

COVID-19 and Shrinking Finance for Social Spending

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Low- and middle-income countries can invest in social spending, on average, only 1 dollar for every 11 dollars spent in high-income countries. Predictions of weak economic growth suggest that even this modest level of expenditure will come under strain over the coming years. We ask the experts about how to approach this challenge, bolster finance for the SDGs, and address widening inequalities in the wake of COVID-19.

Investing in increased social spending

In most low- and middle-income countries, government revenue has been hard hit during the pandemic and is not predicted to recover until 2025. Effective resource mobilization for financing social services is required to counteract the impact of the pandemic on children in the face of rising child poverty, learning losses, and the decline of child wellbeing.

A holistic approach to financing social spending

Governments should take a whole of government approach to social spending, with better coordination between Ministries of Finance and line ministries crucial to focussing attention on revenue and resource allocation.

Building resilient societies through human capital investment

Strengthened social safety nets can generate increased tax revenue, complemented through specific measures such as consumption taxes. Investment in health and education is not only a human right, it is essential to a strong economic recovery.

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"We need to revive our investment case in human capital, to make the case for social spending as part of an inclusive recovery."

Natalia Winder-Rossi, UNICEF

"If you don't have strong safety nets, it's very hard to get consensus around the economic measures needed to achieve recovery."

David Coady, International Monetary Fund

"We can't afford to go backwards. If we don't invest in children as part of the recovery, we are literally losing a generation."

Gwen Hines, Save the Children

"What is very important to us is engaging in strategic partnerships with civil society organizations, in solid evidence-based advocacy, and supporting citizen participation in the budgeting process, both at the national and local level, to save and increase child-centered social spending."

Djanabou Mahonde, UNICEF



Dave Coady



Natalia
Winder Rossi



Dominic
Richardson



Gwen
Hines



Djanabou
Mahonde



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