring universal basic income : a guide to navigating concepts, evidence, and practices*. Washington DC: World Bank

UN DESA – United Nations Department of Economic and Social Affairs (2017b) *World population prospects: the 2017 revision.* (Medium Variant). New York: United Nations Department of Economic and Social Affairs

UNESCO (n.d.) 'Data for the Sustainable Development Goals'. (electronic dataset, Institute for Statistics, UNESCO) (http://uis.unesco.org/)

WHO (n.d.) 'Global health expenditure database'. (electronic dataset, World Health Organization) (apps.who.int/nha/database)

World Bank (2017c) *Towards a comprehensive, integrated, and effective social assistance system in Indonesia*. Washington DC: World Bank

World Bank (2018c) *The state of social safety nets 2018*. Washington DC: World Bank

World Bank (2019a) 'World development indicators' (electronic dataset, World Bank, Washington DC) (https://databank.worldbank.org/source/world-development-indicators)

World Bank (2019b) 'PovcalNet' (electronic dataset, World Bank, Washington DC) (http://iresearch.worldbank.org/PovcalNet/home.aspx)

Wright, G., Noble, M., Barnes, H., McLennan, D. and Mpike, M. (2016) *SAMOD, a South African tax-benefit microsimulation model: recent developments*. UN-WIDER Working Paper no. 2016/115. Helsinki: United Nations University World Institute for Development Economics Research

Yeung, Y. and Howes, S. (2015) *Resources-to-cash: a cautionary tale from Mongolia*. Development Policy Centre Discussion Paper No. 42. Canberra, Australia: Crawford School of Public Policy, The Australian National University (http://dx.doi.org/10.2139/ssrn.2661202)

Zembe-Mkabile, W., Wright, G., Noble, M. and McLennan, D. (2019) 'Exploring options for a universal child benefit in South Africa using personal income tax'. Presentation at ILO/ODI/UNICEF international conference on universal child grants, Geneva, 6–8 February

Chapter 8

Alkire, S., Jindra, C., Robles, G. and Vaz, A. (2017) 'Children's multidimensional poverty: disaggregating the global MPI', Briefing 46. Oxford: Oxford Poverty and Human Development Initiative, University of Oxford

Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. (2016) *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: Overseas Development Institute

Collyer, S., Harris, D. and Wimer, C. (2019) 'Left behind: the one-third of children in families who earn too little to get the full child tax credit' *Poverty and Social Policy Brief* no.3 (6). New York NY: Columbia University, Center on Poverty and Social Policy and Children's Research and Education Institute

Congressional Budget Office (2019) H.R. 3300, Economic Mobility Act of 2019, cost estimate. Washington DC: Congressional Budget Office

Cooper, K. and Stewart, K. (2013) *Does money affect children's outcomes? A systematic review.* London: London School of Economics Centre for Analysis of Social Exclusion

European Commission (2019) 'Child guarantee for vulnerable children'. Webpage. Brussels: European Commission (https://ec.europa.eu/social/main.jsp?catId=1428&langId=en)

Hodges, A. and El Lahga, A. (2019) *Coût, impact et financement de l'allocation pour enfants en Tunisie.* Report for United Nations Children's Fund and the Ministry of Social Affairs, Tunis. Oxford: Oxford Policy Management and Partnership for Economic Policy

Honorati, M., Gentilini, U. and Yemtsov, R.G. (2015) *The state of social safety nets 2015.* Washington DC: World Bank Group

ILO – International Labour Organization (2017) *World social protection report 2017–19: universal social protection to achieve the Sustainable Development Goals*. Geneva: International Labour Organization

Legislative Council of California (2019) Assembly Bill. B-91 Income taxation: Loophole Closure and Small Business and Working Families Tax Relief Act of 2019, approved 1 July. Sacramento: Office of Legislative Counsel

Mkandawire, T. (2005) 'Targeting and universalism in poverty reduction'. Social Policy and Development Programme Paper no. 23. Geneva: United Nations Research Institute for Social Development

Pritchett, L. (2013) 'Monitoring progress on poverty: the case for a high global poverty line' in Samman, E. (Ed.) *Eradicating global poverty: a noble goal, but how do we measure it?* London: Overseas Development Institute (www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8440.pdf)

Soares, S., Ansiliero, G., Amaral, A.D., Ferreira de Souza, P.H.G., and Paiva, L.H. (2019) 'A universal child grant in Brazil: what must we do, and what can we expect from it?' Brasilia: Institute for Applied Economic Research

Townsend, P. (2009) 'Investment in social security: a possible UN model for child benefit' in P. Townsend (ed.) *Building decent societies: rethinking the role of social security in development*, 151–166. Basingstoke: Palgrave MacMillan

UNCRC Committee – United Nations Committee on the Rights of the Child (2013) General Comment No. 14 on the right of the child to have his or her best interests taken as a primary consideration (Art. 3, para. 1), UN Doc. CRC/C/GC/14 of 29 May 2013

UNICEF – United Nations Children's Fund (2016) *The state of the world's children 2016: a fair chance for every child.* New York: United Nations Children's Fund

UNICEF (2017c) *UNICEF annual report 2017: Tunisia.* New York NY: United Nations Children's Fund

UNICEF (2019) 'UNICEF statement on cabinet approval of the expansion of the child support grant scheme', Bangkok, 29 March (www.unicef.org/thailand/press-releases/unicef-statement-cabinet-approval-expansion-child-support-grant-scheme)

Veras Soares. F. And Gyori, M. (2018) 'Universal social protection in Tunisia: comparing the effectiveness and cost-efficiency of food and energy subsidies with a proposed universal child allowance programme' *International Social Security Review* 71 (2): 19–37

Annexes

LIS Cross-National Data Center (n.d.) 'Luxembourg Income Study database' (electronic dataset, Luxembourg Income Study Cross-National Data Center, Luxembourg) (www.lisdatacenter.org/our-data/lis-database/)

LIS Cross-National Data Center (2019) 'Generic codebook: LIS database 2019 template'. Luxembourg: Luxembourg Income Study Cross-National Data Center (www.lisdatacenter.org/wp-content/uploads/files/data-lis_codebook.pdf)

OECD – Organisation for Economic Cooperation and Development (n.d.) 'Family benefits public spending' (electronic dataset, Organisation for Economic Cooperation and Development, Paris) (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart)

OECD (2020) Family benefits public spending (indicator). doi: 10.1787/8e8b3273-en (Accessed on 29 January 2020)

Annexes

Annex 1: Key features of child-related cash transfers in 29 countries 209

Table A1 summarises key features of cash transfers, predominantly child benefits, in 30 countries. To facilitate an indicative comparison of benefit values across countries and programmes, the benefit values reported are computed for a household of three, comprised of two adults and one child aged five. Use of this 'model household' provides a straightforward means of comparing benefits across countries, given that values will vary based on factors including the number, birth order and age of children, as well as (in the case of CCTs) compliance with conditions that can differ with children's ages.

Annex 2: Chapter 4 methodology 214

Annex 3: Chapter 7 methodology 215

Annex 4: Country-level costings of UCBs and means-tested child benefits 216

Annex 1: Key features of child-related cash transfers

Table A1 Key features of child-related cash transfers in 29 countries

Country	Income group	Programme	Description	Monthly grant amount $PPP[a]	Value per person $PPP[b]	Value as a share of per capita GDP[c]	Value relative to poverty line[d]	Prog-ramme cost as % of GDP	Number of recipients	Recipient unit	Number of recipients as a proportion of the child population[e]
Full UCB											
Austria	HIC	*Familienbeihilfe*	UCB to children < 18y (+up to 24y if in education)	156	52	1.2%	9%	1.0%	1,750,977	children	115.0%
Estonia	HIC	*Lapsetoetus*	UCB to children < 17y (+up to 19y if in education)	103	34	1.2%	6%	1.3%	253,000	children	110.1%
Finland	HIC	*Lapsilisälaki*	UCB to children<17y	108	36	0.9%	6%	0.6%	1,003,635	children	99.1%
Germany	HIC	*Kindergeld*	UCB to children < 18y (+up to 25y if in education)	257	86	2%	15%	1.1%	14,970,000	children	110.2%
Mongolia	LMIC	Child Money Programme (until 2016 reform)	UCB to children < 18y	31	10	1%	11%	1.4%	1,034,000	children	97.5%
Quasi-UCBs – short-term/age-limited											
Belarus	UMIC	Child Allowance	Child allowance to child<3y. (Supplement for older children 3–18y also available)	618	206	13.1%	123%	1.1%	310,603	children	95.8%
Ukraine	LMIC	Universal Child Birth Grant	Birth grant of initial lump sum payment, followed by monthly payments for child<3y	107	36	4.9%	36%	0.6%	1,313,217	children	101.7%
Quasi-UCBs – with broad means test/ 'screening out' wealthy households											
Canada	HIC	Child Benefit	UCT to children<18y, phased out for HHs[f] above specified income threshold	428	143	3.8%	25%	1.1%	3,637180	households	–
Denmark	HIC	*Børne- og Ungeydelse*	UCT to children<18y, phased out for HHs above specified income threshold	128	43	0.9%	7%	0.7%	1,172,100	children	101.8%

Country	Income group	Programme	Description	Monthly grant amount $PPP[a]	Value per person $PPP[b]	Value as a share of per capita GDP[c]	Value relative to poverty line[d]	Prog-ramme cost as % of GDP	Number of recipients	Recipient unit	Number of recipients as a proportion of the child population[e]
Mongolia	LMIC	Child Money Programme (post-2016 reform)	Means-tested UCT to children <18y	29	10	0.9%	10%	1.0%	976,000	children	87.0%
Poland	HIC	*Rodzina 500+*	UCT for every second and subsequent child <18y Means-tested UCT for first child, with lower eligibility threshold if child with disability	283	94	4.1%	16%	0.9%	2,740,000	households	–
United Kingdom	HIC	Child Benefit	UCT for children <16y (under 20 in certain circumstances), tapers off with rising income	130	43	1.2%	7%	0.6%	12,850,000	children	94.0%
Quasi-UCBs – consolidated mixed schemes											
Argentina	UMIC	Consolidated mixed schemes	In 2016, 11.35 million children were covered by a child benefit; 4.4 million received support from the ANSES contributory scheme; 3.9 million from AUH; 1.2 million from the provincial contributory scheme; 0.76 million received non-contributory pensions and support from other provincial programmes; and 1 million received the tax credit, mostly high-income earners.								
		Contributory child benefit scheme from ANSES (includes provincial contributory scheme)	Means-tested UCT (children <18y) for wage earners in formal public or private sector; unemployment benefit recipients, retirees with children, and small taxpayers *(monotributistas)*	201	67	3.9%	40%	–	5,624,987	children	43.2%
		Asignación Universal por Hijo (AUH)	Means-tested UCT (children <18y) to informal workers, unemployed without coverage; seasonal workers; certain categories of self-employed workers.	232	77	4.4%	46%	0.6%	3,936,558	children	30.3%

Country	Income group	Programme	Description	Monthly grant amount $PPP[a]	Value per person $PPP[b]	Value as a share of per capita GDP[c]	Value relative to poverty line[d]	Prog-ramme cost as % of GDP	Number of recipients	Recipient unit	Number of recipients as a proportion of the child population[e]
Belgium	HIC	Consolidated mixed schemes	In 2018, 2.85 million children were covered, of whom 28,811 receive the Guaranteed Family Benefits (non-contributory), 249,479 receive support from the public scheme (scheme for civil servants), and 2.57 million from the employment-related scheme.								
		Relative aux allocations Familiales (LGAF)/ Algemene Kinderbijslagwet (AKBW)	Compulsory social insurance for persons considered as active, and lump sum benefits for those working as self-employed or as a civil servant (children <18y +up to 25y if in training or education)	118	39	1.0%	7%	1.2%	2,849,302	children	121.9%
Cash transfers (means-tested and/or CCTs) with high coverage of child population (≥40%)											
Brazil	UMIC	*Bolsa Família*	Means-tested CCT (children <17y)	64	21	1.6%	13%	0.4%	23,000,000	children	44.5%
Mexico	UMIC	*Prospera* (originally *Progresa*, 1997-2002, *Oportunidades*, 2002-14)	Means-tested CCT	66	22	1.4%	13%	0.4%	32,115,511	people in recipient households	–
South Africa	UMIC	Child Support Grant	Means-tested UCT (children <18y)	68	23	2.0%	13%	1.3%	12,418,521	children	63.0%
Cash transfers (means-tested and/or CCTs) with lower coverage of child population (<40%)											
Ecuador	UMIC	*Bono de Desarrollo Humano*	Means-tested CCT to HHs with children <16y, adults 65y+ and/or people with disabilities	93	31	3.2%	18%	0.2%	1,979,352	people in recipient households	–
Ghana	LMIC	Livelihood Empowerment Against Poverty (LEAP)	Means-tested UCT (children <18y)	36	12	3.2%	12%	0.03%	83,238	children	0.7%
Indonesia	LMIC	*Program Keluarga Harapan (PKH)*	Means-tested CCT to HHs with children <18y	38	13	1.3%	13%	0.1%	11,102,721	children	11.2%

Country	Income group	Programme	Description	Monthly grant amount $PPP[a]	Value per person $PPP[b]	Value as a share of per capita GDP[c]	Value relative to poverty line[d]	Prog-ramme cost as % of GDP	Number of recipients	Recipient unit	Number of recipients as a proportion of the child population[e]
Lesotho	LMIC	Child Grant Programme	Means-tested UCT to HHs with children <18y	23	8	3.1%	8%	0.2%	108,883	children	13.3%
Namibia	UMIC	Child Maintenance Grant	Means-tested CCT to HHs with children <18y (up to 21y if remain in education)	38	13	1.4%	7%	0.4%	306,555	people in recipient households	–
Peru	UMIC	*Juntos*	Means-tested CCT to HHs with children <19y and/or older people and widowed parents	126	42	3.7%	25%	0.1%	3,518,314	people in recipient households	–
Philippines	LMIC	*Pantawid Pamilya Pilipino Program (4Ps)*	Means-tested CCT to HHs in poor areas with children <18y	42	14	2.0%	14%	0.5%	12,238,377	children	31.4%
Tanzania	LIC	Productive Social Safety Net Programme (PSSN)	Means-tested CCT and public works programme (children <18y)	25	8	3.6%	14%	0.2%	1,100,000	households	–
Zambia	LMIC	Child Grant Programme	UCT assigning a fixed value to all HHs with children<5yrs in 3 poor districts	25	8	2.6%	9%	–	28,000	households	–
Other (multiple categorical targeting)											
Nepal	LIC	Child Grant Programme	UCT to households with children <5y in Karnali zone and to poor Dalit HHs nationally	13	4	2.1%	7%	0.3%	551,916	children	19.2%
UBI-type scheme											
Iran	UMIC	Unconditional Nationwide Cash Transfer Programme	UBI-type scheme	166	55	3.3%	33%	3.0%	72,000,000	people in recipient households	–
India	LMIC	*Madya Pradesh UBI experiment*	UBI pilot in the state of Madya Pradesh	47	16	3.8%	16%	n/a	6,000	people in recipient households	–
United States	HIC	Alaska Permanent Fund Dividend	UBI-type scheme in the state of Alaska	92	31	0.6%	5%	n/a	–	–	–

Notes:

a Monthly grant amount: this is computed as the best approximation of what a family with two parents and a five-year-old child that receive the benefit would get in total each month in local currency; expressed in $ PPP for the respective year the information on the size of the grant is from. $ PPPs are GDP-based PPPs from the World Bank. $ PPP values are only available up to and including 2017, so numbers for 2018 are 2017 values.

b Value per person ($ PPP): This is the monthly grant amount in $ PPP divided by the number of household members. As the model family is two parents and one child aged five, the number is the $ PPP total grant value divided by three.

c Value as a share of per capita GDP: The share of the per capita benefits in local currency divided by per capita GDP in local currency for the respective year. Based on World Bank data. GDP per capita values are only available up to and including 2017, so numbers for 2018 are 2017 values.

d Value relative to poverty line: The value of the transfer per capita measured against the extreme absolute per capita poverty line based on the country income group by the World Bank from 2019: LIC poverty line: $1.90 PPP per day/$57.8 per month; LMIC poverty line: $3.20 PPP per day/$97.3 per month; UMIC poverty line: $5.50 PPP per day/$167.3 per month; HIC poverty line: $19 PPP per day/$577.9 per month. The HIC poverty line is based on a proposal by Pritchett (2013), updated to 2011 PPP. GDP per capita values are only available up to and including 2017, so numbers for 2018 are 2017 values.

e The share of recipients receiving a benefit is estimated based on the number of recipients as a proportion of the number of children in the age range for which the programme is a UCB; therefore it should not be interpreted as indicative of 'take up' or inclusion/exclusion error. In cases where older children are eligible for a benefit under some circumstances only (e.g. if they have a disability or are studying), the share can exceed 100%.

f HH(s) = households.

Source: Compiled from international organisations' reports (Inter-American Development Bank, World Bank, United Nations), government documents and academic publications.

Annex 2: Chapter 4 methodology

The original work in Chapter 4 draws on household survey data for a range of countries (latest data available by country) represented in the Luxembourg Income Survey (LIS), held by the LIS Cross-National Data Center. The advantage of this dataset is that the underlying data has been 'harmonised', allowing consistent comparative profiles to be estimated across participating countries. However, this harmonisation is constrained by the different coverage of key variables across surveys; some important data on social protection programmes is sometimes missing. Moreover, the harmonisation process can involve difficult decisions on classifying different social programmes according to the complex variables of the LIS data. As these decisions tend to be taken by different researchers over time, the classification can differ slightly between countries.

We use the harmonised LIS definitions of social protection transfers that identify households receiving a *universal child allowance*. They include: 'Monetary child or family allowance to households with dependent children, from public programmes, which are aimed at covering the whole population or a part of the population selected based on other criteria than previous employment existence or income or assets thresholds. Includes also birth grants' (LIS Cross-National Data Center, 2019).

For the purposes of this study, we selected 15 countries for which the data include a variable for a universal transfer programme and a post-tax income variable. Details of the programmes included are available from the authors on request.

Definitions and assumptions

Our assignment of per capita incomes to all household members stands in contrast to other studies of OECD countries, which often use a square root equivalence scale (dividing total household income by the square root of the household size). The per capita equivalence scale (dividing total household income by the total number of people in the household) is more common in development economics. It is a more intuitive and less complicated method of computing poverty, and potentially valuable if this analysis can be extended to cover LICs and MICs.

Although useful in illustrating the potential magnitude of direct effects from a universal or near-universal cash transfer, the analysis has at least two key limitations. First, we are not able to offer a counter-factual to the case of universal benefits (as we were not able to replicate the analysis for programmes with elements of means testing). Second, by focusing on 'universal transfers to children', the analysis risks overlooking the impact of universal child tax credits, which are not captured in the analysis, though they might essentially have the same effect – as in Australia or in the US (which are not included in our analysis for this reason).

Income concepts

- Post-tax income including income after all income taxes and social security contributions
- Disposable household income minus the UCB transfer
- Disposable household income including post all taxes and transfers (sometimes imputed)

Assumptions

- Per capita income (so no economies of scale in the household)
- Income is winsorised at 0 at the bottom and 30 times the median income at the top (respectively for each type of income)
- Poverty is measured as relative poverty at 50% of median disposable income (meaning post all taxes and transfers) and is anchored, so it does not change even when looking at another income type (which would produce another relative poverty line).

Annex 3: Chapter 7 methodology

The analysis of OECD country spending on child-related transfers derives from the OECD database on family benefits (https://data.oecd.org/socialexp/family-benefits-public-spending.htm#indicator-chart), which has tracked this indicator for 35 years in the majority of its members. The definition of 'Family Benefits' includes cash transfers of all kinds (social insurance, means-tested social assistance and categorical non-means-tested transfers such as UCBs. It also includes spending on 'in-kind benefits' that includes Early Childhood Education and services for residential and affiliated social services for children/families. The official definition is as follows:

> **Family benefits spending refer to public spending on family benefits, including financial support that is exclusively for families and children. Spending recorded in other social policy areas, such as health and housing, also assist families, but not exclusively, and it is not included in this indicator. Broadly speaking there are three types of public spending on family benefits: Child-related cash transfers (cash benefits) to families with children, including child allowances, with payment levels that in some countries vary with the age of the child, and sometimes are income-tested; public income-support payments during periods of parental leave and income support for sole parent families. Public spending on services for families (benefits in kind) with children, including direct financing and subsidising of providers of childcare and early education facilities, public childcare support through earmarked payments to parents, public spending on assistance for young people and residential facilities, public spending on family services, including centre-based facilities and home help services for families in need. Financial support for families provided through the tax system, including tax exemptions (e.g. income from child benefits that is not included in the tax base); child tax allowances (amounts for children that are deducted from gross income and are not included in taxable income), and child tax credits, amounts that are deducted from the tax liability (OECD 2020).**

Annex 4: Country-level costings of UCBs and means-tested child benefits

Table A2 Country-level costings of UCBs and means-tested child benefits set at 25% of the national poverty line for children aged 0–14 (% of GDP)

Country	Cost of a UCB, 0–14 years (% of GDP)	Cost of a child benefit directed to poor households as % of GDP
Afghanistan	6.9	n.a.
Algeria	n.a.	n.a.
Angola	1.7	0.9
Argentina	1.7	0.1
Armenia	1.5	0.2
Azerbaijan	1.2	n.a.
Bangladesh	3.1	2.4
Belize	3.4	n.a.
Benin	3.5	2.6
Bhutan	1.1	0.1
Bolivia, (Plurinational State of)	4.8	0.6
Botswana	1.3	0.5
Brazil	0.8	0.1
Burkina Faso	3.5	2.9
Burundi	17.8	16.4
Cambodia	2.7	1.0
Cameroon	5.4	2.9
Cape Verde	1.3	0.5
Central African Republic	10.7	8.8
Chad	7.5	4.9
China	0.2	0.1
Colombia	1.1	0.2
Comoros	11.1	3.6
Congo	1.8	0.9
Costa Rica	1.2	0.0
Côte D'Ivoire	3.5	1.9
Democratic Republic of the Congo	39.8	36.1
Dominican Republic	1.4	0.1
Ecuador	1.5	0.2
Egypt	1.4	n.a.
El Salvador	0.8	0.1
Eritrea	16.1	n.a.
Ethiopia	6.6	4.7
Gabon	0.9	0.2
Gambia	4.4	3.0
Georgia	0.9	0.3
Ghana	3.9	1.9
Grenada	n.a.	n.a.
Guatemala	3.1	0.8
Guinea	8.6	5.9
Guinea-Bissau	8.1	6.7
Guyana	0.4	n.a.
Haiti	3.1	2.2

Country	Cost of a UCB, 0–14 years (% of GDP)	Cost of a child benefit directed to poor households as % of GDP
Honduras	5.5	1.9
India	0.9	0.5
Indonesia	0.6	0.3
Iran (Islamic Republic of)	n.a.	n.a.
Jamaica	1.4	0.1
Jordan	2.0	0.0
Kazakhstan	0.4	0.0
Kenya	6.5	3.8
Kyrgyzstan	43.4	8.7
Lao, People's Democratic Republic	1.7	1.1
Lebanon	1.5	n.a.
Lesotho	3.4	2.6
Liberia	20.9	18.7
Libya	n.a.	n.a.
Madagascar	5.4	5.0
Malawi	7.1	6.2
Malaysia	2.3	0.1
Maldives	1.3	0.2
Mali	5.2	4.1
Mauritania	4.0	1.3
Mauritius	1.1	0.0
Mexico	1.4	0.1
Mongolia	0.2	0.0
Morocco	0.9	0.1
Mozambique	4.7	4.1
Myanmar	3.9	n.a.
Namibia	0.8	0.4
Nepal	2.9	1.4
Nicaragua	3.5	0.9
Niger	9.8	8.0
Nigeria	2.5	1.9
Pakistan	1.6	0.7
Panama	1.0	0.1
Paraguay	2.8	0.2
Peru	1.2	0.1
Philippines	0.7	0.3
Rwanda	3.3	2.6
Senegal	7.4	4.9
Sierra Leone	10.0	8.0
South Africa	0.8	0.3
Sri Lanka	0.6	0.1
St. Lucia	2.1	n.a.
St. Vincent and the Grenadines	2.1	n.a.
Sudan	3.3	1.3
Suriname	n.a.	n.a.
Swaziland	2.1	1.3
Tajikistan	n.a.	n.a.

Country	Cost of a UCB, 0–14 years (% of GDP)	Cost of a child benefit directed to poor households as % of GDP
Tanzania, United Republic of	4.6	3.5
Thailand	0.5	0.0
Timor-Leste	5.1	4.1
Togo	13.3	9.9
Tunisia	1.0	0.1
Turkey	1.6	0.1
Turkmenistan	1.2	n.a.
Uganda	5.3	3.3
Uzbekistan	n.a.	n.a.
Venezuela, Bolivarian Republic of	6.5	1.0
Viet Nam	1.2	0.2
Yemen	n.a.	n.a.
Zambia	2.8	2.2
Zimbabwe	12.6	n.a.
Average	**4.6**	**2.7**

Source: Author calculations of data from ILO (2019) (https://www.social-protection.org/gimi/gess/ShowWiki.action?wiki.wikiId=3051)

UNICEF works in over 190 countries and territories to protect the rights of every child. UNICEF has spent 70 years working to improve the lives of children and their families.

UNICEF
3 United Nations Plaza
New York, NY 10017

unicef.org
twitter.com/unicef
facebook.com/unicef

ODI is an independent, global think tank, working for a sustainable and peaceful world in which every person thrives. We harness the power of evidence and ideas through research and partnership to confront challenges, develop solutions, and create change.

ODI
203 Blackfriars Road
London SE1 8NJ

odi.org
odi.org/facebook
odi.org/twitter

Front cover: Sapa, Viet Nam. UN Photo/Kibae Park.