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# More than a billion reasons: The urgent need to build universal social protection for children

EXECUTIVE SUMMARY





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# Foreword

Social protection is a universal human right – and a precondition for a world free from poverty. It is also a vital foundation to help the world's most vulnerable children fulfil their potential.

The evidence that social protection has immediate and profound impacts on children's lives and futures is beyond question. Social protection helps increase access to food, nutrition, education and healthcare. It can help prevent child labour and child marriage, and address the drivers of gender inequality and exclusion. Social protection can also reduce stress and even domestic violence, while supporting household livelihoods. And by tackling monetary poverty directly, social protection can also mitigate the stigma and exclusion so many children living in poverty experience – and the pain that a childhood feeling “less than” can produce.

But around the world today, 1.77 billion children aged 0–18 years lack access to a child or family cash benefit, a fundamental pillar of a social protection system. Children are twice as likely to live in extreme poverty as adults. Approximately 800 million children are subsisting below a poverty line of US\$3.20 a day, and 1 billion children are experiencing multidimensional poverty.

The impact on their lives – and their communities, their societies and their economies – can be devastating.

It does not have to be this way. The commitments for change are already in place. The inclusion of social protection in Sustainable Development Goal (SDG) 1, “No Poverty,” represents a crucial milestone. Its inclusion in SDG 10 on reducing inequalities underlines social protection's role in creating a fairer world. And the United Nations (UN) Secretary-General's creation of the Global Accelerator on Jobs and Social Protection for Just Transitions further emphasizes the importance of social protection – and the need to rapidly expand coverage.

The global response to the devastating impacts of coronavirus disease (COVID-19) has shown us how powerful social protection can be. More than 200 countries and territories either introduced new programmes or rapidly adapted existing schemes – amounting to approximately 4,000 policy measures in total – boosting social assistance and supporting children and families. It is no exaggeration to say that for families facing profound economic hardship or living through humanitarian emergencies, social protection can be a lifeline.

Unfortunately, most of these programmes have been short-lived, ebbing as the worst of the pandemic passed. But as they have ebbed, the needs of children and families have continued to grow. Today, the economic impacts of COVID-19 are ongoing. The cost-of-living crisis is unfolding. And the impacts of conflict and the climate emergency – to which children contributed so little but owing to which they will have to bear so much – inexorably grow.

This report, the second International Labour Organization–United Nations Children's Fund (UNICEF) joint report on social protection for children, reflects our shared commitment to strengthening social protection systems – and expanding them to reach every child who is at risk. It speaks to the reasons why this change must happen – and how it can happen. And it documents the rapid positive changes that are being made in countries from Montenegro to Tunisia – and the steps that need to be taken to accelerate progress.

For national policymakers who face difficult decisions, competing demands and constrained financing, we hope the evidence included in this report makes a compelling case for prioritizing social protection for children and families – demonstrating both immediate and longer-term returns. For in the end, the crucial choice sits with them.

It is a choice that will write the future.



**Gilbert F. Hounqbo**  
Director-General  
International Labour Organization



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Executive Director  
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# Executive summary:

## Key messages and recommendations

### Key messages on the state of social protection for children

- ▶ **The positive impacts of social protection for children are beyond question.** Extensive evidence shows that child-sensitive social protection reduces poverty while also contributing to income security in households, with broader significance for child health, education and food security and protection. Further, it provides resilience for households, allowing them to boost their productivity and earning potential, and lowers the risk of the intergenerational transmission of poverty. In this way, investment in social protection for children expands human capabilities and productivity, and creates a virtuous circle, fuelling economic growth and contributing to more sustainable tax and transfer systems that will enable further expansion of social protection for all, including children. However, in the absence of social protection, these basic conditions for well-being are less likely to be met during childhood, creating conditions difficult to rectify in later life. This gives reason for concern, as analysis of age-related spending shows that all children – and the families they live in – are underserved in terms of social protection, particularly in early childhood. This needs to be addressed urgently.
- ▶ **There are 2.4 billion children in this world who all need adequate social protection. However, today, children are still twice as likely as adults to live in poverty.** Over 800 million children are living on less than US\$3.20 a day, 1.3 billion children are living on less than US\$5.50 a day and over a billion are living in multidimensional poverty – deprived of key dimensions of childhood such as health, education and nutrition. The impacts on children are both immediate and lifelong – heightening rights violations such as child labour and child marriage, and diminishing children’s aspirations and opportunities. And this unrealized human potential has inevitable adverse and long-term implications for communities, societies and economies more broadly.
- ▶ **Despite its immediate and long-term impacts, approximately 1.5 billion children below the age of 15 years<sup>1</sup> currently have no access to social protection and, alarmingly, progress in increasing effective coverage globally has stalled since 2016.** Effective-coverage figures for SDG indicator 1.3.1 show that the rates for children aged 0–15 years have either not progressed or have even stalled slightly. In 2020 only 26.4 per cent of children under 15 years globally received social protection cash benefits (equating to 523 million enjoying effective coverage and 1.46 billion uncovered), whereas in 2016 the effective coverage rate was 27.2 per cent (528 million enjoying effective coverage and 1.41 billion uncovered – see figure 2.5). In short, child populations are increasing and at the same time the effective coverage headcount is falling. Moreover, significant coverage gaps worldwide in other benefits are detrimental to child well-being. For example, gaps in social health protection directly affect children’s access to healthcare, and gaps in unemployment protection for parents indirectly affect child well-being.
- ▶ **Significant and troubling regional disparities exist in effective coverage for children, and in some regions, progress has stalled or there has been a decline in coverage since 2016.** The most pronounced decline occurred in the Americas, where coverage fell by 6.4 percentage points from 63.8 to 57.4 per cent. Elsewhere, insufficient progress has been made, with coverage stalled. For instance, it remains relatively low in the Arab States at 15.4 per cent. Coverage declined slightly from 84.6 to 82.3 per cent in Europe and Central Asia. And of all regions, effective coverage remains the lowest in Africa, where the rate has barely moved since 2016, from 12.8 to 12.6 per cent. In Asia and the Pacific, coverage has remained more or less the same and is currently 18.0 per cent.

<sup>1</sup> Although there are approximately 2.4 billion children aged 0–18 years worldwide, this report presents effective coverage data for those aged 0–15 years, which equates to 2 billion children in this age group; of these, 1.46 billion enjoy no effective social protection coverage. Furthermore, in this report, the use of the term “0-18” years applies to all children aged from zero up until their 18th birthday. The use of 0–15 years refers to all children aged from zero up until their 15th birthday.



- ▶ **The challenges children face are growing and compounded as a result of ongoing impacts of COVID-19, the cost-of-living crisis, increased fragility, conflict and displacement and the unfolding effects of the climate emergency.** COVID-19 had significant repercussions for child poverty, with 2020 witnessing the first global growth in child poverty in generations. Children constitute 41 per cent of the 83.9 million forcibly displaced people across the world. Given the increasingly protracted nature of crises, displaced children are at high risk of spending a quarter of their childhood in deprivation and facing uncertain futures. While the economic impacts of COVID-19, conflict and displacement continue to be felt, children and families face a growing cost-of-living crisis, as well as the devastating impacts of an accelerating climate emergency to which children have contributed so little but of which they, especially the most vulnerable, will bear the greatest costs.
  
- ▶ **Enhancing the shock-responsiveness of social protection systems is crucial to upholding the rights of children and halting the acceleration in child poverty triggered by crises.** The response to COVID-19 highlighted the potential of social protection systems in supporting people affected by covariate shocks (see section 2.2). However, it also highlighted several gaps, especially related to their ability to rapidly include additional families, including migrants and forcibly displaced persons. A foundation of high coverage makes a crucial difference but needs to be complemented by national systems designed to be responsive to shocks. This requires that systems focus on preparedness and resilience-building before shocks strike, as well as having policy frameworks and operational mechanisms that allow for rapid scaling-up and the inclusion of populations impacted by crises. This extends to strengthening social protection systems in contexts impacted by fragility, and developing nascent systems on the foundation created by humanitarian assistance, including humanitarian cash transfers. With 73 per cent of the world's extreme poor and 24 per cent of the global population currently living in fragile contexts (OECD 2022b), the need for shock-responsive social protection systems is urgent.
  
- ▶ **Girls and women have been disproportionately impacted by multiple crises. They also experience higher poverty rates than boys and men and face multiple systematic barriers that impede gender equality.** Social protection also displays major gaps in gender-responsiveness, with evidence showing only 12 per cent of measures in response to COVID-19 could be considered fully gender-responsive. A range of social protection schemes and family-friendly policies are needed to ensure social protection is gender-responsive, including social transfers, maternity benefits, care policies and parental leave, as well as connecting social protection schemes to broader gender-responsive services. When designed appropriately, social protection can reduce gendered poverty, overcome barriers and promote girls' and women's fuller participation in economic and social life. While the commitment to gender-responsive social protection is growing, significant gaps in coverage, adequacy and comprehensiveness remain, particularly in lower-income countries.
  
- ▶ **Children with disabilities or living in a household with a family member with a disability are more vulnerable to poverty and face financial barriers to a full life, but are less likely to receive adequate social protection.** Families of children with disabilities face higher costs given the additional support and care needed to lead a full life, and yet additional care responsibilities in the home mean that while needs are greater, incomes are often lower. Work on both assessing disability and understanding its costs underpins disability-inclusive social protection systems; it is advancing in many parts of the world but needs to be expanded across countries. Universal child disability benefits (UCDBs) can be a crucial foundation, both for children with disabilities and as a starting point for expanding child benefits more broadly; but they also need to be connected to additional support and services.
  
- ▶ **Although there are proven pathways to expanding social protection for children towards universal coverage, investment remains insufficient.** Universal child benefits (UCBs), in particular, offer a simple and scalable route to universal coverage of children. In higher-income countries evidence has long shown the cost-effectiveness of UCBs in addressing child poverty, and in middle-income countries simulations show that an annual expenditure of 1 per cent of gross domestic product (GDP) can reduce poverty for the whole population by 20 per cent, and that child poverty reduction would be equal to or greater than this. Unfortunately, expenditure remains far too low to fill the financing gap, with upper-middle-income countries spending just 0.5 per cent and lower-income countries 0.1 per cent of GDP on social protection for children.

## Six recommended steps on the high road to universal social protection for children

Now is the time for decisive action to close the yawning gap in the coverage of social protection for children. With global challenges increasing, and the risk of a spiralling loss of human potential, progress in expanding social protection for children has largely stalled – and is starting to fall behind.

Social protection is an engine of development, and many of today's high-income countries, with extensive and often universal social protection systems for children, extended coverage early in their welfare development. This was an investment in nurturing human capabilities and fuelling economic development, as well as a foundation of social justice. Similar action is now needed globally and will require prioritization, including financing at both global and national levels, to expand child-focused policies, such as UCBs and related services. The challenge is stark in lower-income countries with high rates of poverty and smaller economies, but there are more affordable entry points, including starting with younger children and expanding the age range covered over time. Moreover, an effective approach is a comprehensive and inclusive approach, with improved leave policies, expanded care services and coverage extended to workers in the informal economy, which itself has a key role in supporting formalization and the sustainability of social protection systems. Without this urgent action, we are choosing a path that limits the potential of this generation of children, with sobering implications for our collective future.

Pursuing a path to universal social protection for children means closing the coverage gap and that national policymakers should pursue a “high-road” approach to building social protection for children by the following six steps (detailed in section 5).

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- ▶ **Accelerate progress towards universal coverage for children as a critical step towards improving their well-being.**
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- ▶ **Guarantee adequate benefit levels to generate meaningful change in children's lives.**
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- ▶ **Provide a comprehensive range of benefits that supports children and families through a life-cycle approach.**
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- ▶ **Ensure sustainable and equitable financing of social protection systems that allows for the necessary investment in social protection for children.**
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- ▶ **Build social protection systems that are rights-based, inclusive, gender-responsive, informed by social dialogue and able to effectively respond to multiple shocks and crises, and that can therefore deliver for children and families.**
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- ▶ **Ensure that social protection systems are adapted to developments in the world of work to enhance economic security for parents, caregivers and their families.**
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