

National childcare system is crucial for recovery and rebuilding^[1]

Failure to act will hobble our economic restart and entrench poor outcomes for women

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EXCERPTS

Bank CEOs, union leaders, business groups and experts have at last joined parents and families in recognizing that childcare is a key ingredient to Canada's capacity to recover and rebuild from the COVID-19 crisis. Government decisions made now about building a childcare system will be era-defining, and have generational ripple effects. Wrong decisions, or even indecision, will significantly slow our economic and social recovery and lead to a less fair Canada. Tax credits or cash payments may seem a simple and expedient approach, but parents can't buy what doesn't exist; childcare services are collapsing all across Canada.

The lack of a real childcare system is dragging Canada down at a crucial moment. As provinces and territories emerge from lockdown, new childcare challenges compound pre-existing ones, threatening to hobble economic restart and to entrench gender-regressive economic outcomes. Federal government leadership is urgently required both to stabilize existing childcare and to build toward a childcare system that will stimulate and sustain economic recovery.

When the COVID-19 crisis hit, women were the first called or pushed out of the labour market for caregiving, making this Canada's first care- and service-sector-led recession – what some call a “pink-collar recession” or “she-cession.” Without a vision and plan for immediate support, as well as sustainable, long-term childcare system-building, women will be both the first out and last back to work. Such an outcome will yield massive consequences at the household and macroeconomic levels, including stunted economic growth, decreased tax revenues, and increased poverty for women and children. Canadian women's labour market participation has reached 30-year lows, threatening to reverse a generation of gains.

Despite additional federal investments in childcare since 2017, Canada has lacked a comprehensive vision and action plan with regard to childcare system-building. Pre-pandemic, about 64 per cent (1.4 million) of Canadian children aged 0-5 regularly used paid non-parental childcare. There were regulated centre-based spaces for about 29 per cent of Canadian children ages 0-5, and regulated spaces (centres and home-based settings) for about 27 per cent of children aged 0-12. Where Canadian parents live often determines childcare affordability, with fees for infant care ranging from a monthly median cost of \$179 in Montreal to \$1,774 per month in Toronto.

And now the situation is worse: Overall childcare capacity has been significantly reduced. In Ontario, for example, estimates are that only 54 per cent of centres are open, and fewer than 25 per cent of spaces are operating. In Alberta, estimates are that 53 per cent of centres are open with an enrolment level of 44 per cent.

Despite essential emergency pandemic investments from federal and provincial/territorial governments, already under-resourced centres are struggling to meet the additional expenses of the pandemic's operational requirements, exacerbated by reduced and unpredictable enrolments. Without action, a bad situation is going to get worse.

A significant advantage of Canada's decentralized social policy federation has been its experimentation at the provincial and territorial levels to reveal best practices and successes that can be emulated and scaled. But that hasn't happened yet; instead, we see significant variations across the country.

Over the last three decades, Quebec undertook an ambitious and co-ordinated approach to investing in family policy, including building an affordable, quality-minded, accessibility-oriented, publicly managed childcare. Other provinces such as Ontario, by contrast, vacillated between some investments in expanding childcare affordability and select public management at the municipal level, in concert with non-system-building tax credits to families. We see the consequences in stark differences in women's labour market participation and poverty between provinces.

Building a national childcare system requires establishing a federal Childcare Secretariat to aggressively plan and create capacity in the childcare labour market, in physical stock, and in balancing accessibility, affordability and quality. This in turn requires an additional federal investment of \$2 billion in the first year, and \$2 billion added to that base each year, leading to an annual expenditure of \$8-10 billion.

Addressing patchwork accessibility, uneven affordability and variable quality will stimulate employment in both construction and the provision of childcare. Building a childcare system will protect Canada's economy against the care vulnerabilities revealed by the pandemic.

Building a childcare system with national standards and vision is the right policy tool and investment at the right time. It will reverse the march to a stalled and gender-regressive economic recovery, will stimulate and sustain economic growth, will pay for itself over time, and will fulfill the 50-year-old promise of the Royal Commission on the Status of Women.

Region: Canada ^[3]

Tags: economic recovery ^[4]

Women ^[5]

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