## Why conservatives should get behind bigger government

OPINION: On issues like child care, housing, and climate change, an expanded role for government could actually advance conservative

principles

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## **EXCERPTS**

Cities in Quebec have the cheapest daycare in Canada, and it's not particularly close: the heavily subsidized system in Ontario's neighbour to the east runs parents about \$200 per month per child as a base rate. The nearest competitor, according to the Canadian Centre for Policy Alternatives, is Winnipeg — and it's more than triple the cost. The cheapest city in Ontario, per the CCPA, is Ottawa, at nearly \$1,000, and Toronto's rates are more expensive still: a couple could easily pay eight or nine times what it costs in Quebec for child care.

There are problems with the Quebec system: it had a chaotic beginning as the government scrambled to make spaces to accommodate the massive demand, and there are serious concerns about whether these subsidized daycares are doing everything they can to improve childhood development or are simply glorified babysitting. But it's reasonably affordable for what it does, and the fact that it has substantially improved female labour participation in the workforce — and therefore increased income taxes for the provincial government — has led supporters of the policy to argue that it effectively pays for itself.

There's no magic here; it's just that there are some problems that only government can solve. I argued yesterday that Canadian conservatives would do well to rethink their passion for attacking the size and scope of government and instead think of ways to use the state to support other conservative values. Quebec's daycare system serves as a useful example.

Conservatives ought to be able to embrace a policy that puts more people in the workforce, stabilizes families, and encourages them to have more children. This isn't about births for the sake of more births, but rather about enabling women to live the lives they want: for decades, survey data has shown that young families are having fewer children than they'd like, and large majorities of people say that the financial burdens of having a child are one of the big factors limiting the size of families. Subsidized daycare makes the choice easier for young families: Quebecers had fewer children than Ontarians for most of the years after 1960, but its fertility rate has risen since the introduction of subsidized daycare in the early 2000s, and it's now consistently higher than Ontario's.

The notion that judiciously expanding government services and spending may actually enable people to live freer lives might be a hard bridge for conservatives to cross, but if they can, there are other areas where the same principle applies. For starters, there's the other monstrous cost facing young families in Toronto and other large cities: housing. Conservatives may not be able to talk themselves into subsidizing social housing, but the simple fact is that Canada built a truly historic number of new homes in the 1970s and 1980s, when housing was being subsidized directly or indirectly through either favourable tax treatment or lavish spending on new infrastructure.

Even in this subway-happy age, infrastructure is often underappreciated. Before any empty lot can become a home, it needs to be connected to a bevy of services: electricity, water, roads, sewers. At the moment, the primary principle behind paying for much of that infrastructure is that "growth pays for growth" — that is, municipalities charge developers for the cost of servicing new homes. Even the current Ontario government, which is happy to clear out rules it dismisses as "red tape" preventing new homes from being built, has pledged to preserve the principle of growth paying for growth. It has the sound of a reasonable public policy, but it's actually just a political settlement from a particular era in government: municipal-infrastructure demands were increasing in the 1980s as provincial budgets were tightening, so, rather than spend its own money, Queen's Park let municipal councils pass the bill on to developers. Prior to that era — during a long spell of Tory governments — the province had been happy to spend billions in today's money on 400-series highways to new subdivisions and on major trunk-sewer lines to help service them. They could do much the same thing again, but by subsidizing sensible intensification instead of subdivisions. Spending public money to better enable people to live their lives doesn't need to mean endless sprawl into farmland. Indeed, giving people shorter commutes closer to home lets them spend more time with those families we keep talking about.

Again, the point isn't big government for the sake of big government. An increased role for government can actually solve real problems in real people's lives that the market, on its own, can't. This is most obviously the case with climate change, the issue on which conservatives have most dug in their heels against new taxes — even though taxing pollution was supposed to be the conservative alternative to environmental regulation. There's no snappy answer here except in that conservatives should probably get over it, accept some amount of

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carbon pricing, and then try to imagine what climate-friendly middle-class affluence would look like — and how conservative principles could help get people there.

If the Tories can't do that, forces on the left are already working on it. The pragmatic threat that conservatives should worry about from various progressive groups pitching a Green New Deal (both in the United States and Canada) tying labour and economic rights to climate-change policy isn't that we'll see a major expansion of the state at the expense of private enterprise. It's that those groups will succeed precisely because conservatives will have offered voters no compelling alternative and instead chosen to stick their heads in the sand on an issue voters increasingly see as crucial to their future.

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