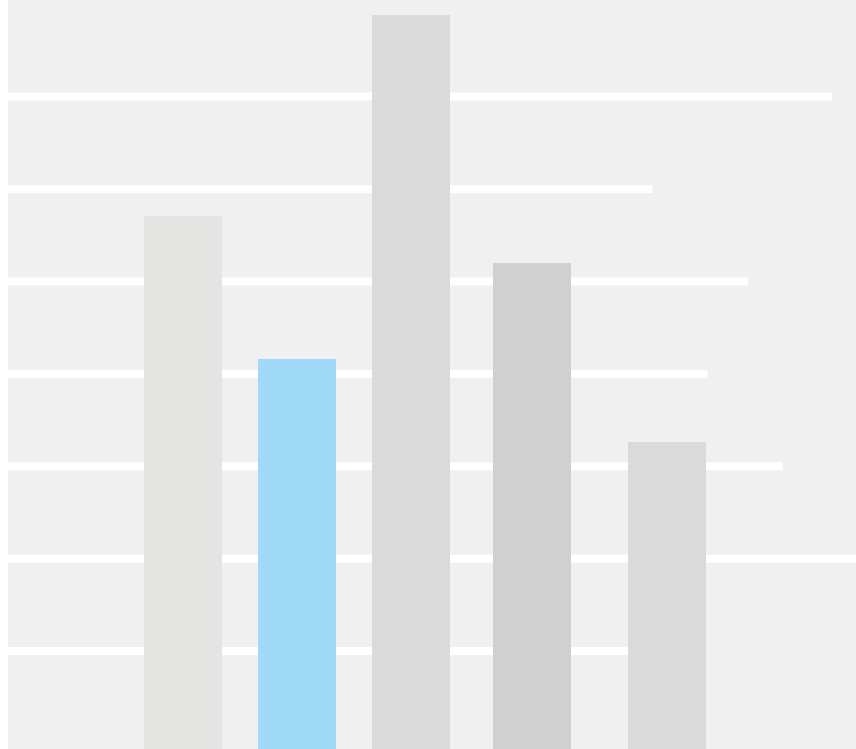


MEASURING BUDGETARY INVESTMENT IN CHILDREN

Proposed methodology and initial results in Spain

Working document

The Spanish Committee for UNICEF



Publication:

UNICEF Comité Español
C/ Mauricio Legendre, 36
28046 Madrid
Tel. 913 789 555
sensibilizacion@unicef.es
www.unicef.es

The Universidad Rey Juan Carlos (Madrid) was commissioned by THE SPANISH COMMITTEE FOR UNICEF under a contract to develop scientific, technical and artistic activities.

Project coordination:

Gabriel González-Bueno. UNICEF Spanish Committee's Advocacy and Research Team.

Authors:

Carlos Garcimartín (Director), Tenured Professor of Business Administration, Applied Economics II and Fundamentals of Economic Analysis (URJC), Rafael Frutos, José Antonio Rodrigo and Manuel Rodríguez.

Layout and design:

Isla Gráfica

Translation into English supported by:

Advocacy Unit, Public and Private Sector Engagement (PFP), UNICEF.

July 2018

All content is protected by copyright. The partial or full reproduction of this document is permitted provided that the source is cited.

The opinions contained in this publication do not necessarily reflect those of THE SPANISH COMMITTEE FOR UNICEF.

TABLE OF CONTENTS

PRESENTATION OF THE SPANISH COMMITTEE FOR UNICEF	4	4. APPLICATION TO GENERAL STATE BUDGETS	22
1. INTRODUCTION	6	4.1. Some methodological aspects ...	22
2. LITERATURE REVIEW OF CHILD-FOCUSED SPENDING.....	7	4.2. Main results	25
3. PROPOSED METHODOLOGY	15	5. APPLICATION TO THE BUDGETS OF THE AUTONOMOUS COMMUNITY OF CATALONIA	30
3.1. The aim of the analysis	15	5.1. Main results	30
3.2. Weighting factors.....	16		
3.3. Decision-making criterion	17		
3.4. Tax expenditure	21		
3.5. Classification of expenditure and indicators	21		

PRESENTATION BY THE SPANISH COMMITTEE FOR UNICEF

PUBLIC FINANCE ANALYSIS IS A CENTRAL ELEMENT OF CHILDREN'S RIGHTS

In 2014, the 25th anniversary of the adoption of the Convention on the Rights of the Child by the United Nations was an opportunity to look back at the progress made and the challenges faced by children worldwide following the adoption of the Convention. Along with recognition of the historic progress made in reducing infant mortality, improving legislation and developing policies and programmes, this review highlighted the fact that there were still many shortcomings in the funding of public policies aimed at children. These shortcomings resulted in ineffective public policies and the violation of children's rights.

Moreover, the global economic crisis of 2008 and the ensuing austerity measures taken by states have made it even clearer that mere legislative and policy ambitions only protect children's rights in practice (their right to health care, education, social welfare, among other rights) when they are accompanied by budget or public spending measures commensurate with the results to be attained. It is also apparent that in too many countries (including Spain) the crisis and austerity have had a particularly harsh impact on children, adolescents and their families.¹

As a result of this evidence and analysis of the issue, the Committee on the Rights of the Child in 2016 published "General comment 19 on public budgeting for the realization of children's rights", reiterating states' obligations under article 4 of the Convention on the Rights of the Child² and making recommendations on effectiveness, efficiency, fairness, transparency and sustainability when making public budgeting decisions relating to children.

UNICEF has been including for some time at the international level public finance analysis focusing on children as part of its work in many of the countries in which the organization operates (various examples are quoted in this publication). The aim of this work is to protect, increase and improve the efficiency and effectiveness of the resources earmarked for children in those countries. Moreover, a global framework was recently published to guide this work.³

In Spain, the organization has identified major cuts in public spending on children in recent years: the cuts include up to a 27 per cent reduction in family and child-related welfare between 2009 and 2013 and up to a 15 per cent reduction in non university education, according to Contabilidad Nacional - Spain's National Accounts body (COFOG). The current slight upturn has not reversed these cuts and we consequently believe that this type of analysis is particularly timely.

More recently, in February 2018 the Committee on the Rights of the Child made some very concrete recommendations to Spain about the use of public resources for children, including:

- Urging the state and the autonomous communities to undertake a wide-ranging evaluation of budgets to distribute resources based on a children's rights approach. The committee particularly recommended improving investment in education and the provision of public services.
- Budget items earmarked for children should be clearly specified and child and monitoring indicators should be set to evaluate the efficiency, effectiveness and fairness of the resources allocated to guaranteeing the rights enshrined in the Convention on the Rights of the Child.

¹ Cantillon, B. Chzhen, Y. Handa, S. Nolan, B. (2017). *Children of austerity. Impact of the great recession on child poverty in rich countries*. New York. UNICEF and Oxford University Press.

² Article 4 of the Convention on the Rights of the Child: States Parties shall undertake all appropriate legislative, administrative, and other measures for the implementation of the rights recognized in the present Convention. With regard to economic, social and cultural rights, States Parties shall undertake such measures to the maximum extent of their available resources and, where needed, within the framework of international co-operation.

³ UNICEF's Engagements in Influencing Domestic Public Finance for Children (PF4C) A Global Programme Framework (2017), in: https://www.unicef.org/socialpolicy/files/UNICEF_Public_Finance_for_Children.pdf

- Improving the transparency of the resources allocated to children, fostering public dialogue (including children) and putting in place specific accountability mechanisms at the autonomous community and local levels.
- Determining the budget headings and items specifically for disadvantaged and socially-excluded children who need social support and welfare, and guaranteeing that these items are ring-fenced when economic crises, natural disasters or other emergencies arise.
- Undertaking impact assessments of the legal and political measures that affect children's rights in accordance with Law 26/2015.

In this context, the Spanish Committee for UNICEF started budgetary analysis in 2015 undertaken by the Centro de Estudios Económicos Tomillo. The publication was entitled *La infancia en los presupuestos*. The committee is now presenting this methodology as a qualitative leap forward in the process of identifying and quantifying the economic efforts being made by public entities in the fields of children's rights and well-being.

AN INNOVATIVE METHODOLOGY AND TOOL TO MEASURE PUBLIC BUDGETING FOR CHILDREN

Measuring and identifying public spending on children in budgets, as proposed by this method, is intrinsically valuable as it provides information about the general (and sector-by-sector) figures and improves traceability, tracking and monitoring, in order to identify increases and reductions in child-related budget items, and analyse to what extent the budget is child-focused. Moreover, measurement is a first and necessary step enabling further analysis to be conducted, such as assessing effectiveness, efficiency, adequacy of resources, and the sustainability and transparency of public accounts related to children. In the view of the Spanish Committee for UNICEF, analysis of fairness is vital, i.e. assessing to what extent public resources are meeting the needs and securing the rights of the most vulnerable children.

In addition to the above, the methodology and analysis tools stemming from it support impact assessments of legal and political measures on children in accordance

with Law 26/2015. Analysing the impact of public expenditure on children (at all levels from the national to the local) is critical to assessing if the best interests of the child are being met by legislative initiatives and public policy.

With this initiative, the Spanish Committee for UNICEF wants to contribute to this type of analysis, particularly based on public entities and in application of the Committee on the Rights of the Child's recommendations. This proposed methodology, the tools stemming from it and the estimations produced when it is applied can only be enhanced if the public entities themselves make use of them. Indeed, it is the public entities that have the best knowledge of which budget items and which programmes contribute to the well-being of children and to securing their rights and how they do this. Consequently, this publication and the pilot analysis contained in it (of the budgets of the Spanish central government and the Generalitat de Catalunya – the Government of Catalonia) should be viewed as an initial, robust, but still improvable assessment of the public resources earmarked for children by these governments.

Investing in children is key in terms of well-being and a country's development, and this has been recognized by the European Commission in its 2013 Recommendation Investing in Children: Breaking the Cycle of Disadvantage.⁴ Investment in children requires resolute public policy accompanied by the necessary resources because, as stated in the report on children in Spain in 2014, child policies are key policies. This proposal specifically seeks to highlight, based on solid evidence, what investment is being made and how it can be improved.

Last but not least, we wish to thank the team of authors behind the proposed methodology (including the tool and its pilot application) for the quality and selflessness of their work, along with the efforts to improve previous exercises undertaken in other countries and the lessons learned thanks to their expert knowledge. We also wish to thank the Generalitat de Catalunya and particularly the Departament d'Economia (Department of the Economy) and the Direcció General d'Atenció a la infància i l'Adolescència (Children's Services) for their willingness to take part in the pilot analysis, provide the budgetary information and undertake a first review of the results. ■

⁴ COMMISSION RECOMMENDATION of 20 February 2013. Investing in Children: Breaking the Cycle of Disadvantage. (2013/112/EU).

1. INTRODUCTION

The Convention on the Rights of the Child does not solely involve state ratification but also entails these rights being reflected in the budgets of the various public entities. Nevertheless, little progress has been made in this area. In the case of Spain, in 2010 and more recently in 2018, the Committee on the Rights of the Child urged our country to incorporate these rights in its budgets. This entails allocating adequate funding to child policies, and ascertaining the budgetary resources allocated to these policies is obviously a prerequisite.

However, the process of drawing up the budgets of the various Spanish public entities does not include this task, meaning that at the present time there is no way of gaining an accurate idea of the public resources that have an impact on children. All of this makes it difficult not only to assess the extent to which Spain is making adequate investment in this area, but also to put forward measures that could bridge possible gaps and foster social participation so that children's rights are included in budgets, or ring-fence spending on children at times of public spending cuts as has occurred in recent years. Clear information about spending on children is vital if we are to assess whether children's rights are being protected and for facilitating adequate funding. Therefore, the various Spanish public entities need to implement child responsive budgeting.

However, this is complicated by the absence of an agreed methodology that would enable them to do so.

Precedents and proposals do exist, including in Spain, but their methodologies vary greatly, which naturally affects the results.

The aim of this publication is to develop a methodology that:

- 1) Enables child-responsive budgets to be developed in Spain.
- 2) Helps the public entities to annually present resources earmarked for children; and
- 3) Makes it possible for public sector managers and social stakeholders to have information about these resources.

To this end, this report provides a brief review of the methodologies proposed in other countries and the one used in Spain by the Centro de Estudios Económicos Tomillo in collaboration with the Spanish Committee for UNICEF, as well as the main results obtained. As this report shows, these proposals have faced a series of major challenges, and we will also highlight the different attempts made to overcome them, and their strengths and weaknesses. Secondly, we will develop a methodology that will enable us to quantify the resources allocated to children within a public budget. As the publication shows, this quantification can only be approximate and entails a series of criteria upon which agreement needs to be reached. ■

2. LITERATURE REVIEW OF CHILD-FOCUSED SPENDING

Although there are multiple experiences at the international level of measuring public expenditure on children,⁵ there is no methodological consensus that could serve as a benchmark and be applied to Spain. However, it is worthwhile undertaking a brief review of the methodologies applied in other countries. Without aiming to be exhaustive, this review highlights the main difficulties that arise when estimating public expenditure on children.⁶

Latin America is probably the region where the most work has been done in this area, and not only at a national level in various countries, as a number of regional meetings have been held to share initiatives and in some way endeavour to reach a consensus on the method to be used. As a result, most of the cases that are described in this section are from Latin America. Only two case studies are from outside of the region: Wales, which is interesting because its methodology is the most consistently applied to date, and Spain, for obvious reasons.

MEXICO

Mexico is one of the countries in which the greatest progress has been made in estimating public expenditure on children. The country has been publishing research in this area since 2007 thanks to a collaboration between the Federal Government and UNICEF. Currently, each government ministry is legally required to submit reports about expenditure on children as part of the budgetary process, using a method agreed by the country's authorities and UNICEF. It should be stressed that this only applies to Federal Government spending, meaning that the other levels of government are not included. In short, Mexico is one of the countries in which calculating public expenditure on children has been largely institutionalized.

The country also has a website enabling citizens to look through the main facts and figures and also read documents explaining the methodology in use.⁷

The methodology employed in Mexico is as follows. Firstly, public expenditure is assessed based on its impact on children. Spending is deemed to have an impact if it fulfils one of the following three conditions:

- a) Its objectives directly promote children's rights,
- b) It was determined or designed taking into consideration children's well-being and rights,
- c) It builds the capacity of those working to promote children's rights.

Consequently, the key to assessing whether spending benefits children is to check whether it helps ensure children's rights are fulfilled or their well-being is safeguarded, either directly or via people endeavouring to help them (parents, guardians and professionals). In fact, child-focused spending in Mexico is categorized in the four groups of rights that tend to be used in line with the Convention on the Rights of the Child and which are: a) the *right to survival* (the right to life and have their basic needs met, the right to health care and survival, and a decent life); b) the *right to develop their full potential* (education and leisure); c) the *right to protection* (against abandonment and exploitation, a life free from violence, the right to social welfare, due legal process and protection from a legal system that protects their rights); and d) the *right to participate* (to have access to information, to have their views taken into account and take part in decisions that affect them).

On the other hand, when considering the various forms of spending, four categories have been set based on the specific focus of the spending on child well-being.

- a) **Specific spending:** Spending that directly benefits children or those endeavouring to help them (parents, guardians or professionals who exclusively work with children, such as teachers and paediatricians).

⁵ By children we mean those aged under 18 years.

⁶ Summaries of the various initiatives can be found in: Crowley, A. (2016): Analyse exploratoire du child-budgeting, Fédération Wallonie-Bruxelles; Cummins, M. (2016): Child-focused Public Expenditure Measurement: a Compendium of Country Initiatives, PF4C Working Paper No. 2.

⁷ <http://www.infoninez.mx/>

- b) **Child facilitator spending:** Spending intended to build the capacity of child facilitators (for instance, teacher training or spending to facilitate mothers' access to the labour market).
- c) **Broad spending:** Spending focused on vulnerable population groups of whom children form a large segment (for instance, help for day labourers' families).⁸
- d) **Public goods spending:** Spending that is clearly of a general social nature and that has at least partially been designed to meet the specific needs of children (e.g. a park).

Once spending that benefits children has been identified, the next step is to work out whether each item of expenditure fully or partially benefits children. There are three possible scenarios. The first would be spending that solely benefits children or their facilitators and that is completely ring-fenced under a specific budget heading. The second scenario would be spending that solely benefits children or their facilitators but is not fully ring-fenced under a concrete budget heading. The third scenario encompasses spending that benefits a wider population group and not just children. The first two scenarios fit into the aforementioned categories a) and b). The first is the simplest as the whole budget is allocated to children. In the second and third cases, the segment that benefits children would need to be differentiated from the segment that does not, with only the first segment being allocated to children. Two types of weighting are used in this case.

1) The proportion of children and/or their facilitators out of the total number of beneficiaries or target population, and, 2) based on the proportion comprised by the cost of the supplies, products or services that benefit the children and/or their facilitators out of the total cost.

The third and final step, once child-focused spending and its categories have been estimated, is to develop a series of indicators that give them greater weight, such as expenditure as a percentage of gross domestic product (GDP), as part of total expenditure, expenditure per child, etc.

According to the latest published report, federal spending on children rose from 5.28 per cent of GDP in 2008 to 6.27 per cent in 2011, accounting for 31.27 per cent of programmable spending. Almost all of it (92 per cent on average) falls into the first two categories: child-specific and child facilitator spending.

PERU

As with Mexico, Peru has also institutionalized the measurement of child-focused spending. The country's Ministry of the Economy and Finance has been quantifying this spending since 2013.⁹ The methodology used was agreed by the authorities and civil society, including UNICEF, and shares some of the same features as that used in Mexico.

The first step in the process is to define two types of spending that benefit children:

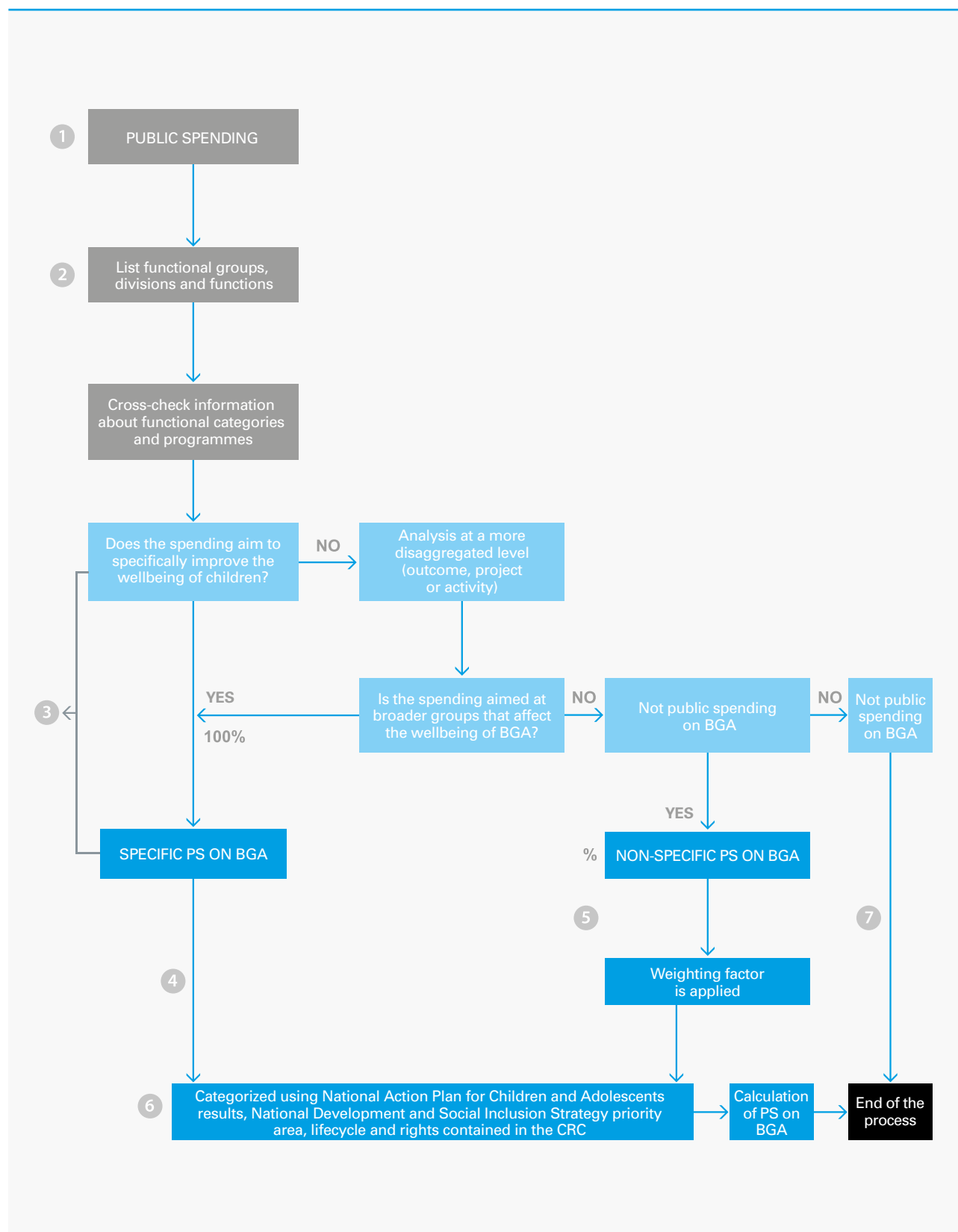
- a) **Specific:** All the spending whose sole target group is children, as well as expenditure on families or a specific target group (e.g. teachers). This spending helps to directly improve children's quality of life.
- b) **Non-specific:** Spending aimed at the whole population or specific sub-groups but that does have an indirect benefit for children. This category includes public goods but only those related to the delivery of basic social services.

The next step in the method used in Peru is to quantify how much of each of the previous forms of expenditure is actually allocated to children. The figure is 100 per cent for specific child-focused spending. As for non-specific spending, if the initiative can be broken down in a way that enables the segment aimed at children to be differentiated from the rest, this segment is added in full, while the rest of the funding is regarded as being spending not focused on children. Finally, weighting factors are applied in the case of non-specific spending that cannot be broken down in this way. There are two types of weighting factors. The general factor is the proportion of children in the total population, differentiating between rural and urban populations if relevant. Other specific weighting factors, include the percentage of children in a specific group, i.e. the target group for the programme in question. The sequence used to quantify child-focused spending is depicted in the following flow diagram.

Thirdly, as with Mexico, the different forms of spending are classified based on the four groups of basic children's rights. Weighting is used when spending has an impact on various rights. Finally, a series of indicators for total child-focused spending is developed. They include percentage of GDP, of public spending, expenditure per child etc. The results show that child-focused spending accounts for around 20 per cent of public spending.

⁸ At times the distinction between facilitator and broad spending is unclear. For instance, the methodological note states that a family support policy such as the Oportunidades programme is classed as "facilitator" but the Programa de Atención a Jornaleros Agrícolas (Agricultural Day Labourer Support Programme) is categorized as broad spending, even though it could be seen as a family support policy.

⁹ https://www.mef.gob.pe/index.php?option=com_content&view=article&id=3849&Itemid=101531&lang=es

FIGURE 1. FLOW DIAGRAM DEPICTING PUBLIC SPENDING ON BOYS, GIRLS AND ADOLESCENTS

Source: Ministerio de Economía y Finanzas (2014): Gasto Público en las Niñas, Niños y Adolescentes en el Perú. Metodología y Seguimiento.

ARGENTINA

Although less institutionalized than in the two previously mentioned countries, child-focused spending has also been quantified in Argentina through a collaboration between UNICEF and the Ministry of Economy and Finance.¹⁰ The methodology used has been refined over time and the method used in the latest reports is as follows. Firstly, expenditure on children is broken down into four categories: a) Specific expenditure b) Indirect expenditure c) Broad expenditure and d) Public goods spending. They are then divided into two classes of expenditure: Group I (a & b) and Group II (c & d). The first incorporates programmes designed to benefit children, either directly or through initiatives requiring children to be present in order to access them. Group II is made up of programmes aimed at wider population groups but that may have an impact on children. Finally, there is a series of categories for each type of expenditure (see figure 2).

Once the spending has been classified, the target age group of each item of expenditure is identified: children, adults or older people. These groups are not necessarily mutually exclusive. In other words, each item has two classifiers: on the one hand, if it is specific, indirect, broad or a public good; and age group, on the other hand. Consequently, specific expenditure is spending exclusively earmarked for a given population group – children, adults or older people – which is allocated to this group. Indirect spending encompasses programmes aimed at families or facilitators which require the presence of at least one member of one of the age groups in order to be a beneficiary. Broad spending covers programmes that benefit set population groups regardless of age. Finally, public goods benefit the whole population. Apart from specific expenditure, which is completely allocated to children, weighting factors need to be used for the other three categories so that spending is distributed between the age groups. A weight is assigned based on the population distribution of the target group. Failing that, a rough population distribution is used (total nationwide, at provincial level, similar groups and so on).

Finally, once expenditure on children is quantified, the standard indicators are calculated (percentage of GDP and spending, per child and so forth). On a consolidated basis (central government and provinces), this spending accounts for roughly 20 per cent of the total expenditure, with about three-quarters falling into Group I.

COLOMBIA

Colombia has also estimated child-focused spending, albeit with a lesser degree of institutionalization.¹¹ The methodology applied basically involves identifying three types of expenditure within social spending:

a) Direct: exclusively benefits children.

b) Indirect: primarily but not exclusively benefits children. Two types of expenditure have been identified:

b1) Facilitator support costs: teachers, families, child support NGOs etc.

b2) Public goods aimed at children: parks, schools, libraries etc.

Finally, expenditure on children is classified by type (health care, education and so on) and the standard indicators are calculated (percentages of GDP and spending, per child and so forth). The calculations show that child-focused spending accounts for 11-12 per cent of total spending and 24-25 per cent of social spending.

EL SALVADOR

Similarly to Colombia, El Salvador has estimated child-focused spending but not in a periodic or institutionalized fashion. Its method involves differentiating between the two types of social spending that benefit children.¹²

a) Direct: exclusively benefits children.

b) Indirect: primarily but not exclusively benefits children.

The rest of spending is regarded as not specifically directly or indirectly benefiting children. Instead, it benefits the whole population and none of it is allocated to children.

Once each item of expenditure has been identified, those that fit into category a) are added in full, while a weighting is used for those in category b) to calculate the amount allocated to children. The weighting used tends to be the proportion of children in the total population. As they point out “given that additional statistical information needed to calculate a clearer weighting factor in the distribution of indirect spending was not available (apart from in the case of the Ministry of Health), the assumption of uniform distribution within

¹⁰ Reference documents include UNICEF y el Ministerio de Economía y Finanzas (2009): Gasto Público Social dirigido a la Niñez en la Argentina 1995-2007.

¹¹ Also see Instituto Colombiano de Bienestar Familiar (2013): Gasto Público en Niñez en Colombia: Desafíos para su medición.

¹² Also see Secretaría técnica de la presidencia, UNICEF e ICEFI (2014): El Salvador: Medición del Gasto Público de la niñez y la adolescencia 2011.

FIGURE 2. CLASSES, CATEGORIES AND SUB-CATEGORIES OF PUBLIC SOCIAL SPENDING ON CHILDREN IN ARGENTINA

Type of expenditure	Category	Subcategory
I. Specific expenditure	Sport, recreation and culture	Sport and recreation Culture
	Education	Basic education (infant, primary and secondary) Compensatory programmes Educational quality, curriculum management and teacher training
	Nutrition and diet	School dinners and glass of milk programme Food programmes aimed at children
	Child protection	At-risk children Child labour Domestic violence
	Health	Maternal-child Paediatric vaccines – school health Outpatient and inpatient care (children's hospitals). Sexual and reproductive health AIDS and STIs
II. Indirect expenditure	Direct help	Family cash transfers Family allowances Non-contributory pensions Emergencies
	Nutrition and diet	Provision of food vouchers and foodstuffs
III. Broad expenditure	Direct help	Non-contributory pensions Emergencies
	Living conditions	Drinking water and sewerage Housing
	Sport, recreation and culture	Sport and recreation
	Development and integration	Support for vulnerable groups
	Nutrition and diet	Community and/or family canteens
	Health	Specific risk and disease prevention. Drugs Organ removal and transplants/implants AIDS and STIs Inpatient and outpatient care
	Social projects	Social projects
IV. Expenditure on public goods	Sport, recreation and culture	Culture
	Science and technology	Science and technology
	Other urban services	Other urban services

Source: UNICEF y el Ministerio de Economía y Finanzas (2009): Gasto Público Social dirigido a la Niñez en la Argentina 1995-2007.

the total population was made, identifying the proportion of 0-17 year olds in the total population, and multiplying the result by the figure for Indirect Public Spending.”

Finally, and just like in other countries, child-focused spending is classified by type (health care, education, etc) and the standard indicators are used. However, it is worth mentioning that El Salvador has developed an index to quantify whether spending is child-focused or not. The indicator works in the following way:

$$FI = \frac{CFS/TS}{CP_1} \times 100,$$

FI is the focus index, CFS is child-focused spending, TS is total spending, and CP is the proportion of children (0-17 year olds) in the country's total population (CP = child population). This index is calculated for total public spending and social spending. Consequently, if the index is above 100, the spending is child-focused, otherwise, it is adult-oriented.

Expenditure on children accounts for roughly 20 per cent of total spending (two-thirds is direct and the rest is indirect) based on the results obtained. The focus index for total spending is 51.9, meaning that total spending is adult-oriented, while the index for social spending is 114.3, and therefore is child-focused. We will return to this issue because in our view it reflects a clear methodological problem.

HONDURAS

The method utilized in Honduras is very similar to the one used in Peru.¹³ Expenditure on children is broken down into specific and non-specific spending, with the former equating to programmes that are specifically devised for children, while the latter covers programmes that while not devised for children do benefit them as part of a wider population group. The former is fully included as expenditure on children, while weighting factors are used for the latter: general factors if the programme applies to the whole population or specific if it is aimed at sub-groups.

The standard indicators are then brought into play and show that roughly 20 per cent of total spending is on children, with three-quarters being specific investment and the rest being indirect.

SPAIN

In Spain, the Centro de Estudios Económicos Tomillo worked in partnership with the Spanish Committee for UNICEF to conduct a study of expenditure on children by the Spanish central government (*Administración General del Estado*) and the autonomous communities.¹⁴ The methodology used involves differentiating between four types of child-related spending: 1) Education 2) Health care 3) Social well-being for children and 4) Social welfare and child services. It should be underlined that for each of these the expenditure is allotted to the entity that implements it. Consequently, if funding is transferred for child-focused spending from the central government to an autonomous community, it is allocated to the latter.

Education encompasses, among other expenditure, (for both the central government and the autonomous communities) infant, primary and secondary education, vocational training and official language teaching, special education, the arts, compensatory education and lifelong learning for teachers. All of the spending is classified as child-focused spending in these cases.

As for health care, 100 per cent of some spending is included, for instance child-specific programmes, while others, such as the central government's National Health System Cohesion and Quality Programme, and programmes aimed at primary and specialized care, are weighted based on the proportion of the child population in the whole country or in each autonomous community.

The category of social well-being for children incorporates three concepts. 1) Programmes aimed at children and families, 2) social inclusion programmes and social services (including provision for migrants) and 3) the budget resources of youth institutes and councils, as well as youth programmes. 100 per cent of sub-categories of 1) and 2) is classed as child-focused spending, while for 3) only 20 per cent of spending is included, as the theory is that this is the proportion of those aged under years in the target population as a whole.

Finally, the social welfare and child services sub-category encompasses the family-related welfare, maternity/paternity, risk during pregnancy and orphan services delivered by the National Social Security System. The autonomous communities' guaranteed minimum income is also included. 100 per cent of non-contrib-

¹³ See the Secretaría de Finanzas (2014) “La Experiencia de Honduras en la Medición de la Inversión Pública en la Niñez y Adolescencia”.

¹⁴ Centro de Estudios Económicos Tomillo (2015): La infancia en los Presupuestos: Estimación de la inversión en políticas relacionadas con la infancia en España y su evolución entre 2007 y 2013.

utory family welfare benefits are included; maternity, paternity and risk during pregnancy benefits; contributory orphans' pensions and pensions for other family members, the autonomous communities' minimum guaranteed income, emergency social and integration assistance (provided that they are not included under social well-being), which are also delivered by the autonomous communities.

In short, child-focused spending that meets two criteria is included in this study:

1. Spending on education, health care, social well-being, social welfare and services
2. The spending has a direct or indirect benefit for children, with indirect tending to mean family-oriented spending

The next step is to attribute 100 per cent of each item of expenditure as child-focused spending or, alternatively, attribute some of it based on the proportion of those aged under 18 in the entire population, autonomous community or another population sub-group. It is worth highlighting at this juncture that expenditure on social well-being, social welfare and services for families is 100 per cent allocated as child-spending on the grounds that "family well-being has a direct bearing on children."¹⁵

Finally, all central government and autonomous community child-focused spending is consolidated, with overall and regionalized figures from 2007-2013 being presented along with the standard indicators. The results show that child-focused spending accounts for around 4 per cent of GDP (less than the 10 per cent spent in total by all the public entities, although if social security and local authorities are omitted, the figure would be close to 18 per cent).

WALES

Although the next section will explain the reasons in greater detail, it is worth stating now that in our view the estimation (for different years) of child-focused spending undertaken in Wales uses the most complete and consistent methodology out of all those utilized in the different studies.¹⁶ The methodology works as follows.

Firstly, the age group which benefits from each budget heading is identified (0-17, 18-25, 26-64 and over-65s). Unlike the previous examples, all budget headings are included and not just social spending or a sub-category of it. Expert groups reach an agreement on who benefits from each budget heading.

Subsequently, based on the above, three types of expenditure are considered:

- a) **Direct:** benefiting a single age group
- b) **Overall indirect:** benefiting the total population
- c) **Specific indirect:** benefiting various age groups that are specific population sub-groups

Thirdly, a weighting factor is assigned to each of the three types of spending to enable it to be distributed between the age groups: 100 per cent for type a) expenditure for this specific group; the respective proportions for the age groups in the country's total population or sub-groups of it (districts etc) for type b) spending, and based on concrete statistics (allotted to each age group based on available information about service users, for instance, patient age data) for type c) spending.

The final step is to calculate the standard indicators. The results show that roughly 28 per cent of spending is on children and 72 per cent on adults. Given that children account for 22 per cent of the country's population, this would indicate pro-children spending.¹⁷

In summary, as we have seen, the different methodologies vary greatly. Indeed, Table 1 shows that in terms of GDP, investment in children ranges from 3 per cent of GDP in Colombia to 10.4 per cent in Wales, with Spain posting the second lowest figure (4.1 per cent). These differences do not only arise from the extent to which the various countries prioritize investing in children, but also reflect the diverse methodologies in use.

It seems unlikely that Spain would invest six fewer percentage points of GDP than Wales, given that they are countries with similar levels of development and they have more or less comparable welfare states. It is even less likely that Honduras would invest twice the amount that Spain earmarks.

In terms of total expenditure, the gaps between countries are even wider, as in this case there are not only methodological discrepancies in the numerator

¹⁵ Centro de Estudios Económicos Tomillo (2015): La infancia en los Presupuestos: Estimación de la inversión en políticas relacionadas con la infancia en España y su evolución entre 2007 y 2013. Methodological note, page 11.

¹⁶ See National Assembly for Wales (2007): Financial Provision for Children within the Assembly Government Budget: A technical note.

¹⁷ However, it does not indicate that public spending in Wales is child-focused, given that the result is affected by the powers held by the Government of Wales within the UK.

(child-focused spending) but also in the denominator (total public spending) as the baseline administrative units are not always the same (consolidated expenditure, central government, etc.).

Consequently, in the next section we will endeavour to put forward a methodology that is internally coherent and that, in principle, is also applicable to any country or level of government, so that it is conceptually uniform. ■

TABLE 1. CHILD-FOCUSED SPENDING AS A PERCENTAGE OF GDP AND EXPENDITURE

	% of GDP	Percentage of expenditure
Mexico	5.8	30.2
Peru	4.2	20.3
Argentina	6.7	19.1
Colombia	3.0	12.2
El Salvador	6.7	19.7
Honduras	8.4	19.7
Spain	4.1	9.0
Wales	10.4	28.0

Source: Author's compilation based on national reports.

3. PROPOSED METHODOLOGY

As we have seen, a wide range of methodologies are used to quantify public spending on children. Consequently, these methodologies generate results that are difficult to compare. Ultimately, the root cause of these differences is that quantifying public spending on children is not straightforward. There are three fundamental issues which are addressed in different ways and this leads to there being a variety of methodologies.

The first of these questions is the actual objective of the analysis, namely, what do we want to measure? Setting aside the indicators which can be developed afterwards, there are two potential relevant answers to this question. The choice made at this point will have crucial methodological repercussions, as we will see later. The two options are: a) spending by a given public entity (central government, sub-central level, consolidated etc) on children and b) the focus (child-focused or not) of the spending. We believe that it is important to explicitly establish the aim of the analysis. A failure to do so, as often occurs, can lead to methodological inconsistencies, as we will see later.

The second key question is the extent to which each item of expenditure benefits children. Does all or only some of the spending benefit children? These are the weighting factors seen in previous studies. Four types of weighting factor can be applied to each item of expenditure, as we will see later, and it is vital that there is internal coherence between their use and the answer given to the previous question, i.e. the aim of the analysis. Again, a failure to maintain coherence between the selected weighting factors and the aim of the analysis can result in methodological inconsistencies.

The third key and possibly the hardest question is deciding for each item of expenditure whether or not it benefits children. There can only be two types of answer in this case. A simple “yes” or “no”. Although this might seem to be stating the obvious, the decision-making criterion is not always explicit and a failure to make it clear can once again lead to methodological inconsistencies. All of this will be analysed below.

3.1. THE AIM OF THE ANALYSIS

As stated above, there are two relevant alternatives when defining the objective of the analysis: either

we quantify what a public entity spends on children or we measure the focus of the spending. The first option entails estimating all the spending that benefits children either directly or indirectly, while the second option only purports to detect if the spending is more focused on children or adults.

In our view, without a clear decision on the approach to be taken there will be both a lack of clarity on what is being measured, and a risk of methodological inconsistencies. Only one of the studies examined for this publication – the Welsh study – makes the aim of the study explicit and furthermore is methodologically consistent with this choice. Its aim is to quantify all the spending that benefits children and not to identify the focus of public spending, and, above and beyond other concrete aspects that may be debatable, it is done in a methodologically coherent fashion. In practice, this means that they take into account “all” the spending that they believe is of benefit to children and not just a part. In its last report, Argentina stated that this would be its objective in the future, i.e. include all spending that is deemed to have a positive impact on children.

The rest of the cases analysed do not include all the spending that benefits children and instead only include some of it, often social spending. For instance, let's turn our attention to Peru, where a methodology underpinned by principles similar to those used in other countries is applied, but with the advantage of being very clear and consensual. As shown in figure 1, in Peru the question is asked for each item of expenditure whether or not it benefits children directly. If the answer is yes, the expenditure is added as expenditure on children. However, if the answer is no, a further question is asked: if, despite being aimed at broader groups, the spending does indeed impact on children's well-being. If the answer is no, the item of expenditure is definitively ruled out, while if the answer is yes, the corresponding weighting factor is applied. In other words, two types of spending that benefit children are identified: spending that directly benefits them and spending that indirectly benefits them, with a weighting being applied to the latter.

In principle, this method seems correct and in fact is the one used in one way or another in all the cases. However, in practice there is a problem. Apart from the Welsh case study, not all the spending that benefits children is taken into consideration, with generally only

social spending or a fraction of it actually being taken into account. Consequently, non-social spending that benefits the general population is omitted. This has major implications as in practice it means that this spending is classed as if it solely benefited adults.

In this way, if the aim of the analysis is to calculate all spending that benefits children, then this method is flawed in that it is under-estimating this spending. If, on the other hand, the intention is to measure spending focus, mathematically only non-social spending could be excluded if its distribution per age group equates to the proportion of each age group in the total population. However, this does not happen in practice. In none of the cases is it made explicit that they are seeking to analyse spending focus; in fact, quite the opposite tends to be stated. Furthermore, as we will subsequently explain, a failure to clarify the aim of the study entails the risk of methodological contradictions with the weighting factors that are used.

A clear example of these issues is provided by El Salvador. On the one hand, the approach used in El Salvador has the advantage over others of providing an indicator that does actually measure spending focus. However, on the other hand, its results tend to give rise to these methodological problems. As previously stated, the indicator is as follows:

$$FI = \frac{CFS/TS}{CP_1} \times 100,$$

FI is the focus index, CFS is child-focused spending, TS is total spending, and CP is the proportion of children in the country's total population (CP = child population). In other words, the index measures whether the proportion of child-focused spending is higher than the proportion of children in the population. Consequently, if the index is above 100, the spending is child-focused, otherwise, it is adult-oriented.

It is striking that, based on the results obtained, total spending is clearly adult-oriented (the focus index is 51.9) while social spending is clearly child-oriented (114.3). In reality, what is happening is that social spending is analysed and therefore 100 per cent assigned, while non-social spending is not examined and is therefore implicitly fully allocated to adults. In other words, the numerator in the previous sentence would be heavily under-estimated in the case of total spending.

In our opinion, it is crucial to clarify whether what a public entity spends on children is being measured, in which case all spending should be taken into account and not just social spending, or alternatively if spending focus is being calculated, in which case it could potentially be correct to limit analysis to social spending. In this scenario, relative child/adult spending indicators need to be provided, as is done in the El Salvador report, whereas calculations using common currency or percentages of GDP/expenditure would be practically meaningless. Another alternative would be to exclusively quantify what is spent directly on children, in other words, spending that is 100 per cent child-focused, while ruling out indirect spending. Logically, this would not take into account all the resources spent on children, instead only funding solely earmarked for children, but it would have the advantage of not running into methodological problems.

Nevertheless, in our view, the preferable option is to quantify all the resources spent on children, both social and non-social spending, as this avoids methodological inconsistencies and also provides much more comprehensive information than direct spending. Logically, the trade-off is greater complexity and weighting factors also have to be used.

3.2. **WEIGHTING FACTORS**

This spending is not aimed at a single age group, instead it benefits various groups. In this case, the spending needs to be distributed between the various beneficiary groups, so that the part equating to children can be included. As seen in the previous studies, three types of weighting factor tend to be used: the proportion of children (or the corresponding group) in the total population, the proportion of children in a population group other than the total population (province, rural population etc) and the proportion in a given group (families, patients etc).¹⁸ In reality, from a purely statistical viewpoint, there are four theoretical possibilities covering the fraction of an item of expenditure allocated to children:

- a) 100 per cent is allocated to children
- b) 100 per cent is allocated to adults and therefore nothing to children
- c) The amount is allocated based on the age breakdown of the country's total population (or the political/administrative entity being analysed)

¹⁸ Sometimes expenditure is not used but instead the cost of delivering the service.

- d) The amount is allocated based on the age breakdown of the target population for which the spending is intended

There may well be sub-groups within category d) but this simple classification is of real twofold interest. On the one hand, it exhausts the possibilities, as every single item of expenditure is conceptually attributed. On the other hand and more importantly because it establishes a clear link between the weighting factors and the answer given to the question raised above: do we want to quantify total expenditure on children or only measure if spending is child-oriented or adult-oriented? This link is important because it clarifies the aforementioned issue of methodological inconsistencies.

If the intention is to calculate all expenditure on children, any expenditure falling under the previously mentioned categories a), c) or d) must be included, as a positive figure will arise from all of them. On the other, if the intention is to simply measure spending focus (child or adult-oriented) in the strict sense of the term, only expenditure that falls under category a), in other words, 100 per cent child-focused spending, should be taken into consideration. Category c) spending should not be included because it is solely based on age breakdown without being contingent upon the focus of spending policies, which is what this method seeks to measure. Finally, if the aim is to measure spending focus in a broad sense, category d) expenditure should be included, provided that population distribution for that category differs from overall population distribution.¹⁹ In that case, the relevant indicator would measure spending focus based on two factors: decisions relating to policy priorities and the population distribution of the beneficiaries differing from the breakdown of the total population.

It is important to point out that some methodological inconsistencies arise precisely because of a failure to take into consideration the link between objectives and weighting factors. Apart from the case of Wales, not all expenditure is included, but mainly social spending. Therefore, only some of the total amount invested in children is being calculated. Although it is not made clear, the focus of the spending, rather than the total amount is being reflected. Accordingly, only the items of expenditure that fall under weighting factor a) (100 per cent allocated to children) and d) should be included if the aim is to broaden the focus. However, weighting factor c) is frequently used. In our view, this creates a serious methodological problem, because if this weighting factor is used, all the expenditure needs

to be quantified, not just social spending, and if only social spending is quantified, this weighting factor should not be used.

For instance, in all cases some public goods are included that are distributed based on the proportions of the total population. In that case, if they are distributed in this way, these public goods are not in any way child-focused, as the proportion assigned to each group results solely from the population pyramid. And if spending is included that is only assigned to children because of the population pyramid and not the age-focus of policies, why is some spending included and some not? Moreover, in some cases such as Colombia, El Salvador and Spain, some spending is included because it is regarded as primarily although not solely benefiting children, but afterwards it is allocated based on the total population breakdown, which is contradictory, as by doing this, children are not paramount in this expenditure. The case of El Salvador is an example. Indirect spending is included and is defined as being expenditure that principally but not only benefits children. However, it is attributed to children based on the proportion of children in the overall population. Both aspects are contradictory in our view. If an item of expenditure is deemed to primarily benefit children, then their share of this expenditure should be higher than the proportion of children in the total population, and if this is not the case, it is difficult to say that the expenditure primarily benefits children.

In our opinion, it is better to take into consideration total expenditure, not only because it provides more information, but also because it avoids methodological discrepancies and having to devise categories such as “broad spending” or “indirect spending”. Of course, the most appropriate weighting factors need to be used in each case, which is anything but simple, given that there are important data limitations and, sometimes, estimations of the actual population distribution need to be used. In any case, if a decision is taken to only include some of the expenditure, i.e. the part specifically focused on child well-being, what cannot be done is to use the total population breakdown as the weighting factor, as both things are incompatible.

3.3. DECISION-MAKING CRITERION

Once the aim of the analysis and the weighting factors have been selected, the third relevant question is the criterion used to decide if spending benefits children, and if so, whether it fully or partially benefits them. The

¹⁹ Naturally, population breakdown in specific groups is not always the same, and will vary between groups: a given province, the rural world, focused social assistance etc.

issue that arises is narrowing down who benefits from the spending, as it could be considered that each item always indirectly benefits a wider group than the actual target group. For instance, it could be argued that disability benefits does not just benefit the claimant but also any children in their care, or that spending on children's education does not just benefit children but also their parents, as it is a saving for them. Are maternity benefits child-focused spending or, on the other hand, do they primarily benefit mothers, as they help them join the labour market? Or both? Although the answers to these questions are always going to be somewhat arbitrary, we feel that it is important to devise criteria that enable decisions to be taken and methodological discrepancies to be avoided.

In general, there is no explicit criterion in the aforementioned studies. Generically, the tendency is to have four expenditure categories: spending that "directly" benefits children, spending that "indirectly" benefits them via families, guardians or professionals, spending that benefits them as "part of the total population" and expenditure that does not impact on children, but a clear criterion is not established for classifying each item of expenditure into one or other category. The decision is taken by the group producing the relevant report or by experts reaching an agreement, without clear information being provided about the criterion utilized. In some situations, a decision is reached easily but this is not always the case. This is an important point because it introduces arbitrariness into calculations in the sense that items of expenditure could be classified in one way by one group of analysts and in another way by a different group. In our view, it is important to set guidelines to minimize the level of arbitrariness, so that studies can be replicated in the future in a uniform fashion.

There are two major exceptions to this lack of clear criteria. Firstly, Mexico, where expenditure is deemed to benefit children if: a) Its objectives directly promote children's rights, b) it was devised or designed taking into consideration children's well-being and rights or c) it builds the capacity of facilitators who work to promote children's rights. However, we believe that this criterion is complex to implement, particularly for category b), and we also feel that it runs the risk of excluding spending that may benefit children but is not directly related to them. The other exception is Argentina in whose study child-focused spending is divided into four sub-groups: specific, indirect, broad and public goods. The second category (indirect expenditure) is based on taking into consideration spending that benefits children if the presence of children is required to access it. We think that this constitutes an interesting and inspiring way of trying to reduce arbitrariness when taking decisions on how to classify spending.

Even so, setting spending classification criteria is not an easy task and there will always be some arbitrariness. However, it is necessary, particularly if the intention is to pursue the quantification of child-focused spending. It would facilitate the decisions taken by public entity managers when classifying expenditure. We propose five categories of expenditure:

- a) Spending that requires the legal or natural presence of children or specific child-related, rather than adult-related, activities (referred to as child-focused).
- b) Spending that requires adults to be present, while children are not essential to the activity (adult-focused).
- c) Spending that requires the presence of both adults and children (children and adults).
- d) Spending that does not require the presence of either of the groups (children and adults) and is aimed at the total population the budget refers to (general).
- e) Spending that does not require the presence of any of the groups and is aimed at a defined group or subgroup of the overall population as per the budget (group/area).

Category a) covers spending whose natural beneficiaries are solely children or which legally requires them to be present, but does not require adults to be present. We are referring to a direct requirement on legal grounds, but not to indirect or intermediary requirements, as these primarily come into play when focusing on expenditure aimed at children (such as cash transfer schemes for children). For example, spending on children's education clearly requires children to be present in order to benefit from the spending and the same applies to spending on teacher training outside of higher education itself. A children's playground does not come with any legal requirements but naturally does need children to use it. Help with buying textbooks, although legally requiring an adult recipient, is considered to be direct spending, as the adult recipient is only an intermediary. In other words, category a) encompasses spending that "conceptually" would not be made if there were no children, but not in the absence of adults.

Category b) covers the reverse situation, i.e. spending that requires the natural or legal presence of adults to benefit from the spending, but does not require children to be present. For instance, higher education or a day care centre for elderly people. In short, this spending would not be made if there were no adults, but would still go ahead even if there were no children.

Category c) covers expenditure that needs both groups to be present, in other words, the two groups

(adults and children) are complementary and one can only benefit from the spending if the other group also does. This is possibly the vaguest category and it primarily refers to family benefits for which the budget does not differentiate between the segment allocated to children and the segment allotted to adults. Maternity benefits fall under this category, as both a mother and a child need to be present to claim them. Consequently, this spending would not be incurred if either of the age groups were absent.²⁰ However, it is important to stress that the requirement for adults to be present does not refer to their role as mere legal intermediaries, instead the spending is also aimed at them.

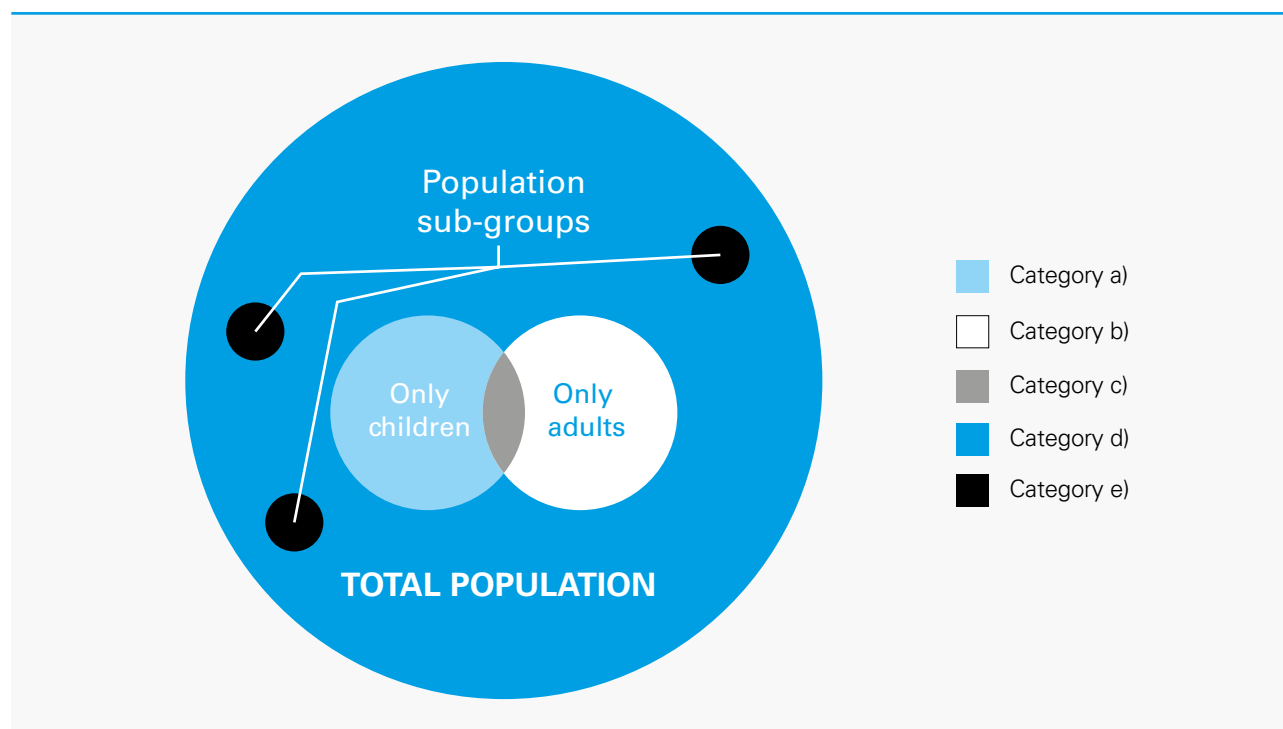
Category d) encompasses spending that does not require the presence of any specific age group (either adults or children) and both can benefit from the spending even if the other group is absent. This spending is aimed at the total population in the administrative area under analysis. This spending would only not be incurred if both groups were absent. This form of spending is referred to as public goods expenditure. Environ-

mental protection, security or defense spending does not come with any legal or natural requirements for any age group to be present (unless it is highly specific). Equally, spending on a road does not have any direct legal requirements, although there is an indirect requirement (drivers must hold driving licences), meaning that it would not be classed as adult-focused spending and instead it falls under category d).

Finally, category e) is similar to the previous category but refers to specific groups or sub-groups, for example, a given province or income group.

Obviously, this proposed expenditure classification inevitably needs to be viewed with a certain amount of circumspection and may be complex to implement. However, we do believe that it presents various advantages. Firstly, it covers all possible expenditure, in other words, no expenditure goes unclassified. Secondly, the categories are mutually exclusive, i.e. an item of expenditure cannot simultaneously meet the criteria of more than one category. Both facets are expressed in the following figure.

FIGURE 3. CATEGORIES AND EXPENDITURE PER BENEFICIARY POPULATION



Source: Authors compilation.

²⁰ This type of expenditure is weighted as we will explain below. Unlike in other studies, when the amounts allocated to children and adults in family cash transfers cannot be differentiated, the whole transfer amount is not assigned to one of the two groups. For instance, it also involves maternity benefits being allocated to both the mother and child.

Thirdly, these categories are consistent with the previously defined weighting factors in that each only has one weighting factor by default, as we can see in the following table.

As for spending programmes and items whose weighting is unclear or adjusted based on the age group criterion, particularly in c), d) and e), the weighting can always be improved by using administrative data that enables more appropriate weighting of child-focused spending.

TABLE 2. CONNECTION BETWEEN SPENDING TYPES AND WEIGHTING FACTORS

Spending category-based on the potential beneficiary	Weighting factor
a) The legal or natural presence of children is required or child-specific activities. The presence of adults is not required.	100 per cent is allocated to children.
b) The legal or natural presence of adults is required but not of children.	100 per cent is allotted to adults.
c) The presence of both children and adults is required.	Allocated based on the proportion of each age group in the specific group.
d) The presence of any specific age group (children/adults) is not required. Instead, spending is aimed at the total population.	Allocated based on the proportion of each age group in the total population.
e) The presence of any specific age group (children/adults) is not required. Instead, spending is aimed at a population sub-group.	Allocated based on the proportion of each age group in the specific group or sub-group.

Source: Author compilation.

Finally, this method enables various child-focused spending options to be calculated:

- 1) Spending on children in the strict sense of the term, which would reflect the pro-child or pro-adult focus based solely on spending policy focus. This would encompass category a) plus c) in the previous classification (in relative terms).
- 2) Broad spending on children, which would reflect the pro-child or pro-adult focus based on spending policy focus and population breakdown (different from the overall population) of given groups. This would be the total amount of categories a), c) and e) (once again, in relative terms).
- 3) Total spending on children, which would indicate how much is actually spent on everything that exclusively or concurrently benefits children. This would be the total amount of categories a), c), d) and e).

TABLE 3. CHILD-FOCUSED SPENDING DEFINITIONS AND MEANINGS BASED ON THE SPENDING CATEGORIES

Definition	Meaning	Categories
Specific "strict" expenditure	This measures whether the spending is pro-child or pro-adult solely based on spending policy focus.	a) + c)
Broad expenditure	This measures whether the spending is pro-child or pro-adult based on spending policy focus and the population breakdown of specific groups.	a) + c) + e)
Total expenditure	Measures how much is actually spent on everything that exclusively or concurrently benefits children.	a) + c) + d) + e)

Source: Author compilation.

3.4. TAX EXPENDITURE

In addition to budget spending, the public authorities also implement child-focused policies via “tax breaks”, as seen from the viewpoint of taxpayers, or “tax and fiscal expenditure” from the public entity’s standpoint.²¹

Fiscal expenditure means “the reduction of tax revenue (...) as a result of the existence of tax breaks designed to achieve set economic and social policy goals.”²²

Although this does not happen in all the countries, in Spain the various levels of government must include an estimate of this fiscal expenditure in their budgets.²³

The importance of fiscal spending when assessing child-focused policies is easy to grasp. Firstly, in the specific case of Spain, because fiscal spending is now a sizeable amount: in the 2017 General State Budget it accounted for almost 32 billion compared with a total of 318 billion of consolidated non-financial spending. Secondly, because some child-focused policies, particularly central government policies in Spain, are implemented through fiscal spending. For instance, there are PIT (personal income tax) deductions for maternity leave and large families, and tax exemptions for benefits and assistance allowances relating to the birth, adoption, fostering or care of minors. A swathe of child-focused

policy would remain hidden if this fiscal expenditure were not to be taken into account.

The proposal involves treating fiscal expenditure in the same way as other spending, allocating the amount based on the same criteria as direct spending. However, although the general concept is clear, delimitation in each case is not problem-free, and there are some peculiarities involved when quantifying and processing fiscal expenditure. This difficulty is demonstrated by the fact that apart from Wales and in a very limited fashion the rest of the countries do not share out this type of expenditure.

3.5. CLASSIFICATION OF EXPENDITURE AND INDICATORS

As has been done in other countries, we feel that it would be worthwhile making a sector-based classification of total child-focused spending (education, health care, social well-being, etc.) also related to the groups of children’s rights. Similarly, it is also important to provide the standard indicators: percentage of GDP, of spending, per child, focus index (similar to the one in El Salvador), etc. ■

²¹ This expression, which fits better with the study’s aim, will be used hereafter.

²² Based on the definition that appears in the Tax Breaks report which accompanies each year’s General State Budget.

²³ The mandate is contained in article 134.2 of the Spanish Constitution, as well as in the General Tax Law and in various autonomous community regulations.

4. APPLICATION TO GENERAL STATE BUDGETS

4.1. METHODOLOGICAL ASPECTS

In this section we apply the methodology described above to the 2017 Spanish central government budget (the methodology will be applied to Catalonia in the following section). This is a pilot exercise in using the proposal which, in any event, can be improved in the future with contributions and suggestions made by users and government itself.

Firstly, it should be noted that expenditure is allotted to the entity implementing it; this is important in such a decentralized country as Spain in which a large swathe of the remits and expenditure that have a direct impact on children (health and education) are transferred to the autonomous communities. We have focused on 231 programmes and 14,785 items of expenditure of which the following have been deleted: 1) Internal transfers to avoid duplication, 2) variation of financial assets and liabilities, 3) current and capital transfers to the autonomous communities, local authorities and abroad because, as stated, the expenditure is allotted to the implementing entity. Nonetheless, in these first few exercises, separate analysis has been conducted to classify the transfers between public entities given the interest and amounts of resources flowing between public entities in our state system.

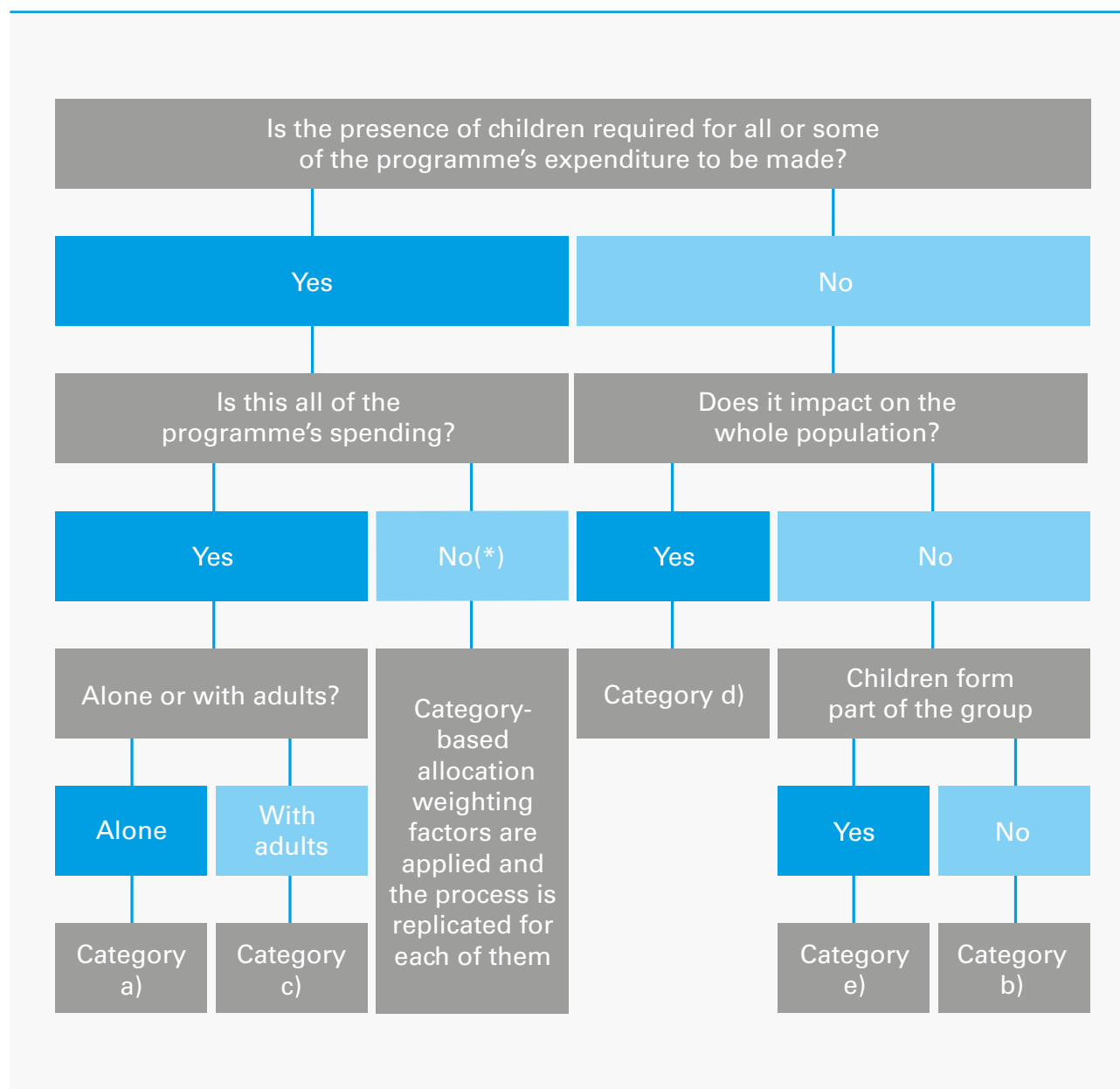
Secondly, when applying the methodology to Spain's central government budget, as could possibly occur in other cases, there are programmes that can be directly or indirectly broken down to determine with greater accuracy the segment allocated to each of the previously described categories (categories a-e). Whenever possible, we have opted to use this method, as otherwise expenditure could be allocated to the wrong categories. For instance, for the "school age and university sports" programme, one possibility would be to assign it to category e) (the programme is aimed at a specific group and no age group is necessary within the group) and use the percentage of students aged 0-17 years in the student body as the weighting factor. However, this would be a mistake, as each outlay on children or adults under this programme requires the presence of one group or other. In other words, it would be methodologically inappropriate to classify it

as category e) and would be the result of only working with a set level of aggregation in the budgets.

In practice, this has resulted in the use of two types of weighting factors. Firstly, the standard weighting factors as discussed in the previous pages, which are useful in assigning the child-focused segment in expenditure in each category. Secondly, a set of weighting factors were used, where possible, to differentiate between items of expenditure which actually fit into several categories due to their level of aggregation. The first group could be called age-based weighting factors and the second group category-based weighting factors.

The process of allocating programmes to each category is depicted in the decision tree in figure 4 which enables the classification of each of the programmes. Category a) is spending that is 100 per cent child-focused and its allocation weighting factor would be 1. An example would be child education expenditure. Category b) covers spending solely on adults and the age-based weighting factor is 0; e.g. pensions. Spending that falls into category c) is mixed and requires the presence of both children and adults. Its age-based weighting factor would be the proportion of adults and children in the baseline group. For instance, maternity benefits, whose weighting factor would be 0.5. Category d) expenditure benefits the total population (of Spain population in this case) without any particular age group needing to be present. Its weighting factor is the proportion of children in the country's total population (18 per cent). Defense spending would be an example. Finally, category e) spending is similar to the previous category but does not affect the country's whole population; instead it impacts upon a sub-group. Its weighting factor is the proportion of children in that sub-group. An example would be expenditure in a given region directly made by the central government.

The most problematic programmes are those that require the presence of children but not throughout the entire programme. They are marked with an asterisk in the decision tree. In this case, attempts have been made to subdivide the corresponding programme with the category-based weighting factors to identify each of them. One example is spending on the "Justice System Staff Training" programme. The number

FIGURE 4. DECISION TREE TO HELP IDENTIFY SPENDING PROGRAMME CATEGORIES

Source: Author compilation.

of cases in the various courts has been used as an indirect indicator to subdivide this programme. The number of cases heard in the juvenile courts out of the total number of court cases was used as the weighting factor to allocate this programme to category a). For category b), courts that only deal with adults (their presence but not that of children is required), such as military tribunals or courts handling gender-based violence cases. Finally, for category d) the weighting factor was the proportion of cases in court for which in

reality the presence of no age group is required, such as the commercial courts and district courts. Another example is the "School age and university sports" programme. To separate it into categories a) and b), the proportion of pupils in primary, secondary, and A level equivalent education, and taking initial professional qualifications and basic and intermediate vocational training, out of the total number of students, excluding infant school and distance learning, as they do not generally take part in sporting activities.

FIGURE 5. SCREENSHOT OF PROGRAMMES FROM THE TOOL USED TO APPLY THE METHODOLOGY TO THE SPANISH CENTRAL GOVERNMENT'S 2017 BUDGET

Programa	Porcentaje que va a la infancia					Observaciones	Derechos
	total	a	c	d	e		
111M Gobierno del Poder Judicial	5,0	0,5	0,0	5,5	0,0	Se divide el gasto porque existe una parte del mismo en el que es imprescindible la presencia de menores. Se aplica a todos los programas de justicia.	3 Derecho a la i
111N Dirección y Servicios Generales de Justicia	5,0	0,5	0,0	5,5	0,0		3 Derecho a la i
111O Selección y formación de jueces	6,0	0,5	0,0	5,5	0,0		3 Derecho a la i
111P Documentación y publicaciones judiciales	6,0	0,5	0,0	5,5	0,0		3 Derecho a la i
111Q Formación del Personal de la Administración de Justicia	6,0	0,5	0,0	5,5	0,0		3 Derecho a la i
111R Formación de la carrera fiscal	6,0	0,5	0,0	5,5	0,0		3 Derecho a la i
112A Tribunales de Justicia y Ministerio Fiscal	6,0	0,5	0,0	5,5	0,0		3 Derecho a la i
113M Registros vinculados con la Fe Pública	6,0	0,5	0,0	5,5	0,0		3 Derecho a la i
121M Administración y Servicios Generales de Defensa	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
121N Formación del Personal de las Fuerzas Armadas	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
121O Personal en reserva	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
122A Modernización de las Fuerzas Armadas	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
122B Programas especiales de modernización	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
122M Gastos Operativos de las Fuerzas Armadas	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
122N Apoyo Logístico	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
131M Dirección y Servicios Generales de Seguridad y Protección	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
131N Formación de Fuerzas y Cuerpos de Seguridad del Estado	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
131O Fuerzas y Cuerpos en reserva	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
131P Derecho de asilo y apátridas	25,0	0,0	0,0	0,0	25,0	Peso de los menores en la solicitud de protección internacional	3 Derecho a la i
132A Seguridad ciudadana	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
132B Seguridad vial	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
132C Actuaciones policiales en materia de droga	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
133A Centros e instituciones Penitenciarias	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
134M Protección Civil	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
135M Protección de datos de carácter personal	10,0	0,0	0,0	10,0	0,0		3 Derecho a la i
141M Dirección y Servicios Generales de Asuntos Exteriores	10,0	0,0	0,0	10,0	0,0		9 Otros bienes
142A Acción del Estado en el exterior	10,0	0,0	0,0	10,0	0,0		9 Otros bienes
142B Acción diplomática ante la Unión Europea	10,0	0,0	0,0	10,0	0,0		9 Otros bienes
143A Cooperación para el desarrollo	10,0	0,0	0,0	10,0	0,0		2 Derecho al de 2
144A Cooperación, promoción y difusión cultural en el exterior	10,0	0,0	0,0	10,0	0,0		2 Derecho al de 2
144B Cooperación, promoción y difusión educativa en el exterior	10,0	0,0	0,0	10,0	0,0		2 Derecho al de 2
211M Pensiones contributivas de la Seguridad Social	0,0	0,0	0,0	0,0	0,0	Es la mitad del peso que tienen las pensiones a familiares.	1 Derecho a la i
211N Pensiones de Clases Pasivas	7,0	0,0	0,0	0,0	7,0	Podría haber familiares menores beneficiados, pero se entienden marginales.	1 Derecho a la i
211O Otras pensiones y prestaciones de Clases Pasivas	0,0	0,0	0,0	0,0	0,0	Se entiende que la mayor parte son las pensiones no contributivas (las prestaciones asistenciales como las otorgadas a residentes en el extranjero son cantidades pequeñas). Las prestaciones familiares van en el programa 221M	1 Derecho a la i
212M Pensiones no contributivas y prestaciones asistenciales	0,0	0,0	0,0	0,0	0,0		1 Derecho a la i
212N Pensiones de guerra	0,0	0,0	0,0	0,0	0,0		1 Derecho a la i
212O Gestión y control de los complementos a mínimos de pens	0,0	0,0	0,0	0,0	0,0		1 Derecho a la i
219M Gestión de las prestaciones económicas de Seguridad So	7,0	7,0	0,0	0,0	0,0	Es el peso de los menores en todos los programas gestionados	1 Derecho a la i
219N Gestión de pensiones de Clases Pasivas	6,5	0,0	0,0	0,0	6,5	Se calcula el peso a partir de cada uno de los programas gestionados.	1 Derecho a la i
221M Subsidios de incapacidad temporal y otras prestaciones e	21,9	0,0	13,9	0,0	0,0	Reparto según los datos de subsidios por IT en los PGE y las prestaciones del M. Empleo y S. Social.	1 Derecho a la i
222M Prestaciones económicas del Mutuismo Administrativo	7,0	0,0	7,0	0,0	0,0	El porcentaje que va a menores es por las ayudas familiares (hijos discapacitados, parto múltiple)	1 Derecho a la i

Regarding the classification of children's rights, which are sub-divided into different categories, four groups

of basic rights have been used and are listed in the following table.

TABLE 4. CLASSIFICATION BASED ON CHILDREN'S RIGHTS

Group	Sub-group
1 Right to survival	11 Food, 12 Housing and basic infrastructure, 13 Health care, 14 Social assistance and 15 Economic well-being
2 Right to develop their full potential	21 Education, 22 Culture and leisure, 23 Youth policies and 24 Economic and environmental development
3 Right to protection	31 Basic rights, 32 Protection, 33 Security and 34 Justice
4 Right to participate	41 Information and 42 Participation
9 Other public goods	99 Other public goods

Source: Author compilation.

In terms of the classification of fiscal spending, we have used the definitions in the Tax Breaks report that accompanies the general state budget. These definitions are based on the experience built up setting these budgets and international practices and thinking. The Tax Breaks report explains the conditions that must be fulfilled by a tax regulation for it to be regarded as fiscal spending.²⁴

For the purposes of quantification, we use the figures already published in the various tax break budgets, both state and autonomous community budgets. Two groups of fiscal spending have been identified based on the source of the tax which gives rise to them. The first group is made up of taxes for which there is fiscal spending that directly impacts on children. In the case of central government, we are primarily referring to PIT and VAT, and these two plus inheritance and gift tax in the case of the autonomous communities. In these three cases each item of fiscal spending from within each tax group is analysed to determine in which of the five categories (a-e) it fits and to what extent. The second group is made up of fiscal spending from other tax groups, both centrally collected taxes (corporation tax, non-resident income tax, special taxes, tax on insurance premiums, duties

and other fees) and autonomous community taxes (asset transfer tax and eco taxes), in which fiscal spending is of a general nature and is consequently allocated to children to the same extent as the rest of the population. This tax group will be treated in the same way (d) as general spending programmes.

4.2. MAIN RESULTS²⁵

The application of this methodology to the 2017 general state budget generates the following results.²⁶ Firstly, total state spending on children is €18.5 billion (table 5). This figure is barely 7.05 per cent of total spending and 1.66 per cent of GDP, i.e. an annual sum of €2,218 per child. One of the reasons why this figure is so low compared with estimates provided by other countries is that Spain is a highly decentralized country and a significant share of child-focused spending, such as education and health care, is undertaken by the autonomous communities. In fact, the focus index is 39.29, in other words, far below 100, which shows that spending by central government fundamentally targets adults.

TABLE 5. CHILD-FOCUSED SPENDING: GENERAL STATE BUDGET

Expenditure	By category					Total
	A (Children)	B (Adults)	C (Children and adults)	D (General)	E (Groups/ areas)	
Total (thousands)	942,533	169,975,278	4,116,297	80,189,127	7,501,602	262,724,839
Total children (thousands)	942,533	0	2,060,496	14,434,213	1,097,055	18,534,309
Children (per cent of total spend)	0.36	0	0.78	5.49	0.42	7.05
Children (per cent GDP)	0.08	0	0.18	1.30	0.10	1.66
Children (€ per child)	112.82	0	246.64	1727.76	131.32	2218.54
Focus index: 39.29						

Source: Author compilation.

²⁴ The conditions applied are as follows: the measure intentionally differs from the basic tax structure; it is an incentive aimed at a set group of taxpayers or a set economic activity, there is the legal option of abolishing the fiscal spending or changing its definition, it is not offset by another tax system measure, it is not motivated by technical, accounting, administrative conventions or linked to international tax agreements, and it does not aim to simplify or facilitate tax compliance.

²⁵ These results are from the first version of analysis of the 2017 general state budget. In subsequent versions and following updates and improvements some results may differ.

²⁶ The previously mentioned transfers are excluded. The population figures are for 1 January 2017 and 2017 GDP is the projection made for that year by Spain's National Institute of Statistics.

The bulk of child-focused spending (78 per cent) fits into category d) (public goods), while 100 per cent child-focused spending (category a)) only amounts to 5 per cent, which once again is partly explained by the type of spending undertaken by central government due to the distribution of powers.

It should be noted that for tax expenditure Spain is also a highly decentralized country in terms of revenue. There are shared taxes in which the autonomous communities have a high level of involvement (50 per cent for PIT and VAT and 58 per cent for special taxes) and they have some regulatory power over some of these taxes, while others are handed over to the autonomous communities (wealth tax and inheritance and gift tax). Just like for direct spending, for tax we will refer to the implementing entity, in this case central government. Taking the example of VAT, central government

receives 50 per cent of the collected revenue, so only 50 per cent of the total fiscal spending is assigned to it. Naturally, taxes and measures that only affect taxes received by a given public entity are regarded as being 100 per cent received by it.

For central government, tax spending on children is roughly one-third of direct spending, €6.5 billion (table 6). This figure accounts for 20.24 per cent of total tax spending, 0.58 per cent of GDP and roughly €772 per child. Unlike what happened with direct spending, the focus index (112.7) indicates that tax spending is child-focused.

Although the bulk of tax spending also falls under category d), in this case 100 per cent child-focused spending increases to 8 per cent, while category c), which also requires the presence of children, increases from the previous figure of 11 per cent to 18 per cent.

TABLE 6. TAX SPENDING

Expenditure	By category					Total
	A	B	C	D	E	
Total (thousands)	512,150	2,693,290	2,292,880	26,240,830	128,450	31,867,600
Total children (thousands)	512,150	0	1,191,680	4,723,350	21,720	6,448,900
Children (% of total tax spend)	1.61	0	3.74	14.82	0.07	20.24
Children (% GDP)	0.05	0	0.11	0.42	0.00	0.58
Children (€ per child)	61.30	0	142.64	565.38	2.60	771.93
Focus index: 112.71						

Source: Author compilation.

The largest portion of tax spending on children comes from VAT (53 per cent) and particularly the reduced VAT rate (23 per cent) (table 7). At the individual level, the bulk of child-focused spending is from the reduced rate “hotel and catering” (8.2 per cent), followed by the “food and beverages” reduced rate and “pur-

chase of new builds” (5.6 per cent and 4.6 per cent respectively) and the education waiver (4.7 per cent). PIT is the second biggest contributor to spending on children (32 per cent of the total) with large family (6.8 per cent) and maternity (6.1 per cent) deductions standing out.

TABLE 7. TAX SPENDING: MOST RELEVANT ITEMS

Item	% of total tax spend on children
PIT	32.84
Maternity deduction	6.09
Large family deduction	6.84
Main residence deduction	3.29
VAT	52.83
Education waiver	4.73
Health waiver	3.21
Reduced rate	22.72
Hotel & catering	8.21
Food and beverages	5.56
Property purchases	4.59
Super-reduced rate	7.54
Food and beverages	3.34
Health	3.28

Source: Author compilation.

If we take into consideration total fiscal and direct spending, the figure rises to €25 billion, which equates to 8.5 per cent of total state spending and 2.2 per cent of GDP (€2,990 per child) (table 8). The focus index is 47.23, showing that even when tax spending is included, spending is still clearly adult-focused.

TABLE 8. TOTAL SPENDING: DIRECT AND TAX

Expenditure	Total
Total (thousands)	294,592,439
Total children (thousands)	24,983,209
Children (per cent of total spend)	8.48
Children (per cent GDP)	2.24
Children (€ per child)	2,990.47
Focus index: 47.23	

Source: Author compilation.

If we analyse spending type, based on the classification of specific, broad and total spending (table 3), we see that only 16 per cent of the direct spending that benefits children is child-specific spending and only 22 per cent is broad spending (table 9). In other words, over three-quarters is made up by spending that is not specifically aimed at children but at the total population of which children are part of. In the case of fiscal spending, the proportion of spending that is specifically child-focused is higher (26 per cent).

On the other hand, if we look at spending on adults (table 10), over two-thirds of direct spending is specific adult-oriented spending, while only 27 per cent is from spending that benefits the country's whole population. The opposite occurs for tax spending, as the overwhelming majority (84 per cent) is from spending that benefits the whole of society. In any case, it is interesting to note that out of total expenditure, the vast majority of the spending that benefits children is not specifically child-oriented, while for adults, the largest swathe is adult-specific. This shows that the (strict) age-focus of central government spending policies is clearly aimed at adults and is an inevitable consequence of the sharing out of responsibilities between central government and the autonomous communities.

TABLE 9. SPENDING TYPE: TOTAL CHILDREN (THOUSANDS)

Spending type	Direct		Tax		Total	
	€K	%	€K	%	€K	%
Specific strict spending (a+c)	3,003,029	16.2	1,703,830	26.4	4,706,859	18.8
Broad (a+c+e)	4,100,084	22.1	1,725,550	26.8	5,825,634	23.3
Total (a+c+d+e)	18,534,297	100.0	6,448,900	100.0	24,983,197	100.0

Source: Author compilation.

TABLE 10. SPENDING TYPE: ADULTS (THOUSANDS)

Spending type	Direct		Tax		Total	
	€K	%	€K	%	€K	%
Specific strict spending (b+c)	172,031,079	70.4	3,794,490	14.9	175,825,569	65.2
Broad (b+c+e)	178,435,626	73.1	3,901,220	15.3	182,336,846	67.6
Total (b+c+d+e)	244,190,540	100.0	25,418,700	100.0	269,609,240	100.0

Source: Author compilation.

Finally, if we look at the rights-based classification, the bulk of the spending is on survival and other public goods groups, accounting for 31 per cent and 32 per cent respectively of total expenditure (table 11).²⁷ The “right to develop their full potential” group occupies third place with 25.6 per cent and finally the right to protection comes in at 11.6 per cent. At individual level, the

category on which most is spent is, in our own words, “economic and environmental development” (19.7 per cent), followed by “economic well-being” (18.5 per cent), “security” (10.2 per cent), “education” (4.9 per cent) and health (4.8 per cent). As we can see, these results once again reflect the distribution of powers between central government and the autonomous communities.

²⁷ We failed to identify any programmes in the general state budget that influence the right to participate. It is also worth pointing out that fitting programmes to rights is not an automatic process and is somewhat arbitrary for two reasons. Firstly, in some cases it is unclear how to allocate items of expenditure to one right or another, and secondly because some items of expenditure impact on several rights. In these cases, we opted to assign the expenditure to the right with the greatest weight. An alternative would have been to weight and assign the expenditure to various rights but we ruled this out because of the impossibility of finding appropriate weighting factors.

TABLE 11. TOTAL SPENDING ON EACH GROUP OF RIGHTS (THOUSANDS)

Right	Direct expenditure	Tax spending	Total	Total %
1 Right to survival	3,575,311	4,178,660	7,753,971	31.04
11 Food	2,877	574,010	576,887	2.31
12 Housing and basic infrastructure	3,531	700,920	704,451	2.82
13 Health care	765,683	431,710	1,197,393	4.79
14 Social assistance	438,834	202,920	641,754	2.57
15 Economic well-being	2,364,386	2,269,100	4,633,486	18.55
2 Right to develop their full potential	4,150,495	2,252,100	6,402,595	25.63
21 Education	918,113	305,000	1,223,113	4.90
22 Culture and leisure	153,173	93,040	246,213	0.99
23 Youth policies	5,374	0	5,374	0.02
24 Economic and environmental development	3,073,835	1,854,060	4,927,895	19.72
3 Right to protection	2,893,029	0	2,893,029	11.58
31 Basic rights	7,530	0	7,530	0.03
32 Protection	18,446	0	18,446	0.07
33 Security	2,561,266	0	2,561,266	10.25
34 Justice	305,787	0	305,787	1.22
9 Other public goods	7,915,474	18,140	7,933,614	31.76
99 Other public goods	7,915,474	18,140	7,933,614	31.76
Total	18,534,309	6,448,900	24,983,209	100.00

Source: Author compilation.

5. APPLICATION TO THE BUDGETS OF THE AUTONOMOUS COMMUNITY OF CATALONIA

5.1. MAIN RESULTS²⁸

The application of the same methodology to the Autonomous Community of Catalonia's 2017 budgets generates the following results.²⁹ As stated in the previous section on central government budgets, this analysis is a pilot run for the methodology explained in this document and is an exercise in estimation that can be improved by subsequent contributions made by the public entity and other experts and users of the tool.

Firstly, total expenditure on children is €9 billion (table 12), which equates to 27.16 per cent of total spending, and 4.09 per cent of the community's GDP, and amounts to €6,455 per child per year. These figures are notably higher than those posted by central government and

this is caused, as has been stated several times, by the fact that the bulk of expenditure on children (education and health, for example) is made by the autonomous communities. As a result, the focus index is 144.62 (39.29 for central government), a long way above 100, which shows that a significant amount of the spending incurred by the Generalitat de Catalunya is particularly child-focused.

In fact, the largest portion (67 per cent) equates to category a) (100 per cent child-specific), unlike central government for which 78 per cent falls under category d) (public goods), a category which in the case of Catalonia accounts for 33 per cent of the total expenditure on children. The remaining categories are to all intents and purposes irrelevant.

TABLE 12. CHILD-FOCUSED SPENDING: CATALONIA

Expenditure	By category					Total
	A	B	C	D	E	
Total (thousands)	6,008,340	10,649,759	27,776	15,825,707	703,974	33,215,556
Total children (thousands)	6,008,340	0	13,888	2,975,233	23,740	9,021,201
Children (per cent of total spend)	18.09	0	0.04	8.96	0.07	27.16
Children (per cent GDP)	2.72	0	0.01	1.35	0.01	4.09
Children (€ per child)	4299.50	0	9.94	2129.04	16.99	6455.47
Focus index: 144.62						

Source: Author compilation.

²⁸ Just like for central government, this application is a pilot exercise in using the proposal which can be improved in the future with contributions and suggestions made by users and the public entity itself.

²⁹ The transfers described in the previous section are once again excluded. The population figures are for 1 January 2017 and 2017 GDP is the 2016 figure updated for 2017 with the growth forecast for that year for the whole country calculated by Spain's National Institute of Statistics.

As for tax spending, we assess Catalonia's spending both in terms of shared taxes – primarily PIT and VAT in this area – although the regulations that determine the expenditure are from central government, and also in terms of the autonomous community's own tax measures. For Catalonia, tax spending on children is €1.2 million, roughly 13 per cent of its supposed direct spending (table 13). This figure accounts for

11.56 per cent of total tax spending, 0.54 per cent of GDP, and €850 per child. Unlike what happened with direct spending and with central government spending, the focus index (61.55) shows that tax spending is adult-oriented. Almost all tax spending on children (88 per cent of the total) fits into category d), while exclusively child-focused spending barely accounts for 0.45 per cent.

TABLE 13. TAX SPENDING

Expenditure	By category					Total
	A	B	C	D	E	
Total (thousands)	5,300	4,127,160	105,780	5,588,660	454,100	10,281,000
Total children (thousands)	5,300	0	52,890	1,050,690	79,510	1,188,390
Children (per cent of total tax spend)	0.05	0	0.51	10.22	0.77	11.56
Children (per cent GDP)	0.00	0	0.02	0.48	0.04	0.54
Children (€ per child)	3.79	0	37.85	751.86	56.90	850.40
Focus index: 61.55						

Source: Author compilation.

The largest portion of tax spending on children arises from central government measures (reduced rate VAT, PIT tax breaks etc) while tax spending stemming solely from autonomous community measures accounts for

13.56 per cent of the total, with the most noteworthy sources being kinship inheritance and gift tax reductions (6.5 per cent) and main residence deductions (4.5 per cent) (table 14).

TABLE 14. TAX SPENDING: MOST NOTEWORTHY AUTONOMOUS COMMUNITY TAX MEASURES

Item	% of total tax spend on children
PIT	5.62
Main residence deduction (autonomous community portion)	4.51
Inheritance and Gift Tax	6.69
Kinship reduction	6.53
Total autonomous community tax measure tax spend	13.56

Source: Author compilation.

If we add together direct and tax spending on children, the figure rises to slightly over €10 billion, which equates to 23.5 per cent of the total spending incurred by the Government of Catalonia, 4.63 per cent of GDP and €7,305 per year (table 15) (for central government the figures were 8.5 per cent, 2.2 per cent and €2,990

respectively). The focus index is 124.99, indicating that total expenditure is clearly child-oriented, unlike the central government, whose index is 47.23. It is important to note once again that this difference is fundamentally caused by the distribution of powers between the autonomous communities and central government.³⁰

TABLE 15. TOTAL SPENDING: DIRECT AND TAX

Expenditure	Total
Total (thousands)	43,496,556
Total children (thousands)	10,209,591
Children (% of total spend)	23.47
Children (% GDP)	4.63
Children (€ per child)	7305.87
Focus index: 124.99	

Source: Author compilation.

Regarding expenditure type (table 16), two-thirds of direct spending is child-specific spending, while child-specific spending only accounts for 5 per cent of tax expenditure, with the bulk of spending being on goods that benefit the

total population. As for adults (table 17), there is an almost equal distribution, both for direct and tax spending, between adult-focused expenditure and general spending designed to benefit the whole population.

TABLE 16. SPENDING TYPE: TOTAL CHILDREN (THOUSANDS)

Spending type	Direct		Tax		Total	
	€K	%	€K	%	€K	%
Specific strict spending (a+c)	6,022,228	66.8	58,190	4.9	6,080,418	59.6
Broad (a+c+e)	6,045,968	67.0	137,700	11.6	6,183,668	60.6
Total (a+c+d+e)	9,021,201	100.0	1,188,390	100.0	10,209,591	100.0

Source: Author compilation.

³⁰ It is interesting to note that the results of the study carried out by the Centro de Estudios Económicos Tomillo in collaboration with THE SPANISH COMMITTEE FOR UNICEF showed that child-focused investment, both throughout Spain and in Catalonia, was around 4 per cent of GDP. If direct Generalitat and central government spending in Catalonia is added up, assuming that the spending incurred by central government is distributed to autonomous communities based on their GDP, our results reveal a significantly higher figure: 5.7 per cent. The figure reaches 6.8 per cent if tax spending is included.

TABLE 17. SPENDING TYPE: ADULTS (THOUSANDS)

Spending type	Direct		Tax		Total	
	€K	%	€K	%	€K	%
Specific strict spending (b+c)	10,663,647	44.1	4,180,050	46.0	14,843,697	44.6
Broad (b+c+e)	11,343,881	46.9	4,554,640	50.1	15,898,521	47.8
Total (b+c+d+e)	24,194,355	100.0	9,092,610	100.0	33,286,965	100.0

Source: Author compilation.

“

No State can tell whether it is fulfilling children's economic, social and cultural rights “to the maximum extent of available resources”, as it is required to do under article 4, unless it can identify the proportion of national and other budgets allocated to the social sector and, within that, to children, both directly and indirectly.

”

General Comment Number 5 of the Committee on the Rights of the Child on General measures of implementation of the Convention on the Rights of the Child (2003).

unicef  | for every child