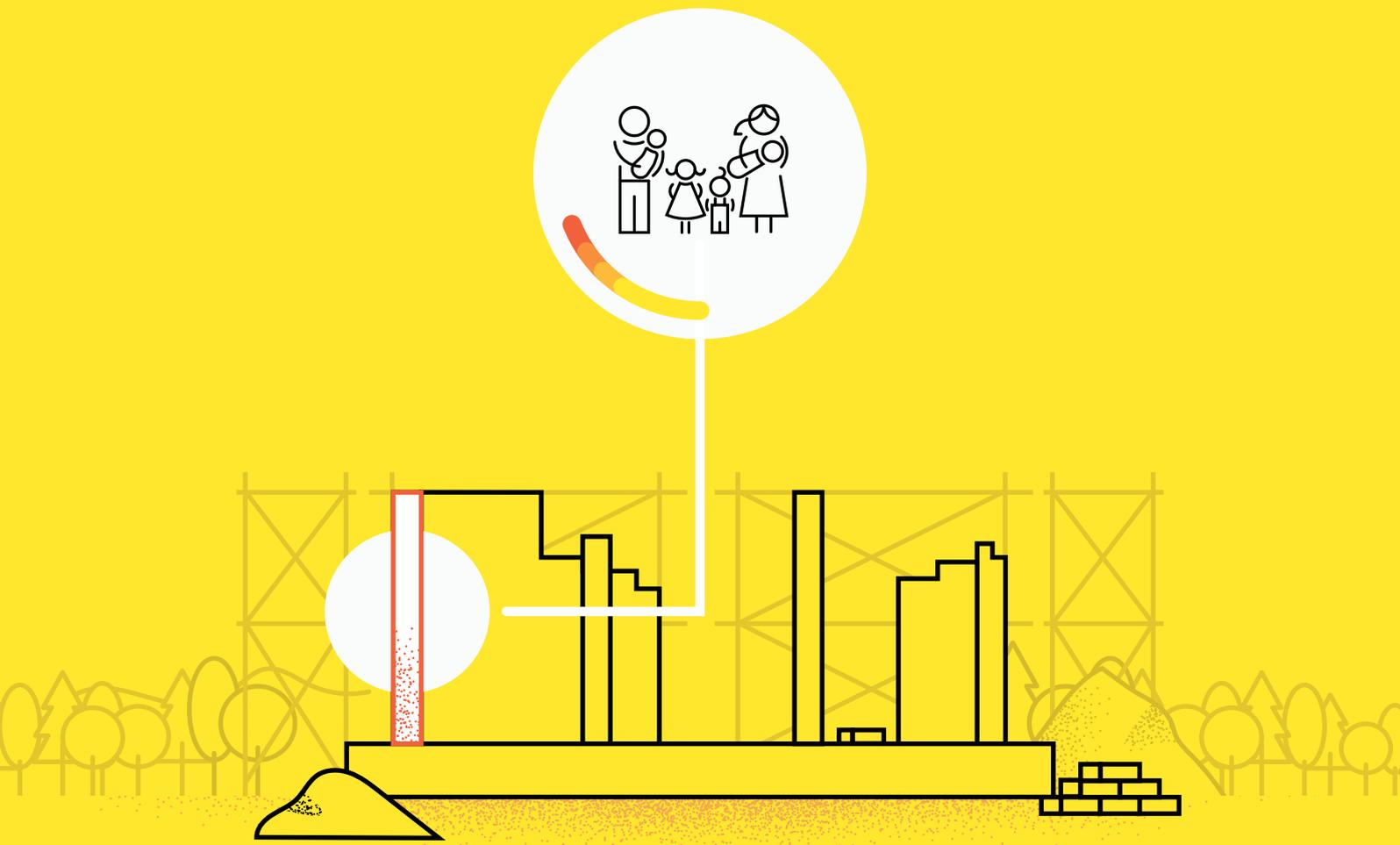


Chapter 3

Protecting children: unlocking future prosperity



Poverty and deprivation have a tight grip on children in the Asia-Pacific region. More than two thirds of all children living in extreme poverty are in the region and more than one third of the global share are in South Asia. Across the region, children are more likely to be living in poverty than adults. Overall, 6 per cent of children in East Asia and the Pacific, and 20 per cent of children in South Asia live in poverty.⁸⁸

The consequences of poverty and deprivation in young age are lifelong. Nutritional and health deficiencies in early years have significant impacts on educational achievements and often major long-term impacts on cognitive development, human capital and employment prospects in adulthood.⁸⁹ Accordingly, effective child-sensitive social protection is very important and serves as a pivotal investment in a country's future.

3.1 A mix of schemes

Social protection systems can support children through a broad set of mechanisms. Schemes designed to specifically support the needs of children include cash benefits for families and children; in-kind benefits, such as school feeding, childcare and health-care services; tax rebates; and parental leave benefits.⁹⁰ With the exception of health care, school feeding programmes are the most common in-kind benefits across the region and play an important role in boosting the nutritional and educational attainment of children. Parental leave benefits and childcare services also are important and, especially when designed in a gender responsive way, they reduce the unequal, unpaid care burden that tends to fall on mothers, grandmothers and older (usually female) siblings. The well-being of children is also heavily influenced by the effectiveness of social protection coverage for other members in their household, such as old-age pensions, unemployment benefits and access to health care. Given the relatively higher levels of poverty in households with children, cash benefits to households with children are crucial.

Several countries in the region provide cash benefits for children and families. These benefits fall into three main categories based on whether they are paid through contributory schemes, non-contributory child benefits (either universally or means-tested) or schemes targeting low-income households (box 3.1). It is relatively common for the third category to require certain behavioural conditions for households to qualify. Usually these conditions are related to children, often in terms of attending school and health visits.

3.2 Most children are left uncovered

Despite the importance of these schemes, the proportion of children benefiting from them is very low. As shown in chapter 2, fewer than one in five children or households with children in the region receive child or family benefits. Only in Australia, Kazakhstan, Japan, Mongolia, New Zealand and the Russian Federation are more than half of all children, or households with children, receiving such benefits (figure 3.1). In many countries, coverage is below 10 per cent. Key reasons for low coverage are the absence of schemes and the limited reach of available contributory and non-contributory schemes. Narrowly targeting non-contributory child benefits, and other household transfers to poor households inevitably limits their impact.

Poverty-targeted schemes often fail to reach the poorest children. As explained in the previous chapter, targeting benefits to poor households often leads to exclusion errors. For example, schemes targeted at poor households in Indonesia, Pakistan and the Philippines reach between 15 per cent and 56 per cent of households in the poorest decile.⁹¹ The exclusion error (pink area in figure 3.2) concerns households in the lowest income deciles that these schemes were expected to cover. By contrast, the near-universal Child Money Programme in Mongolia reaches more than 90 per cent of households in the poorest decile (box 3.2).

88 International Labour Organization and United Nations Children's Fund, "Towards universal social protection for children: achieving SDG 1.3", ILO-UNICEF Joint Report on Social Protection for Children (Geneva, ILO, New York, UNICEF, 2019). The regions references relate to UNICEF regional definitions.

89 Ibid.

90 International Labour Organization, *World Social Protection Report 2017-19: Universal Social Protection to Achieve the Sustainable Development Goals* (Geneva, ILO, 2017).

91 Analysis based on 12 household income and expenditure surveys, ESCAP Social Protection Simulation Tool.

BOX 3.1 **Types and examples of cash benefits for children and families**

Contributory social insurance schemes sometimes pay family benefits to members who have dependent children.

- Thailand: A benefit of up to Thai baht 400 (THB) per month is paid for children up to the age of 6 for members who have contributed for at least one year during the last three years (conditions for informal workers vary).

Non-contributory benefits for children can be provided to all or most children or are targeted at poor children.

- Mongolia: The Child Money Programme pays Mongolian tugrik 20,000 (MNT) per month per child, screening out the wealthiest households. As of 2019, it reached 87 per cent of the children.^a
- Nepal: The Child Grant programme provides Nepalese rupee 400 (NPR) for children under the age of 5 in the poorest districts of the country, or from families belonging to a marginalized group called Dalits. By 2019, it reached 560,000 children, approximately one fifth of children aged 0-4.^b
- Malaysia: The Bantuan Kanak-Kanak provides Malaysian ringgit 100 (MYR) per child (up to MYR 450 per household) for children 0 to 18 years considered underprivileged and needy. It covers approximately 73,000 children (1 per cent of children up to 18 years old).^c

Non-contributory benefits for households often reach families with children. These schemes include those specifically targeted at households with children, and those targeted more broadly, that commonly also reach households with children.

- Georgia: The country has a means-tested household programme called Targeted Social Assistance (TSA). As of October 2018, 121,345 households or approximately, 11.2 per cent of the population were receiving TSA cash benefits. It is estimated that the programme covers 37 per cent of children living under the general poverty line.^d
- Indonesia: The Program Keluarga Harapan (PKH) gives a conditional cash transfer to children under the age of 18. Approximately 11 million children received payments in 2018 (approximately 11 per cent of the child population was covered).^e
- Philippines: The Pantawid Pamilyang Pilipino Program (4Ps) is a conditional cash transfer to households with children aged 0 to 18 years. By 2018, it covered 21 per cent of the households in the country. 4Ps is one of the few conditional cash transfers put into law.^f

a Overseas Development Institute and United Nations Children's Fund, "Universal Child benefits: policy issues and options", (2020). Available at <https://www.unicef.org/sites/default/files/2020-07/UCB-ODI-UNICEF-Report-2020.pdf>.

b Antonio Garcia and Thakur Khakal, "Paying it forward: explaining universal child grants in Nepal, Impact, 6 February 2019. Available at <https://blogs.unicef.org/blog/paying-forward-expanding-universal-child-grants-nepal/>.

c See <http://www.jkm.gov.my/jkm/index.php?r=portal/left&id=QW15ZEo2UnZIMnJXSHdEQtdXZGE3dz09>.

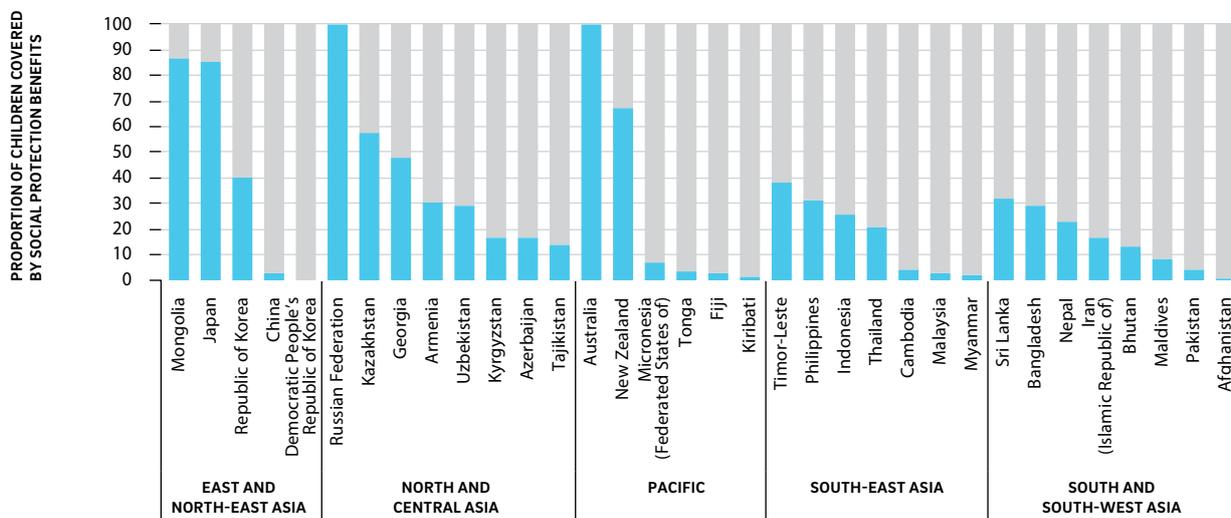
d Dimitri Gugushvili and Alexis Le Nestour, "A detailed analysis of targeted social assistance and child poverty and simulations of the poverty-reducing effects of social transfers" (2019). Available at https://www.unicef.org/georgia/media/2486/file/TSA&CHILDPOVERTY_eng.pdf.

e Overseas Development Institute and United Nations Children's Fund, "Universal Child benefits: policy issues and options" (2020). Available at <https://www.unicef.org/sites/default/files/2020-07/UCB-ODI-UNICEF-Report-2020.pdf>.

f Pablo Acosta, Jorge Avalos and Arianna Zapanta, "Pantawid Pamilya 2017 Assessment: an update of the Philippine conditional cash transfer's implementation performance", World Bank Social Protection Policy Note, No. 18 (September, 2019). Available at <http://documents.worldbank.org/curated/en/457071570046480804/pdf/Pantawid-Pamilya-2017-Assessment-An-Update-of-the-Philippine-Conditional-Cash-Transfer-s-Implementation-Performance.pdf>.

FIGURE 3.1 Child and family benefits are rare in the region

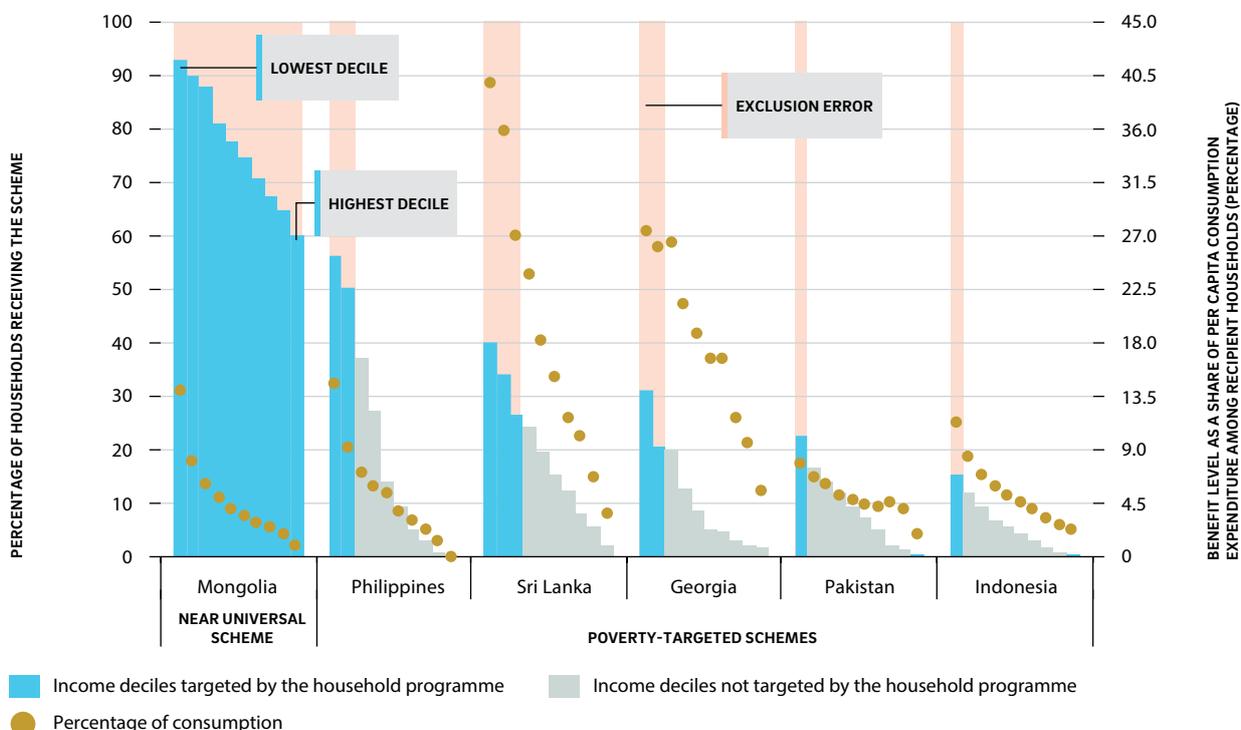
Percentage of children and households receiving child and family benefits, by country, latest available year



Source: International Labour Organization, World Social Protection Database. Available at <https://www.social-protection.org/gimi/ShowTheme.action?id=10>. Note: Based on Sustainable Development Goal indicator 1.3.1.

FIGURE 3.2 Poverty targeted schemes usually reach less than half of the intended households

Coverage of child and family cash benefits by consumption decile, select countries, latest available year



Source: Household Income and Expenditure Surveys; ESCAP Social Protection Simulation Tool – see annex 2. Available at https://devpathways.shinyapps.io/escap_tool_p3/. Note: To measure the targeting effectiveness of the child grant and poverty-targeted schemes in each country, the pink shaded area of each wealth decile represents the exclusion error, while the blue shaded area shows the wealth deciles that are correctly included.

BOX 3.2 The Child Money Programme in Mongolia

Mongolia is the only lower-middle income country in the region with a near-universal child benefit scheme. The scheme was initially introduced as a means-tested scheme in 2005. Because of challenges associated with targeting, the scheme was expanded in 2006 to cover all children under the age of 18. Various studies have found that the scheme has had significant impacts on child poverty.

Over the last decade, the scheme has gone through various configurations. The programme was discontinued in 2010 but then reintroduced by the new Parliament in 2012. In August 2016, targeting was introduced to limit benefits to the poorest 60 per cent of children in a move driven by fiscal consolidation and a condition of IMF loan arrangements. Following an improvement in the economic outlook, eligibility was again expanded in 2018 and, as of 2019, the scheme reached approximately 90 per cent of all children under the age of 18. Since 2012 the monthly benefit has been MNT 20,000 per month, with the scheme costing approximately 1 per cent of GDP.

The scheme has formed a core pillar of the country's policy response to the COVID-19 pandemic. From April to October 2020, the benefit is being increased from MNT 20,000 to 100,000 (an increase of 400 per cent) as a way to cushion families from the impact of the crisis.

Sources: Overseas Development Institute and United Nations Children's Fund, "Universal Child benefits: policy issues and options", (2020). Available at <https://www.unicef.org/sites/default/files/2020-07/UCB-ODI-UNICEF-Report-2020.pdf>; Anthony Hodges and others, "Child Benefits and poverty reduction: evidence from Mongolia's Child Money Programme", Working Paper, MGSOG/2007/WP002. Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1095717; Ugo Gentilini and others, "Social protection and jobs responses to COVID-19: a real-time review of country measures", Living Paper, (Washington, D.C.: World Bank Group, 12 June 2020).

Benefit levels are also relatively low in the region.

In four of the above six child and family schemes, benefit levels vary from 8 to 15 per cent of the average per capita consumption in the lowest decile households. Notable exceptions are in Georgia and Sri Lanka, where benefit levels represent 27 to 40 per cent of the poorest households' per capita consumption. One reason for these generally low benefits is that the schemes only reach poorer households, which usually have limited political influence and voice.⁹²

There is uncertainty about the impacts of behavioural conditions sometimes attached to child benefits. Notable examples of so-called conditional cash transfers in the region are 4Ps in the Philippines and PKH programme in Indonesia (see box 3.1). Recipients of these schemes must comply with certain conditions to continue to receive benefits. Examples of other schemes with conditions

involve educational stipends in Bangladesh, and transfers to mothers during maternity.⁹³ To date, there is limited evidence that they are more effective than unconditional transfers. Conditions may in fact increase barriers to accessing benefits.⁹⁴

Conditionality has the potential to also reinforce gender inequalities. Because women are often the main recipients of conditional transfers and in charge of ensuring compliance with health and educational requirements, conditional programmes risk reinforcing existing gender roles. They may also create additional time-consuming tasks that limit women's participation in the labour market.⁹⁵ In some schemes, such as the Maternity Allowance and Working Lactating Mother Allowance in Bangladesh, "soft" conditions are applied in which women must verbally commit to having a maximum of two children, which infringes on their sexual and reproductive rights.⁹⁶

92 United Nations, Economic and Social Commission for Asia and the Pacific, "How to design inclusive social protection systems". Social Development Division Policy Guides (2018). Available at: <https://www.unescap.org/resources/policy-guide-how-design-inclusive-social-protection-systems>.

93 Raquel Tebaldi and Charlotte Bilo, Gender and social protection in South Asia: an assessment of the design of non-contributory programmes (Brasilia and Kathmandu, International Policy Centre for Inclusive Growth and UNICEF Regional Office South Asia, 2019).

94 Stephen Kidd, "To condition or not to condition: What Is the Evidence?", Pathways' Perspectives, Issue no.20 (March, 2016). Available at <http://www.developmentpathways.co.uk/wp-content/uploads/2016/03/CCT-Evidence-PP20-1.pdf>.

95 Anne Esser, Charlotte Bilo and Raquel Tebaldi, "How can cash transfer programmes work for women and children? A review of gender- and child-sensitive design features", International Policy Centre for Inclusive Growth working paper No. 178. (February 2019). Available at https://ipcig.org/pub/eng/WP178_How_can_cash_transfer_programme_work_for_women_and_children.pdf.

96 Raquel Tebaldi and Charlotte Bilo, Gender and social protection in South Asia: an assessment of the design of non-contributory programmes". Available at http://ipcig.org/pub/eng/RR38_Gender_and_social_protection_in_South_Asia.pdf.

Several low- and middle-income countries have recently taken steps to expand child benefits based on universal principles. These new or expanded schemes usually aim to reach pregnant women and infants up to 1,000 days old. Many of the schemes are also focused on the poorest regions, with ambitions for further expansion. The Maternal and Child Cash Transfer programme in Myanmar, for example, provides benefits to pregnant mothers and children below two years of age. As of late 2019, the scheme was reaching almost 160,000 women, while ambitious plans are in the works to reach 1.5 million women by 2022/23.^{97, 98} The regional government of Papua province in Indonesia rolled out a quasi-universal child grant programme for children below

the age of four in three districts in 2018. It initially covered 20,000 children. Plans are set to reach all 22 districts in the province by 2021.⁹⁹

While these are promising initiatives, too many children and their families remain uncovered. In many countries, narrow targeting of cash benefits and significant exclusion errors leave many children in extreme poverty. Universal schemes are key to guaranteeing the well-being of children — including improving nutrition and educational attainment — and to providing a solid foundation for future national economic and social development in countries across the region.

97 MCCT Formative Evaluation (pp. 4-5). Available at https://www.unicef.org/evaldatabase/index_103817.html.

98 World Health Organization, "Government-sponsored cash transfer scheme to benefit poor women and children and improve access to health services. 27 June 2019. Available at <https://www.who.int/cambodia/news/detail/27-06-2019-government-sponsored-cash-transfer-scheme-to-benefit-poor-women-and-children-and-improve-access-to-health-services>.

99 International Labour Organization and United Nations Children's Fund, "Towards universal social protection for children: achieving SDG 1.3", ILO-UNICEF Joint Report on Social Protection for Children (Geneva, ILO; New York, UNICEF, 2019).