Establishing a Child Development Fund in Australia: A review of international models

Author:
Blunden, Hazel; Katz, I

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Establishing a Child Development Fund in Australia: A review of international models

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Hazel Blunden, Ilan Katz

Research Team
Ilan Katz, Hazel Blunden

For further information:
Hazel Blunden +61 2 9385 7800

Social Policy Research Centre
UNSW Sydney NSW 2052 Australia
T +61 2 9385 7800
F +61 2 9385 7838
E sprc@unsw.edu.au
W www.sprc.unsw.edu.au

The Social Policy Research Centre is based in the Faculty of Arts & Social Sciences at UNSW Sydney. This report is a rapid review of evidence, funded by The Benevolent Society.

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Executive Summary

Background

Every Child is an emerging national coalition-based campaign with a vision of an Australia where every child can thrive, and all families can gain the support, services and skills they need. The Campaign is calling for:

a) a national child wellbeing agenda;

b) a redesign of our systems so that children, young people and their families get the right support at the right time with properly funded services and early support;

c) national child wellbeing targets so that we know whether children are getting what they need.

At a recent *Every Child* Steering Committee meeting it was agreed to explore the feasibility of establishing an Australian Child Development Fund as the central campaign objective. The key outcome from this review is to consider insights from similar international initiatives that seek to support child development to inform further feasibility research. On behalf of the Steering Committee the Benevolent Society issued a tender for this work to be carried out and selected the Social Policy Research Centre.

Australian Context

In 2018 it was estimated that 739,000 children (17.3% of all children under the age of 15) were living in poverty in Australia (Davidson, Saunders, Bradbury and Wong, 2018).

While there are many approaches to improving child wellbeing, CDFs are one vehicle used to identifying priority areas, and allocating resources and support, for children and families whose wellbeing may be compromised due to a range of vulnerabilities and risk factors.

There already exist in Australia a range of prevention and early intervention programs, funded by the Commonwealth Government, states and territories and by philanthropic funds. We also note the release of the Draft National Action Plan for the Health of Children and Young People (Commonwealth of Australia Department of Health, 2018). However, there is no strategic approach to identifying and supporting vulnerable children and families, nor of addressing the broader social factors which render some children vulnerable to low levels of wellbeing and adverse life trajectories.

The research questions

This rapid review follows the key questions and tasks set out in the brief. The research questions are as follows:

1. What CDFs exist (encompassing initiatives designed to provide targeted support for children and families who may be compromised due to a range of risk factors)?
2. Where do these operate; what do these consist of; who do they target; how are they delivered; what are their governance structures and their funding sources?
3. What is the evidence regarding outcomes and impact?
4. What might an Australian 'child development fund' encompass?

What ‘child development funds’ exist?

The notion of a ‘child development fund’ (CDF) encompasses initiatives that are designed to provide support for children and families whose wellbeing may be compromised due to a range of vulnerabilities[1] and risk factors.

Firstly, the review seeks to specify what a CDF is (or could be). As there is only one such initiative explicitly badged as a ‘Child Development Fund’ (operating in Hong Kong) this necessitated taking an inclusive interpretation.

We found three broad types of initiatives aimed at improving the wellbeing of vulnerable children:

1. Programs and services
2. Cash transfers to households
3. Asset-building strategies

The five types of delivery modes that were found are:

1. delivered as programs or services directly by government or through contract with external agencies (such as NGOs);
2. delivered through contract with external agencies (such as NGOs, companies) using results-based payments (Social Impact Bonds or any other ‘pay for result’ mechanism) where governments pay on outcome and private investors receive an agreed return;
3. delivered as cash transfers to households;
4. delivered as a contribution to asset building for the future (seed deposits, matched savings accounts);
5. delivered as a voucher or credit to be used for a specific purpose (e.g. to pay for childcare).

Where do these operate, what do these consist of, who do they target, how are they delivered, what are their governance structures, their funding sources?

For the purposes of this review, we focused on ex post evaluations of programs that have actually occurred, and that involved an intervention and comparison group (where available). To avoid the inclusion of less relevant material we have maintained a focus on literature that discusses interventions that broadly seek to improve child wellbeing, alleviate child poverty, and encourage child development in some aspect. We present findings below in sub-sections.

Origin of funds and funding

Three main sources of funding contribute to child development funds and programs – government, private/corporate and civil society. Some initiatives also involve in-kind support through volunteering and/or benefits such as free travel, schooling or health care. While there are multiple actors and complex webs of relationships and contracts between governments, NGOs, the private sector and civil society volunteers, the rapid review indicates that the major sources of funding are national governments. Governments fund interventions via legislation and/or budget allocation (typically through the Education, Health and Community Services portfolios).

Sources for these allocations are from general revenue or from specific sources of tax, like

[1] A guide to children’s vulnerabilities can be obtained from the Australian Early Development Census (AEDC) available at https://www.aedc.gov.au/.

gambling revenue, sovereign wealth funds, levies (or taxes) for specific purposes, and some initiatives also include private sector funding, through corporate donations and charitable giving, as well as in-kind contributions. Another source of private investment was via Social Impact Bonds.

Scope

Initiatives can be broad in scope (universal) or narrower (targeted). They can take an all-of-child holistic approach or be confined to specific 'portfolio' areas (e.g. heath, education or even focused on particular outcomes or problems, as is the case with many health funds). Thus, scope can be broad/deep or narrow/limited.

While some initiatives are universal, they may give extra benefits to lower-income families ('proportional universalism').

Interventions may limit their scope to focus on an age group. Early childhood development programs typically focus on infancy (the first 1000 or 2000 days of an infant's life post- birth) and early childhood, typically 0-8 years (Britto and Sherr, 2016).

In terms of the depth of funding, this varies and is dependent on the purpose. Cash transfers vary considerably — the size of the transfer reflects the goal of the program.

So, broadly, children who are in scope of any given intervention is determined by the criteria and the degree of targeting involved in the design. The scope of the intervention can also be deep or shallow, i.e. it can address many outcomes (overall child development and wellbeing as well as assets/savings), or one outcome (for example, improving child enrolment in preschool).

Jurisdictional contexts

Most (but not all) relevant initiatives operate at the national level and target certain families throughout a country using income or social security data to create criteria for eligibility.

Other jurisdictional contexts are:

- state/province
- region/district
- municipality/city
- village/community[2]
- multi-levels – national, regional, village/local and may cross national boundaries (global).

Typically, initiatives will operate under legislation, ordinances, regulations, policy frameworks and involve budget allocation. Funding may be national, but the intervention may be operationalised by states/provinces.

Target group(s)

As resources are limited, targeting is often used to deploy limited resources most efficiently and/or equitably. Targeting identifies a group that requires intervention (and increasingly, those most likely to respond to that intervention).

[2] Place based initiatives typically focus on a number of disadvantaged communities in the jurisdiction, selected though census or other data.

Targeting may be based on one or more criteria including:

- socio-economic status
- age
- gender
- family type
- location
- demography (e.g. Indigenous, culturally and linguistically diverse, refugees)
- other factors (disability or other measures of vulnerability or need, children involved in the child protection system).

Cash-based social policy measures traditionally target the most vulnerable parts of the life-cycle: children and pensioners (Ballard, 2012). Families in need or with low incomes are the main targets of social transfers. It is assumed that assisting families will assist children living in poverty, as families engage in intra-familial resource distribution – so, assisting poor parents will assist their children (Chen, Leu & Wang, 2015). Common methods for targeting include identifying families with incomes up to a certain level, using state-collected social security and/or tax data.

The Nordic countries tend to favour a universalist approach, as does the UK in some aspects of social and health policy. However, in liberal-type welfare regimes like Australia, programs have become increasingly tightly targeted and less universalist in orientation.

Targeting is also increasingly driven by data that is used to try to predict risk and potential intervention effectiveness (and future savings). Thus, interventions target specific identified by the valuation model who are 'at risk', and who are thought to be the most responsive to intervention.

There is a debate in the literature about targeting because most targeting mechanisms, particularly those that are income based, are not effective at reaching the most vulnerable children. However, the use of linked datasets may be able to mitigate this challenge.

Delivery

There are several typical program delivery modes including: programs delivered by agencies or directly by government; programs delivered by a variety of players (NGOs or private companies) through 'pay for results' contracts which may be part- or wholly funded by Social Impact Bonds; as cash transfers (either conditional or unconditional), as a contribution to asset building for the future (seed deposits, matched savings), or as a voucher or credit to be used for a specific purpose.

Governance

While formally, national governments are the key source of funding for CDF-type programs and ultimately 'govern' them, there are also other layers of governance at work as well as devolution and decentralisation of service delivery.

At times, governments agree to create independent bodies to undertake governance of initiatives and suggest courses of action. Experts are then given a greater role in governance.

The model of a commission, agency or board identifying priorities is a well-utilised approach. Australian examples include the National Disability Insurance Agency (NDIA) and the Future Fund.

Such processes contrast to situations where politicians determine priorities for spending, sometimes on the basis of personal priorities or in absence of any reference to an evidence base. This can result in the misallocation of resources to where they are not needed.

Co-ordination across levels of government and agencies is also seen as critical by Van Vliet (2018) who notes that to be successful, there is a need for coordination, collaboration and governing across silos, and innovations.

Policy making needs to include top government leadership together with action across diverse policy areas. The implication for any Australian CDF is that it will need to be ‘owned’ by a range of government departments, and ideally by states and territories as well as the Commonwealth. Otherwise it will be perceived as being yet another program funding stream rather than a mechanism to transform policy.

What is the evidence regarding outcomes and impact?

Reducing child poverty has been achieved by increasing household income and in-kind benefits such as access to maternal and child health care, education and housing. This can be achieved by using cash transfer (conditional or unconditional) and providing more services where they are needed the most. Cash transfers have helped to reduce income inequality (International Labour Organization, 2011; Soares, Ribas & Osorio, 2010) and can reduce poverty (Woolard & Leibbrandt, 2010). Some households have been able to escape poverty (Lloyd-Sherlock, Saboia & Ramirez-Rodriguez, 2012). Household consumption has been improved (Soares et al., 2010). Child savings accounts connect social assets to reduction of child poverty and operate in several countries including the UK, Hong Kong, and Korea.

In regard to **childhood development, child health and nutrition***,* a review of effectiveness trials and scaled up initiatives by Britto, Engle and Super (2013) found that early childhood development (ECD) programmes have demonstrated an impact on child, family and societal outcomes. Various studies (Attanasio, Battistin & Mesnard, 2011; Ballard, 2012; de Walque, Fernald & Hidrobo, 2017; Fernald, Gertler & Neufeld, 2008; Garcia, Moore & Moore, 2012) indicate that using vouchers (National Institute of Child Health and Human Development, 2010), service provision and conditional cash transfers directed at obtaining better quality childcare and healthcare and better nutrition for children have been effective. Overall the evidence appears to indicate that these types of interventions have a small but significant health impact on the poorest families.

Almost all initiatives we looked at contained elements designed to encourage **better educational outcomes** for young (and older) children. A literature review by the UK Department of International Development (2011) found that income security enables households to pay fees or other costs associated with attending school. Conditional cash transfers appear to produce better school attendance rates and reduce dropout rates (Ballard, 2012). Canada’s aim is to provide early education for every child. Further, Canadian economists calculate the cost-to-benefit ratio at between $2 and $7 returned for every $1 spent, depending on the population studied (McCuaig, 2018). Child Savings Accounts schemes are designed to assist young adults enter into tertiary education.

Employment and higher wages are thought to be a function of participation in programs that support higher educational attainment. There is a paucity of longitudinal studies on this and we could not find any study that investigated long medium or long-term outcomes for child participants into adulthood in terms of employment and income. One study of Hong Kong’s CDF aimed to assess the benefits that Child Development Fund projects have brought to the participants and the program' s influence on the participants. The main benefits of the program were felt to be in expectations, attitudes, aspirations and savings habits (Chan, Yan, Cheng, Cheung, Ip, Yip & Lo, 2017). The study is weak insofar as it does not cover a sufficiently long time period and tells us little about an effect on employment and income.

In summary, the evidence indicates while interventions that improve family income, access to resources, health and education services are important, the quality of care from the caregiver(s) is hugely important in determining child outcomes (Ma, 2015).

What might an Australian child development fund encompass?

What shape could an Australian CDF take? What would its priorities be? How could it be funded? How could it be governed? What would it do, specifically? While we do not claim to be able to offer anything resembling a specific model or blueprint, see Section 5 for some possibilities.

Any CDF in Australia needs to address both income poverty given the persistence of the rate of child poverty and take a family empowerment approach due to the importance of strengthening the families' functioning and enhancing the parents' capacities (Ma, 2015). The fund could also focus on improving the overall contexts in which vulnerable young children are growing up – by focusing on neighbourhoods, service systems or policies.

Due to the importance of the first five years of life, interventions to protect and support early child development need to start before conception and continue through pregnancy and childbirth into early childhood (Daelmans, Black, Lombardi, Lucas, Richter, Silver, Britto, Yoshikawa, Perez-Escamilla, MacMillan, Dua, Bouhouch, Bhutta, Darmstadt, Rao & steering committee of a new scientific series on early child development, 2015).

A CDF could facilitate a universal and comprehensive package of quality early child development programs and services for children, mothers and other caregivers, regardless of ability to pay (Hertzmann, 2009).

As well as interventions aimed at early childhood, education and health, a child savings account approach could also be used as there is no such scheme in Australia

What form could a CDF take? An Australian CDF could be a completely *de novo* agency. Ideally, it would be independent of government, established via legislation, and allocated recurrent funding. Other options would be to situate a CDF within an existing structure rather than creating it as a standalone agency. The Future Fund structure is one that could accommodate a CDF. Another option would be for the CDF to aim to improve the system for identifying and responding to children much earlier. For example, this could focus on improving data sharing between agencies to identify vulnerable children at a much earlier age and ensure appropriate intervention. A CDF could focus on research and capacity building. This would fund innovative research and/or development programs aimed at improving outcomes for vulnerable children. A whole-of-government strategy (which could be attached to a CDF which could be used to progress the strategy). Examples in Australia range from the NSW Health first 2000 days framework[3]. A different option could be to create a CDF independent of government and focused specifically on advocacy and community development models – similar to GetUp! or other social change movements.

[3] https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2019_008.pdf

These options are not mutually exclusive – for example, a future fund could finance system change programs as well as research, as well as child savings accounts as well as better early intervention programs aimed at infants, and draw funds from government revenue, as well as other sources.

How could a CDF be funded? The obvious source is from government general revenue. Any new Fund would need to be capitalised. This means obtaining new resources or reallocating resources away from something else. Social Impact Bonds could be used to attract private investment. Private donations could also be sought. However, for anything to be accomplished at scale, we assume the Commonwealth has to be the lynchpin funder.

How could a CDF be governed? In line with practice followed in other countries, it is suggested that an independent Board should govern a CDF, made up of experts and key stakeholders.

How could it be delivered? Specific initiatives and programs would be delivered primarily through government agencies and through contracts with NGOs and other agencies. This would be a program/service approach whereby an intervention would be aimed at the target group (which is basically the current approach). If there were to be a CSA element, government would need to institute Child Savings Accounts, contribute to seed money and matched savings.

How could it be brought about? The Every Child campaign needs to clearly articulate why the current approach is not working, and why a CDF would provide superior social outcomes. Such arguments would need to be aimed at decision-makers and the Australian public.

Conclusion

The overarching goal is that all children have equitable opportunities to meet their developmental potential and grow into healthy and socially integrated citizens (Daelmans et al., 2015) and that all children can thrive, not just survive.

There is some evidence in the literature that when governments identify a problem, set up a fund, allow expert opinion and evidence-based research to influence policy and interventions, this can act as a catalyst for ongoing efforts to, for example, reduce child poverty, increase educational attainment, and reduce future unemployment and welfare 'dependency'. The Hong Kong Child Development Fund is one example of concerted governmental, and societal, action, that utilised a CDF model to deliver a targeted three-pronged program to the poorest children. However, the major finding from this literature review is that there is scant international evidence for the effectiveness of funds, and that the evidence that exists focuses on the impact of the funded interventions rather than the effectiveness of the fund itself as a change agent.

The funding mechanism and governance arrangements will, to some extent, flow from the actual purpose of the fund. Therefore, it is very important to know specifically what any CDF in Australia is intended to achieve.

Finally, no one factor alone may be key to eliminating child poverty. Reducing deprivation requires more than cash benefits (Gabel and Kamerman, 2011) as there are income and non-income aspects to deprivation (Ma, 2015). However, the evidence is clear that early childhood interventions (Allen, 2011), income transfers, and investment in social services, play an essential role in child well-being (Fiszbein and Schady, 2009; Kamerman, Neuman, Waldfogel & Brooks-Gunn, 2003).

1 Introduction

1.1 Background

Despite the great achievements being made in relation to the Millennium Development Goals for child health and wellbeing, over 200 million children globally under five years of age are at risk of not attaining their developmental potential, including some Australian children. In 2018, it was estimated that 739,000 children (17.3% of all children under the age of 15) were living in poverty in Australia (Davidson et al., 2018).

Physical and mental health, educational and occupational attainment, family wellbeing, and the capacity for mutually rewarding social relationships all have their roots in early childhood (Daelmans et al., 2015). Extensive research is available on the consequences of childhood deprivation, including the long-term economic and societal ramifications. Adverse experiences in childhood during the early years of development (prenatal to the age of five years) increases the risk of poor social, cognitive and health outcomes, including economic dependency, violence, crime, substance misuse and adult onset of non-communicable diseases (Daelmans et al., 2015). Without early intervention, these deficits are compounded and become increasingly difficult to reverse beyond early childhood (Shonkoff and Phillips, 2000). While there are many approaches to improving child wellbeing, Child Development Funds (CDFs) are one vehicle used to identifying priority areas and allocating resources and support for children and families who may be compromised due to a range of vulnerabilities and risk factors.

The Benevolent Society wishes to conduct an international review of CDFs to inform further research and policy development on the potential for establishing a CDF within Australia. To this end, they issued a tender for this work to be carried out and selected the Social Policy Research Centre.

The Every Child campaign

Every Child is an emerging national coalition-based campaign with a vision of an Australia where every child can thrive, and all families can gain the support, services and skills they need. The Steering Committee is an alliance of over 20 like-minded organisations that work with and for children and families, who believe that the current *status quo* is no longer acceptable and that more can and must be done to ensure that every child can thrive in supportive and loving families and communities. Its mission is to advocate for an effective, coordinated, whole of society approach to children’s wellbeing. Specifically, the Campaign is calling for:

a) A national child wellbeing agenda
b) A redesign of our systems so that children, young people and their families get the right support at the right time with properly funded services and early support
c) National child wellbeing targets so that we know whether children are getting what they need.

At a recent Every Child Steering Committee meeting it was agreed to explore the feasibility of establishing an Australian Child Development Fund as the central campaign objective. The key outcome from this review is to consider insights from similar international initiatives that seek to support child development to inform further feasibility research.

A 'Child Development Fund'

The notion of a 'child development fund' (CDF) encompasses initiatives that are designed to provide targeted support for children and families who may be compromised due to a range of vulnerabilities[4] and risk factors.

According to the Benevolent Society brief, a 'child development fund' might include a range of initiatives such as:

- direct financial assistance to eligible children and their families to support vulnerable children's access to universal and targeted services and facilities, as well as possible brokerage funds to address pressing needs
- service delivery interventions, such as outreach approaches, to link vulnerable families and their children to available formal and informal sources of support including supported play groups, early childhood education and care, parent support groups, amongst others;
- parenting support programs that seek to enhance parenting skills for parents experiencing vulnerabilities
- approaches that seek to support adolescent development, particularly for children making the transition to high school
- place-based initiatives that take a broader community development approach to child and family development.

There already exist in Australia a range of prevention and early intervention programs, funded by the Commonwealth Government, states and territories and by philanthropic funds. However, there is no strategic approach to identifying and supporting vulnerable children and families, nor of addressing the broader social factors which render some children vulnerable to low levels of wellbeing and adverse life trajectories.

Typically, government spending is skewed towards dealing with the consequences of crises, rather than orienting efforts towards prevention (Willis and Tyler, 2018). A CDF targeted towards early intervention could create change over the medium to long term.

1.2 Structure of this review

This rapid review follows the key questions and tasks set out in the brief.

The research questions are as follows:

1. What CDFs exist (encompassing initiatives designed to provide targeted support for children and families who may be compromised due to a range of risk factors)?
2. Where do these operate; what do these consist of; who do they target; how are they delivered; what are their governance structures and their funding sources?
3. What is the evidence regarding outcomes and impact?
4. What might an Australian 'child development fund' encompass?

Firstly, the review seeks to define, in a broad sense, what a CDF is (or could be). As there is only

[4] A guide to children's vulnerabilities can be obtained from the Australian Early Development Census (AEDC) available at https://www.aedc.gov.au/

one such initiative explicitly badged as a ‘Child Development Fund’ (operating in Hong Kong), this necessitated taking an inclusive interpretation – otherwise the review would be limited to examining one single initiative. Therefore, we included initiatives broadly aimed at improving child wellbeing, including various programs, services, cash transfers, vouchers and asset-building strategies. The Methods section describes the searches of academic databases that were carried out, and processes used to determine inclusion and exclusion. The Substantive section, Section 4, describes what types of initiatives exist globally. These are categorised into five types. We explore the mechanisms of how these work, including scope, targeting, funding sources, governance, delivery and evidence from studies and evaluations on impact on outcomes for children. Appendix A collates selected examples from around the world into a table. Finally, we explore what an Australian CDF may encompass. We pose the questions: how would a CDF be different to what already occurs through the existing programs aimed at children, and would a CDF be different enough to have greater impact on outcomes? Additional questions are also posed – what, given the evidence, would extra resources be used for? Where would any CDF have the largest effect, in terms of improved outcomes for Australia’s most disadvantaged children? How could it be funded? How would it be governed? How could it come about?

1.3 What is a Child Development Fund?

As previously mentioned, there is only one self-identified as such: Hong Kong’s CDF. Out of necessity, we use a broad interpretation to encompass funded interventions that aim to improve outcomes – including health, education, assets and opportunities – of children living in the poorest families.

We found three broad types of initiatives aimed at improving the wellbeing of vulnerable children:

1. Programs and services
2. Cash transfers to households
3. Asset-building strategies

There are other potential types of funds which could be established, but which are not represented in the literature reviewed or the typology above. These include:

- the National Disability Insurance Scheme (NDIS) – individualised funding based on a care plan for individuals. Families have control of how they use the funding within the plan
- a fund focused specifically on advocacy and community development models – similar to GetUp! or other social change movements
- a fund aimed at changing how systems work. For example, this could focus on improving data sharing between agencies to identify vulnerable children at a much earlier age and ensure appropriate intervention
- a fund focused on research and capacity building. This would fund innovative research and/or development programs aimed at improving outcomes for vulnerable children. An example of this is the Medical Research Future Fund
- a think-tank or roundtable approach such as the *Constellation Project* which brings together a range of experts and stakeholders to solve ‘wicked’ social problems, including how to

fund the solutions.[5]

The five types of delivery modes that were found are:

1. delivered as programs or services directly by government or through contract with external agencies (such as NGOs)
2. delivered through contract with external agencies (such as NGOs, private companies) using results-based payments (Social Impact Bonds or any other 'pay for result' mechanism where governments pay on outcome and private investors receive an agreed return)
3. delivered as cash transfers to households
4. delivered as a contribution to asset building for the future (seed deposits, matched savings accounts)
5. delivered as a voucher or credit to be used for a specific purpose (e.g. to pay for childcare).

In regard to Category 1, this is the delivery mode we are most familiar with in Australia. The government generally provides some services directly or contracts out to NGOs or private companies for a specified funding period to deliver certain services and programs. The funding mechanism sometimes specifies in detail the service to be provided, and in other cases the specification is left to the provider to decide. The funding is based on outputs or activities and it is allocated through an open or closed tendering process.

Programs in Category 2 are similar but are on a 'pay for results' basis. Again, the government contracts out to external agencies (NGOs or private companies) that are 'paid for results' as per the contract. These include measurable outcomes, for example that the NSW recidivism rate reduces by 6% a year or that 10% fewer children enter out-of-home care. These may be funded via Social Impact Bonds, where private investors seek a return on investment.

Regarding Category 3, cash transfer (CT) programs are widespread especially in the global south, and indeed, Centrelink payments in Australia are cash transfers. Unconditional cash transfers are free of any requirements. Conditional cash transfers (CCTs) seek to modify child and parental behaviour in ways that will increase the wellbeing of children[6] and their potential as adults. By complying with the conditionalities imposed, families are rewarded with cash transfers (Gabel and Kamerman, 2011). CCTs provide poor families in poor communities with cash transfers that range from approximately 15 to 30 per cent of the average pre-transfer household income.

Category 4, asset building programs, are increasingly common and favoured particularly in Asian countries as well as in the UK and Canada. An asset-based approach has been taken to combat 'asset poverty' (Boshara, 2006) rather than solely focusing on income poverty. It is argued that because it is very difficult for the poor to compete with the rich for limited resources, building the assets of the poor will allow for more investment opportunities, which will have a positive effect on economic growth in general (Deng, Sherraden, Huang & Jin, 2013). Such programs typically involve opening child savings accounts for all children, or for targeted children of poor families. The government contributes an initial deposit or 'savings seed' (which can vary in quanta based on means-testing, with the most disadvantaged children receiving the largest initial deposit, as in the UK's Child Trust Account, and the government may also provide matching payments up to a certain level, thus incentivising savings. Most schemes stipulate that savings can only be accessed

[5] https://www.theconstellationproject.com.au/about-the-project
[6] For example: prenatal maternal health services; parents meeting immunization requirements, 'well baby' visits and nutritional regimens for infants and children; and school-age children's enrolment in and attendance in schools.

at age 18 (or sometimes at age 16). Depending on the rules of the scheme, savings must be used for prescribed purposes, such as further education or starting a business, or for any purpose.

Category 5 is a payment or voucher for a specific purpose, for example for child care fees or purchasing education or housing, usually paid direct to the provider, not the household. For example, the US Child Care Development Fund is designed to assist sole parents afford child care so the child gets good quality care and the parent can pursue employment or education.

In general, such initiatives (of various types - ‘programs’, ‘funds’ or ‘cash transfers’) are directed expenditures that aim to target children vulnerable to poverty, ill health and poor educational outcomes to reverse these trends and reduce inequality, and thus create better outcomes for the children in disadvantaged households.

1.4 Where are the resources directed?

While there are differences in delivery mechanisms, and philosophies behind the approaches discussed above, the social problem that they seek to address is that some children experience worse outcomes in early development, health and education, which is thought to lead to greater likelihood of future unemployment, low income and a lower standard of living. It is thought that if resources can be directed at the right juncture then outcomes can be improved over the life course. Evidence on effective deployment of resources suggests that quality of care in infancy and childhood is critical to healthy development. Interventions therefore may aim to direct investment towards measures to assist infants and young children, and to move resources from tertiary intervention to prevention by targeting the first few years of life. In line with a focus on the early years of life as decisive, many current and previous funds and programs refer to a better start and greater opportunities in life (for example, Mexico’s Jovenes con Oportunidade, Brazil’s Bolsa Familia, Colombia’s Familias en Accion, and the UK’s Sure Start).

A number of programs operate at state level in Australia and are aimed at infants and children. For example, in NSW, Family and Community Services (FACS) offers an early childhood education program for infant children of social housing tenants (in Moree and Mt Druitt), a scholarship program for social housing tenant students, and the Brighter Futures program, which offers support to families with children who are at high risk of entering or escalating within the child protection system (FACS, n.d. a). The Their Futures Matter reforms in NSW aim to develop supports that address the needs and aspirations of children, young people and families, and improve their wellbeing.

Increasingly, early years policies contain elements of universalism and targeting, with mechanisms for children with higher levels of vulnerability to be provided with more intensive services. For example, the NSW Health (2019) *First 2000 Days Framework* involves a range of universal and targeted services as well as workforce development.

Education is also prioritised in many programs in the global South; for example, conditional cash transfers are conditional on children attending school in many Latin American, Indian subcontinent and African countries.

1.5 The welfare context

Many developed countries, including Australia, the USA, Canada and the UK, have long had an array of social assistance schemes designed to reduce hardship or poverty. Schemes range from the workhouses that began in 14th century England to the post World War Two social-democratic 'welfare state'. In Australia, social security payments, such as those administered by Centrelink, are payable to households requiring income support and provide a basic safety net that prevents destitution. Extra payments are made for each dependent in a household (including children). The state also provides other forms of support such as public housing, rental subsidies, cheap or free health care and subsidised medications to needy households.

Esping-Anderson's (1990) classic work on the 'three worlds of welfare capitalism' classes Australia's welfare system as an archetypal 'liberal' one (along with the USA and Canada), with its tight means-testing, strict rules, minimal de-commodification and modest transfers. More recent work emphasises the current welfare state in Australia, the USA and similar countries as a neoliberal and paternalist regime of poverty management designed to discipline the poor to make them market-compliant (Schram, 2012). Typical of such an approach is activity requirements and monetary sanctions for non-compliance (Schram, 2012), and in terms of delivery, devolution via contracting with private agencies. Not only are clients subject to surveillance and increased reporting requirements, so are welfare provider organisations, governed by performance systems and bonus payments requiring agencies to pursue incentives and use penalties to ensure client compliance (Schram, 2012).

Australia, the USA and the UK are increasingly adding new conditionalities to social security payments. While those deemed able to work have long been subject to activity requirements to be actively searching for employment, single parents, in particular, are now subject to further requirements linked to their parenting and their child's activities. For example, via ParentsNext[7] (Intensive), new conditions have been added such as ensuring children attend school, attend storytelling sessions at the library or go to swimming lessons. The rationale for requiring parents take such steps is articulated by the Department of Social Security as follows: "There is a link between low educational outcomes, increased welfare dependency and involvement in the justice system." Therefore, parental behaviour regarding their children is increasingly linked to the continuance of Centrelink payments. Where, for example, a parent cannot show they have made active efforts to improve their child's school attendance, their income support payments may be suspended[8] "until action is taken" (DSS, n.d.). One could argue that, although this method seeks compliance by using the threat of removing payments ('stick' instead of 'carrot'), the architects of such initiatives claim they wish to produce better outcomes for the targeted parents and children and reduce future Commonwealth liabilities associated with 'intergenerational welfare dependence'. However, potential loss of payments due to lack of parental compliance is thought to adversely affect child welfare. Further, it is argued that compulsory participation in ParentsNext "operates harshly against vulnerable parents and their children and intrudes on their rights to social security, non-discrimination and related human rights" (Goldblatt, 2019: 1).

In addition to interventions aiming to improve educational involvement and outcomes for children (i.e. human capital), there is a strong move in welfare policy towards an asset-based approach to

[7] ParentsNext applies to parents in receipt of Single Parenting Payment for six months or more. Various career planning and educational support plans are required to be undertaken by recipients. There are 30 sites classified as *Intensive* where extra activities are required.

[8] It has been reported that more than 16,000 parents received a payment suspension between July and December 2018, representing 21 per cent of the 75,000 participants (Price, 2019). A Parliamentary Inquiry into ParentsNext attracted many submissions from NGOs and others, the majority of which were critical of the conditionality of payments and 'breaching' of recipients. Anglicare Victoria's submission called ParentsNext a 'deficit approach' and stated that it is not assisting in engaging parents around the best interests of their child/ren (Anglicare, 2019). The Benevolent Society's submission stated that "the lack of oversight and accountability for decisions made by ParentsNext providers is jeopardising the ability of parents to care for their children, provide for their healthy development and forcing disadvantaged families deeper into poverty" (Benevolent Society 2019: 3).

encourage poorer families with children to save to create a 'nest egg' for their child/ren to be used for various purposes such as paying for further education or starting a business at maturity (usually age 18). Asset-based approaches are increasingly being adopted in Asian countries (South Korea, Singapore and Hong Kong), and the UK has had the Child Trust Fund in place for some time. In part, these asset-based approaches are all reactions to the reduction in the universality of services and the withdrawal of the welfare state over the past 20 years in line with neoliberal beliefs about reducing welfare dependency and encouraging individuals to manage their own risk. They also draw on a long tradition that advocates all citizens be given a 'social endowment' or trust fund at birth (see Cheung and Delavega, 2011 for a history of this idea in the USA). Most of these initiatives are not focused on addressing structural disadvantage or inequality via redistributive means (or at best include mild redistributions) but are rather focused on increasing human capital and assets of individuals, who are then responsibilised to make the most of their individual opportunities within a competitive market economy.

Another shift in welfare policy is to take an actuarial approach that seeks to predict future outcomes based on past patterns and risk and direct resources at interventions designed to reduce negative future outcomes. This employs statistical science and modelling. Initiatives and programs have become more tightly targeted at those most likely to 'respond' to the intervention and thus provide the best 'bang for buck', hopefully reducing future government liabilities. Australia's Try, Test and Learn Fund explicitly takes this actuarial approach. Similarly, the Their Futures Matter reforms in NSW aims to "direct funding, effort, and other resources to cohorts of children and young people with the greatest needs, and where there are the largest opportunities to improve life outcomes" (FACS, n.d. b).

The argument is made that if child poverty and intergenerational poverty can be reduced by building human and economic capital early on in life, children of poor families can 'break out' of the poverty cycle they were born into, thus creating less of a burden on the State than they otherwise would have. The underlying supposition is that if children become healthier and better educated, they have better life chances due to better cognitive development; they increase their skill levels and therefore can perform in roles that increase productivity and thus earn more over their lifetimes. This means they will be less likely to stay in poverty, enter into the juvenile justice system or adult corrections system, or become disengaged from employment and education. A more critical view (Schram, 2012; Wacquant, 2009a) is that current welfare regimes of the neoliberal variety in Australia and the UK are importations of the paternalist workfare model of the USA. These are sophisticated mechanisms for responsibilising individuals for the risks associated with precarious income and persistent rates of un- and underemployment in capitalist economies, where 'surplus populations' need to be 'managed'. Wacquant calls this 'state-induced social *insecurity*' (2009b). Workfare approaches seek to produce a category of working poor (especially in the USA) and keep wages down. Winter argues that women as a cheap source of labour, including single mothers, have been the specific target of welfare reforms in Australia (2016).

A consideration of the current welfare context is important in thinking about what form an Australian CDF could take and how it could be administered.

1.6 How can Child Development Funds spark change?

CDFs can respond to an identified social problem (for example, growing child poverty). As their structure and benefits cross traditional portfolio areas (health, education and justice/corrections) special-purpose CDFs have the advantage of being above 'silos', departmental demarcations

(Willis and Tyler, 2018) and can transcend specific and narrow programs.

CDFs are dedicated towards a specific purpose and target group. For example, some governments have taken a social outcomes approach whereby resources are expended to obtain a certain social outcome (for example, reduction in child poverty, greater school attendance, increased educational attainment, reduced child mortality and a reduction in entry into out-of-home care).

Although CDFs typically draw on core government finance, they can also attract outside sources of funding and in-kind contributions (from civil society, business and philanthropists). In addition, cost savings (for example, fewer children going into out-of-home care) can replenish CDFs (Willis and Tyler, 2018).

CDF resource allocation can also be tested for effectiveness, whereas recurrently-funded programs may not be as stringently evaluated. CDFs can be strongly linked to outcomes through, for example, payments based on milestones being reached, both short and long term. Central to this approach is ensuring there are measurable outcomes.

Another way that a CDF may produce significant change is by insulating the operation of CDFs from political machinations and the whims of election cycles. Willis and Tyler (2018) have suggested that national funds that allocate resources for social purposes over the medium term should be legislated for and governed by independent boards thereby quarantining decisions somewhat from electoral cycles. Australia already takes this approach with monetary policy by allowing the Reserve Bank to be independent (but not totally autonomous) from the Government - the Board of the Reserve Bank sets monetary policy, rather than the Parliament. The Australian Future Fund (established in 2006) is a sovereign wealth fund. It is run by a Board of Guardians, supported by the government's Future Fund Management Agency, and makes investment decisions independent of the government. Investment decisions (Willis and Tyler, 2018) are made based on evidence[9] rather than on political considerations. Successful initiatives could be scaled up whereas unsuccessful ones reduced or ceased.

While CDFs have the potential to sit outside the political cycle and potentially take a longer view of social problems, the need to demonstrate 'results' is not obviated. As Britto and Sherr (2013: 196) note, "short-term pay-offs find more traction among investors compared to longer-term gains as investors are prompted more by immediate and visible gains that feed into short-term funding and result cycles. Yet, the longer-term pay-offs are often the most beneficial for sustainable growth investment and should be considered in the investment portfolio". Whether the 'investor' is government or private entities, they "will consider risk, return and impact when making investment decisions, and will choose to invest where they can actively create positive social or environmental impacts" (UK Department of Culture, Media and Sport, n.d.). What this means for CDF initiatives is that advocates need to be able to demonstrate short-term outcomes in order to gain ongoing support and funding allocations, as well as successfully arguing that efforts need to be maintained long-term to produce sustained benefits, which accrue over a longer timeframe than election cycles. This is always a challenge.

[9] The Try, Test and Learn Fund ($100m) does take this approach insofar as it is semi-independent, looks at evidence and decides what pilot projects to expend funds on. Similarly, the UK's Life Chances Fund (£80m) provides top-up contributions to outcomes-based contracts involving social investment, referred to as Social Impact Bonds (SIBs) (UK Department of Culture, Media and Sport, n.d.). Both approaches are outcomes-based as well as evidence-based.

2 Methodology

2.1 Initial scoping exercise

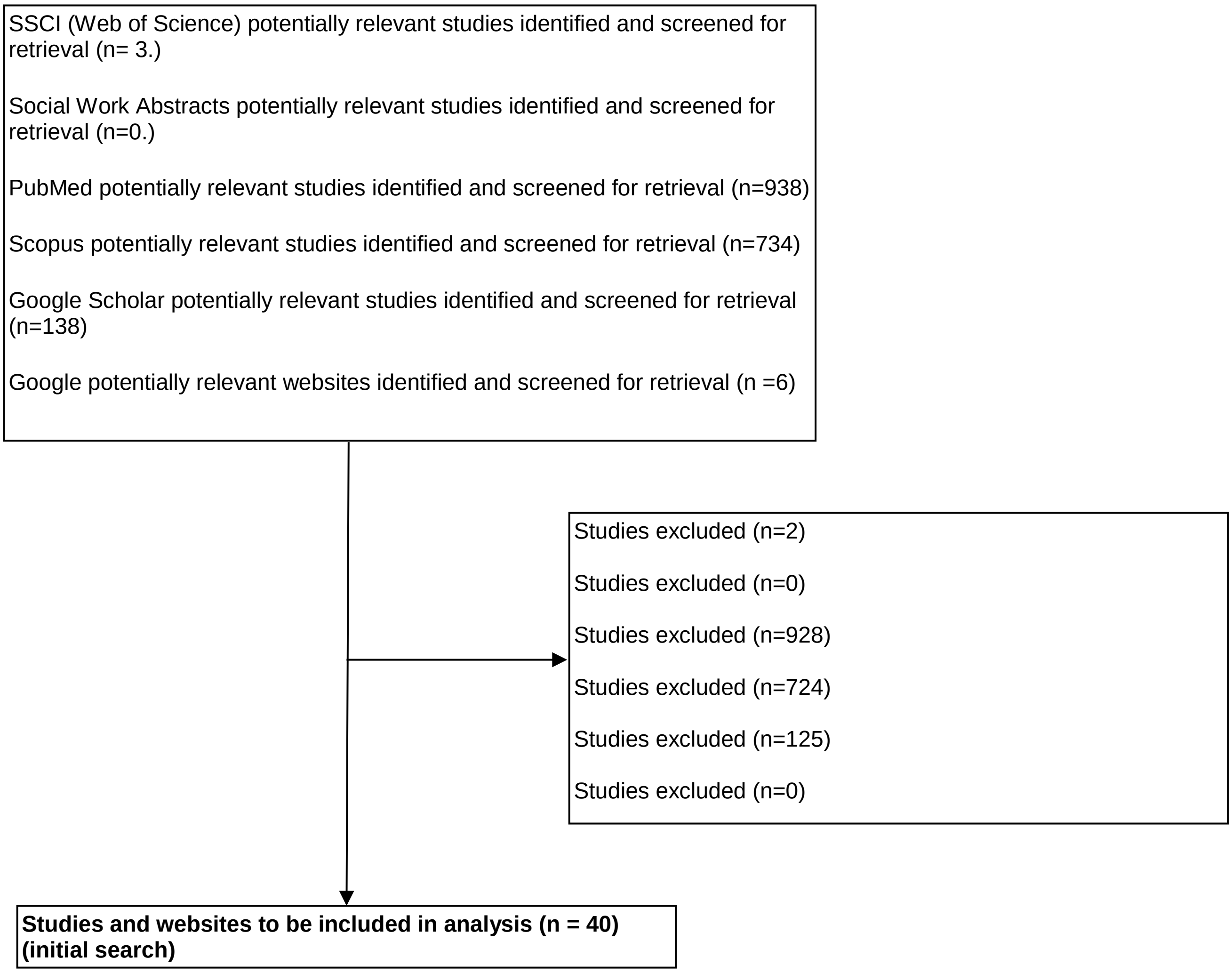
We conducted an initial scoping exercise.

Methodology

Database search: Our initial literature search focussed narrowly on child development funds in order to ascertain the volume of literature on the core topic. We conducted a search in the Social Sciences Citation Index, Social Work Abstracts PLUS, PubMed, Scopus, Google Scholar as well as Google (for grey literature).

Search terms used were child development fund, child fund, child trust fund and child trust.

These procedures are outlined below. Forty relevant items were found.



We conducted an initial scan of the material.

We identified examples of Child Development Funds - chiefly Hong Kong's Child Development Fund. We also identified other asset-based initiatives targeted at children including the USA's Child Care and Development Fund and the UK's Child Trust Fund/Junior Individual Savings Account (long-term tax-free savings accounts for children – initial endowment of up to £500). There were also some mentions of a Child Development Fund in Sri Lanka, but little information was available online.

The search also revealed various funds administered by NGOs that run a wide variety of programs dedicated to assisting children in poverty in various countries (e.g. Uganda and Thailand) or in specific regions. Some programs operated in specific circumstances (e.g. post-disaster) or were targeted towards a goal (e.g. providing annual assistance to disadvantaged children in Borneo to play soccer). However, none of these operated at the type of scale of interest. The initial search also revealed various health-oriented funds or initiatives. These typically focus on maternal and child health or on prevention or treatment of a particular disease. These small-scale and limited scope initiatives were excluded from relevant search results. However, if initiatives were identified that were broader in ambition or scope and could contain elements that could be scaled up, we included them. However overall, we focused on larger (national-scale) initiatives.

2.2 Next steps – broadening the search

While the initial scoping provided a start, it revealed limited literature on 'Child Development Funds' as this search term only yielded one useful result (the Hong Kong Child Development Fund). Likewise, 'Child Trust Fund' turned up mainly child savings account programs. After meeting with The Benevolent Society and discussing the initial scoping exercise, it was decided to expand the search along the following avenues:

- search for 'funds' more generally – that is, look for funds related to child development activities
- search for similar programs in different jurisdictions that have similar aims to those of an envisaged Child Development Fund – these may operate at a national level, for example the Try, Test and Learn Fund (Australia) the former Sure Start fund (the UK), or programs at a state level – that could form the basis of activities for scaling up or become an element of a Child Development Fund
- search for cash transfer programs in general designed to alleviate poverty and improve outcomes for children (both conditional and unconditional types)
- search for early intervention and prevention funds and programs aimed at children
- search for social impact bonds related to outcomes for children
- search for ideas for the actual content of a Fund – to identify what an objective of a fund may be, and
    - to identify what is likely to work
    - to increase the proportion of funds going into early support
    - as a lever for more effective service delivery
- search for funding sources of funds/programs (government – budget or hypothecated tax or both from general revenue or a specific source, e.g. a resource tax; private sector, civil society and in-kind/volunteer labour).

Following the initial search, several further keyword searches were undertaken, through the UNSW Library portal. These included:

- cash+transfer+program+poverty;
- cash+transfer+program+child;
- early+intervention+childhood;
- early+childhood+fund;
- child+development+early+intervention;
- social+impact+bond+child;
- predictive+analytics+welfare.

Searches were for literature from the last ten years (i.e. 2009 – 2019). While some searches yielded less than 30 relevant articles, for example Social+impact+bond+child, more general keyword searches, for example Early+intervention+childhood, yielded over 56,000 results and Early+childhood+fund yielded over 26,000 results – an unmanageable volume of material.

Decisions had to be made to prioritise those searches that produced the most relevant results and to use snowballing techniques such as locating relevant literature referenced in the most relevant articles and literature by specific authors who have written on the topics of interest.

3 Findings

A broad, interpretive approach has been taken to the inclusion of material in the following sub-sections. This is based both on search results as well as conversations with The Benevolent Society as to its particular interests, including: what CDFs do, who they are targeted at, the impacts of funds as potential 'game changers', as well as the mechanisms used to instigate, finance and implement CDFs.

To avoid the inclusion of less relevant material, we have maintained a focus on literature which discusses interventions that broadly seek to improve child wellbeing, alleviate child poverty, and encourage child development in some aspect. This includes national-level or state-level programs (for example Sure Start and Their Futures Matter), cash-transfer programs aimed at relieving poverty or facilitating better educational outcomes for children (for example the Bolsa Familia and Progresa), and child savings account programs (like the UK's Chid Trust Fund and Canada's Education Savings Grant). Literature on social impact bonds aimed at obtaining better outcomes for children was another rich source of material. At the broader level, we gathered articles debating the relative merits and deficiencies of different approaches (such as early intervention versus crisis response, and cost-benefits; the use of social impact bonds tied to 'returns for results' versus not for profit service provision; demand versus supply based programs; conditionality versus unconditionality). We also touched on sources of funding – including government revenue (from general revenue or from an earmarked source such as resources royalties), private sector sponsorship and civil society volunteering. We found many programs focussed on obtaining better outcomes for children operating across the globe in countries as diverse as Canada, Malawi, Colombia and the USA.

We present our findings below in subsections. As a supplement to this, Appendix A summarises the types and characteristics of selected initiatives in a table format.

3.1 Location

Most (but not all) relevant initiatives operate at the national level and target certain families throughout a country using income of social security data to create criteria for eligibility.

Examples of national schemes include the Hong Kong Child Development Fund, the UK Child Trust Fund, the Korean Child Development Account scheme, and the many cash transfer payment schemes operating in numerous countries, including Brazil, Chile and Bangladesh, which target poor families and are primarily aimed at improving health and educational outcomes for children (See Appendix A).

States and provinces are also important delivery agents for interventions. The USA, Canada and Australia, as Federations of States where much service delivery occurs through State Governments, all provide examples of State or Provincial Government programs targeted at vulnerable children and families. For example, in NSW, FACS provides the Brighter Futures program, targeted at vulnerable families, focussing on supporting parents, and keeping children out of out-of-home care. While federal funding for early childhood education has been made available in Canada, provinces also make contributions to this and operationalise it. The USA has many state-based programs aimed at children. For example, many states have been prompted to increase funding for pre-kindergarten programs in order to accommodate a greater number of high-risk children (Lipsey, Farran and Durkin, 2018).

Regional-level initiatives have also been undertaken by provincial governments. For example, in Sweden, the Region of Östergötland formed a regional commission, the Östgötacommission. It analysed regional and local data to illustrate the regional and local challenges regarding health inequity and possible explanatory factors. This exercise formed the basis for evidence-based suggestions to improve the health situation and reduce inequities in health in the short and long term (Van Vliet, 2018).

We also found examples of municipal-level programs. For example, the Opportunity NYC–Family Rewards Program was an initiative of New York City, launched by the New York City's Center for Economic Opportunity in 2007 as a three-year intervention (2007-2010). It had a two-pronged approach — providing immediate cash incentives while working to break intergenerational poverty through human capital development (New York City, 2014). It was aimed at low-income families in six of New York City's highest-poverty communities (Riccio, Dechausay, Greenberg, Miller, Rucks & Verna, 2010). Another example of a municipal level program is Caguas in Puerto Rico where a Baby Bonds Saving Accounts scheme is targeted at newborns who reside in the city. Another municipal-based program is the Taipei city government's matched savings program, the Youth Development Account (Zou and Sherraden, 2010). Seoul in South Korea has the Hope Dream Project aiming to assist low-income families in that city. The Children Savings Accounts for Education is available to assist 10,000 low-income families with young children at the age of 0-6 in Seoul to save for their children's education (Zou and Sherraden, 2010).

While most programs operate at the national, state/provincial or municipal level, there can be a strong overlay of geographical targeting. For example, New York City's Family Rewards Program was targeted at households in the most deprived boroughs. Colombia's Familias en Accion program (modelled on Mexico's PROGRESA program) was first targeted geographically at 627 of the 9,900 municipalities in Colombia (Attanasio et al., 2011). Further geographic targeting occurred by using the SISBEN indicator (an economic wellbeing indicator) within the localities, so that only households in the first level of SISBEN were targeted (the bottom 20% of Colombian households in rural areas). Some of Australia's programs are geographically targeted at lower socio-economic areas (including 30 'Intensive' ParentsNext sites[10], and areas where the BASICS cashless welfare card has been deployed). There are also examples of national place-based initiatives which focus on disadvantaged communities, such as Sure Start in the UK and Communities For Children in Australia.

3.2 Origin of funds and funding

Three main sources of funding contribute to child development funds and programs – government, private/corporate and civil society. While there are multiple actors and complex webs of relationships and contracts between governments, NGOs, the private sector and civil society volunteers, the rapid review indicates that the major sources of funding are national governments. Governments fund interventions via legislation and/or budget allocation (typically through the Education, Health and Community Services portfolios). Sources for these allocations are from general revenue or from specific sources of tax, like gambling revenue. For example, the National Lottery in the Philippines is used for early childhood purposes (Britto and Sherr, 2016). The UK's

[10] The sites are: Bankstown, Shellharbour, Wyong, Dubbo, Sydney – Central, Mid Coast, Orange, North Coast, Tamworth (NSW); Darwin-Palmerston, Alice Springs (NT); Playford, Port Adelaide, Port Augusta & Whyalla (SA); Logan. Rockhampton, Cairns, Toowoomba, Mackay, Townsville (QLD); Kwinana, Perth – South, Geraldton, Broome, Perth – East (WA); Burnie, Brighton (TAS); Greater Shepparton, Hume, Mildura (VIC). (ACT – none). Source: https://www.jobs.gov.au/parentsnext

State-owned National Lottery Community Fund finances (among other programs) the £80m Life Chances Fund[11].

Sovereign wealth funds are funds based on resource extraction taxes ('mining royalties') or from non-commodity sources. Resource-rich nations that have sovereign wealth funds include all the Middle Eastern oil-producing nations, Norway, Alaska, a range of African and Latin American countries and Australia. Alaska is well known for using its resources royalties for a range of government expenditures as well as paying citizens an annual dividend. Australia's Futures Fund was established in 2006 by the then Treasurer, Peter Costello. It was initially given $18 billion, derived from the surpluses from the mining boom as well as income from the sale of a third of Telstra in its ongoing privatisation (Future Fund, n.d). The Future Fund invests sovereign wealth on behalf of Australians. Investment decisions are made by a board of independent Guardians (and is currently chaired by Peter Costello). There are also four other specific purpose funds managed by the guardians for the purposes of infrastructure investment, capital investment in education, to contribute to the cost of the National Disability Insurance Scheme and medical research. The Fund invests globally in listed equities, private equities, infrastructure, property, debt, alternative assets, cash and portfolio overlays (Future Funds, n.d.).

Other mechanisms for funding programs or initiatives include levies (or taxes) for specific purposes (for example, Australia's Medicare levy, collected through the tax system, is used to fund Medicare). The Rental Bond Board of NSW collects bonds for all tenancies across NSW and the interest generated from this amount is used to fund an advice service for tenants. There are many other examples of levies being applied to specific purposes.

Britto and Sherr (2016) note that the mainstay of social spending for early childhood development comes from the health and education sectors of the government with involvement of social security, as well as justice. A child development fund will therefore need to augment the range of services, benefits and interventions already provided by the Commonwealth and by states and territories.

Some initiatives also include private sector funding, through corporate donations and charitable giving as well as in-kind contributions. Hong Kong's Child Development Fund, now in its tenth year, draws its funding from the government (the Labour and Welfare Bureau) but also from 'Corporate Supporters' that can contribute to child savings accounts of CDF participants and/or be an experience provider (for example by exposing children to various experiences and workplaces to 'widen horizons') (Hong Kong Child Development Fund, n.d.). Civil society too plays its part by supplying mentors, who work with children on their Personal Development Plans on a voluntary basis.

An important potential contribution which could supplement cash funding would be in-kind contributions. These take two forms: volunteering by members of the community and in-kind benefits from the government such as free or subsidised transport, books, clothing or other goods and services.

[11] Interestingly, the National Lottery website informs players how buying a lottery ticket not only creates winners of jackpots, but also how they contribute to community projects throughout the UK, including how much has been raised per year and what programs the money was spent on. For example, the National Lottery 'Where the money goes' section of the website reads: "For every ticket sold, a hefty slice of the money received goes to a huge variety of projects, both big and small – from repairing Scout huts to making Olympic and Paralympic champions. So, every time you play, the UK wins... To date, National Lottery players have helped to raise over £39 billion for Good Causes, with more than 535,000 individual awards made across the UK – the equivalent of around 190 lottery grants in every UK postcode district." See: https://www.national-lottery.co.uk/life-changing/where-the-money-goes?icid=lich-212:bd:22:sgp:tnl:wmg:in:co

Relying wholly on private donations for funding revenue can be risky. Donors may form an expectation that 'their' ideas will be implemented. Donors may also not fund the most useful programs or initiatives. Britto and Sherr (2016) mention orphanages as an example—despite evidence that these are not good for children's cognitive and developmental outcomes, some charitable donors continue to favour these institutions. Donations are at the whim of the donor and may not be based on sound evidence but guided by the personal predilections, or even vested interests, of the donor. Despite these pitfalls, private sector involvement is part of the picture at the global level (particularly in some of the health funds). For example, global health funds draw large donations from wealthy individuals (such as Bill and Melinda Gates) and corporates.

The Global Financing Facility (GFF) is an example off a global fund that includes bilateral and multilateral donors such as Gavi, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the H6 partnership (UNFPA, UNICEF, UN Women, WHO, UNAIDS and the World Bank Group), civil societies, governments and the private sector. Its focus is on strengthening health systems to support countries as they work towards Universal Health Coverage. As of 2018, 27 countries were participating in the GFF and 23 more will join as part of GFF's next phase for the period 2018–2023 (Chou, Bubb-Humfryes, Sanders, Walker, Stover, Cochrane, Stegmuller, Magalona, Von Drehle, Walker, Bonilla-Chacin & Boer, 2018). While health-focussed, the GFF provides an example of a global fund that draws together diverse funding sources into a single fund which is then used to provide technical support to countries and to assist with in-country prioritisation, resource planning and interventions.

International development funds, funded by individual donors such as World Vision, PLAN International, ChildFund, Save the Children and various foundations, are active in child wellbeing initiatives globally. UNICEF and the large NGOs are important players in national-level initiatives, especially in developing countries. Some of these global NGOs have programs operating in Australia, including PLAN International and Save the Children who work in remote Indigenous communities.

While global NGOs like UNICEF or PLAN are important, they are of limited relevance to developed countries like Australia in terms of the establishment of a CDF here. Likewise, global funds like GFF and their donors are likely to want to direct resources to children in greatest need, in the poorest countries. However, the approach of the GFF – that is to assess proposals and target resources based on evidence and investment cases – is of relevance.

3.3 Scope

Initiatives can be broad in scope (universal) or narrow (targeted). They can take an all-of-child holistic approach or be confined to specific 'portfolio' areas (e.g. health, education or even focused on particular outcomes or problems). Thus, scope can be broad/deep or narrow/limited.

While some initiatives are universal, they may give extra benefits to lower-income families ('proportional universalism'). The Nordic countries and the UK take this universalist approach (to, for example, education and health care), with deeper assistance or subsidies available to the least advantaged households. The UK Trust Fund is available to all children but children in lower-income families receive twice as much 'seed money'. Programs may be targeted by household income. Brazil's Bosca Escola goes to an estimated 10 million children (in 6 million households), which represents about 17% of the population at a cost of less than 0.5% of GDP (Bourguignon, Ferreira & Leite, 2003).

The advantages of universal programs are that they avoid stigma, are not based on assessments and do not rely on arbitrary eligibility criteria. On the other hand, they may provide benefits to children and families who are not in need or reduce resources for the most needy.

Interventions may, however, limit their scope to focus on an age group. Early childhood development programs typically focus on infancy (the first 1000 or 2000 days of an infant's life post-birth) and early childhood, typically 0-8 years (Britto and Sherr, 2016). Programs may focus on health, nutrition (including breastfeeding), early stimulation, parenting and attachment, play, safety and early education. Environment is also important, such as basic resources (clean water, food shelter, air quality) in communities (Britto and Sherr, 2016).

In terms of the depth of funding, this varies and is dependent on the purpose. Cash transfers vary considerably — the size of the transfer reflects the goal of the program, for example to move households to a minimum level of consumption (Colombia, Jamaica, Mexico); or reflects the size of the transfer on the opportunity cost of health care (Honduras) or the transportation costs to the public health facility (Nepal) (Gaarder, Glassman, & Todd, 2010). Some cash transfers have been found to make minimal impacts (for example, only reducing poverty by one or two percentage points) due to their small size.

So broadly, children who are in scope of any given intervention is determined by the criteria (such as being a child (in the case of universalist schemes), the income of the household, area/socio economic disadvantage index and/or age group). The scope of the intervention can also be deep or shallow, i.e. it can address many things (overall child development and wellbeing as well as assets/savings), or one thing (for example, improving child enrolment in school). The Hong Kong CDF is an example of a wider scope program as it is concerned with several aspects of child welfare (education, personal development, future direction and employment, and assets/savings).

3.4 Jurisdictional contexts

Most (but not all) relevant initiatives operate at the national level and target certain families throughout a country using income or social security data to create criteria for eligibility.

Other jurisdictional contexts are:

- state/province
- region/district
- municipality/city
- village/community[12]
- multi-levels – national, regional, village/local and may cross national boundaries (global).

Typically, initiatives will operate under legislation, ordinances, regulations, policy frameworks and involve budget allocation. Funding may be national but the intervention may be operationalised by States/Provinces (as in Australia and Canada). In the UK, local governments are the key service providers. In other countries, village and community may be important sites of service provision.

[12] Place based initiatives typically focus on a number of disadvantaged communities in the jurisdiction, selected though census or other data.

3.5 Target group(s)

As resources are limited, targeting is used to use limited resources most efficiently and/or equitably. Targeting identifies and selects a group that requires intervention (and increasingly, those most likely to respond to that intervention). Effective public spending should concentrate limited resources on the target group[13] (Chen et al., 2015).

Targeting may be based on one or more criteria including:

- socio-economic status
- age
- gender
- family type
- location
- demography (e.g. Indigenous, culturally and linguistically diverse, refugees)
- other factors (disability or other measures of vulnerability or need, children involved in the child protection system).

Cash-based social policy measures traditionally target the most vulnerable parts of the life-cycle: children and pensioners (Ballard, 2012). Families in need or with low incomes are the main targets of social transfers. It is assumed that assisting families will assist children living in poverty as families engage in intra-familial resource distribution – so, assisting poor parents will assist their children (Chen et al., 2015). Common methods for targeting include identifying families with incomes up to a certain level, using state-collected social security and/or tax data. A common relative poverty measure used for targeting of social assistance programs is 50% of the median equalised disposable household income (Chen et al., 2015). The Hong Kong CDF uses this criterion to select recipients of the CDF.

To target welfare expenditure, states use various kinds of means testing or geographic targeting that “delimit ‘the poor’ as a homogenized beneficiary group” (Williams, Thampi, Narayana, Nandigama, & Bhattacharyya, 2012: 995). This can include children living in poor families (or who are in out-of-home care), children living in certain geographic areas marked by poor socio-economic status, and children least likely to be going to, or to finish, school. While some programs are not targeted as such but are universal and given to all children, they may be means-tested and bestow greater benefits on those that need it most, i.e. there is a base benefit, but higher benefits go to children in poorer households. For savings-based programs the seed deposit and/or matched deposit amounts may vary depending on the means of the household. For example, the UK Government provides £500 to Child Trust Fund accounts for children in the poorest families, and £250 for all other children. The Canadian education savings scheme also offers extra payments to the neediest children to assist them in saving for higher education purposes.

Many programs target various people in the same household, including parents and children. Programs such as the Opportunity NYC–Family Rewards was a two-generation CCT program

[13] Two critical measures are commonly used in relation to targeting performance - targeting efficiency and effectiveness. Targeting efficiency is whether a transfer program distributes resources to a target group, for example, poor children. Inefficiency occurs when excessive resources transfer to the non-poor. Targeting effectiveness assesses whether the transfer program reaches its goals, for example if poverty reduction has occurred before and after transfers and taxes (Bibi & Duclos, 2010; Leu, 2010).

designed to encourage changes in parents' and children's behaviour by offering rewards (cash payments) for behaviour in three key areas: family preventive health care practices (e.g. going to well-child visits), children's education (e.g. ensuring children attended school regularly, attaining particular scores on standardised tests), and parents' workforce efforts (e.g. full-time work) (Morris, Aber, Wolf and Berg, 2012).

The Nordic countries tend to favour a universalist approach, as does the UK in some aspects of social and health policy. However, in liberal-type welfare regimes like Australia, programs have become increasingly tightly targeted and less universalist in orientation. This is in line with the rationing of assistance and increased conditionality placed on individuals in order for them to have access to social assistance.

There is a debate in the literature about targeting because most targeting mechanisms, particularly those that are income based, are not effective at reaching the most vulnerable children. However, the use of linked datasets may be able to mitigate this challenge.

Targeting is also increasingly driven by data that is used to try to predict risk and potential intervention effectiveness (and future savings). Anglophone countries' social expenditure, or rather, 'investment frameworks' are now firmly based in actuarial analysis (that is, the approach commonly used in the insurance industry to calculate risk). This has been commonly used in law enforcement and pioneered in relation to child protection in New Zealand (see for example Vaithianathan, Maloney, Jiang, Haan, Dale, Putnam-Hornstein & Dare, 2012) where administrative data is used to identify children at risk of adverse outcomes. It is also used in the USA to determine whether, for example, child protection agencies should investigate, or screen out a child protection report (Church and Fairchild, 2017). Actuarial approaches and predictive analytics can be used to identify target groups for intervention, based on their propensity to provide 'returns on investment'. This approach "tells you about the risk groups and those that would be amenable to intervention" (Ms. S Wilson, Senate Estimates Community Affairs Legislation Committee, Thursday 4 June 2015, p.103). This approach is evident in the Valuation Reports by Pricewaterhouse Coopers for the Australian Department of Social Services that estimate the likelihood of lifetime welfare expenditures by looking at characteristics of parents to estimate the likelihood of certain outcomes for their children. For example, "younger people whose parents or guardians had a very high level of welfare dependency are 5.8 times more likely to be on income support payments today compared to those with no parental welfare dependency" (Department of Social Services, 2017: 3). Thus, interventions target specific groups of people identified by the valuation model deemed as 'at risk', and who are thought to be the most responsive to intervention. There has been much criticism of this approach as it emphasises 'returns on investment' to determine spending rather than on disadvantage or need and is aimed at 'low hanging fruit'. On the other hand, supporters of the actuarial and predictive analytics approaches argue this is a more scientific and effective use of scarce public funds, rather than 'throwing money at a problem'. If we look at some of the activities funded by the $96m Try, Test and Learn Fund, Tranche One, projects were directed at young people at risk aged 16-21 who were young carers, young parents and young students. The ultimate aim of the programs was to improve education and employment outcomes to reduce future welfare dependency for them (and their children) (DSS, n.d.). Likewise, NSW's Future Directions strategy is aimed at moving people out of social housing. Programs are primarily aimed at children and young social housing tenants, rather than older tenants who are on disability support pension, as data indicates older tenants do not move out of social housing very often.

3.6 Delivery

There are several typical program delivery modes, including programs delivered by agencies or directly by government, programs delivered by a variety of players (NGOs or companies) through ‘pay for results’ contracts which may be part- or wholly funded by Social Impact Bonds, as cash transfers (either conditional or unconditional), as a contribution to asset building for the future (seed deposits or matched savings), or as a voucher or credit to be used for a specific purpose (see section 1.3 for a longer discussion of each of these).

The Hong Kong Government’s CDF is an intervention that combines several elements – personal development through mentoring, exposure to new opportunities and asset-building. Every child has their own Personal Development Plan and a mentor whereby civil society is involved through the mentoring aspect of the scheme. It promotes asset building (in the form of a child savings account with matched government instalments). It combines finance sources — earmarked government resources (the Fund) with corporate donations and in-kind assistance from civil society and the private sector (volunteering as mentors, exposing children to different workplaces). See Appendix E for more details about this CDF.

While Hong Kong’s CDF is in many ways unique in its scope and modus operandi, cash transfer (CT) programs are much more widespread. Where these are conditional cash transfers (CCTs), payments are linked to certain requirements being met or actions being taken. The Centrelink payment Newstart is basically a CCT, as is the ‘Intensive’ stream of ParentsNext (imposed on ‘compulsory participants’[14] in receipt of Parenting Payment). CCTs seek to modify child and parental behaviour in ways that will increase the wellbeing of children and their potential as adults. By complying with the conditionalities imposed, families are rewarded with payments (Gabel and Kamerman, 2011), or, in the Australian case, allowed to continue receiving payments.

CCTs in the global South provide poor families in poor communities with cash transfers that range from approximately 15 to 30 per cent of the average pre-transfer household income. These payments are conditional upon parents’ investments in their children’s human capital, for example attending prenatal maternal health services, meeting immunization requirements, ‘well baby’ visits and nutritional regimens for infants and children, school-age children’s enrolment in and attendance at schools. Parents must meet these conditions in order to continue to receive the cash transfers (Aber, 2009). Thus, critics of cash transfers who may be “concerned about dependency on hand-outs might be appeased by the fact that recipients have to ‘earn’ their grant by keeping their children in school and having them vaccinated (Fiszbein and Schady, 2009; Levy, 2006)” (Ballard, 2012: 815). Unconditional cash transfer programs are also targeted at certain households but are granted without any conditionality (although they may be accompanied by educative messaging).

Cash transfer programs have the advantage of low running costs (Ballard 2012) and being paid directly to the beneficiaries. They can also, unlike short-term programs, benefit large populations over time and as such have been favoured by the Wold Bank, including by James Wolfensohn, its former President (Ballard, 2012). Initially, such programs were established in Mexico, Brazil,

[14] A compulsory participant is one who is required to participate in ParentsNext. A person will be required to participate if they meet all of the following criteria:

- has been in receipt of Parenting Payments (partnered or single) for at least 6 months continuously,
- has a youngest child aged under 6 years,
- has no reported earnings from employment in the previous 6 months. (D.S.S., n.d)

Honduras and Bangladesh but have now spread to over 45 countries in the global South (Hanlon, Barrientos & Hulme, 2010).

For children, conditions often relate to education and health. Incentive payments for reaching goals such as regular school attendance or meeting a certain educational level of attainment (e.g. scores in tests) are a common feature. Colombia's program includes health, nutrition and education components and grants are payable to mothers (Attanasio et al., 2011). While most CTs are conditional, they are primarily incentive-based (that is, parents are paid incentives to do something more) rather than punitive. Some are unconditional payments (for example not tied to meeting any condition or benchmark — Chile's payments to families are not tied to any specific school attendance requirements but may be accompanied by messaging about the value of education and/or savings accounts).

Asset-based schemes are increasingly popular in Asian countries. The argument for such schemes is that when poor families are provided with assets – even modest ones – it changes their outlook and hopes for the future. Using asset-based strategies attempt to build long-term capacity and development rather than supplement income to address a family's short-term needs only (Deng et al., 2013). Given that earning a wage (i.e. obtaining income through working) may no longer be sufficient to lift someone out of poverty, it is thought facilitating asset ownership can combat poverty more effectively in the long-term. This has been the thinking behind, for example, the micro-lending schemes in African countries and in India that allow poorer households to accrue assets and start a small business as well as child savings accounts.

Examples of child savings accounts (CSAs) are numerous. CSA programs operate in Singapore (Baby Bonus and Child Development Accounts), the UK (Child Trust Fund) and Canada (Education Savings Program), and a number of other countries have pilot schemes of a similar nature (Boshara, 2006). The UK scheme, the Child Trust Fund (CTF) was launched in April 2005 and targeted at all British children born after September 2002. The goal of the CTF is "to help children understand personal finance and the importance of saving for their future" (Child Trust Fund, 2009). Every newly-born child in the UK automatically receives a £250 voucher as seed money in their account. Children from low-income families receive an additional £250. Money saved in the CTF account is not available until children reach the age of 18, when they have freedom to spend the money without restrictions (Zou & Sherraden, 2010). The Canadian scheme allows parents to open a savings account named the Registered Education Savings Plan (RESP) to save towards their children's post-secondary education. The government pays extra amounts into the accounts in line with savings, and an additional amount to low income families (Zou & Sherraden, 2010). Municipalities also offer child savings schemes; for example, the city of Caguas, Puerto Rico, has a Baby Bonds Savings Accounts scheme targeted at newborns who reside in the city. The city government offers parents a US$250 voucher to open a Baby Bonds Savings Accounts at Banco Popular and supplements the account when the children complete sixth grade (Zou & Sherraden, 2010). Like other similar schemes, savings cannot be accessed until children reach the age of 18, when they are allowed to use the funds to pursue higher or vocational education or start a small business (Marxuach, 2009). Such schemes also operate in several African countries, including Uganda, which has a small-scale matched savings project called 'SUUBI' (meaning "hope" in the local language) which targets orphaned children in Uganda (Zou & Sherraden, 2010). South Korea also has a Child Development Account savings scheme and the government matches savings at a 1:1 ratio (Zou & Sherraden 2010). Funds can be accessed at 18 and used for education, housing, microenterprise start-up, medical costs or wedding expenses (Nam, Sherraden, Zou, Lee & Kim, 2009). Hong Kong's child savings account scheme (part of the three-pronged CDF initiative) also includes matched contributions from the government set at a minimum of 1:1. Children who complete the two-year savings period are rewarded with HK$3,000 (US$387) in the third year (Zou & Sherraden, 2010). Children are allowed to spend the savings in accordance with their personal development plans (Government of the Hong Kong Special Administrative Region, 2009). Overall, the asset-based programs are increasing in scale and in line with policies aimed at reducing welfare dependency and increasing self-reliance by fostering savings and allowing young adults to accrue a ‘nest egg’.

Finally, vouchers for a specific purpose, for example for child care fees or purchasing education or housing, are for a specific purpose and as such are not paid in cash to the household. An example of a voucher-type payment is the US Child Care Development Fund (CCDF). The rationale of the CCDF is that low-income children stand to benefit the most from a high-quality early childhood experience and that research indicates that child care financial assistance helps parents afford reliable childcare in order to obtain and maintain stable employment or pursue education. In 2014, the CCDF provided child care assistance to 1.4 million children from nearly 1 million low-income working families in an average month (US Government, Department of Health and Human Services, 2016). While the program’s earlier emphasis was on the goal of parents working, it has developed a focus on promoting positive child development (US Government Department of Health and Human Services, 2016).

3.7 Governance

Governance refers to all aspects of governing over a social system, including, but not limited to, a legislative or rules-based framework. Britto and colleagues note that governance processes are:

> implemented directly through political processes, policies, plans, inter-agency agreements, and service support, and indirectly through registration, service and personnel standards, certification and recertification, regulations and protocols, and accountability and feedback mechanisms (Britto et al., 2018: 246).

Governance is situated within larger social, economic and political contexts. While formally, national governments are the key source of funding for CDF-type programs and ultimately ‘govern’ them, there are also other layers of governance at work as well as devolution and decentralisation of service delivery. For example, Brazil’s Bosca Escola is essentially managed at the local level, but control is maintained at two levels. At the federal level, the number of beneficiaries claimed by municipal governments is checked for consistency against local aggregate indicators of affluence. In case of discrepancy, local governments have to adjust the number of beneficiaries on the basis of income per capita rankings. At the local level, responsibility for checking the veracity of self-reported incomes is left to municipalities (Bourguignon et al, 2003).

At times, governments agree to create independent bodies to undertake governance of initiatives and suggest courses of action. Experts are then given a greater role in governance. Returning to the Swedish example, the Region of Östergötland (made up of 13 municipalities) was the first in Sweden to start a regional commission, the Östgötacommission. The commission was independently led by Margareta Kristenson, a professor in social and preventive medicine, and consisted of 14 commissioners, of which two were politicians representing the political sphere rather than their parties. The other 12 commissioners were researchers from a variety of fields, as well as public health directors (Van Vliet, 2018). Its purpose was to analyse regional and local data to identify health issues and reduce inequities in health outcomes in the short and long term (Van Vliet, 2018). The commission, after data analysis and evidence-based research, issued a report containing 10 general recommendations and 56 more specific recommendations. These then went through a political process whereby their implementation was discussed by politicians from the 13 municipalities in the region. This culminated with a common letter of intent that declared a strong political will to continue to create societal conditions for greater equity in health in Östergötland. Ten prioritized areas of action were identified (Van Vliet, 2018). As Van Vlient reflects on the Swedish experience “to implement evidence-based recommendations effectively into local policies and practice requires … not only integration of regional, national, and global efforts but also governing, leadership, action across policy areas, and participation across diverse stakeholders” (2018: 33). Although this was a health intervention, a similar approach could be used for any Child Development Fund type project.

In terms of governance, such a model could be difficult to achieve in the Australian context with the adversarial political system and the combined Federal/State responsibilities for provision of services. Governments in Australia generally like to have control over the social policy community services area due to political sensitivities. The model of a commission, agency or board identifying priorities is a well-utilised approach. Australian examples include the NDIA and the Future Fund.

An expert board approach is used to determine funding priorities in the GFF model mentioned previously, as well as in the Swedish example above. Such processes are in contrast to situations where politicians determine priorities for spending, sometimes on the basis of personal priorities or in the absence of any reference to an evidence base. This can result in the misallocation of resources to where they are not needed in order to gain positive electoral outcomes (often referred to in Australia as ‘pork-barrelling’).

Britto, Yoshikawa, van Ravens, Ponguta, Reyes, Oh, Dimaya, Nieto and Seder (2014) undertook a study on governance and early childhood development in four low- and middle-income countries (Cambodia, Lao People’s Democratic Republic, Kenya and Peru). What they were interested in was not the evaluation of single interventions but rather to explore the scalability and sustainability of services across multiple sectors at national levels. They noted that service delivery can include government, non-government (NGO) and private for-profit agencies and that complex webs of services require good governance to enable their scaling up (Britto at al., 2014). They found that despite differences between countries, a range of key partners usually existed (key government departments). Different countries had different lead agencies. They found differences in influences on budgeting whereby in poorer countries, donor spending was larger than government spending, which had governance implications, and that NGOs played a much more influential role in program decisions and policy (Cambodia and Lao) than in the relatively richer countries (Kenya and Peru) (Britto et al, 2014). They found the more successful examples of national planning involved strong co-ordination between the government, NGO and civil society sectors and that involvement of key ministries such as Ministries of Finance seemed critical (in Peru). This has echoes in Australia where Treasury is often seen as the key agency that can ‘make things happen’.

Co-ordination across levels of government and agencies is also seen as critical by Van Vliet (2018) who notes that to be successful, there is a need for coordination, collaboration and governing across silos, and innovations. Different departments and agencies may not see child wellbeing as ‘their’ concern or ‘area’; however, it traverses several government departments as well as the NGO and private sectors. For example, instead of child welfare just being seen as the responsibility of FACS in NSW, how might governance structures evolve that create a co-ordinated approach between the departments (Justice, FACS, Education, Health) and the NGOs that deliver services?

Policy making needs to include top government leadership together with action across diverse policy areas, and community participation (Van Vliet, 2018)[15]. The implication for any Australian CDF is that it will need to be 'owned' by a range of government departments, and ideally by states and territories as well as the Commonwealth. Otherwise, it will be perceived as being yet another program funding stream rather than a mechanism to transform policy.

3.8 Evidence and evaluation

Implementation of various programs aimed at children, especially CT programs, have provoked a lot of interest globally. There are two basic types of evaluation – ex post and ex ante as a World Bank Economic Review article explains:

> Ex post approaches consist of comparing observed beneficiaries of the program with non-beneficiaries, possibly after controlling for selection as beneficiaries if truly random samples are not available… Ex ante methods consist of simulating the effect of the program on the basis of a model of the household. (Bourguignon et al., 2003: 230)

For the purposes of this review, we focus on ex post evaluations of programs that have actually occurred, and that involved an intervention and comparison group (where available). There are many evaluations available including some meta-reviews. We also found literature reviews and editorials on early childhood development programs (Britto & Sherr, 2016).

3.8.1 Do funds and programs reduce child poverty generally?

Reducing child poverty has been achieved by increasing household income and in-kind benefits such as access to maternal and child health care, education and housing. A well-known and early example is Prospera in Mexico (formerly called Progresa, and Oportunidades). This was a poverty alleviation cash transfer program that was brought in after a recession in 1995. In less than a decade, the program, which includes a scholarship for children who attend school and obligations for recipients to attend health clinics, expanded to reach a quarter of the Mexican population (Ballard, 2012). Ballard (2012) also cites a range of other studies indicating the positive effects of cash transfer programs operating in the global South. CTs have helped to reduce income inequality (International Labour Organization, 2011; Soares et al., 2010) and can reduce poverty (Woolard & Leibbrandt, 2010). Some households have been able to escape poverty (Lloyd-Sherlock et al., 2012). Household consumption has been improved (Soares et al., 2010) with associated improvements in nutrition and expenditure on children (Community Agency for Social Enquiry, 2008; Hanlon et al., 2010). CTs can also reduce the incidence of child labour (Soares et al., 2010). The evaluation of the New York Family Rewards Program—a CT program targeted at households in some of New York's most deprived boroughs which operated from 2007-2010—found that the program substantially improved families' economic position in the first two years, with the program boosting average monthly income by over $400 for families with the oldest children (Aber, 2009).

A review of CT programs in general by the UK Department of International Development (2011) found that there is extensive and potentially generalisable evidence that cash transfers have reduced the depth or severity of poverty (i.e. the poverty gap) in carefully evaluated programs. Micro simulation modelling using household survey data estimated that the

[15] In NSW, there have been several attempts to implement a 'whole-of-government' approach to child welfare, for example in relation to the Keep Them Safe initiative and more recently the Their Futures Matter reforms. These attempts have had various degrees of success. At the Commonwealth level there is no department which has overall responsibility for children and families.

Progresa/Oportunidades program in Mexico reduced the poverty gap by approximately 20 percent (from 8.5 to 6.8) (Fiszbein & Schady, 2009). The Child Support Grant in South Africa has reduced the poverty gap by 47 percent. Further, the system of cash transfers approximately doubled the share of the national income that the poorest quintile receives (Samson et al., 2004). As children growing up in poorer households have worse outcomes than those in more affluent households, CTs are an extremely important tool for improving child outcomes as well as reducing poverty generally. However, a paper by Bourguignon and colleagues (2003) found that poverty reduction through the Bosca Escola instrument, “though effective, is not magical. Governments may be transferring cash in an intelligent and efficient way, but they still need to transfer more substantial amounts if they hope to make a dent in the country's high levels of deprivation” (Bourguignon et al, 2003: 253).

Arcanjo, Bastos, Nunes and Passos (2012) took a comparative approach to investigate how family cash benefits have impacted on child poverty. Their study is based on microdata gathered by the European Union Statistics on Income and Living Conditions (EU SILC) for the period 2004–2008 to look at child income poverty in four countries: Italy, Portugal, Spain and Poland. They highlight the prevalence of child poverty in the EU and note the impact of labour market factors on rates of child poverty (children on non-working families are severely affected because household income is strongly correlated with children’s living conditions and wellbeing) (Arcanjo et al., 2012). Covariate analysis of various factors included large family size, single parent families, parental professional category, number of working hours and employment sector. They focused on various benefits paid in the four countries (some universal, some targeted). They found that the level and type of social transfers that had been made in the four countries seem to have had only a relatively minor effect on poverty reduction. For example, in Italy, transfers only enabled an 8% reduction in child poverty rates (the lowest level). In the other three countries, this effect was nearly seven percentage points higher (Arcanjo et al., 2012). They concluded that a much stronger system of child income support was required, and that labour market issues were also crucial as unemployment of parents led to higher incidences of child poverty. This research is of particular relevance to Australia as unemployment is correlated with household (and child) poverty. Single parent households feature as one of the poorest household types (Wilkins and Lass, 2018).

A study of Taiwan’s scheme to reduce child poverty was carried out by Chen, Leu and Wang (2014). They used national household data to analyse targeting performance, exploring whether cash transfer programs ameliorated child poverty through a simulation approach. They focused on, among other indicators, poverty reduction efficiency/vertical efficiency. After assessing transfers against a variety of efficiency and effectiveness measures, they concluded that governmental cash benefits are not always efficient or effective in helping poor households with children out of poverty. To combat child poverty, they contended, governments must decide among trade-offs such as undercoverage or leakage, vertical or horizontal efficiency, universal or selective benefits, and efficiency or effectiveness. Such decisions often depend on policy priorities, budgets or social policy goals. They conclude by following Skocpol (1991), who suggested that targeting within universalism is the optimum way to deal with poverty (Chen, Leu and Wang, 2014).

Cheung and Delavega (2011) conducted a systematic review of the literature on Child Savings Accounts (CSAs). They noted that the long history of suggested ‘endowment’ or ‘stakeholder’ payments for children in the USA has not, however, resulted in any national scheme and that Americans are resistant to ‘handouts’ and higher taxes, despite the rampant levels of poverty in what is a wealthy country in terms of GDP (Cheung and Delavega, 2011). Cheung and Delavega’s study included CSAs that had the elements of seed (initial) deposits and/or matching of funds in savings accounts for children up to the age of 18 (Cheung and Delavega, 2011). They identified ten CSA policies in nine countries/regions.[16] Cheung and Delavega did not carry out a comprehensive assessment of the impacts of the identified CSAs, mainly due to the lack of adequate data, but noted that other countries' CSA policies connect social assets to reduction of child poverty and that these countries primarily use CSAs to promote better educational outcomes (six of the ten schemes are focused on this). They noted that because CSA policies are relatively new, no data exists on the outcomes toward poverty reduction over time; however, they noted that preliminary data from the UK's Child Trust Fund was very positive (Cheung and Delavega, 2011). This study is also relevant to Australia as child savings accounts may provide an element in any CDF suite of initiatives.

3.8.2 Do funds and programs improve early childhood development, child health and nutrition?

A US Government commentary on the Child Care Development Fund notes that a review of evidence indicate that early experiences matter for healthy child development. "Nurturing and stimulating care given in the early years of life builds optimal brain architecture that allows children to maximize their enormous potential for learning. On the other hand, hardship in the early years of life can lead to later problems" (US Government, 2016: 67442). A study by the National Institute of Child Health and Human Development (NICHD) in the US showed that the quality of child care that children received in their preschool years had small but statistically significant associations with their academic success and behaviour into adolescence (NICHD, Study of Early Child Care and Youth Development, 2010).

A review of effectiveness trials and scaled up initiatives by Britto, Engle and Super (2013) found that early childhood development (ECD) programs have demonstrated an impact on child, family and societal outcomes. They contend that ECD is investment in human capacities that have the potential to improve capabilities and improve future society through crime reduction, enhanced salary earnings and improved educational outcomes (Britto and Sherr, 2016). This is the 'payoff' from investment in early childhood development.

De Walque and others (2017) took a comprehensive approach to a literature search across a range of wellbeing indicators including child health. They found cash transfer programs increased birth weight in Mexico, Colombia and Uruguay. In regard to perinatal, neonatal and postnatal infant mortality they found that in four of the six studies, there were significant decreases in mortality rates in Brazil, India and Mexico, but no change in Indonesia or Nepal (de Walque et al., 2017). In terms of conditionality versus unconditionality, they looked at 11 studies, mainly from Latin America, but also from the Caribbean and one from Africa. The studies on conditional programs revealed a significant increase in the percentage of children being taken to health facilities for growth monitoring or preventive care, while the studies on unconditional cash transfers (UCTs) did not find a significant increase (de Walque et al., 2017). In a paper on health interventions in early childhood by Daelmans and colleagues, they noted that evidence indicates that CCT programs implemented in Latin America, and UCT programs in sub-Saharan Africa have been shown to benefit nutrition and child development, helping to break the intergenerational effects of poverty (Garcia, Moore & Moore, 2012; Fernald, Gertler & Neufeld, 2008). Ballard (2012) found that Mexico's Prospera program resulted in a reduction in malnutrition-related stunting and healthier

[16] The Children's Development Bank (Afghanistan, Bangladesh, India, Nepal, Pakistan, and Sri Lanka), the Canada Education Savings Grant (Canada), Hungary Baby Bonds (Hungary), the Child Development Fund (Hong Kong), Child Development Accounts (Korea, South), Jóvenes con Oportunidades (Mexico), the KiwiSaver Plus Proposal (New Zealand), the Baby Bonds Savings Accounts (Puerto Rico), the Post-Secondary Education Account (Singapore), the Child Trust Fund (United Kingdom) and the SEED for Kids (demonstration project only) (Oklahoma, USA).

children. Dijimeu (2014), in a paper on the impact of social funds on children's health outcomes and mortality rates, found that the Angola Social Action Fund (ASAF) increased the height-for-age Z-scores of children living in ASAF communities and that the result shows that social funds in conflict affected countries can work to improve child health outcomes (Dijimeu, 2014).

Bassani and colleagues conducted a systemic review and meta-analysis of financial incentives and child health interventions. They noted the plethora of cash transfer programs in operation and also the expectation that care, uptake and coverage of health interventions, and ultimately health status, will improve as a consequence of such programs and policies (Bassini et al., 2012). They conducted searches for all studies published up to 1 September 2012 to identify relevant studies reporting on the impact of financial incentives on coverage of health interventions and behaviours targeting children under five years of age. They focused on randomised control trials and other high-quality research. The study concentrated on five groups of coverage indicators.[17]. While the pooled analysis of five studies evaluating the impact of conditional cash transfer programs on the prevalence of preventive health care use by children showed an average 14% net increase among program participants compared to non-participants, they also found inconsistent evidence and even stronger effects for the removal of barriers to accessing health care such as user fee removal (Bassini et al., 2012). They were unable to conclude that financial incentive programs led to child health gains because of the difficulty in "isolating the effects of financial and non-financial program components" (Bassini et al., 2012: 12). This indicates the impact that access to health services has on outcomes.

In South America, using an Engels curve analysis on food consumption among an intervention group and comparison group, Attanasio and colleagues (2011) found that the introduction of the CCT program Familias en Accion led to an increase in total food consumption of between 13% and 15% depending on the estimation strategy adopted. They found that the effect of CCTs on the share of food is consistent with that of other CCTs in different countries, such as Mexico, Nicaragua and Ecuador (Attanasio et al., 2011: 122). Likewise, similar improvements in child food consumption were found by de Walque and others (2017) in their literature review in Colombia (Attanasio and others 2005), Nicaragua (Macours, Schady & Vakis, 2012) and Uganda (Gilligan and Roy, 2013) where CTs significantly increased the number of days children consumed foods rich in protein and other micronutrients. This is due to CTs increasing purchasing power; however, where nutrition did not improve, this was surmised to be due to intra-household allocations (de Walque et al., 2017). While on first glance such studies would seem to have limited relevance for Australia, they are indeed relevant as low-income household have poorer diets and the cost of fresh food can be expensive (particularly in remote and arid areas of Australia).

Overall, the evidence appears to indicate that these types of interventions have a small but significant health impact on the poorest families. This is especially true in low- or middle-income countries, but less likely in Australia which has a relatively well-developed health and social security systems (although, as indicated above, this has not resulted in the eradication of child poverty, and health outcomes do show differences based on socio-economic status). Nevertheless, these programs indicate that relatively simple interventions, which do not require highly trained staff or complex infrastructure, can be taken to scale, and can make a difference to the health and life course trajectories of large numbers of children if they are carefully designed and implemented. Pre-natal and early childhood development programs are particularly important to ensure infants do not suffer physical and cognitive effects of poor maternal health, poor nutrition,

[17] Breastfeeding practices, vaccination, health care use, management of diarrheal diseases and other preventive health interventions.

neglect and/or hardship that impacts adversely on their development in this crucial phase of development. Therefore, early intervention in the first years of a child's life is crucial.

3.8.3 Do funds and programs increase educational outcomes?

There is a well-known link between low educational outcomes, increased welfare dependency and involvement in the justice system (DSS, n.d). A key predictor of educational attainment is parental level of educational attainment. Therefore, to break this correlation, education is key to increasing opportunities for children growing up in households where parents have low levels of education. The link between higher educational attainment and higher salaries is also well-established. Therefore, almost all programs we looked at contained elements designed to encourage better educational outcomes for children by encouraging school attendance, seeking performance to a certain level in tests, and measures to keep children in school longer, as well as savings schemes designed to facilitate access to tertiary education in early adulthood.

Household income impacts on children's education, especially where there is pressure on children and young people to contribute economically to the household by leaving school and going into the workplace. A literature review by the UK Department of International Development and UK Aid (2011) found that income security enables households to pay fees or other costs associated with attending school.

Cash transfers linked to education are widespread in Latin American countries as well as Bangladesh and some African countries. CCTs appear to produce better school attendance rates and reduce dropout rates. Ballard's review (2012) found that Prospera in Mexico improved both school attendance and completion. In Brazil, participants in the Bolsa Família program are 20 percent less likely than comparable children in non-participant households to have a one-day absence from school in any given month, 63 percent less likely to drop out of school, and 24 percent more likely to advance an additional year (Veras, Ribas & Osorio, 2007). Fernald and colleagues (2008) conducted a longitudinal analysis of households that had participated in Mexico's Oportunidades program. At the 10-year follow-up assessment, they found a strong positive association between the amount of cumulative cash that had been transferred to the households during participation in the program with children having high verbal and cognitive scores on standard tests. They also found a reduced number of maternal-reported behavioural problems. Programs in countries like Bangladesh and Pakistan targeted at girls reduce the monetary burden on families, thus allowing girls to stay longer in school (Molyneux, 2008). Canada's aim is to provide early education for every child, which leads to benefits for children that last into adulthood. Further, Canadian economists calculate the cost-to-benefit ratio at between $2 and $7 returned for every $1 spent, depending on the population studied (McCuaig, 2018).

Some programs simply seek to improve child attendance at school. However, Garcia and Saavedra (2017), in a meta-analysis of 94 studies from 47 conditional cash transfer programs in low- and middle-income countries worldwide found that for some educational outcomes, effect sizes are greater when other schooling conditions besides simple enrolment and attendance requirements, such as grade promotion or test scores, are imposed on beneficiaries. In a multivariate meta- regression, they tested the hypothesis that a greater cash transfer should lead to greater increases in human capital production through increased school enrolment and attendance. However, they did not find evidence in support for this prediction: "all else constant, transfer amounts are not statistically correlated to effect sizes for any outcome or schooling level" (Garcia & Saavedra, 2017: 923). In other words, the transfer amounts did not have much effect on educational outcomes. They also found that effects were strongest on enrolments in places with low baselines of enrolments—therefore CCTs had the biggest effect on boosting enrolments in countries with low school attendance rates. Importantly, they also found that outcomes were better where supply-side interventions such as school grants worked in tandem with CCTs and schools had capacity. This is of potential relevance to poor educational attainment among Australian, and in particular Indigenous, children especially in remote areas where attendance rates can be low, and schools may have weak capacity.

The evaluation of the New York Family Rewards program by Morris and colleagues (2012) found positive impacts on education outcomes for ninth grade children (based on administrative educational records) (Riccio et al., 2010; Morris et al., 2012). De Walque and colleagues (2017) in a large-scale review of literature on cash transfers and child wellbeing found that out of six studies reviewed in 2012, the majority reported small, but significant, positive effects of CCTs on developmental outcomes in children. Baird, Ferreira, Özler and Woolcock (2014) used data from 75 reports covering 35 studies. They found that both CCTs and UCTs improve the odds of being enrolled in and attending school compared with no CT program. There are few longitudinal studies available, however. De Walque and colleagues (2017) mention this lack of evidence on long-term outcomes and note that while education improves human capital and is thought to lead to better employment and therefore higher incomes, there are few studies demonstrating this, partly due to the timeframes involved. Initiatives like the Hong Kong CDF would seem to be an important source of future data.

3.8.4 Do funds and programs build human capital and increase the likelihood of employment and higher wages?

Employment and higher wages are thought to be a function of participation in programs that support higher educational attainment. As mentioned above, there is a paucity of longitudinal studies. We found no study that investigated short-, medium- or long-term outcomes for child participants into adulthood in terms of employment and income. Delavega (2010), in her dissertation on education-focussed cash transfer programs, also notes the lack of evidence on whether the programs that exist have made significant differences to the development of the countries due to the investment in human capital via education and called for more longitudinal and comparative research. Others have also noted (Lomeli, 2009) a lack of strong longitudinal evidence of programs aimed at poorer people and children producing better outcomes in terms of employment and income due to the neglect of demand-side interventions along with supply-side measures.

The Hong Kong CDF has been in existence for ten years and therefore provides an example of an evaluated social program targeted at disadvantaged children. A study, conducted by the Department of Social Work and Social Administration of the University of Hong Kong and Policy 21 Limited (2017), aimed to assess the benefits that CDF projects have brought to the participants and the program’s influence on the participants. It examined the situation of CDF participants one to four years after their completion of the projects, comparing them with non-CDF-participants from similar family and economic backgrounds and of about the same age as the CDF participants (the comparison group). The survey had 1,402 participants, including 552 CDF participants, 350 non-CDF participants, 150 mentors of CDF participants, and 350 parents of CDF participants (Department of Social Work & Social Administration, The University of Hong Kong & Policy 21 Limited, 2017). The researchers also conducted in-depth interviews or focus group discussions with participants who had completed the projects, mentors, parents and project operators (Hong Kong Child Development Fund, n.d.). Key findings included that CDF participants exhibited a smaller number of problematic behaviours than the non-CDF-participants, had higher academic expectations (more CDF participants (80.1%) than non-CDF-participants (64.3%) expected to gain a bachelor's degree or above), had higher levels of perceived social support due to the mentorship program, and were more likely than the non-CDF-participants to have developed a savings habit ($p < .05$). In terms of longer-term outcomes there was a 15% difference between CDF and non-CDF participants in the rate of involvement in employment (55% versus 40%). However, of those that did work, there was almost no difference in proportions undertaking part-time work (84% of CDF participants had a part time job, versus 80.7% of non-CDF participants) or full-time work (16% versus 19% respectively) (Department of Social Work & Social Administration, The University of Hong Kong & Policy 21 Limited, 2017). The main benefits of the program were felt to be in expectations, attitudes, aspirations and savings habits. The study is weak insofar as it does not cover a sufficiently long time period and does not appear to gauge the incomes and assets of the CDP graduates versus the control group, telling us little about any effect on poverty. A follow-up longitudinal study is needed.

3.8.5 Do conditional programs work any better than unconditional ones?

Literature is emerging suggesting that unconditional cash transfers may work just as well as conditional programs, if combined with service availability and messaging. On the other hand, arguments continue to be made for conditionality by Fiszbein and Schady (2009), who argue that the rationale for conditioning transfers on certain behaviours is that individuals or households do not always behave rationally because they have imperfect information; they behave myopically, or there are conflicts of interest between parents and children (Fiszbein and Schady, 2009). Certainly, Australia's Centrelink takes the approach that cash transfers need to be conditional to obtain outcomes that improve child wellbeing such as attending school (and sanctions are applied for not meeting those conditions).

Baird and colleagues (2014), in a broad scale literature review, specifically examined the role of conditions in relation to education. They found that the effects on enrolment and attendance were consistently larger for CCTs than for UCTs, but the difference was not statistically significant (cited in de Walque et al., 2017). However, they noted that a more nuanced analysis found that programs that are explicitly conditional, monitor compliance, and penalise noncompliance have substantively larger effects (60 percent improvement in odds of enrolment). That conditionality of cash transfers did, however, not improve test results at school. A quasi-experimental study by Baird, Chirwa, McIntosh, and Özler (2015) where cash was conditional or unconditional in Malawi and targeted at adolescent girls found that conditional payments improved results in education and health, while unconditional payments improved results in relation to delaying marriage and childbearing. The results of a randomised control trial in Burkina Faso (using four comparison groups) found improvements in school enrolment for all. However, it indicated that CCTs were more effective than UCTs in improving the enrolment of children who were not enrolled in school or were less likely to go to school, including girls, younger children, and lower-ability children (Akresh, de Walque & Kazianga, 2013). Studies of South Africa's Child Support Grant, which is unconditional, shows that school attendances have improved as a result of cash alone (Hanlon et al., 2010; Lund, Noble, Barnes & Wright, 2009).

Freeland (2007), in an acerbic commentary on the supposed merits of conditional versus unconditional cash transfer programs, argues that choices should be made on the type of society and social welfare regime, rather than an assumption that conditionality will always produce better results. He criticises conditional cash transfers as paternalistic—that is based on the premise that the 'nanny-state' knows best rather than taking a 'partnership with citizens' approach. He also argues that the supposed effects of CCTs may simply be attributable to higher incomes rather than the conditionality and that other factors, such as increased awareness, maybe just as important. Freeland cites instances where UCTs in South Africa, Zambia, Namibia and Malawi showed social benefits. He also states that service improvement, that is improving primary education and health services close to where poor people live, may improve outcomes significantly. Finally, he cites the difficulty, and cost, of monitoring compliance in conditional schemes, and also that the most vulnerable and poor who sometimes cannot meet compliance requirements will disproportionally miss out on resources (Freeland quotes Desmond Tutu to support this point). There is also the question of rights–Freeland points to the hypocrisy of governments telling citizens they have basic human rights and then depriving them of these if they fail to meet certain ‘conditions’, which is contrary to the UN Universal Declaration of Human Rights. He then illustrates this point further by inviting us to imagine what could happen if a government deprived its citizens of water, shelter or even life if they failed to, for instance, send their children to school or attend the health clinic (Freeland, 2007). Following this logic, suspending Centrelink payments due to the failure to meet some requirement (as we do in Australia) is traducing another right (the right to social security - Article 22 of the UN UDHR). Goldblatt makes this point in her submission to the Parliamentary Inquiry into ParentsNext where she states:

> The right to social security is an entitlement provided by a society to its members who are in need due to a range of circumstances such as illness, disability, unemployment, old age and caring responsibilities. This right, as with others in the ICESCR [International Covenant on Economic, Social and Cultural Rights]: 2-3, must be ‘exercised without discrimination’ including on the basis of sex, race, language and national or social origin’ … A policy that might leave such households without income support is harsh and is likely to violate human rights. The program also disproportionately targets Indigenous people meaning it is discriminatory on the basis of race. The program also discriminates against the children of poor, sole parent families who may lose out on income support where parents fail to meet participation requirements. Their rights to social security are also at risk (Goldblatt, 2019: 2-3).

Similarly, advocates of Universal Basic Income (UBI) and UCTs in general argue that every citizen has the right to a basic payment or social dividend to allow them to live modestly and this should not be contingent on meeting any requirement. It has been argued that given the failure of ‘the market’ to produce enough income-generating opportunities such as employment, that this is a rational and necessary response to poverty. It is argued that traditional social democratic approaches and the post-war welfare state are redundant because the two pillars which historically guaranteed sufficient incomes for most people – work (full employment in particular) and welfare – no longer do (Sage and Diamond, 2017, referring to Skidelsky’s argument). Further, it is morally justified as the poor (especially children) do not bear individual responsibility for their poverty, or for societal inequality, and therefore “universal, non-conditional and increasingly generous distributional systems are required to achieve social justice and human rights” (Ballard, 2012: 817). Opponents point to the notion of ‘deservingness’, tied up with the current welfare state, which the UBI idea radically challenges. They also state that UBI does not tackle the deterioration of the labour market and the loss of decent jobs, but simply ‘compensates’ those outside of the labour market and may enforce existing inequalities (Sage and Diamond, 2017).

In summary, there is evidence that programs targeted at poor households can improve educational attainment of children, increase enthusiasm for education and work. However, data on employment and household income outcomes for participants in these types of programs is weak. As Lomeli (2009) notes, the initial ‘dream’ of such programs is that transfers to invest in students’ human capital will result in later higher incomes in the labour market:

The assumption that the poor, armed with more human capital, will find better jobs thanks to the conditional cash transfers comes up against several questions along the trajectory of the scholarship holder until his or her labour market insertion (Cohen and Franco, 2006). An educational illusion has been created: the idea that increasing the number of years spent at school means by itself a greater accumulation of human capital that will empower the poor so they can get out of their situation of backwardness on their own. (Lomeli, 2009: 169)

Further, the focus on demand side interventions has neglected to consider the weaknesses on the supply side of basic services of protection or social security (Lomeli, 2009). His point is that factors such as wage levels, the unemployment rate and structural inequality generally have strong effects on outcomes for individuals.

While family income, access to resources, health and education services are important, the quality of care from the caregiver(s) is hugely important in determining child outcomes. This is illustrated in the common cliché, 'we were poor, but we were happy' (that is, the child grew up with material deprivation, but their emotional needs were met by a present and responsible caregiver). While we know children in low-income families have poorer outcomes in general, there is conflicting empirical evidence as to the extent to which these outcomes are a result of the poverty status of families or due to the correlates of poverty, such as single parenthood, low educational level, and joblessness (Blau, 1999; Duncan & Brooks-Gunn, 1997; Mayer, 1997) (cited in Morris & Gennetian 2003) as well as neglect, poor nutrition, violence and abuse.

4 What might an Australian child development fund encompass?

What shape could an Australian CDF take? What would its priorities be? How could it be funded? How could it be governed? What would it do, specifically? While we do not claim to be able to offer anything resembling a specific model or blueprint, our aim in this section is to suggest some options and pose questions that can lead to future discussions and work around the question of what an Australian CDF could look like. Australia already has in place cash transfers aimed at families (Parenting Payment, Newstart and Family Tax Parts A and B), a variety of programs aimed at at-risk infants and children (Brighter Futures, Their Futures Matter and an out-of-home care system), as well as payments (Austudy and Youth Allowance) and scholarships to help disadvantaged youth with income support and to enter tertiary education. In addition, Australian children have access to free or subsidies health care, dental care and immunisation. Further, the National Action Plan for Children and Young People has recently been released and suggests new initiatives designed to produce better outcomes for vulnerable children (see the suggested actions in Commonwealth of Australia Department of Health, 2018). Therefore, any new CDF would have to offer something more than this and focus on social problems affecting children that the current approaches are failing to address.

4.1 What might a fund focus on?

Any CDF in Australia needs to address both income poverty, given the persistence of the rate of child poverty, and take a family empowerment approach due to the importance of strengthening the families' functioning and enhancing the parents' capacities (Ma, 2015). The fund could also focus on improving the overall contexts in which vulnerable young children are growing up – by focusing on neighbourhoods, service systems or policies.

Due to the importance of the first five years of life, interventions to protect and support early child development need to start before conception and continue through pregnancy and childbirth into early childhood (Daelmans et al., 2015). The focus of any specific early childhood programs should be on the promotion of responsive and nurturing caregiving, supporting maternal mental health, and social protection through poverty reduction strategies that strengthen family capacity to provide for children.

A CDF could facilitate a universal and comprehensive package of quality early child development programs and services for children, mothers and other caregivers, regardless of ability to pay (Hertzmann, 2009). Any new fund would have to supplement the existing state and commonwealth programs aimed at the early years, including for example the NSW First 2000 days framework, the Child Care package, Communities For Children and other early childhood programs. The recently released National Plan also recommends more resources for mothers and children during the early childhood period (Commonwealth of Australia Department of Health, 2018).

As well as interventions aimed at early childhood, education and health, a child savings account approach could also be used as there is no such scheme in Australia. A CDF could include an asset building element similar to the UK and Hong Kong CSA strategies. This would augment the current focus on income support in the short-term, by encouraging long-term savings that can be used in early adulthood.

4.2 What form could a Child Development Fund take?

An Australian CDF could be a completely *de novo* agency. Ideally, it would be independent of government, established via legislation, and allocated recurrent funding. The best current example of such an agency is the NDIA, which administers the NDIS on behalf of the Australian government.

The NDIS provides individualised funding based on a care plan for individuals. Families then have control of how they use the funding within the plan. The fund is administered by a separate standalone agency (NDIA) which is accountable to the Commonwealth government. There is specific funding for early intervention although it is now confined to a disabling condition. The policy differentiates between different levels of need, so that those children and adults who can benefit from mainstream services (as opposed to funded packages of care) are provided advice and support to engage with those services.

Other options would be to situate a CDF within an existing structure rather than creating it as a standalone agency. The Future Fund structure is one that could accommodate a CDF. The Future Fund was originally set up to cover unfunded superannuation liabilities. However, it has sub-funds for specific purposes such as nation-building, education and disability. The Future Fund could establish a new sub-fund, the CDF, as part of its suite of funds, to invest and raise revenue for child development purposes. However, there are drawbacks to this approach. The Future Funds raise money by investing globally in various asset classes. The judiciousness of these investments, and rate of return, determine the increase (or decline) in the Funds' coffers. Also, the legislation only allows withdrawal from the Future Fund from 2020 onwards – and this date is likely to be extended.

Another option would be for the CDF to aim at improving the system for identifying and responding to children much earlier. For example, this could focus on improving data sharing between agencies to identify vulnerable children at a much earlier age and ensure appropriate intervention. There is a great deal of work being done in Australia and internationally to improve health and other human services systems, in particular to better use data to identify cohorts or individuals who require intervention, to target evidence-based interventions as early as possible and to better coordinate services so that children are provided holistic support and treatment, and not categorised into diagnostic categories which lead to specific types of treatment. Policy and practice are moving very rapidly in this area and the technology is becoming much more sophisticated. An example of a similar program is the Generation Victoria (Gen V) program funded by the Ramsay Foundation[18]

A CDF could focus on research and capacity building. This would fund innovative research and/or development programs aimed at improving outcomes for vulnerable children. An example of this is the Medical Research Future Fund, in particular its missions in the medical research stream, which funds programs of work with ambitious objectives that are only possible through significant investment, leadership and collaboration. A mission brings together key researchers, health professionals, stakeholders, industry partners and patients to tackle significant health challenges like brain cancer. This joint effort supports:

- the discovery of new techniques and treatments

[18] https://www.mcri.edu.au/genv

- healthier Australians
- new jobs and business growth.[19]

A similar approach is that of the Constellation Project which brings together a range of experts and stakeholders to solve 'wicked' social problems, including how to fund the solutions[20].

A whole-of-government strategy (which could be attached to a CDF, which could be used to progress the strategy). Examples in Australia range from the NSW Health first 2000 days framework[21] through to the Closing the Gap plan, where annual reports are issued to the government on specific targets.

A different option could be to create a CDF independent of government and focused specifically on advocacy and community development models – similar to GetUp! or other social change movements. These funds tend to be crowd funded or funded by philanthropy. It is unlikely that the government would contribute to this sort of fund. Such a CDF would be limited in its ability to deliver interventions – rather it would exist to advocate for change.

These options are not mutually exclusive – for example, a future fund could finance system change programs as well as research, as well as child savings accounts as well as better early intervention programs aimed at infants and draw funds from government revenue as well as other sources.

4.3 How could it be funded?

The obvious source is from government general revenue. However, this may imply a reallocation of resources from elsewhere, or the sourcing of a combination of government and some new money, perhaps via Social Impact Bonds. There are also some major foundations in Australia which are beginning to fund large scale system change approaches, for example the Ramsay Foundation mentioned above.

Any new fund would need to be capitalised. This means obtaining new resources or reallocating resources away from something else. Originally, the Future Fund was set up with the proceeds of a surplus from a resource boom and the privatisation of Telstra. At present, the federal Budget does not have a surplus of comparable size to dedicate to a new CDF. There may be savings to be made elsewhere where resources are misallocated, are not producing the desired results, or a change in taxation (for example, the proposed curtailment of negative gearing arrangements) could result in an influx of money for social programs. Another option is a new levy (such as the Medicare levy). Yet another option is the use of Social Impact Bonds that attract private investment. Private donations could also be sought. However, for anything to be accomplished at scale, we assume the Commonwealth has to be the lynchpin funder.

While a new special levy could be added via the taxation system (similar to the Medicare levy), this is unlikely to receive political and societal support. While the Commonwealth could finance some of the CDF, given Australia's Commonwealth-States split, it is likely the Commonwealth would also demand that the States contributed as the major service delivery agents. As previously mentioned, while private sector funds of investment via Social Impact Bonds could also be sought, the core

[19] https://beta.health.gov.au/initiatives-and-programs/medical-research-future-fund/about-the-mrff/research-missions
[20] https://www.theconstellationproject.com.au/about-the-project
[21] https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2019_008.pdf

funder is likely to be government.

4.4 How could it be governed?

In line with practice followed in other countries, it is suggested that an independent Board should govern a CDF, made up of experts and key stakeholders. This could include academics, key NGOs, and others with expertise in the child welfare field. Presumably, the government would require annual reports on achievements and outcomes.

4.5 How could it be delivered?

Specific initiatives and programs would be delivered primarily through government agencies and through contracts with NGOs and other agencies. This would be a program/service approach whereby an intervention would be aimed at the target group (which is basically the current approach). If there were to be a CSA element, government would need to institute Child Savings Accounts, contribute to seed money and matched savings (and possibly banks could also be persuaded to contribute as part of their corporate social responsibility – or this could be mandated via special legislation). If there were to be a cash transfer component, for example an incentive payment to parents in addition to current payments, that could be delivered via Centrelink. Subsidies or vouchers for specific purposes could be delivered to service providers.

4.6 How could it be brought about?

The Every Child campaign needs to clearly articulate why the current approach is not working, and why a CDF would provide superior social outcomes. Such arguments would need to be aimed at decision-makers and the Australian public. Support from the majority of major and minor parties would be desirable, otherwise a CDF will simply not be established (unless the CDF is completely independent of government – in which case, funding may be limited).

Political support may be greater if the fund is constituted in a way that is similar to existing Australian initiatives (such as the NDIS, the Future Fund or Closing the Gap) but the fund may on the other hand have more attractiveness if it is based on a successful international model (for example the Hong Kong CDF which involves government, business and civil society).

In terms of the welfare policy context, it is unlikely that the (current) Australian government would fund or endorse an unconditional or even incentive-based cash transfer program, even if the evidence base for such a program is strong.

Nevertheless, there is political consensus that the early years are important and that addressing issues for vulnerable children early, and reducing inequalities are important.

4.7 Questions for future discussion and research

Key questions for future consideration by The Benevolent Society could include:

- What is the major social problem a CDF would address?
    - Is it childhood poverty?
    - Is it the number of children in OOHC?
    - Is it low educational standards?

    - Is it poor parenting?
    - Is it something else?

- What are the priority outcomes – what are the specific targets and goals in relation to child wellbeing?
- How would a CDF offer anything different to the range of programs and cash transfers to families and students that are currently in place?
- Where would a CDF sit?
    - Inside government – as a new agency?
    - Inside government – attached to an existing agency?
    - Outside government altogether?
- What model(s) are the most desirable?
    - Program and service based
    - Cash transfer based
    - Asset building oriented
    - Research-focused
    - Advocacy
    - A combination of these?
- Would it prioritise early childhood interventions, or all of childhood?
- What current political support exists?
- How could it be 'sold' to decision-makers?
- Who would the key allies and players be?
- What does the current or future government have to gain from adopting such an approach?
- What are the potential benefits, versus costs of business as usual (using a cost-benefit analysis approach)?
- How would it be funded?
    - What reallocation of government resources could occur and from where?
    - What new sources of funding could be obtained?

5 Conclusions

The overarching goal is that all children have equitable opportunities to meet their developmental potential and grow into healthy and socially integrated citizens (Daelmans et al., 2015) and that all children can thrive, not just survive. It has been argued (Allen, 2011) that early interventions in early childhood can save later expenditures associated with ill-health, under-achievement at school, unpreparedness for work, anti-social behaviour and crime, addiction and dysfunctional patterns of life. In terms of financing and funds, while the government will be the main source, bonds and equity can be used as well as prudential borrowing, predicated on the 'downstream savings' of early intervention (Allen, 2011). This approach is contracted with expensive and 'largely future' (Allen, 2011) intervention programs, which occur 'after the fact', at the crisis end.

In regard to funds being a catalyst for change, all the evidence from the evaluations covered above focuses on the impact of the fund or the funded programs on the target populations and in particular on the behaviour of parents. There is no evidence (one way or the other) as to the effectiveness of these funds or programs in transforming government policy or broader society. This is not because the funds have no impact, but because evaluations tend to focus on the outcomes for clients and service users (and sometimes community members) rather than the more distal impacts on populations or on broader policy contexts. The closest to this are (in different ways) the national Priority Investment Fund (and in NSW, Their Futures Matter) – neither of which have been evaluated yet. We do have some evidence that when governments identify a problem, set up a fund, allow expert opinion and evidence-based research to influence policy and interventions, this can act as a catalyst for ongoing efforts to, for example, reduce child poverty, increase educational attainment, and reduce future unemployment and welfare 'dependency'. The Hong Kong Child Development Fund is one example of concerted governmental, and societal, action, that utilised a CDF model to deliver a targeted three-pronged program to the poorest children. However, no longitudinal data on outcomes is available yet. Other evidence is also missing on long-term outcomes of educationally-focused programs in relation to long-term outcomes (Delavega, 2010; Lomeli, 2009).

A CDF could also take an exploratory approach, as is done in the Swedish example of the Social Impact Funds, where specific programs are tested, and if they produce the desired positive social outcomes, can later be taken to scale and become part of mainstream service provision or policy. This model could be expanded, as indicated above, to test system changing projects (rather than focusing on specific interventions) which could transform the health, education, housing, justice and welfare systems to intervene early, provide holistic support and track outcomes, for example by using big data analytics.

The funding mechanism and governance arrangements will, to some extent, flow from the actual purpose of the fund. Therefore, it is very important to know specifically what any CDF in Australia is intended to achieve. If the hypothesis is that parenting practices in Australia are inadequate and parents need more support or training, that would imply a different set of interventions and funding mechanisms from the hypothesis that more parents need to be in employment, or that poverty should be reduced by ensuring every family is entitled to a basic income. Each one of these objectives requires different funding mechanisms and governance arrangements. However, one assumes that some independence from government and political cycles could insulate it and allow long-term progress to occur, as with the models from Sweden and elsewhere where independent boards with strong expertise direct the allocation of resources based on evidence.

Likewise, there are issues of design – should assistance be unconditional or conditional? Should incentives be offered, or should Australia continue to use punitive approaches such as Income Management, Cashless Welfare and ParentsNext to reach the objectives? Who should be targeted - should a universalist and proportional, or tightly targeted, approach be taken? What are the budgetary implications of these choices? Will interventions focus on parental behaviours? Reducing income poverty? Early childhood development? Primary education, or on secondary and tertiary education? Keeping children out of out-of-home care? Asset building in the longer term? All of these?

Finally, no one factor alone may be key to eliminating child poverty. Reducing deprivation requires more than cash benefits (Gabel and Kamerman, 2011) as there are income and non-income aspects to deprivation (Ma, 2015). However, the evidence is clear that early childhood interventions (Allen, 2011), income transfers, and investment in social services, play an essential role in child wellbeing (Fiszbein and Schady, 2009; Kamerman et al., 2003).

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Appendix A Examples of Child Funds and Programs

Location	Name of funds/ programs	Origin of Fund. Funding.	Scope	Jurisdictional contexts	Target group(s)	Delivery	Governance	Evidence and Evaluations
Australia	Try, Test and Learn	2016 as part of Budget announcement. Budget allocation	The Fund is trialling new or innovative approaches to generate new insights and empirical evidence into what works to reduce long-term welfare dependence. Funded for four years, two tranches of funding. Small scale trials for up to two years with budgets of less than $5m	National	Priority groups identified as being at high risk of long-term welfare dependency including at risk young people 16-21 years. Uses predictive analytics to target	Government funds evaluations of projects	Government collaboration with a diverse range of stakeholders Co-development of activities	None as yet
Bangladesh	Primary Education Stipend Program Female Secondary School Assistance program	2001 Budget allocation 1994 Budget allocation	Aimed at reducing poverty, promoting education and reducing gender disparities in education	National	Primary school children Girls in grades 6 through 10	Conditional Cash Transfer, means tested, payments every 3 months, children must attend school at least 85% of the time, and obtain at least a 40% score in the annual examinations; girls attend school at least 75% of the time, achieve at least 45% in class test scores, and remain unmarried	Government	Hahn, Smyth, Islam, Yang & Nuzhat (2017) Schurmann (2009) Raynor & Wesson (2006). World Bank, Empowerment Case Studies
Bolivia	Juancito Pinto program	2006 Budget allocation from	Promotion of primary education	National	All Bolivian children in public elementary schools (up to grade	Conditional Cash Transfer, universal, annual payment;	Government. Part of state's economic policy.	Yanez, Rojas & Silva, D. (2011) Canelas, & Nino-

		proceeds of nationalisation of oil industry			6)	children are required to attend school at least 75% of the time.		Zarazua (2018)
Brazil	Bolsa Familia program	2003 Budget allocation	To assist Brazil's poorest children and to promote the creation of human capital	National	Families whose monthly per capita income is lower than R$60 and families with pregnant or lactating women and children and adolescents up to 15 years of age whose per capita income is lower than R$120 per month (as of October 2006). Now covers 25% of population	Conditional Cash Transfer, means tested, children are required to attend school at least 85% of the time, adolescents 75% of the time	Government	Medeiros, Britto, & Soares (2008) Shei (2014) Veega, Taddei and Publacion (2014)
Caguas, Puerto Rico	Baby Bonds Savings Accounts	2007 Budget allocation Parents, children's savings	To promote higher education or business start	Municipal	Children of *bona-fide* residents of the city of Caguas aged 0-18	Child Savings Account, universal, taxed, seed amount and matched component, can access savings at age 18	Government	None available
Canada	Canada Education Savings Grant and Savings Bond	2001	To help Canadian families save for post-secondary education	National	All Canadian legal residents up to age 17. Poorer families qualify for additional grants	Child Savings Account, not taxed, universal but means indexed, government provides initial savings seed and then annual amount, savings to be used for post-secondary education purposes only	Government	Evaluation Directorate Strategic and Service Policy Branch Employment and Social Development Canada (2015) Frenette (2014)
Chile	Subsidio Unitario Familiar	1981	To alleviate extreme poverty, to promote education, and to encourage the poorest	National	Children and youth aged 6-17	Conditional Cash Transfer, means tested, monthly payments, children aged 6 to 18 are required to attend	Government	Neidhofer & Nino-Zarazua (n.d.)

			people to utilize social services			school regularly (no % requirement)		
Colombia	Familias en Accion	2000	To reduce poverty and to create cultural (human) capital; to reduce non-attendance and drop-out rates among primary and high-school students.	National	Children aged 0-18 who meet income or internal displacement requirements	Conditional Cash Transfer, means tested, children must have at least 80% school attendance, no more than 8 absences are permitted in a two-month period.		Attanasio (n.d.) Attanasio, Meghir & Vera-Hernandez (2004) Independent Evaluation Group (2011) Zavakou (n.d.)
Ecuador	Bono de Desarrollo Humano	2003	To reduce poverty and to create cultural (human) capital	National	Families with children aged 0-16	Conditional Cash Transfer, means tested, children must be enrolled in school and have 90% school attendance.	Government	Oosterbeek, Ponce & Schady (2008) Ponce & Bedi (n.d.) Schady & Araujo (2008)
El Salvador	Red Solidaria	2005 World Bank loan	Reduce poverty and promote primary education	National	Children aged 5-15 in rural areas and who have not completed primary education.	Conditional Cash Transfer, means tested, regular payments, children between the ages of 5 and 15 are required to enrol in school and have at least 80% attendance.	Government	Britto (2007)
Guatemala	Mi Familia Progresa	2008	Reduce poverty and promote primary education	National	Families with children aged 6-15 living in the most disadvantaged municipalities	Condiitonal Cash Transfer,, means tested, regular monthly payments, children are required to enrol in school and have at least 90% attendance.	The money is paid through the government-owned bank, *BanRural.*	Gaia (2010)
Honduras	Programa de Asignaciones Familiares	1998 Inter-American Development Bank loan	To reduce extreme poverty, and to promote the completion of 4th grade of elementary school in the population	National	Poor children who have not completed 4th grade of elementary school from the poorest	Condiitonal Cash Transfer, means tested, regular payments, children must maintain regular (unspecified) attendance in school	Government	Moore (2008) Stecklov, Winters & Todd (2007)

					families, maximum of 3 children per family	and must not repeat grades.		
Hong Kong	Child Development Fund	2008	To help poor children develop financial and non-financial assets	National	Children aged 10-16 whose families have incomes less than 75% of median household income	CSA, means tested, not taxed, seed component, matching component included, Personal Development Plan and Mentorship Program	HK Government. Tripartite approach to delivery – government, NGOs and private sector plus volunteers (Mentors)	Chan, Lai, Ng & Lau (2013) Chan & Ho (2013)
Hungary	Hungary Baby Bonds/Bonus Tax breaks	2005	To help Hungarian children build assets To pay couples to have more children (via tax breaks and loans)		Children aged 0-18.	CSA, universal but means indexed, not taxed, seed component, matching component included, funds can be withdrawn at age 18 and used for any purpose	Government	Sagi (2018)
Jamaica	Programme for Advancement through Health and Education	2001	To reduce poverty and to promote the creation of cultural (human) capital, to reduce the incidence of child labour.	National	Poor children aged 6-17.	CCT, means tested, regular payments, must attend school for at least 85% of the total number of school days each month.		Innerarity & Risden (2010) Levy & Ohls (2007) ODI (2006)
Korea (South),	Child Development Accounts	2007	To reduce inequalities	National	Children in welfare system or with disabilities aged 0-17; program will eventually be expanded to children in low income families.	CSA, means tested, tax advantaged, seed component, matching component included, savings can be accessed at age 18	Government	Han (2012) Loke & Sherraden (2009) Nam & Han (2010)
Malawi	Social Cash Transfer Programme	2006 Expanded in 2009	To improve the wellbeing, education and health of poor families. It increase asset-holding.	National	Ultra-poor, labour-constrained households	Unconditional cash transfer	Government	Abdoulayi, Angeles, Barrington, Brugh, Handa, Kilburn, Molotsky, Otchere & Zietz (2016) Ozler, Mcintosh & Baird (2010)

Mexico	Prospera	1997 (previous names: Progresa and Oportunidades)	To promote enrolment and completion of primary education and the completion of secondary education and to build assets for children through a savings account		Poor children from third grade on, and teens from poor families who are in grades 9 to 12 (14-21)	Elements of Condiitonal Cash Transfer and Child Savings Account, , means tested, not taxed, seed for savings account component, students get an increasing number of points for finishing grade levels up to 12. Bank account based on points can be opened after graduation from high school.	Government	Gertler (2004) Lia, Fernald, Gertler, & Neufeld (2008) Secretaria de Desarrollo Social (2008)
Mongolia	Child Money Programme	2005 Funded by the government from increased tax revenue from rising copper and gold prices	Poverty reduction and the creation of cultural (human) capital	National		CCT, means tested, regular payments; children must be vaccinated, not engaged in dangerous labour, and enrolled in school or non-formal education, and living with parents or legal guardians. Evolved to universal and unconditional in 2012.	Government	Onishi & Chuluun (2015) Peyron-Bista, Amgalan & Nasan-Ulzii (n.d.) UNICEF (2007)
Panama	Red de Oportunidades	2006 Loan from the World Bank	To reduce extreme poverty	National	Families under the extreme poverty line. Geographic targeting in localities (corregimientos) where the incidence of extreme poverty exceeds 70%.	CCT, means tested, regular payments; children must have regular school attendance, and parent(s) must participate in regular parent-teacher conferences	Government	Arraiz & Rozo (2010) Waters (2010)
New York City, USA	Opportunity NYC/Family Rewards	2007	Poverty reduction and incentives to invest in	Municipal	Poor families	Supplemental outcomes-based	Government (municipal)	Courtin, Muennig, Verma,, Riccio, Lagarde, Vineis,

			children's human capital and health			payments in addition to other benefits		Kawachi & Avendano (2018) Morris, Aber, Wolf & Berg (2012)
Singapore	Post-Secondary Education Account (PSEA) EduSave	2001	To help children pay for tertiary education	National	Initially established as a pilot for very poor children in 2001; extended to all the population in 2008.	Child Savings Account, universal program but means indexed. Families receive funds depending on the value of their home; seed component, at age 18 savings can be used only for tertiary education and after age 30, for any purpose.	Government	Loke (2007)
South Africa	Child Support Grant (among others)	1998	Poverty reduction, social support	National	People in need of social support (families, disabled, aged)	Expanded from children under 7 to all children under 18, conditionalities associated with school enrolment	Government	Agüero, Carter & Woolard (2007) Davis, Handa, Hypher, Rossi, Winters & Yablonski (2016) Plagerson & Ulriksen (2015)
Turkey	Conditional Cash Transfer for Education	2001	To reduce poverty and to increase educational attainment	National	Boys and girls in elementary and secondary school	Conditional Cash Transfer, means tested, regular payments every two months, child must attend school at least 80% of school days, and must not repeat a grade more than once.	Payments through the National Bank or postal service	Adato, Roopnaraine , Smith, Altınok, Çele bioglu & Cemal (2007) Yildirim, Ozdemir & Sezgin (2014)

Sources: Aber, 2009; Bourguignon, Ferreira and Leite, 2003; Delavega, 2010.

Appendix B Comparison of child development accounts policies and programs in Asia

Table 1 Comparison of child development accounts policies and programs in Asia

	Baby Bonus Scheme	Edusave Scheme	Post-Secondary Education Account	Child Development Accounts	Children Savings Accounts for Education	Child Development Fund
Government	Singapore	Singapore	Singapore	Korea	City of Seoul	Hong Kong S.A.R.
Policy goal(s)	• Increase birth rate • Develop a nationwide environment that supports families	Broaden educational opportunities for every child	• Encourage completion of secondary education • Increase household in-vestment in education of children	• Reduce the growing "asset gap" • Increase birth rate • Reduce intergenerational poverty • Stimulate economic growth	• Help 10,000 low-income families with young children to save for their children's education	• Mobilize community to help disadvantaged children • Opportunities for personal development • Encourage "an asset-building habit" • "Financial … as well as nonfinancial assets"
Age range	Birth-6	6-16	7-20	Birth-18	Birth-6	10-16
Financial incentives	• One-time cash gifts: S$4,000 (US$2,823), 1st & 2nd children; S$6,000 (US$3,966), 3rd & 4th children • 1:1 government match for 2nd & subsequent children. Match limits: S$6,000 (US$4,235), 2nd child; S$12,000 (US$8470), 3rd or 4th; S$18,000 (US$12,706), subsequent children	S$4,000 ($US2,823) over ten school years	• Carryover of CDA funds • Progressive yearly "top-up" dependent upon family assets	Government match rate of 1:1. Match limit KW 30,000/month (US$26/month)	Government match rate of 1:1. Match limit KW30,000/month (US$26/month)	• Corporate donor match rate>1:1 • Government award of HK$3,000 at savings program completion
Withdrawal restrictions	No early withdrawal restrictions	No early withdrawal restrictions	No early withdrawal restrictions	Withdrawal prohibited until age 18	Matching funds lost in early withdrawal; savings and interest can be withdrawn early in full	Withdrawal prohibited over the two-year savings period
Usage restrictions	Childcare, early child-hood education, special education, and healthcare	• Education • Remaining balance transferred to PSEA at age 16 or start of secondary school, whichever is later	• Post-secondary educational expenses • Remaining balance transferred Central Provident Fund account at age 30	Post-secondary education, home purchase, and small business start-up	Education	Savings can be used in accordance with participants' personal development plans

Source: Zou and Sherraden (2010), Table 1.

Appendix C Inequality and poverty in nineteen rich countries in 2007

Table 1
Inequality and Poverty in Nineteen Rich Countries

	(1)	(2)	(3)	(4)	(5)	(6)
				Percent Poor (Disposable Income below 50% of National Median Income)		
Country	Year	Gini Coefficient	Gini Rank	All Ages	Children	Percent Poor using U.S. Thresholds
United States	2000	0.368	1	17.0%	21.9%	8.7%
United Kingdom	1999	0.345	2	12.4	15.3	12.4
Spain	2000	0.340	3	14.3	16.1	
Greece	2000	0.338	4	14.4	12.9	
Italy	2000	0.333	5	12.7	16.6	
Ireland	2000	0.323	6	16.5	17.2	
Australia	2001	0.317	7	13.0	14.9	
Canada	2000	0.302	8	11.4	14.9	6.9
Switzerland	2000	0.280	9	7.7	8.9	
France	2000	0.278	10	7.3	7.9	
Belgium	2000	0.277	11	8.0	6.7	6.3
Germany	2000	0.264	12	8.3	9.0	7.6
Austria	2000	0.260	13	7.7	7.8	5.2
Luxembourg	2000	0.260	13	6.0	9.1	
Sweden	2000	0.252	15	6.5	4.2	7.5
Norway	2000	0.251	16	6.4	3.4	
Netherlands	1999	0.248	17	7.3	9.8	7.2
Finland	2000	0.247	18	5.4	2.8	6.7
Denmark	1992	0.236	19	7.2	5.0	

Source: Luxembourg Income Study (http://www.lisproject.org/keyfigures.htm, downloaded Oct-2006) and T. M. Smeeding, "Poor People in Rich Nations: The United States in Comparative Perspective," *Journal of Economic Perspectives* 20, no. 1 (Winter 2006): 69–90, Table 2.

Source: Luxembourg Income Study (http://www.lisproject.org/keyfigures.htm, downloaded Oct-2006) and T. M. Smeeding, "Poor People in Rich Nations: The United States in Comparative Perspective," Journal of Economic Perspectives 20, no. 1 (Winter 2006): 69–90, Table 2. In Burtless, (2007).

Appendix D Essential interventions to support early child development

Preconception care

- Promotion of adequate maternal nutrition
- Maternal immunisation
- Birth spacing
- Cessation of smoking and substance misuse
- Detection of genetic conditions
- Prevention from environmental toxins
- Prevention of intimate partner violence
- Support for mental health

Maternal health

- Antenatal, childbirth, and postnatal care by a skilled provider
- Detection and care for maternal mental health problems
- Child health
- Immunisation
- Prevention and integrated management of newborn conditions
- Prevention and integrated management of childhood illnesses
- Counselling on Care for Child Development

Nutrition

- Counselling on infant and young child feeding, management of feeding difficulties and inadequate growth
- Counselling on Care for Child Development

Adolescent health

- Promoting health literacy and support for healthy lifestyles
- Addressing adolescent health needs and agency for decision making to promote health and development

Violence prevention

- Prevention of child maltreatment
- Prevention of violence in the home and community

Environmental health

- Access to safe water, sanitation and hygiene
- Access to electricity
- Safe places for play
- Prevention of exposure to toxins such as lead, mercury and pesticides
- Prevention of indoor and outdoor air pollution

Social protection

- Social help and cash transfer schemes
- Birth registration
- Parental leave and child care
- Child protection services

Source: Daelmans et al. (2015)

Appendix E Case study: The Hong Kong Child Development Fund

Poverty as an issue emerged in Hong Kong after the Asian financial crisis. The Hong Kong government admitted that poverty was growing and demanded attention (Chan and Ho, 2013). The Hong Kong government formally started to address the issue of poverty in 2005 and formed a Commission on Poverty (CoP). After reviewing international studies and considering various factors, the CoP recommended the establishment of a Child Development Fund (CDF) to help children from disadvantaged backgrounds develop an asset-accumulation habit and provide long-term support for their personal and career development (Chan, Lai, Ng, & Lau, 2014). The Child Development Fund was formally proposed in 2006 and was introduced in November 2008. The CDF aims to combat intergenerational poverty by developing children's capacity and assets, especially through mentorship. The design of the initative eschewed traditional approaches of financial aid which, it was thought, would only 'sustain dependency'. Instead, a new 'active' culture was to be encouraged (Hong Kong Council of Social Services, 2007). From the outset, the focus was on capacity and asset building, including the idea of a savings plan to tackle intergenerational poverty (Chan and Ho, 2013). Hong Kong's Secretary for Labor and Welfare, Mr. Matthew Cheung Kin-chung stated that the goal of the CDF is to "capitalize on the strengths of various sectors in the community to help our disadvantaged children and to provide the participating children with more personal development opportunities, and … to encourage these children to develop an asset-building habit and to accumulate financial assets as well as nonfinancial assets" (quoted in Sherraden & Zou, 2009). The asset-building approach is embedded in the Child Development Fund, which emphasises a human capital development approach through education, mentoring, Personal Development Plans, as well as a savings account for financial asset building. The efforts of the government, the private sector, children, families and NGOs would all be involved (Chan and Ho, 2013). The asset-based approach was embraced by the Hong Kong government both due to available evidence and for cultural reasons, such as traditions of self-reliance and tripartite collaboration.

The CDF program is targeted at children that received Comprehensive Social Security Assistance or full grants from the student finance scheme or belonged to households with incomes less than 75% of the median household income. It is open to children aged between 10 to 16 but the priority group is 14- to16-year-olds.

The CDF has three major components:

1. Targeted savings: each child must save HK$200 per month for two years. These contributions are matched (or exceeded) by the program and are used to put the child's personal development plans into effect. Upon completion of the program, the government offers an additional incentive of up to HK$3000 dollars for each child. In three years, a child can save up to HK$12,600.

2. Personal development plans: participating children are required to draw up plans with short- and long-term targets under ongoing guidance from mentors who are trained by staff at the NGOs. The children are also encouraged to participate in community services.

3. Mentorship program: the NGOs appoint mentors for each child. These volunteers offer guidance, support and encouragement to the participating children in drawing up the personal development plan in the first two years, implementing the plan with specific

> development targets and spend their savings accordingly in the third year. They are also expected to deliver crucial tasks for CDF success: to share their life experiences, to cultivate in the mentee a positive learning attitude, to engage the mentees' parents in the process, and to inspire mentees to build self-confidence and resilience. The NGOs arrange meetings for the mentors where they can share their experiences and receive advice from social workers about how to handle difficult situations (Child Development Fund, 2010).

In addition, the private sector facilitates visits to work places and shows children and young people different career options. A promotional video for the CDF by the Hong Kong government shows young people visiting radio stations, factories and other workplaces.

In 2009, the CDF initiated the first batch of seven projects serving 750 participants that would run for a period of three years (April 2009 to March 2012). A second group of 15 projects serving 1,520 participants (including disabled children and children belonging to ethnic minorities) was initiated in October 2010. The third and fourth groups were introduced in late 2011: each contained 21 projects, serving at least 2,500 children (Chan and Ho, 2013: 135). Parents, as well as children, were recruited into the programs. NGOs delivered the projects via contract and were responsible for recruitment of participants, as well as mentors. Some social workers were hired and although this was not part of the funding agreements, the social workers were found to play a significant role by the evaluator.

A progress report was presented to the Legislative Council in 2011 assessing outcomes for the first two years of the project. By the second year, 97.6% of the children enrolled (i.e. 723 out of 750) were still in the program and an overwhelming majority (96.4% or 697 of the 723), including 16 participants with lower targets, successfully met their saving obligations (Chan and Ho, 2013). The progress report noted that the children developed saving habits, broadened their horizons and gained social networks. With their mentors' guidance, they demonstrated improvements in help-seeking and motivation to learn. They became more confident and developed a positive attitude. They formulated short-term objectives (the most popular being admission to post-secondary institutions and attainment of specific degrees) and long-term objectives (joining a specific industry or profession, continuing their education and improving their language skills were the most commonly cited) (CDMF, 2012; Legislative Council, 2011). Research by Chan and Ho (2013) involved interviews with social workers, who echoed the findings of the progress report, and confirmed CDF's effectiveness in matters such as savings targets and goal-setting. They suggested that about half of the participants had made significant progress. Some issues were identified such as mentor retention (13.7% dropped out of the program in the first two years). There were also recruitment problems with children initially, and some lack of engagement from parents was reported (Chan and Ho, 2013). There was some evidence that unmotivated and more troubled children were causing mentors to leave the program, and that more contact with social workers was needed. Whether or not the program has reduced poverty is unclear. The social workers interviewed by Chan and Ho were extremely reluctant to draw such a conclusion. For example, they reported that an interviewee, W2, saw poverty alleviation as a long-term goal, rather than the objective of a three-year project:

> Of course, we want to be able to tackle intergenerational poverty, but it cannot be done in the short term… We hope that in these three years, the participants can develop a habit of saving and keep this habit afterwards… Also, by expanding the horizons of the participants, we hope that they can achieve what they plan and, in the long run, escape from poverty. (W2's remarks in Chan and Ho, 2013: 139)

There is no longitudinal data available on outcomes for the children, such as transition into higher education, work and income, and it is unclear if this longitudinal research will be done at all with the CDF participants. As Chan and colleagues (2014) state, since the study only covered a three- year period, the collected data cannot provide direct evidence to support the hypothesis that participation contributes to the long-term alleviation of poverty. Therefore, it is unknown if this 'expansion of horizons' CDF intended to facilitate had led to poverty alleviation or not. In another article on the CDF, Chan and Ho conclude: "We believe that the objectives of the program should be expressed more realistically and that there should be more coordination with other policies in order to better address the long-term effects of poverty and inter-generational poverty" (2013: 141). Future studies with the former CDF participants that do provide longitudinal data could address this knowledge gap.