Language acquisition researchers have long observed that children’s early use of grammatical morphemes is highly variable. It is generally thought that this is due to incomplete syntactic or semantic representations. However, recent crosslinguistic research has found that the variable production of grammatical morphemes such as articles and verbal inflections is phonologically conditioned. Thus, children are more likely to produce grammatical morphemes in simple, unmarked phonological contexts than in those that are more complex. This suggests that some of the variability in children’s early production (and perception) of grammatical morphemes may be due to phonological or prosodic context effects, and that some aspects of children’s syntactic/semantic representations may be in place earlier than typically assumed. The Prosodic Licensing Hypothesis therefore provides a framework for making crosslinguistic predictions about which grammatical morphemes will be later acquired and why. This raises important theoretical and methodological issues for investigating syntactic knowledge in L1 acquisition, but also in populations such as bilinguals, L2 children and adults, and those with language delay/SLI. Implications for understanding the mechanisms underlying related aspects of language processing and production are discussed.