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Early Childhood Development:

From promises to action

An #ActForEarlyYears G20 policy brief

starts early

act for Early Years

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Theirworld
Learning for Well-being Institute
March 2024

Executive Summary

This briefing is focused on ensuring the G20 puts the early years at the heart of tackling inequality as a critical pillar of President Lula da Silva's ambition of Building a Just World and a Sustainable Planet, laying out both the moral and strategic case for investment.

It highlights levels of investment in the early years across the G20, the European Union, and a select group of African Union countries, determining that:

1. Only three G20 countries invest more on early childhood development than other stages of childhood, leaving the group well short of the commitments it made in 2018 to invest in young children.
2. Underinvestment is most acute across countries represented by the African Union, the newly instituted member of the G20, where children over 14 are receiving 10 times more investment than children aged 2.
3. This trend of underinvestment in the early years is driving inequality, meaning that the most marginalized children are falling behind their wealthier peers in and across countries.

Early Childhood organisations and experts are calling on the G20 to tackle inequalities that take root in the early years through these actions:

1. That G20 leaders make an explicit global commitment to Act for Early Years by tackling learning, health, and economic inequalities in the early years, and back this commitment with new investment.
2. The G20 Development Working Group revitalises the 2018 ECD Initiative agreed at the Argentina summit and sets new targets for action.
3. The newly incorporated G20 Task Force for a Global Alliance Against Hunger and Poverty sets specific goals focused on the needs of the youngest, most marginalised children and their families.

Introduction

Around the world, the situation for the youngest members of society and the people who take care of them - parents, carers, nursery teachers, teaching assistants - is worsening and suffering from a lack of investment and interest. There is truly a global crisis in the early years.

In 2018 the G20 launched the Initiative for Early Childhood Development (ECD) stating that ECD "is a powerful equalizer that can help narrow the wide gaps in outcomes and opportunities that exist between children from higher and lower socioeconomic backgrounds and also the gender gap between boys and girls."

Six years on, as the G20 countries convene in Brazil, this brief looks at the promises made, and the opportunities missed, through the cost of inaction. It also recognizes the opportunity for action under the leadership of President Lula da Silva as Brazil holds the Presidency of the G20 with a focus to 'Building a just world and a sustainable planet'.

Since 2018, an estimated 150 million children have been born and are now already too old to benefit from the promise of better ECD policies. Approximately 4 per cent of those children will have died before the age of 5, mainly from diseases that are preventable through improvements in living standards driven by effective public policy.

The high cost or poor availability of adequate childcare is the main reason why women leave their jobs, which leaves their families less able to afford all the things that their children need. In low- and lower-middle income countries, nearly eight out of 10 children don't even have access to childcare. If and when they do start primary school, they are at a major disadvantage compared to children who have benefitted from some level of early learning. Inequality is embedded at an early age.

For a child, the first five to six years are a once-in-a-lifetime opportunity. That is when 90% of brain development occurs and patterns of learning and behaviour are set for the future. But this opportunity is being wasted for so many children on a global scale.

As the G20 leaders meet in Brazil, a child born today will be starting school in 2030. Their readiness hinges on access to quality early childhood development, care, and pre-primary education-a cornerstone of SDG Target 4.2, aiming for universal readiness by 2030

Brazil has been a strong advocate for children's rights and investing in early childhood development policies and programmes. Now it has a huge opportunity to persuade others during its presidency of the G20, which wields immense influence on global policy and economic matters.

More than 150 leading early childhood organizations including Sesame Workshop, the Lego Foundation, Theirworld, ECDAN, UNICEF and UNESCO have signed an open letter to President Lula da Silva as part of the Act for Early Years campaign. **It calls on the G20 to prioritize investment in the early years and effective public policies to deliver quality interventions.**

It is time for governments to **Act for Early Years** and make the necessary investments so that every child gets the best start in life.

The cost of inaction

Failure to invest in the early years is a policy choice that not only impacts children and their families, but wider society. Underinvestment in preschool, childcare, social protection and other critical interventions have direct near-term cost implications for services like health and education.

1. **Inequality starts in the early years**
   The lack of investment in families raising the youngest children leads to a weakening of the living conditions that are critical to healthy child development and for building human capital. When a child's opportunities are predetermined by birth circumstances and then compounded by inadequate funding and services, the cost of this inequality is borne by society for an entire generation.

2. **Underinvestment in the early years affects families and communities too**
   A lack of quality childcare support keeps families out of the labour market, slowing women's career progression or breaking their attachment to paid work entirely. This exacerbates existing gender inequalities and family poverty risks while businesses lose valuable employees and economies lose productivity and tax revenues decline.

3. **Weak public spending in the early years creates social and income inequalities through inequity in child development**
   When public spending is low, children from more advantaged backgrounds, who benefit from more private investment, develop faster than those from poorer backgrounds. Children who have a better start in life also benefit more from public spending later on, since they are better prepared to take advantage of public services such as education.

4. **Wasted early years cast a long shadow**
   Underinvestment in the youngest children is highly relevant today, as it stifles the much-needed efficiencies in existing education investments and creates conditions that will hold back human and social development for decades to come. Evidence shows how lower investment in early childhood leads to increased malnutrition, poorer learning environments, and increased risk of never accessing formal education.

   In turn, these conditions lower foundational learning outcomes, social and emotional development, and increase learning poverty. When families cannot benefit from early childhood care and education services due to the lack of money to meet basic costs, the burden of income poverty is amplified, and the public goods return on these systems is undermined.

Acting on promises

The G20 in Brazil is an opportunity to act on the promises of the ECD initiative, and to turn around a global public policy failure that inhibits the development of more equal societies.

In 2018 the G20 Initiative for Early Childhood Development called the early years one of the most significant and influential phases of life which "determines the basis for every child's future health, well-being, learning and earnings potential, and sets the groundwork for young children's emotional security, cultural and personal identity, and for developing competencies, resilience and adaptability.

Despite evidence that targeted investments in ECD save lives, promote social equity and generate higher economic returns than those made later on in the life cycle, the G20 highlighted investments in early childhood programs remain insufficient and made commitments strengthening interventions, review investments in ECD and consider increasing resources to quality programs.

Other international agreements have been made since 2018 including the Tashkent Declaration, where 147 countries committed to investing 10% of education budgets in preprimary and early learning and ensure that salaries and working conditions of pre-school personnel are at least on a par with those of primary education teachers.

The returns on well-designed and contextualized ECD investment articulated in a child policy portfolio, can be seen in under one year. Progressive universal ECD policies immediately benefit families, improving incomes and the living conditions in which children are raised today, so they are better prepared for school, and their parents are better prepared for work. If ECD investments are focused on the poorest groups first, and then extended to all children, demand for high-end health and human services will also fall faster, and education system efficiencies will be seen sooner.

Cost benefit analysis shows that the immediate returns on early childhood care and education (ECCE) spending include increased earning potential among parents with access to ECCE, and significant growth of the local economy in communities where parents have access to childcare services for infants. Improved health and health behaviours achieved through ECD policies promote human capital and lower demand for costlier interventions that result from worsening health conditions. Such behaviours help prevent mother and child mortality; disease and malnutrition; and promote oral health among kindergarteners - all of which are exceptionally cost effective in public policy terms.

An ECD child policy portfolio is of fundamental importance to capture the many complementarities of health services, family social supports (e.g. parenting education), cash transfers, childcare and more. Inaction in social protection policies and family services, particularly in low- and lower-middle income countries, has a disproportionate effect on preschool children and their families relative to other forms of child policy (Richardson et al., 2023)

Why are we waiting?

In recent years, the world has seen a series of health and economic crises, wars, and the ongoing climate emergency. These crises show no sign of abating, and are not independent of trends in social development, education, health and thus in public investment in children too. This growing inequality and polarization felt by many communities and societies worldwide.

But rather than point to the crises to justify delaying investment in children, the lesson should be to invest in future generations, now, from day one, in an effort to build a fairer world and a sustainable planet. This position is recognized explicitly in the 2018 G20 initiative for early child development and is reflected in the theme of the 2024 G20 to build a just and sustainable world.

A wealth of evidence suggests that addressing social inequalities and maximizing returns on human capital investments through ECD policies, is not only a driver of equality, and a boost to economies, but also a means by which such crises can be mitigated, or even prevented.

Too little, too late

Figure 1 shows that the majority of countries with data for 2019/2020, are investing too late in the life course of a child. On average, the highest rates of expenditure overall are invested in late childhood, even in Europe and the G20 bloc, and most notably in Africa, where over half of all spending is made. Only three of the G20 countries where data are available allocate more to early childhood development than other stages of childhood.

UNICEF's 2023 report, "Too Little Too Late", further reveals how spending - relative to the available budget - is too little in 17 of the 84 countries of study. In other words, an estimated 20 per cent of countries are spending at rates at or above parity per child for children under the age of 6. In more than half of these countries, the ratio of per child spending on the youngest, is less than 0.5.

In real terms, average spending per child in Europe on the under 6's is 72.1 thousand USD PPP, which is more than double the amount spent in the average G20 country (29.8 thousand USD PPP per child, excluding Europe), and twenty-five times the amount spent on a child aged under the age of 6 in African countries where data is available (2.6 thousand USD PPP).

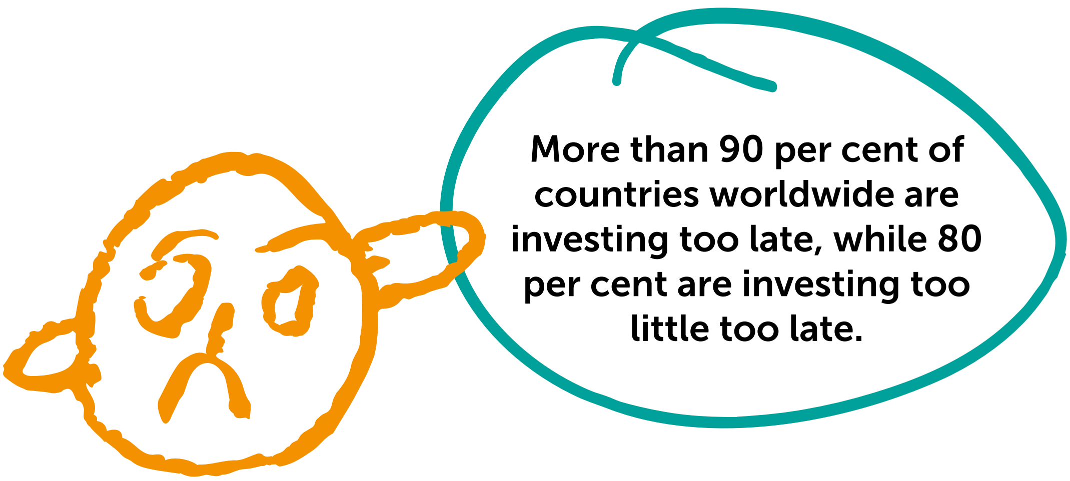
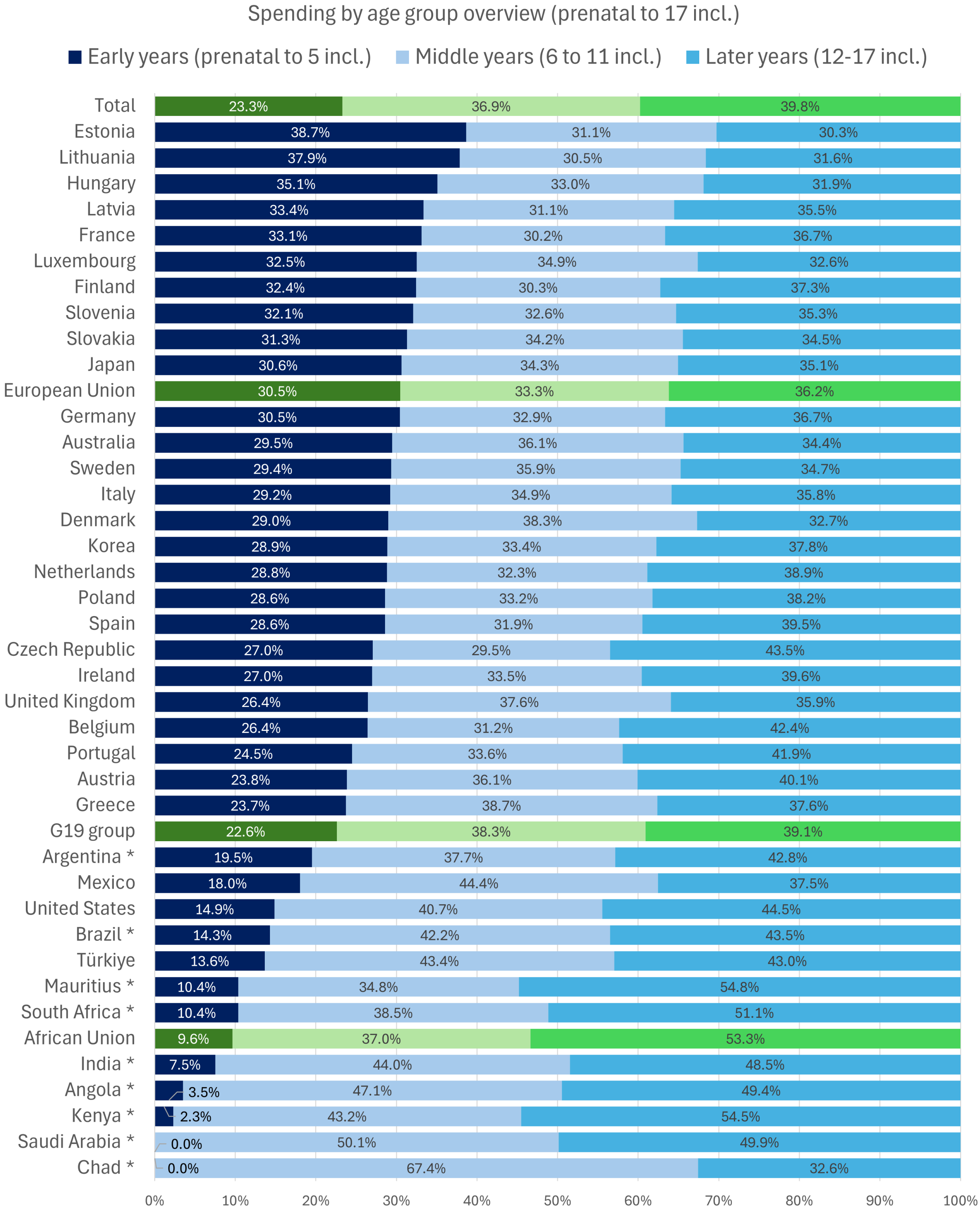


Figure 1: Only three G20 countries are investing more on the early years than other stages of childhood



Notes: The base date for all countries is 2019/2020. 2019 was chosen because it is prior to the Covid-19 pandemic, when many countries implemented emergency social assistance measures, therefore potentially biasing the figures for 2020. However, for non-OECD countries both the key sources for social assistance (ILO and the World Bank ASPIRE database) include 2020 in their base calculations, which means that these profiles may have been impacted by Covid outliers. Data limitations mean that spending for some countries in some categories are from the nearest available year to 2019/2020.

Source: Source: Data for OECD countries from OECD Family Database (2024). Remaining countries are author's calculations (see online Annex for details).

Figure 2 reports the average age-spending profiles for the G20 (not including Europe); the European Union; and the African Union. It shows that for most children worldwide, investments are too little and too late, impacting the children and the countries in which they live.

The lack of support for the youngest children in countries outside Europe (although these averages hide some variation by country) drives inequality between children and their families within a given country - wasting lives and opportunities. The continued misalignment with optimal investment strategies for child well-being and the consequent failure to generate social- economic returns, simply widens disparities between countries, globally. Waiting to act on investments in the early years will only increase the challenge of achieving a fairer world.

A moral imperative and a strategic move

The urgent case for investment on ECD in the poorest countries is not only motivated by the desire to improve the lives of children, but to build a world that values children's rights, and seeks equitable global development and the opportunities this brings. It is not only a question of what we can save and the returns we can generate-the bottom lines and budgets - but that ultimately, families will be spared the avoidable loss of children, chronic poverty, ill health, and failed ambitions.

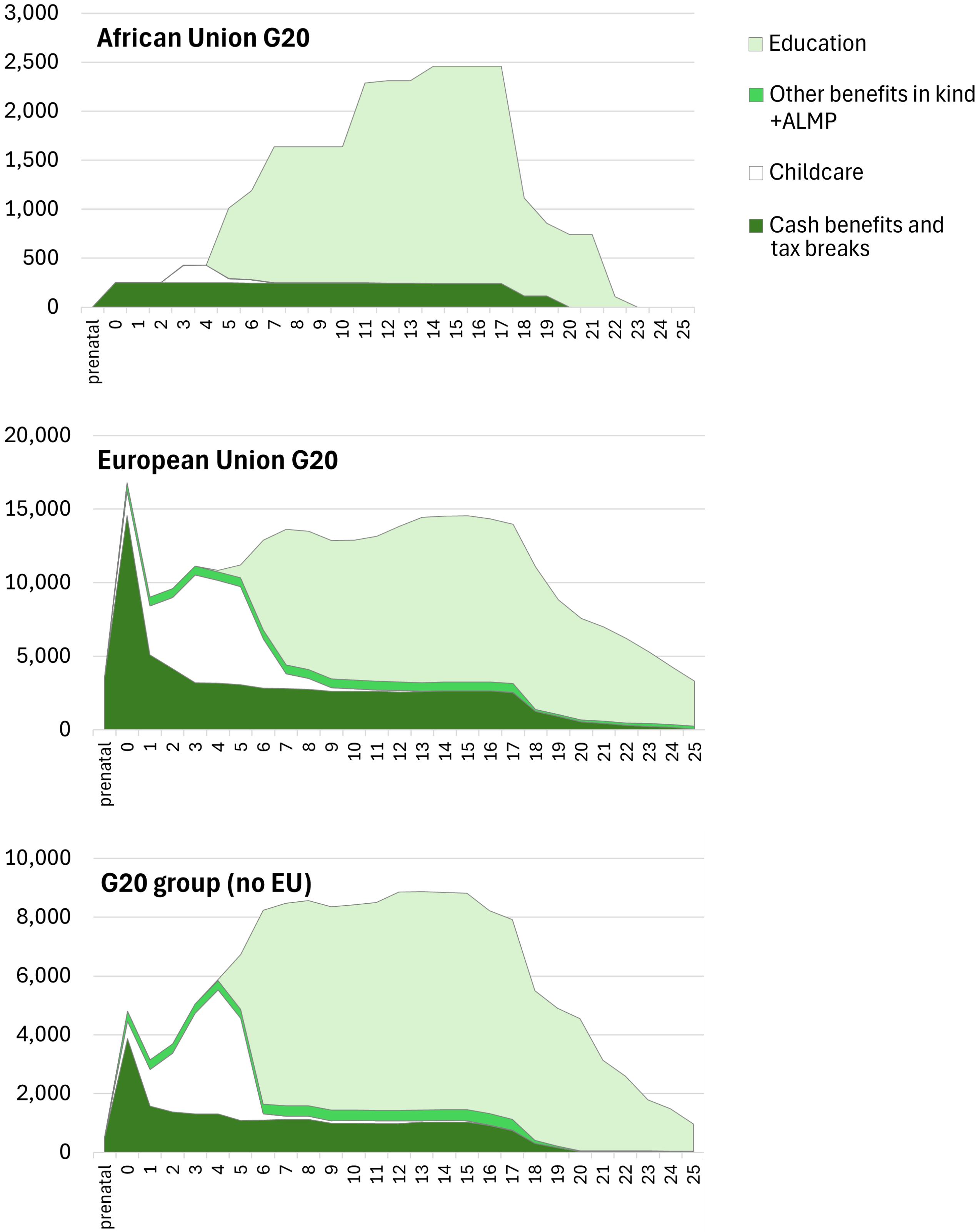
All evidence points to ECD as being the foundational step to achieving President Lula's vision of addressing inequality in all its forms - within and between countries - and making the G20 vision of a fairer and more sustainable world, a tangible reality.

This brief calls for G20 to revitalize its early years initiative and increase smarter and earlier spending on children.

The evidence is clear; ECD policies offer an opportunity for policymakers to build a brighter, fairer and more sustainable future, and curb rising inequality and polarization.

To do this, the G20 countries must start now, translating their promises on paper, into action.

Figure 2: European under-6's benefit 25 times more from investment than African children



Notes: See figure 1.

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