

# Social protection for families and early childhood

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# Social protection for families and early childhood

- Policies and programs aimed at providing welfare for families with children, including both direct and indirect actions towards this particular population sector
  - Policies those targeting families with children under 18 years old, covering the monetary compensation for the costs of having children
  - Policies aiming at achieving a better balance between work and family life, which focus almost exclusively on families with younger children
- **Where does the idea that we need these policies come from?**
- **Three increasingly accepted facts and findings:**
  - in the first years of their life children develop a critical set of capacities that if not achieved then will be extremely hard and far costlier to properly achieve later on in life
  - in the same way that a long time ago social policy recognized that the elderly confront risks due to diminished capacities, it is accepted today that families are especially vulnerable and more fragile when they are having children and when raising very small children and
  - if left to market dynamics, such vulnerability and fragility, can put many families in this stage of their cycle in poverty, and with them, their very young children

# Three implications

- Child poverty and lack of access to basic goods and services should not be thought simply as a problem of particular families but rather a structural problem of our societies;
- Leaving child welfare up to market forces and family structures and capacities is socially and economically inefficient
- Neither logic nor institutions nor the law make it possible to separate State and family responsibilities in violating or upholding the rights of children
- There must therefore be a guarantor State to safeguard the capacity of families and regulate the actions of their members in this area
- But spending in early childhood tends to be weakly associated with overall social protection spending
  - In fact, countries with very similar development levels might present very different patterns in terms of fiscal efforts regarding family allowances, work leaves and child care services

# Cash benefits, cash transfers and family allowances

- Studies from the developed world confirm that **these policies are reducing poverty by 60% or more** in countries like Austria, Iceland, Ireland, Sweden, Finland, Norway or Hungary.
- This evidence has contributed to sustain the idea that **policies aimed at protecting families with children and early childhood are key to achieve certain levels of well-being and a new 'welfare equilibrium'**.
- **However, this seems to be only true in countries where these policies are more generous, while in poorer countries they are clearly insufficient to maintain families out of poverty.**
- In other words, **coverage and quality of policies (for example, value of transfers) are usually not enough in many developing countries to achieve the positive effects that the literature has proven in more advanced countries.**
- **Recent trends in developed world:**
  - European countries have moved towards expanding the generosity of transfers and taking special measures during economic crisis.
  - They have also created specific benefits for lone-parents.

# Work leaves: Maternity, paternity and parental benefits

- Maternity leaves have positive effects on mothers' health, both during pregnancy and immediately after childbirth, as well as on children's wellbeing.
- Parental leaves seem to have important positive effects on the possibility of mothers to return to work after a period of being absent after the birth and first months of their children's lives, as well as on the possibility of increasing their income in the mid and long term.
- They can also impact in the distribution of paid and unpaid work between men and women, but achievements in this dimension are still weak and incipient
- Recent trends in developed world:
  - European countries have expanded both length (way further than the 14 weeks recommended by ILO) and the generosity of paid benefits, sometimes merging maternity and paternity/parental leave schemes.
  - Also, some countries have increased flexibility in leave policies, allowing for more workers to take them and use them for a longer period. "Daddy quotas" have become an increasingly common innovation in European leave systems.

# Early childhood education and childcare services

- Child care policies have proven to have significant effects on female labor participation, as well as on children's wellbeing, including on cognitive and non-cognitive abilities, educational performance, among other dimensions
- Coverage and quality are different across regions and even within regions across countries
- Recent trends in developed world:
  - European countries have significantly expanded coverage both by increasing the number of hours' services are available and the population they are open to (for example, expanding the eligibility criteria to children under 2 years old).

# Trends in LA and other developing regions

- These policies have grown significantly both in developed as in developing countries, for two reasons:
  - **Increasing scientific evidence** regarding the importance and efficiency of early investment in children promoting their capabilities and protecting them from risks
  - **Leaves and ECEC are very much led by family changes and demands.** The increasing incorporation of women into the labor market and the relatively frozen landscape regarding male incorporation into domestic chores and care implies that at some point the state would need to enter into the equation organizing services and creating policies that allow for the balancing act of paid and unpaid work that women face day in and day out.
- Compared to pension systems, health care and health insurance and formal education, **family policies and early child protection are relatively more recent, have a wider variety of institutional settings and usually carry less weight in the fiscal effort of states.**
- **Latin America:** Monetary transfers to families with children, extended leaves for mothers and larger coverage in many cases, and more timidly, early childhood care and education are part of the agenda and in some cases a policy reality.
- **BUT THREE CRITICAL ASPECTS - REQUIRED FOR SUSTAINABILITY AND EFFECTIVENESS- ARE MISSING**

# Rarely are these policies based on the idea of a universal set of interrelated transfers and services

- Targeted and sometimes narrow targeting dominates monetary transfers, while leaves do not reach the poor or the informal, and care remains limited in reach and segmented in quality.
- Thus CCT remain politically weak and do not reach the vulnerable population in many cases (and sometime coverage is less than poor families with children).
- On the other hand, leaves not only remain in many cases a policy with very narrow middle and upper middle class coverage but they have not advanced at all (with few modest exceptions) in paternal leaves.
- Childhood care (0-2/3) and preschool coverage (3/4-5) have advanced but in many countries remain highly stratified in coverage.



Overall, the fiscal effort in most of these policies remains modest and the economic downturn of the last years might have a very negative impact on them

- In the case of CCTs and ECEC, many countries still lack of laws guaranteeing funding for these policies. Also, there are almost not legally binding criteria regarding sufficiency and/or quality.
- In the case of CCTs, the updating of the value of transfers (through, for example, indexation to inflation) is not legally guaranteed in most cases.
- In the case of ECEC, quality parameters in the case of care are scarce.

# The impact of these policies on inequality and poverty so far has remained limited

- While targeted, CCT have values that rarely lift families out of poverty and make no dent or very limited dents on overall inequality. Still, positive effects on education, health and child labor have been documented.
- Leaves are, as they stand, rarely redistributive, since eligibility remains contributory and thus coverage and take up is limited given our large informal labor markets.
- The impact of ECEC is when coverage reaches the poor quite progressive, though no systematic studies have been done to assess how it contributes to women's incorporation into the labor market

# In sum

- While early childhood protection and family protection are not yet, in many countries, thought as a subsystem of social protection, increasingly they are viewed as subset of policies that can and should be considered as an interrelated group of interventions with a general aim: improving family and state capacities to care and grant basic access to goods and services for very young children
- They:
  - operate in a critical period were families are most vulnerable and when children are developing their basic cognitive functions
  - can play a major role in increasing human capabilities and productivity for society at large and in decreasing inequality and vulnerability for children and young families
- But not all spending in children and families will get the job done:
  - If family allowances and leaves remain limited to formal workers and if ECEC are of bad quality the promise will not be fulfilled.
  - Universal good quality transfers and services are needed, or at least services and transfers that reach both the lower income groups and the middle classes so as to guarantee access to those most in need and reasonable quality
- Developing countries, and Latin America in particular, have a long road ahead if they want to transform what today is an embryo of a family and childcare protections system into a full blown pillar of their social states
  - Fiscal costs will be important, but the long run benefits in human capabilities, productivity and equality far outweigh the fiscal costs of setting such system up