Theirworld

For all of us

Every Family, Every Child

The case for investing in the early years to break cycles of poverty and inequality

act for Early Years

An Act for Early Years Report
In partnership with the Learning for Well-Being Institute
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In 2024, as Brazil took the helm of the G20, President Lula da Silva placed the fight against hunger, poverty and inequality at the forefront of the global agenda. Central to this mission is his call for a Global Alliance Against Hunger and Poverty, set to be officially launched at the G20 Summit in Rio de Janeiro. This ambitious initiative recognises the critical role of early childhood support in tackling inequality, with a particular emphasis on expanding social security support for parents and families.

This report underscores the vital need for investment in early childhood.

As the Global Alliance acknowledges, while poverty in childhood is felt most immediately by children themselves, child poverty has broader impacts on societies and economies. Hunger and malnutrition, including their short and long-term impact on health and social and cognitive development, in turn reinforce and perpetuate poverty and inequality over generations.

Given the alarming rise in extreme poverty and growing wealth disparity, there is more urgency than ever to invest in the early years and break this cycle. Investing in the world's youngest children is moreover recognised as fiscally smart, given its multiplier effect across numerous Sustainable Development Goals. Delivering SDG 4.2[1] – quality early childhood development for all children – will have far-reaching benefits for tackling inequality, promoting gender equity and improving health outcomes.

Act For Early Years campaign

In 2023 Theirworld launched Act For Early Years, a global campaign powered by a diverse network of civil society groups, business leaders, NGO partners, United Nations agencies, youth advocates, early years workers, carers and parents.

By raising awareness, advocating for policy change, mobilising resources, promoting equity and empowering local communities, this is more than a campaign – it is a movement aimed at transforming the prospects of an entire generation.

Act For Early Years is urging swift government action to address the early years crisis and ensure every child has access to high-quality, nurturing early childhood interventions through three catalytic goals:

1. **Universal access to quality primary health care in support of health, wellbeing and development across pregnancy, birth and early childhood.**
2. **Universal access to quality, inclusive preschool education.**
3. **Universal Support for Families including affordable and quality childcare, child benefits and parent and caregiver support.**

To achieve these goals, we are calling for:

- **At least $1billion in new funding commitments by 2028 from governments, international donors, businesses and philanthropic donors to kick-start progress and action for the youngest children.**
- **The staging of the first ever International Financing Summit on the Early Years, with the aim of securing the necessary investments to transform lifelong outcomes for all children.**

What's in this report

Since its foundation, Theirworld has prioritised placing support for the youngest children on the international agenda. Its advocacy and research have often focused on the preschool years, particularly with a pioneering series of reports tracking official development assistance by major donors to preschool education.

Though preschool provides a crucial grounding for every child to thrive in life, the holistic needs of young children go further than centre-based education. This report therefore takes a different focus, setting out new research analysing the efficacy of Universal Support for Families, which includes parental leave, adequate childcare and social assistance programmes such as child benefits.

The report examines how money is spent by policy type, broadly divided into the categories of universally available benefits and services compared to non-universal policies. It builds on UNICEF's 2023 Too Little, Too Late report which analysed country-level early years investment relative to spending across the child policy portfolio.[2]

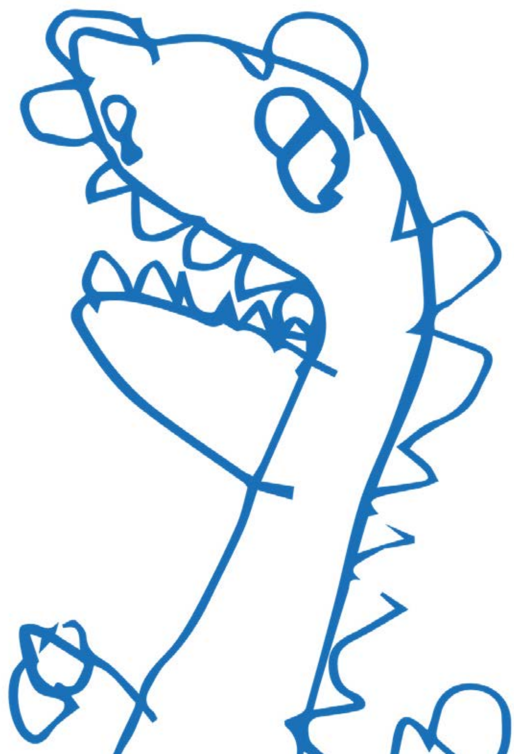
The research looks at current spending in the G20 and its newest member the African Union in the form of parental benefits, child benefits and childcare, and undertakes new analysis on the cost of inaction in early years investment in those areas.

It examines the missed opportunities and costs resulting from inaction since 2018, when the G20 launched its pioneering Initiative for Early Child Development with ambitious goals to address disparities in early childhood support. Crucially, the report also analyses the potential benefits of action by simulating the impact of modest increases in investment across the G20 in childcare, parental leave benefits, and child benefits post-2018. This approach allows us to quantify both the opportunities lost and the tangible gains that could have been achieved if the 2018 initiative had been fully implemented.

The analysis also features a simulation of investments of similar levels (depending on their existing policy and practice) by three countries - India, Brazil and South Africa - in maternal benefits, child benefits and childcare, showing the impact on three areas: child poverty, female labour market participation and net primary school enrolment.

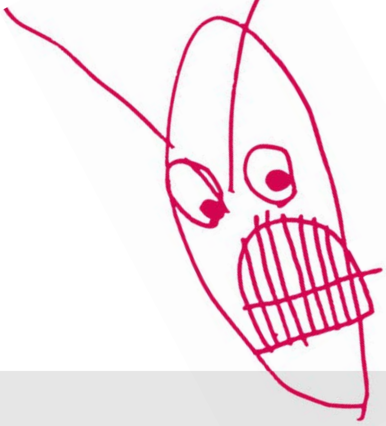
Those three countries were chosen as larger emerging economies that are showing leadership in social and economic development and who are also chairing the G20 in three consecutive years - 2023, 2024 and 2025.

Across the analysis, the results clearly indicate strong advantages for countries implementing universal child policy designs. Importantly, they also show that policy design and implementation are key to ensuring the cost-effectiveness of early years policies.



Key findings

- European children benefit from 28 times more early years investment than African children, and 2.5 times more than children in other G20 countries.
- In African Union countries, the investment gap is stark – children aged 14 and over receive 10 times more funding than two-year-olds.
- In 24 out of 30 low- and middle-income countries analysed, less than US$500 PPP per child is invested in children under six.[3]
- Increasing universal childcare spending by just 0.4% of GDP could have brought 67 million more women into the workforce across the G20 in the three years after the 2018 G20 Initiative on Early Childhood Development.
- This same 0.4% increase could have prepared up to five million more children for primary school, potentially achieving 100% enrolment rates.
- A 0.6% GDP increase in Universal Support for Families across the G20 could have lifted 16.7 million children out of poverty within two years.
- In Brazil, investing an additional 1.2% of GDP in Universal Support for Families could have lifted 8.5 million children out of poverty in just two years.
- In India, allocating an extra 0.9% of GDP to universal childcare could have enabled 104 million more women to enter the workforce over three years.
- In South Africa, a 2.1% GDP investment in universal childcare could have supported 10.5 million women to join the workforce over three years.
- Modelled increases in child allowances in India and Brazil show the potential to eradicate extreme child poverty.



What do we mean by Universal Support for Families?

Universal Support for Families refers to a comprehensive package of family-friendly policies and services designed to support all families, parents and caregivers with young children, regardless of their income or employment status. The full list of interventions is set out in the Act For Early Years Calls to Action to Policy Makers.[4] These policies provide families with three essential resources: time, finances and services.[5] By making these supports available to all families, Universal Support for Families aims to give every child the best possible start in life, reduce child poverty, increase women's participation in the workforce, and create more equitable societies.

Recommendations

As our research clearly demonstrates, investing in Universal Support for Families is not just beneficial, but essential for tackling poverty, hunger and inequality on a global scale. The following recommendations outline concrete steps that the G20 and the Global Alliance Against Hunger and Poverty can take to prioritise early years investment and ensure that no child is left behind.

The G20

- To tackle poverty, hunger and inequality the G20 should champion - including within the Leader's Communique for the 2024 Rio Summit - the urgent need to invest in high-quality early years interventions for every child.
- The G20 should back three catalytic goals: universal access to quality primary health care; universal access to inclusive preschool education, and Universal Support for Families including affordable childcare and child benefits.
- To advance these goals, the G20 should back calls for the first ever Global Finance Summit for Early Years to secure the necessary investments for transforming lifelong outcomes for all children.
- The G20 Development Working Group should revitalize the 2018 Initiative for Early Childhood Development agreed at the Argentina summit, setting new targets for action. This renewed commitment should explicitly include Universal Support for Families as a key strategy for inclusive development and poverty reduction.
- All G20 countries and partners should commit to increasing investment in the early years. This increased investment should prioritise reaching the poorest and most marginalised children and families to ensure no child is left behind in accessing critical early years interventions.
- G20 international donor countries and partner multilateral agencies should direct official development assistance towards investment in the early years in partner countries with the highest levels of child deprivation, focusing on hard-to-reach populations and fragile and emergency contexts.

The Global Alliance Against Hunger and Poverty

- The Global Alliance should prioritise investment in the early years in its policy basket, emphasising its potential to reach the most marginalised children and families who are often left behind.
- The Global Alliance should explicitly incorporate SDG 4.2 into its mandate, recognising that ensuring access to quality early childhood development, is integral to tackling poverty, hunger and inequality.

The opportunity

In 2018, the G20 launched the pioneering Initiative for Early Child Development.[6] Since then, an estimated 150 million children have been born and lived through a third of their childhood. The modelling in this report demonstrates what could have been achieved for these children with increased investment in the three years following 2018. Now, with Brazil's proposed Global Alliance Against Hunger and Poverty, we have a renewed opportunity to prioritise early childhood support as a critical tool in tackling inequality and achieving the Sustainable Development Goals (SDGs).

Too often, the rationale for investing in the early years is undercut by an assumption that the returns will not be realised for decades. However, as the evidence in this report makes clear, serious investment targeting Universal Support for Families can yield tangible benefits in the short- to medium-term.

The G20, and all countries worldwide, have just six years left to implement the SDGs; in that same time frame, a child born today will be starting primary school. The decisions world leaders make this year, particularly through the Global Alliance's offering of policy interventions, will determine whether or not that child has all the opportunities to thrive in life.

Bold national leaders and international donors will rightly see this as an investment and not a cost. As the evidence demonstrates, these are simple, effective and sustainable interventions that have the power to lift millions of children out of poverty, aligning perfectly with the Global Alliance's goals.

With Brazil presiding over the G20 in 2024 and South Africa set to follow in 2025, there is a golden opportunity to integrate the early years within the themes of social justice, tackling inequality and building a better world. Momentum is gathering for a reset on the early years, for governments, international donors and philanthropists to at long last take the issue as seriously as it deserves and give it the investment it merits. The good news is that action can still be taken.

We cannot afford to wait.

Section 1 ONE

Unequal Investments, Unequal Futures

Two childhoods

Imagine two children born on the same day: Zeinab in Stockholm and Ananya in New Delhi. Though they enter the world with equal potential, their paths will quickly diverge due to the discrepancies in early years investment – and the opportunity this offers - between their two countries.

While Zeinab's parents benefit from generous parental leave and childcare support, Ananya's family struggles with minimal government assistance. By the age of five, Zeinab has attended high-quality day care and preschool while her family's income has been bolstered through child allowance payments. Ananya, however, has had comparatively limited government support, with her parents forced to make impossible choices between work and childcare.

Stark contrasts across different families also drives inequalities within countries. The USA, along with the UK, are notable among richer countries for investing comparatively little on young children around the time of birth, leading to a lack of quality provision. Over three quarters of black families in the USA experience low to medium quality childcare with quality centres typically difficult to come by in their immediate neighbourhoods[7]. A lack of childcare more broadly across the USA is estimated to cost families $78 billion every year, $23 billion a year in business outputs, and $21 billion in lost tax revenues[8].

These pronounced differences in early childhood experiences are not merely anecdotal - they reflect systemic variations in how countries invest in their youngest citizens. To truly understand the scale of this issue and its global implications, it is crucial to analyse the hard data on early years spending within and across countries. The following section provides a comprehensive analysis of investment patterns in G20 countries and beyond, revealing the extent of the disparities and the urgent need for action to ensure every child, regardless of where they are born, has the best possible start in life.

take action

Tracking investments in the early years

This section presents age-spending profiles for all the G20 countries, including those represented by the African Union, with available data from 2019 or 2020. Figure 1 sets out individual country profiles, with each graphic setting out public investment in children and young people from the prenatal period until the age of 25. The profiles report USD per capita on the average spending per child on child-specific cash transfers. The dashed line indicates comparative rates of investment from around 2015.[7]

The significance of this data is straightforward. Groundbreaking research from James Heckman[8], along with more recent findings in the Lancet[9], UNICEF[10], and UNESCO[11], all evidence that investments in the early years are likely to make the biggest difference to children's development while generating the greatest return for every dollar spent. As such, an optimal investment scenario would see the largest spikes of expenditure towards the left side of the graphs which represents the 'early years' window of a child's life. Yet our analysis of G20 countries and African Union members reveals a troubling picture contrary to this expectation. From it, we learn:

1. Children aged 0-5 receive proportionately less public investment than older children (6-17 years).

2. European children receive 28 times more early years investment than African children, and 2.5 times more than children in other G20 countries.

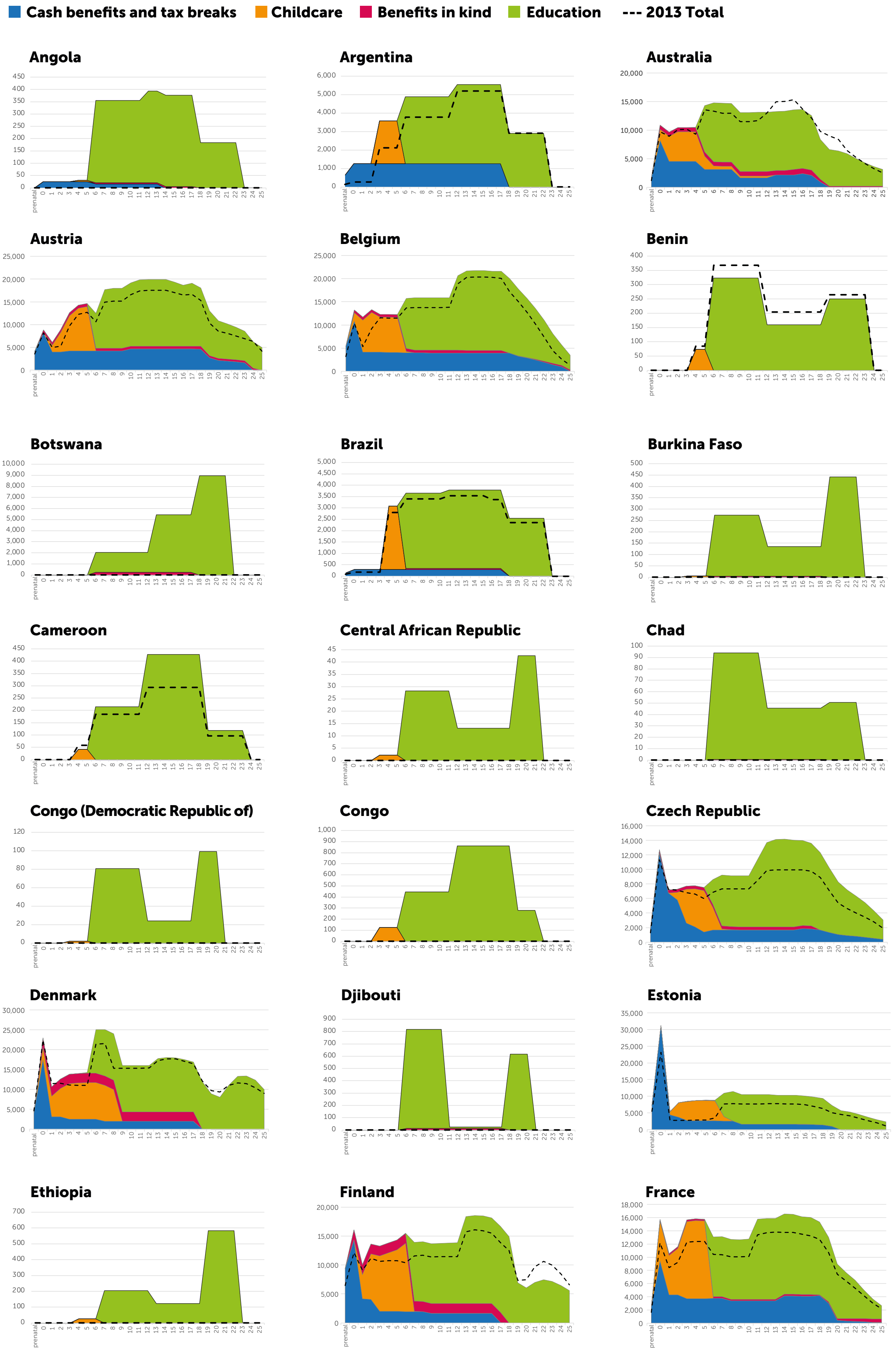
3. Inequalities in early years spending between countries and regions are driving long-term unequal growth.

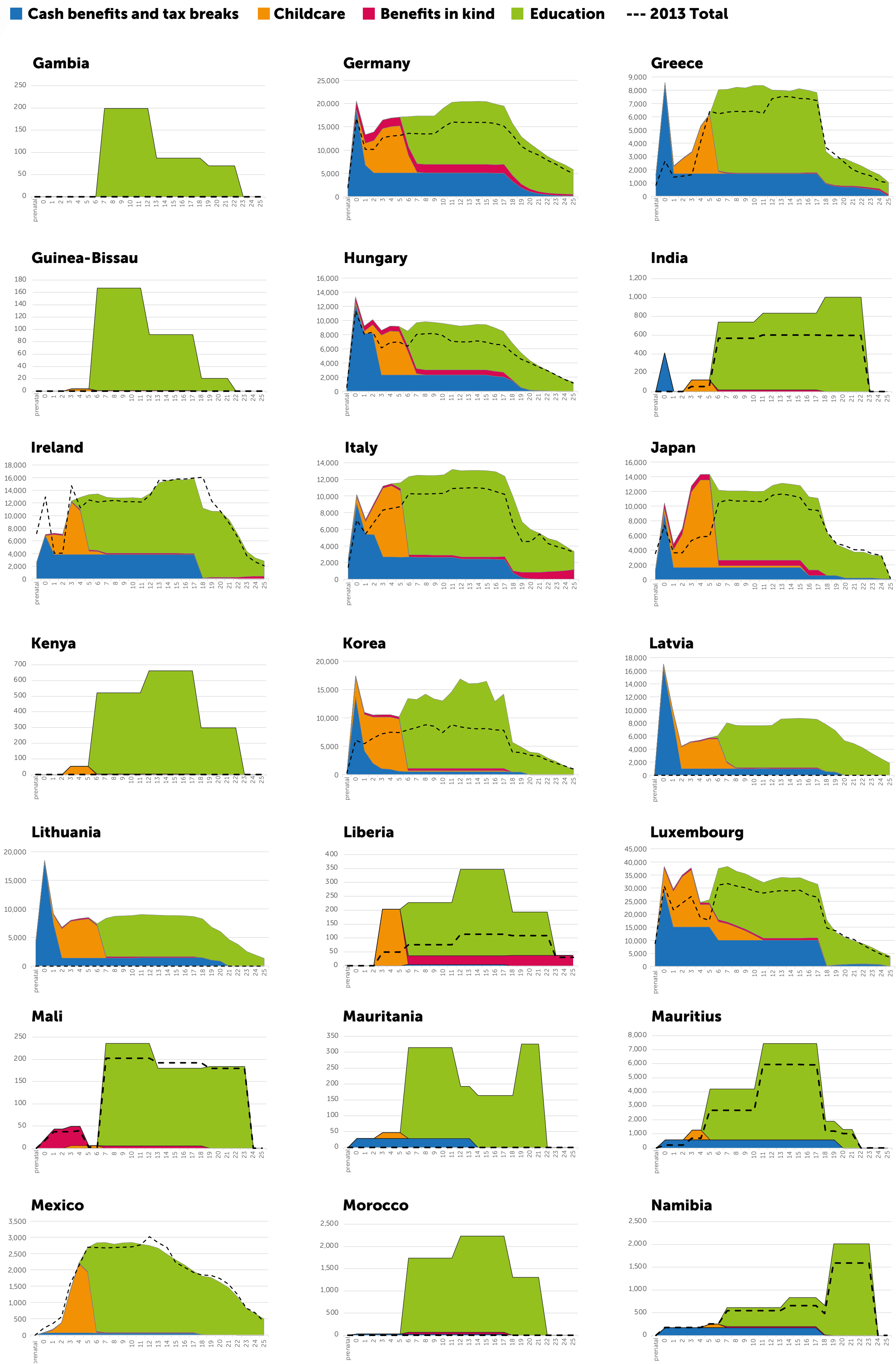
Across different countries, the data highlights a patchwork of support that reveals huge discrepancies between the richest and poorest countries, with too many young children in the latter group being left behind. Among the main conclusions, we find:

- Children and their families in Nordic countries benefit from comprehensive Universal Support for Families, including generous parental leave and childcare benefits.
- Birth-related cash benefits are low or non-existent in many countries, particularly outside Europe.
- The USA is a notable outlier among richer countries, investing 8 times less than Germany on children immediately after birth, and 4 times less than Japan.
- In countries such as India, Mexico, Saudi Arabia and Türkiye, there are long periods where families receive minimal or no support for young children.
- In many countries represented by the African Union, young children face a near total lack of public expenditure on child-specific benefits and services.
- Rather than investing in critical early years services, low-spending countries typically rely heavily on compulsory education systems at primary and secondary level for child development and well-being.

Figure 1: Country Profile Investments in Childhood

The vertical line in the profiles reflects investments in USD PPP and the horizontal line reflects the age of the child/young person between birth and 25 years old.




Cash benefits and tax breaks
Childcare
Benefits in kind
Education
--- 2013 Total
Gambia
Germany
Greece
Guinea-Bissau
Hungary
India
Ireland
Italy
Japan
Kenya
Korea
Latvia
Lithuania
Liberia
Luxembourg
Mali
Mauritania
Mauritius
Mexico
Morocco
Namibia

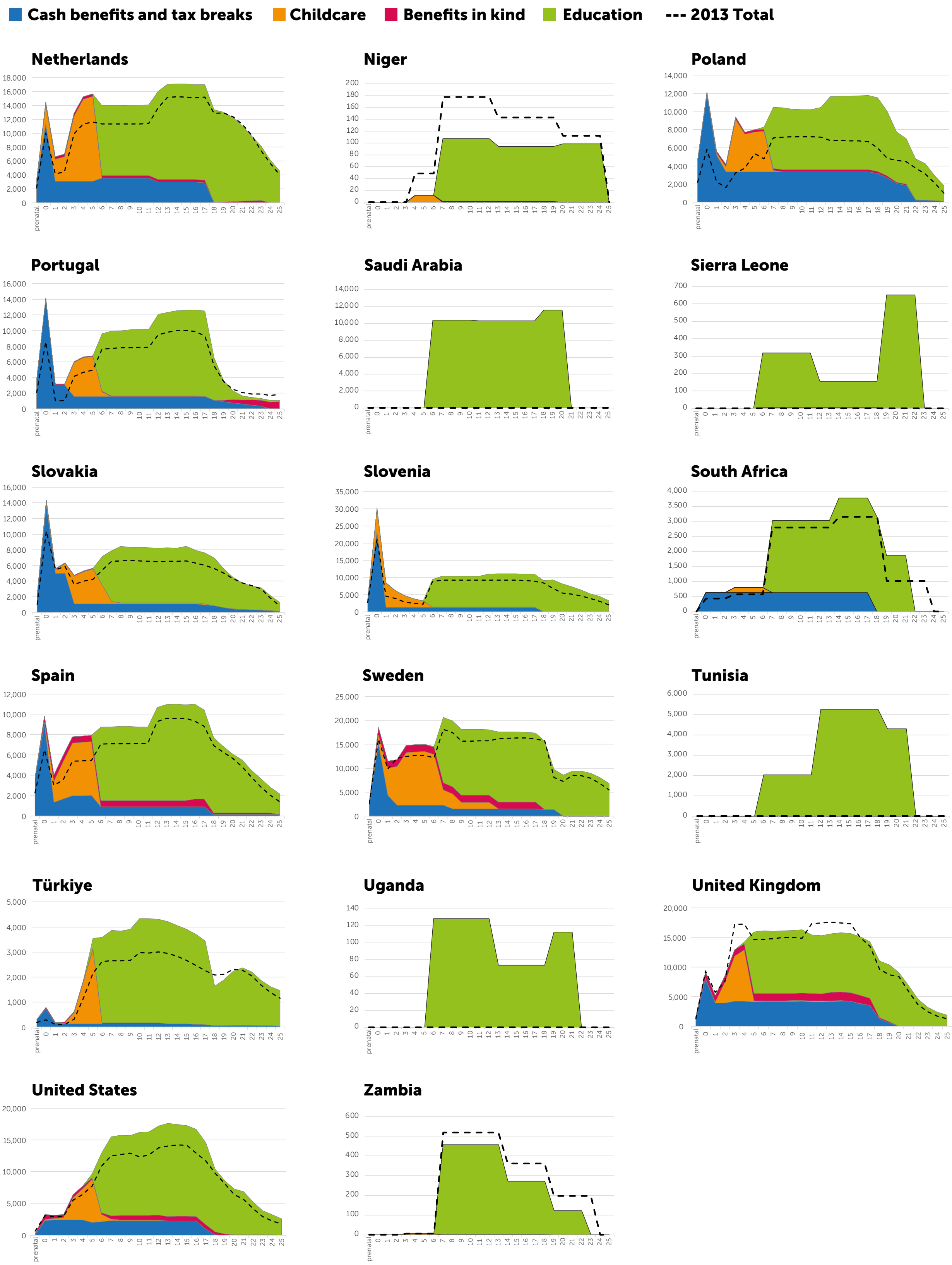

Cash benefits and tax breaks
Childcare
Benefits in kind
Education
--- 2013 Total
Netherlands
Niger
Poland
Portugal
Saudi Arabia
Sierra Leone
Slovakia
Slovenia
South Africa
Spain
Sweden
Tunisia
Türkiye
Uganda
United Kingdom
United States
Zambia
prenatal

Figure 2 makes an average comparison of groups of countries across the G20, the European Union and the African Union. This data again underlines the discrepancies between richer and poorer countries, with higher early years investment in Europe compared to other G20 countries which, in turn, have much higher levels of investment than African Union countries.

The European Union countries significantly stand out in terms of Universal Support for Families around the time of birth, with cash benefits available to families with infant children. By contrast, in countries represented by the African Union, in-kind and cash benefits are minimal to non-existent in the early years. Instead, average peak investment for children across African Union countries occurs much later in their lives.

The data lays bare the contrasting experiences of children across these different groupings of countries.

1. In the European Union, an average of $72,000 is spent on each child under the age of six. This means that 30% of investment across the child portfolio for children and young people up to the age of 23 is reserved for the under-sixes.

2. By contrast, investment in African Union countries plummets to just $690 per child under six, or 5.5% of the $12,820 spent overall on children and young people.

3. For children across the rest of the G20, investment falls between these extremes, with $29,800 spent per child under six, or 23% of the $132,000 overall per child and young person.

The disparity is staggering. European countries invest 20 times more in their young children than African countries. Notably, Figure 2 also shows that early years investment in Europe and the G20 has risen in recent years, whereas spending in African countries has remained low.

Figure 2: Average Childhood Investments for the G20, European Union and African Union

The vertical line in the profiles reflects investments in USD PPP and the horizontal line reflects the age of the child/young person between birth and 23 years old.

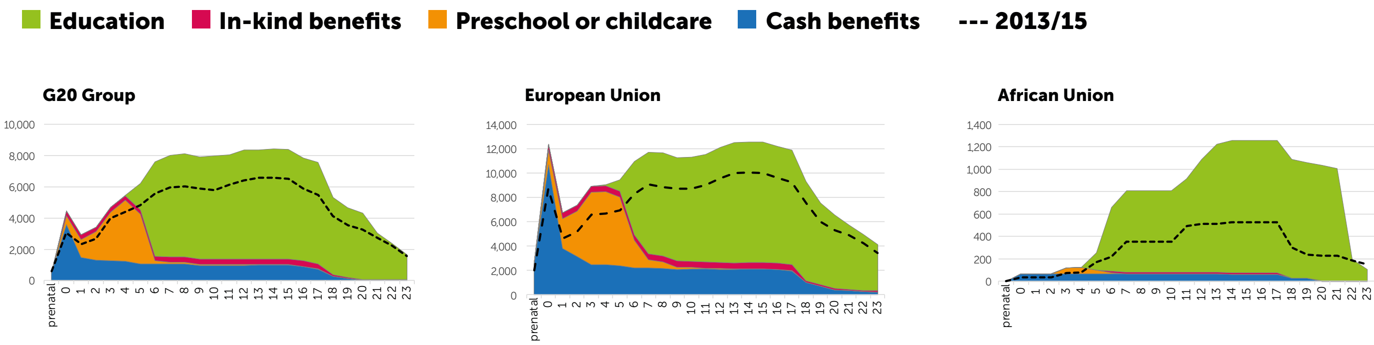
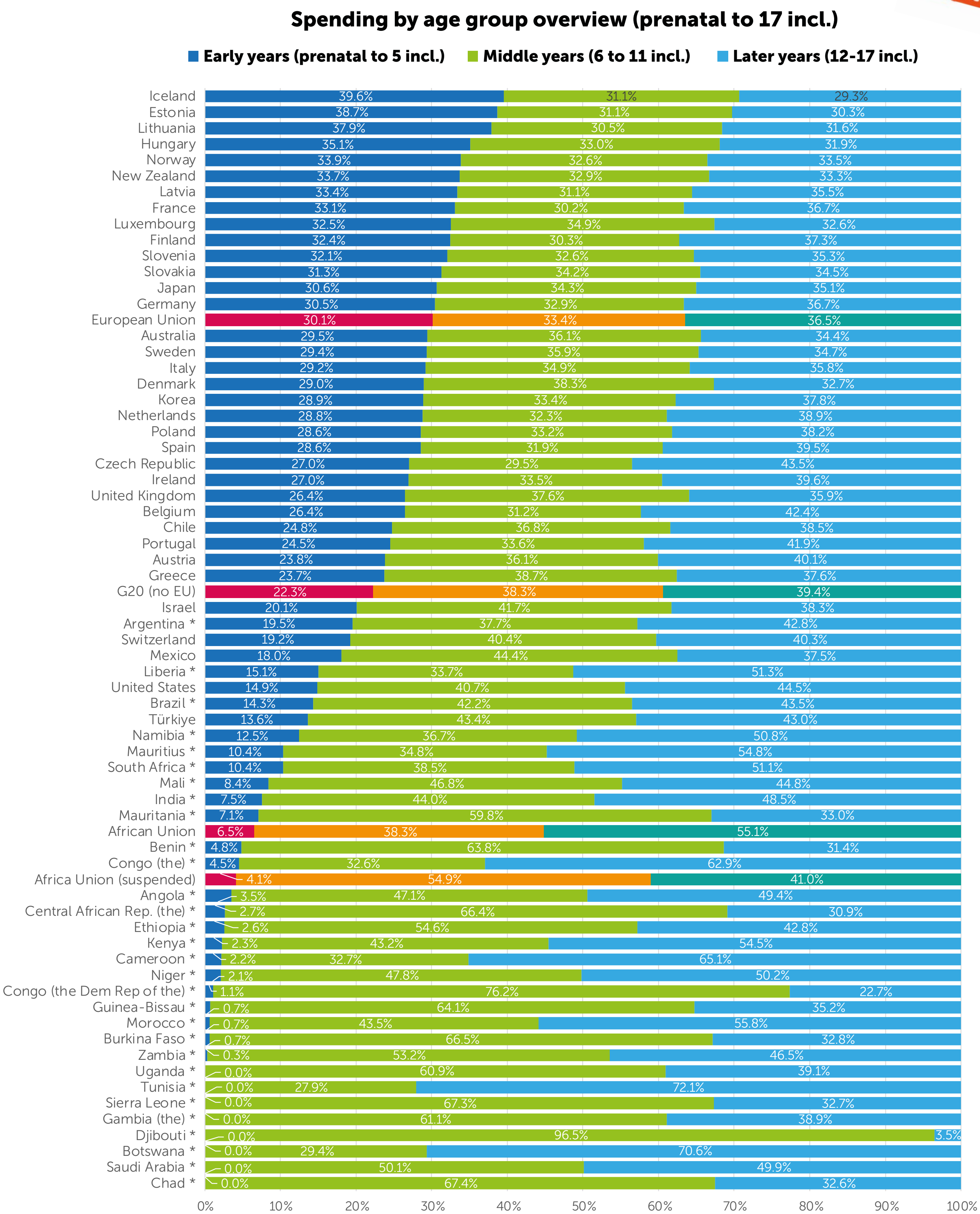


Figure 3 sets out a league table of G20 early-year spenders as a proportion of total spending from the prenatal period to age 18. European countries invest on average around 30% of their overall child budget on the early years. No European Union country spends less on the early years than the G20 average allocation, where just over 22% is spent on the youngest children. This itself is around four times the average amount reserved for the under-sixes across the African Union group of countries. Twenty-six countries across all regions and groupings are investing less than 10% of their total expenditure on children on the under sixes. Of these, eight (Botswana, Chad, Djibouti, the Gambia, Saudi Arabia, Sierra Leone, Tunisia and Uganda) report investing zero.

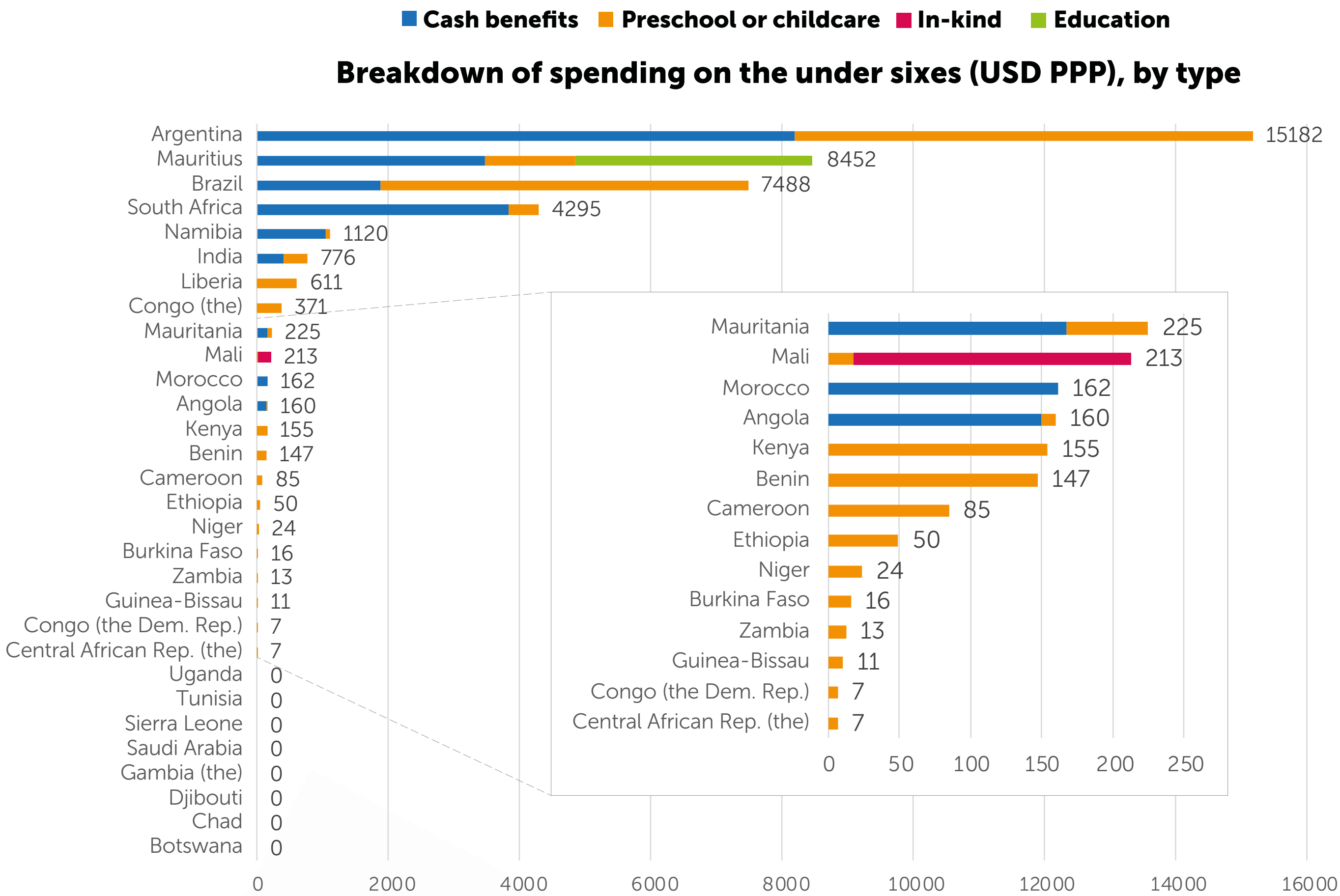
Figure 3: Country Table of Childhood Investments by Age Group



Notes: *Provisional estimates. Source: See Figure 1.

Figure 4 further breaks down levels of investment in 30 low- and middle-income countries. These profiles register very low expenditure for children under six. In 24 of the countries, less than $500 PPP is being invested in children, including the eight mentioned above where the figure is zero. Of these, the majority are investing solely in early childhood care and education services. The higher spenders, which include Angola, Mauritania and Morocco, are also investing in cash benefits such as child allowances and birth payments.

Figure 4: Investments in USD PPP of 30 Low- and Middle-Income Countries



Section 2

two

Counting the Cost, Seizing the Opportunity

This section makes the case for Universal Support for Families by assessing the cost of stalled action and setting out the potential gains if G20 governments were to strategically invest in the early years. The purpose of the analysis is to vividly illustrate the implications of both action and inaction, providing political leaders and decision makers with clear-eyed evidence of how investment in the early years delivers immediate, tangible returns. This evidence is particularly timely as the Global Alliance defines its range of policy interventions.

Crucially, the analysis makes the case for the types of policies governments should be implementing, with the results demonstrating a clear advantage for countries which adopt universal provision. Through this, we can demonstrate that universal policy designs consistently outperform targeted approaches. Their impact can yield lower poverty rates, increase the participation of women in the workforce and improve learning outcomes for primary-school aged children.

Investment in Universal Support for Families is therefore not just a solution for improving outcomes for young children, but a whole-of-society catalyst that can drive economic growth and cut poverty rates. Our analysis underscores a simple truth: the choice to invest – or not invest – in the early years has deep political ramifications and far-reaching consequences for achieving multiple Sustainable Development Goals.

make it fair

The power of universal family-friendly policies

When it comes to investing in the early years, it's not just about how much we spend, but how we spend it. Our research – which analyses how expenditure on early years policies changed in G20 countries between 2003 and 2018 – reveals that the design of early childhood policies has a profound impact on their effectiveness.

Universal parental leave benefits

Our analysis shows that universal parental leave benefits – those available to all mothers regardless of employment status – have significant positive effects on reducing child poverty and increasing women's participation in the workforce (see Annex 1). This is in stark contrast to maternity benefits that are only available to insured mothers, which can increase poverty rates and reduce female employment.

Why does this happen? When benefits are restricted to those already in work, it can deepen existing inequalities. Universal benefits, on the other hand, provide a safety net for all families, including those most in need. This approach helps low-income households cover the costs associated with pregnancy and childbirth, enabling mothers to continue their education or seek employment opportunities.

Universal parental leave benefits also have a positive impact on primary school enrolment. While the effect is modest, it is significant. These benefits serve as a crucial protective factor for low-income families, bolstering the home learning environment and helping cover school-related expenses like meals and uniforms. As a result, children from these families are less likely to drop out or fall behind in school.

Universal childcare

Our analysis also shows the impact of investing in universal childcare services that are available to all families, including those with low or no income, and job seekers or trainees (see Annex 2). Countries with universal childcare policies saw a marked increase in women's participation in the workforce in the medium and long term. This means more women entering work and contributing to economic growth.

By contrast, when childcare services are not available to all, the impact on women's employment is negative in the short and medium term. Though positive effects do appear in the long term, numerous opportunities will already have been missed.

Counting the cost

This section examines the potential impact of modest increases in spending on Universal Support for Families if the G20 had followed through on its 2018 commitment with real investment.

To understand this, let's consider how the lives of children like Zeinab from Stockholm and Ananya from New Delhi could have been different.

In this alternative world, Ananya's life takes a dramatically different turn. Her mother receives parental leave benefits, allowing her to take proper care of Ananya in those crucial early months. At birth, Ananya also receives a child allowance which helps keep the family out of poverty. By age three, Ananya attends a high-quality, affordable childcare centre, where she begins developing crucial life skills through a play-based curriculum. Her mother, now able to work, is bolstering the family income while furthering her own career aspirations.

By age five, the gap between Zeinab and Ananya has significantly narrowed. Both children are thriving and eager to learn as they prepare to enter primary school. This isn't just a story about two girls – it represents the potential reality for millions of children across the G20 countries.

Seizing the opportunity

Our analysis (Annex 3) calculates the cost of inaction by simulating increased expenditures in parental leave benefits, child allowances and childcare benefits across G20 countries. We modelled how increases by a percentage of GDP in these areas – set at levels equivalent to average annual spending in the 15 years prior to the 2018 G20 Initiative for Early Child Development – would have affected three key indicators: income poverty, women's participation in the workplace and primary school enrolment. This approach allows us to quantify the missed opportunities resulting from insufficient investment in early years development since the G20's commitment.

1. Universal Parental Leave Benefits

Increasing spending on parental leave benefits for unemployed and uninsured mothers by just 0.25% of GDP across G20 countries could have:

- Reduced child poverty by 0.9% after three years, lifting approximately 1.8 million children out of poverty
- Increased female labour market participation by 0.2%, bringing more than 550,000 women into the workforce annually
- Improved primary school readiness, with 330,000 more children prepared to learn at the right level

2. Universal Child Benefits

Increasing spending on universal child benefit by 0.6% of GDP across G20 countries could have:

- Reduced child poverty by 3.9% in the first year, 8.1% in the second year and 4.4% in the third year
- Lifted 8.2 million children out of relative poverty in the short term, 16.7 million in the medium term and 9.1 million in the longer term

3. Universal Childcare

Investing an additional 0.4% of GDP in universal preschool and childcare services across G20 countries could have:

- Increased female labour market participation by 2% in the short term, 10% in the medium term and 19% in the long term
- Brought 8.3 million more women into the workforce after one year and 66.9 million after three years
- Boosted primary school enrolment rates to nearly 100%, benefiting between 4.3 and 5.0 million children

Modelling change in India, Brazil and South Africa

This final section of the analysis focuses on three countries that play a crucial role in the G20: India, Brazil and South Africa. These states are not only significant emerging economies but also represent the most recent, current and upcoming G20 presidencies, respectively. Along with Indonesia in 2022, this leadership sequence marks the first time that developing economies have held this influential position consecutively, highlighting a shift in global economic dynamics and an opportunity for these countries to shape international policy priorities.

By examining these three countries, we can gain valuable insights into the potential impact of expanding Universal Support for Families in diverse economic contexts. The analysis simulates changes in spending profiles to calculate specific costs and benefits of implementing universal approaches to parental leave benefits, child allowances and preschool/childcare services in each country.

Figure 5 illustrates these simulations:

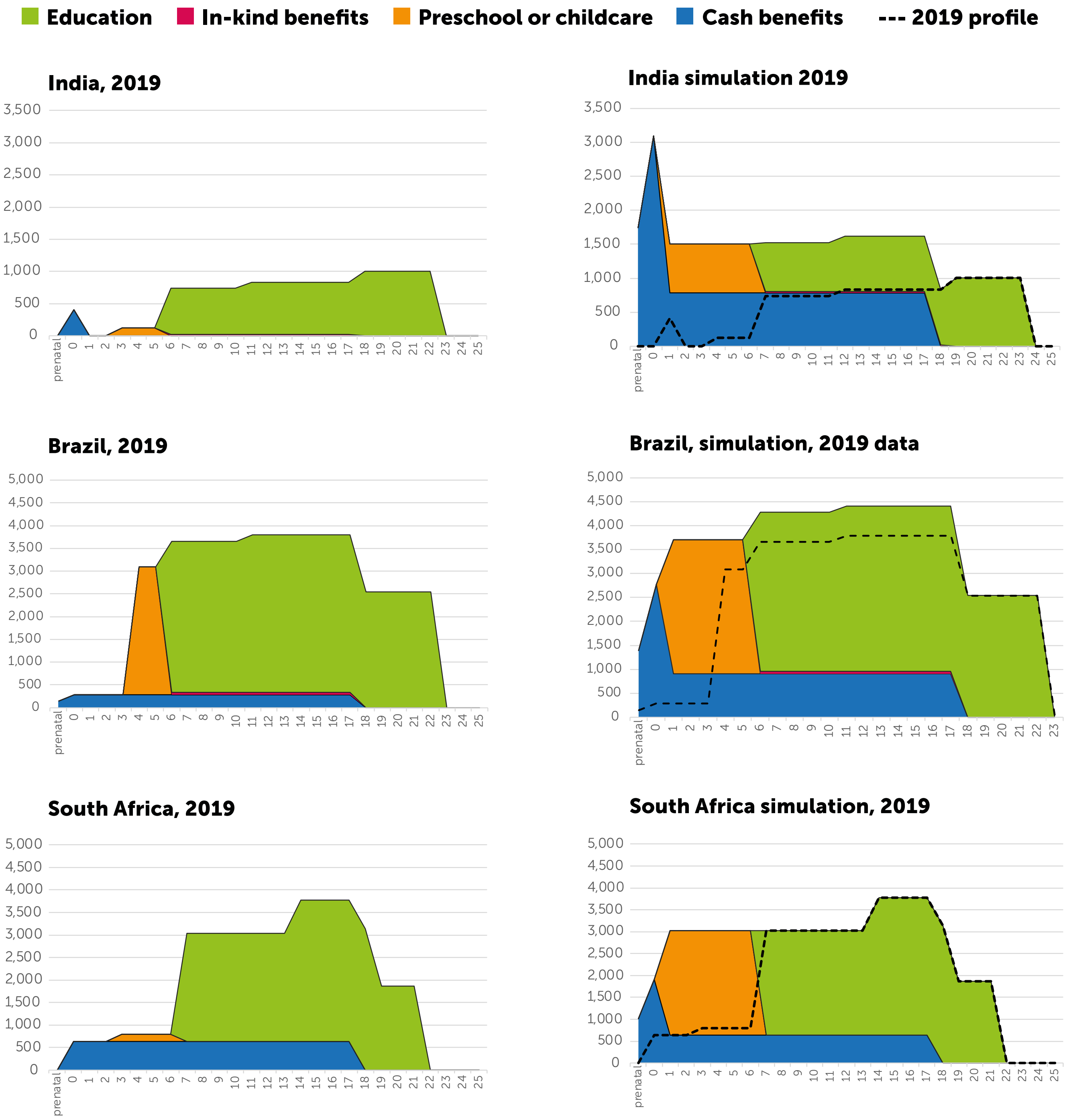
1. The top two profiles show India's spending in 2019 (left) compared to a simulated profile with universal ECD policies (right).

2. The middle two profiles demonstrate the effects of similar changes in Brazil.

3. The bottom two profiles depict the simulated changes for South Africa.

Figure 5: Simulated Country Profiles for India, Brazil and South Africa

The vertical line in the profiles reflects investments in USD PPP and the horizontal line reflects the age of the child/young person between birth and 25 years old.



Notes: See Figure 1. Estimates for Brazil and South Africa pay maternity benefits six weeks before birth and eight weeks after, at 80% of average wage (for India, due to a very high average wage, this was set at 20%). The universal child benefit in Brazil was set at 6% of average wage, in India it was set at $2.10 per day (due to high average wages, but to be sufficient to eradicate extreme child poverty), and in South Africa it was left unchanged (the benefit is already paid at a rate above 6% of average wage). In each case, preschool/childcare spending is estimated to be paid at rates equivalent to the year before primary school (Brazil), or the first year of primary school (India and South Africa) and extended backwards to cover all children from age one.

Sources: See Figure 1. Additional sources for GDP figures and average wages were taken from the World Bank Data Bank (2024) and the ILOSTAT Statistics on Wages (2024) respectively.

Modelling Case Study: India

1. Universal Parental leave Benefits

Increasing spending on parental leave benefits by 1.0% of GDP in India could have:

- Reduced relative child poverty by 3.2% over three years, lifting approximately 14.2 million children out of poverty
- Increased female labour market participation by 0.6%, bringing 2.6 million Indian women into the workforce
- Improved primary school readiness, potentially benefiting millions of children

2. Universal Child Benefits

A 3.4% of GDP increase in universal child benefit spending in India could have had a significant impact on child poverty:

- Reducing relative child income poverty by 22.3% in the first year
- Lifting 99 million children out of relative poverty in the short term
- Increasing net primary school enrolment rates, benefiting millions of children

3. Universal Childcare

Investing an additional 0.9% of GDP in universal preschool and childcare services in India could have:

- Increased female labour market participation by 23% in the medium term (year two)
- Brought 104 million more women into the workforce over a three-year period
- Potentially boosted primary school enrolment rates, benefiting millions of children

Modelling Case Study: Brazil

1. Universal Parental leave Benefits

Increasing spending on parental leave benefits by 0.3% of GDP in Brazil could have:

- Reduced child poverty by 1.1% after three years, lifting approximately 557,000 children out of poverty
- Increased female labour market participation by 0.2%, bringing more than 145,000 women into the workforce annually
- Improved primary school readiness, potentially benefiting thousands of children

2. Universal Child Benefits

Increasing spending on universal child benefits by 1.2% of GDP in Brazil could have had a significant impact by:

- Reducing child poverty by 7.9% in the first year, 16.1% in the second year and 8.8% in the third year
- Lifting 4.1 million children out of relative poverty in the short term, 8.5 million in the medium term and 4.6 million in the longer term
- Increasing net primary school enrolment by 7% in the first two years, benefiting 1.3 million more children

3. Universal Childcare

- Increased female labour market participation by 21% in the medium term (year two) and 39% in the long term (year three)
- Brought 15.5 million more women into the workforce after two years and 29.1 million after three years
- Potentially boosted primary school enrolment rates, benefiting millions of children

Modelling Case Study: South Africa

1. Universal Parental leave Benefits

Increasing spending on parental leave benefits by 0.2% of GDP in South Africa could have:

- Reduced relative child poverty by 0.7% over three years, lifting approximately 149,000 children out of poverty
- Increased female labour market participation by 0.1%, bringing 25,000 women into the workforce
- Improved primary school readiness, potentially benefiting thousands of children

2. Universal Child Benefits

South Africa already has a universal child allowance that pays more than 6% of the average wage, so no changes were simulated for this policy area.

3. Universal Childcare

Investing an additional 2.1% of GDP in universal preschool and childcare services in South Africa could have:

- Increased female labour market participation by 54% in the medium term (year two)
- Brought 10.5 million more women into the workforce over a three-year period
- Potentially boosted primary school enrolment rates, benefiting millions of children

Notes: The projected 54% increase in female labour market participation would bring the female employment rate to just under 100% in 2019, which is not realistically achievable. This highlights the potential for significant gains in women's employment through investment in childcare, but also suggests the need for careful interpretation of these projections.

Conclusion

As the G20 under Brazil's leadership launches the Global Alliance Against Hunger and Poverty, this report provides compelling evidence as to why investing in the early years must be a cornerstone of efforts to tackle inequality and promote sustainable development.

Our analysis demonstrates that modest increases in spending on the early years can yield profound and immediate benefits:

- Lifting millions of children out of poverty
- Empowering women to enter the workforce
- Improving primary school readiness and enrolment

Crucially, we found that universal approaches consistently outperform targeted interventions. Alongside the well documented benefits of universal access to primary health care and two years of preschool, by ensuring all families have access to parental leave benefits, child allowances and quality childcare, countries can develop systems that deliver tangible benefits for wider society.

The case studies of India, Brazil and South Africa – representing the G20's past, present and future leadership respectively – illustrate the transformative potential of investing in the early years:

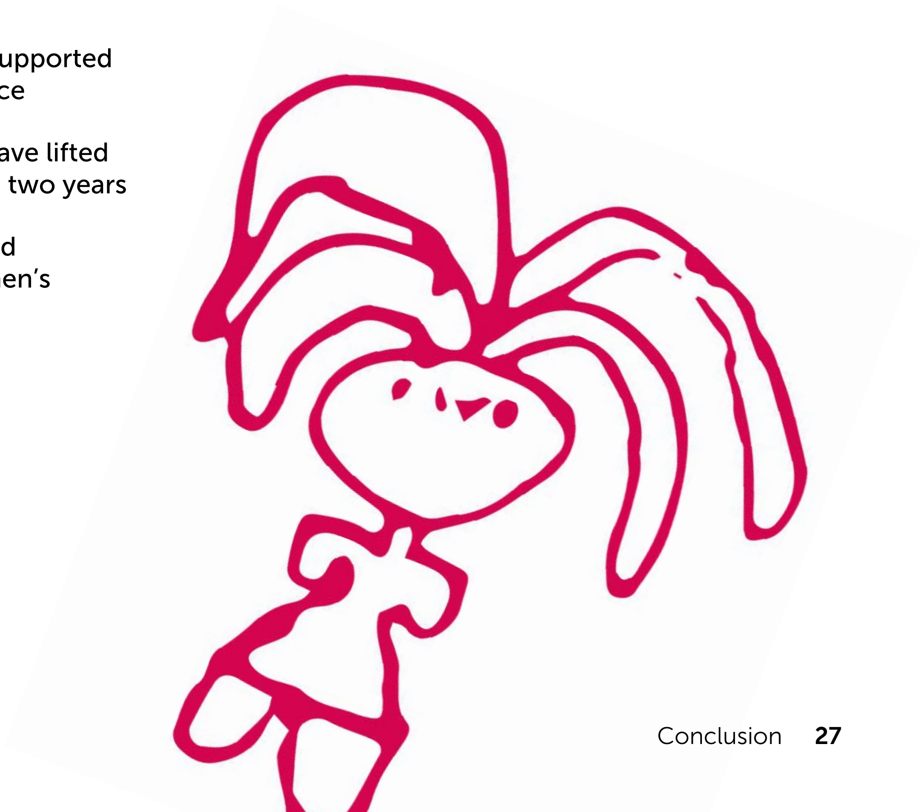
- In India, universal childcare could have supported 104 million women to enter the workforce
- In Brazil, universal child benefits could have lifted 8.5 million children out of poverty in just two years
- In South Africa, expanded early childhood programs could dramatically boost women's employment and children's education

These findings align perfectly with the Global Alliance's commitment to expanding social protection systems and addressing risks throughout the lifecycle. By integrating Universal Support for Families into its policy portfolio, the Alliance can accelerate progress across multiple Sustainable Development Goals.

The G20 Initiative on Early Childhood Development in 2018 set out an ambitious vision. We have a prime opportunity to turn that vision into reality. The evidence is clear – investing in the early years is not just the right thing to do, it's the smart thing to do. It offers a powerful lever to break cycles of poverty, empower women, boost economic growth and build more equitable societies.

As the world grapples with intersecting crises, from climate change to rising inequality, investing in the early years represents a proven strategy to build a brighter future for all. By placing early childhood at the heart of its agenda, the G20 can catalyse a significant and sustainable change in how we support young children and their families.

With millions of children's futures hanging in the balance, we cannot afford to wait. President Lula da Silva and other G20 leaders must seize this moment, act for early years and unlock the immense potential of the world's youngest citizens.



Notes

This Act for Early Years campaign report was adapted from a Learning for Well-being Institute background research paper developed and authored by Dominic Richardson, Juliana Zapata, Gianluca Munalli, Edda Olsson, David Harris, John Hudson, and Sophie Mackinder.

Methodology

This report utilises the same method as the Too Little, Too Late (UNICEF, 2023) report, to update the profiles for OECD countries and the 30 non-OECD countries that are/have been members of the G20 and/or African Union for which data are available. Due to changes in availability of data and new data sources since production of the Too Little, Too Late profiles, some changes have been made to the data sources used for our updated profiles. A note on these and the comparability of profiles between the Too Little, Too Late profiles and the profiles in this report are provided below.

Sources of data

Social expenditure data are taken from the International Labour Organisation's World Social Protection Data Dashboard (country profiles, ILO | Social Protection Platform (social-protection.org)), the World Bank's ASPIRE (Atlas of Social Protection Indicators of Resilience and Equity) (www.worldbank.org/en/data/datatopics/aspire) and from the Save the Children/UNICEF/ILO Child Benefits Tracker (https://www.childbenefitstracker.org/#). The ILO spending data is the primary source (particularly for social assistance programmes). ASPIRE is used for a sense check, and for programmes less well captured in the ILO dashboard (e.g school feeding or in-kind benefits) and the Child Benefits Tracker (CBT) for cross-checking.

At the point data were collected for our analysis (February - March 2024), the ILO Dashboard did not provide specific dates for its data, indicating that the data is from "2020 or the nearest year". This was deemed close enough to the base year of 2019 for this report, however it must be noted that the Covid-19 pandemic in 2020 may have impacted spending levels during this period. (The base year for the Too Little, Too Late report was 2015, so there is some potential for comparison, however caution must be taken to make direct comparisons – see comparability with Too Little, Too Late data section below.)

- Data for education spending, plus education programme details, are from UNESCO Institute for Statistics (UIS) and the World Bank's DataBank.
- Data on child populations are taken from the World Bank's DataBank.
- Information on policies is taken from the Child Benefit Tracker (https://www.childbenefitstracker.org/), and ISSA's Social Security Around the World (https://www.issa.int/databases/country-profiles [replacing the discontinued Social Security Programs Throughout the World (SSPTW) database (www.ssa.gov/policy/docs/progdesc/ssptw/) used in Too Little, Too Late]), and cross-checked against available information in ASPIRE.
- Figures for purchasing power parities (PPPs) and GDP data are taken from the World Bank's DataBank.

Policy categories in country profiles

Age-spending profiles map public social and education expenditure by year of age from conception to 25 years of age. The data include family and child policies, as nominally defined in the eligibility rules for each benefit or service. The expenditure is then allocated by benefit rules related to age, and population or enrolment data by age, where these data are available. All data reported in the figures are for 2019 or nearest year; 2019 was chosen to avoid disruption in trends due to the Covid-19 pandemic. Public spending is categorised into four types: cash benefits, in-kind and public works, preschool and childcare, and education spending.

Annex 1: Universal childcare helps more women into work

Associations between expenditure by childcare policy type and child and family outcomes

		Relative child income poverty	Female labour market participation	Net primary school enrolment
Maternity all types	---	---	++	-
	---	---	++	-
	---	---	++	-
Maternity for the insured only	+	+	-**	+
	+	+	-**	+
	+	+	+**	+
Maternity is available to the unemployed and uninsured	-	-	+	+++
	---	---	+++*	++*
	--	--	+++**	++*

Sources and notes: see Richardson et al, 2024.

Annex 2:Universal child allowances have sustained effects on child poverty reduction

Associations between expenditure by child allowance policy type and child and family outcomes

		Relative child income poverty	Female labour market participation	Net primary school enrolment
Childcare all types	t-1	++	-	+**
	t-2	-	---	+***
	t-3	+	-	+
Childcare is not universally available	t-1	---	-*	---*
	t-2	---	-**	---*
	t-3	++***	-	--
Childcare is universally available	t-1	-**	-	-
	t-2	--***	-	+
	t-3	-***	+	+

Sources and notes: see Richardson et al, 2024.

Annex 3: Simulated changes in spending would increase policy expenditures by between 70% and 90%

	ECEC expenditure	Child benefit expenditure	Maternity leave expenditure
Average spend (GDP) 2018	0.57	0.65	0.31
Childcare is not universally available	0.40	0.60	0.25
Childcare is universally available	+70.7%	+91.7%	+80.5%

Source: Authors' calculations

References

1. SDG 4.2: Equal Access to Pre-Primary Education: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.
2. Richardson, D., Harris, D., Hudson, J. Mackinder, S. (2023). Too Little Too Late: Public spending in low- and middle-income countries, Innocenti Working Paper, UNICEF Office of Research – Innocenti, Florence.
3. This report uses the $ PPP (Purchasing Power Parity) methodology to compare early years investments across countries. PPP addresses the challenge of varying currencies and economic conditions by establishing a common baseline for purchasing power. This method calculates the cost of a standard "basket" of goods and services in each country, then uses this information to create a ratio that reflects the real value of each currency. It eliminates the impact of exchange rate fluctuations by reflecting real purchasing power in each country, allowing for fairer comparisons by accounting for economic differences. For example, a $1000 program in the United States might cost 20,000 pesos in Mexico, but both could equal $1000 PPP.
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