

How do you build a Canada-wide childcare system? Fund the services ^[1]

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Source: First Policy Response

Format: Article

Publication Date: 8 Mar 2021

AVAILABILITY

Access online ^[2]

Excerpt from article

Following almost a year of policy adaptation in an evolving pandemic, childcare has emerged as a key social infrastructure investment that will spur and sustain Canada's economic recovery. Last September's speech from the throne and subsequent fall economic statement underscored its urgency and articulated its objectives:

It has been nearly 50 years since the Royal Commission on the Status of Women outlined the necessity of childcare services for women's social and economic equality. We have long understood that Canada cannot succeed if half of the population is held back. Canadians need more accessible, affordable, inclusive, and high quality childcare. Recognizing the urgency of this challenge, the Government will make a significant, long-term, sustained investment to create a Canada-wide early learning and childcare system. The Government will build on previous investments, learn from the model that already exists in Quebec, and work with all provinces and territories to ensure that high-quality care is accessible to all. There is broad consensus from all parts of society, including business and labour leaders, that the time is now.

This broad consensus on the necessity of building a childcare system must now rapidly move to implementation, with sharp clarity on the pathways — and pitfalls — to meeting the foundational principles of quality, accessibility, affordability, flexibility and inclusivity.

What is standing in the way of moving from affirming childcare's merits to system-building? Among the barriers are: 1) negotiating pandemic federalism, 2) overcoming complexity inertia, and 3) navigating electoral deliverables without taking shortcuts.

The approach that should guide next steps can be summarized as: fund the services. With "fund the services" as a starting point, the developing childcare system is given shape and form, and obstacles to system-building are rendered surmountable.

Childcare is as complex as any other major social or economic policy portfolio in the federation. It's an area where unevenness in system development and maturity produce gendered wage, participation and poverty gaps among provinces and territories. The economic consequences of this unevenness touch all levels of government, and the political risks of inaction on childcare are likewise shared across jurisdictions.

Negotiating 'pandemic federalism'

Jurisdictional and constitutional challenges are an enduring hallmark of Canada's highly decentralized federation. This decentralization is a central reason why Canada lacks a coherent family policy. It is also the chief impediment identified in discussions about building a national childcare system, and the chief rationale given for its absence.

Canada has navigated its unique constitutional landscape via a spectrum of approaches ranging from exclusive, watertight compartments to collaborative, shared and asymmetrical jurisdictionalism. Federal spending power serves as an important mechanism for supporting equitable pan-Canadian access to public services and supports, and in some areas, as a means of redressing complex policy gaps and challenges.

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But this is a new moment. In every crisis, Canada has reimagined its federation. Pandemic federalism has demonstrated a renewed

understanding of the fragility and resiliency of our federation and its shared values. It has demonstrated that policy co-construction can rise and be met at the level of national concern, and that crises demand that historic jurisdictional barriers become malleable to serve Canadians.

Crucially, political support and political will combine in this pandemic moment to build for a future that is better insulated economically and socially against shocks. The federal government is ready to fund what is required to build a system, and broad multi-sectoral support for a national childcare system has never been so robust.

Building a childcare system requires direct funding to support and develop defined childcare services and programs. It requires clarity and transparency on the policy actions that will achieve system-building, as well as diplomacy and stewardship that can overcome the barriers to implementation that have mitigated against current mechanisms of Federal-Provincial-Territorial (FPT) relations, including multilateral and bilateral agreements and funding transfers.

This project of reconstruction federalism requires building on the pandemic-period spirit of respect and reciprocity that acknowledges provinces and territories as important and equal partners. It requires opening a space to foreground policy lessons and successes, identify and establish shared goals and plans, and establish predictable, clear and shared accountability. Significantly, it must assure that federal funding is long-term, sustainable and reliable, and deliver on this assurance through all available FPT mechanisms.

Pandemic federalism has been a moment of reset for FPT relations. For childcare, this reset requires establishing the Childcare Secretariat announced in the fall economic statement as a federally-led and -funded entity that supports collaboration, policy research and data sharing across jurisdictions. Recognizing the significant deficit in policy and collaborative federalism built up during the Stephen Harper decade, and the lack of capacity in governments in all jurisdictions, the federal secretariat should begin with the shared principles in the current multilateral framework agreement and bolster itself with previously embraced principles for childcare (such as Quality, Universally Inclusive, Accessible with a Developmental focus, or QUAD) and the immense body of work by the former federally established Child Care Human Resources Sector Council. The secretariat should be situated, or connected, centrally in the federal government to publicly demonstrate the importance the government is placing on a national childcare system, and it should connect and coordinate related policy across the federal government and inter-governmentally.

Childcare policy — like housing, health and education — is complex in that it involves built infrastructure, human infrastructure (requiring training and remuneration, governance and management) and in some cases, direct co-payments or dedicated taxation streams. But just because something is complex doesn't mean it's impossible.

Overcoming complexity inertia

The jurisdictional challenges of federalism contribute to a kind of complexity paralysis that prevents progress on childcare policy development. Childcare policy — like housing, health and education — is complex in that it involves built infrastructure, human infrastructure (requiring training and remuneration, governance and management) and in some cases, direct co-payments or dedicated taxation streams.

But just because something is complex doesn't mean it's impossible. Rather, it compels an approach that bypasses tried-and-failed, ideological or non-system-building models of childcare spending via cash-for-care, tax credits, vouchers or incentives for market actors to build services. To both navigate federalism and overcome complexity inertia, the government should instead approach the childcare file as one in which federal funding is provided for the express purpose of funding the services.

In concert with income, wage and rental-stabilization funding mechanisms, Safe Restart monies transferred to provinces and territories have been instrumental (where they have been spent) in shoring up the childcare sector in the pandemic. Canada is just beginning to emerge from a second lockdown, and vigilance and readiness must remain to prevent further childcare capacity erosion.

Starting with the upcoming 2021 federal budget, funding should be directly provided only where it will grow and develop a quality childcare system. The first priority areas of investment (fee caps, wages and expansion) are interdependent and must be addressed concurrently and in balance:

- Fee caps: Provinces and territories should limit the amount that parents pay, and federal funds should be paid directly by provinces and territories to services (regulated childcare programs and centres) to address the gap. Existing and new data will support definitions of affordability for parents. Some provinces have already implemented a fee cap (\$10 a day in British Columbia, \$25 a day in Newfoundland.) Additional federal support could extend and improve these different forms of fee caps. This approach directly addresses immediate parental affordability gaps, but does so within a framework of ensuring that they maintain and sustain the operations of the existing stock of regulated childcare.
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- Fund the workforce (wages): Two elements are required. The first is directly funding wages determined through established wage grids that provide fair and consistent remuneration for early childhood educators, similar to the way teachers' wages are consistent and predictable. Wage grids will vary to reflect regional differences.
- The second is developing and implementing a workforce strategy to support recruitment, retention and professional development. This might include bursaries, training, education and benefits.

- The significant unevenness in policy maturity across the country means that provinces and territories have different starting points and approaches, and there are many paths to success. The actions of each province may differ, but as long as these two federally mandated requirements are met, models may differ and flexibility should be allowed.
- Expansion strategy: Capital investments are needed to build and retrofit publicly owned buildings for childcare centres. Public investments would create and retain publicly owned assets. In this specific context, it is important to note that public management means planning — that is, determining where services are needed, and purposefully undertaking the development and funding. This is different than public delivery, where programs are directly operated by a public entity such as a municipality or school board.

Federal leadership via an approach that begins with funding the services focuses policy attention on system-building and away from family income supplements, tax credits or coupons/vouchers for childcare, which do not build a childcare system.

Shortcuts take you to the wrong destination

As has been well established, Canada does not have a childcare system, but rather, a patchwork childcare market whose vulnerability and inadequacy has been well revealed in the pandemic. Extending the current approach (transferring federal funds to provinces and territories through bilateral agreements without a shift to public management, and without explicitly tracking that provinces and territories are using federal money to directly fund services) will result in continued market failure, and will not achieve the desired outcomes for improved affordability, accessibility or quality. Likewise, it will not yield the economic returns that accrue from increases in women's labour market participation (crucial for robust, accelerated economic recovery) and decreases in spending in adjacent policy areas to compensate for childcare and family policy failures.

Family policy is fraught terrain. Attempting to engage with and navigate political allegiances to distinct iterations of family policy is unproductive. Federal leadership via an approach that begins with funding the services focuses policy attention on system-building and away from family income supplements, tax credits or coupons/vouchers for childcare, which do not build a childcare system. Funding the services also helps build a more stable workforce, rather than stimulating a low-wage, female, precarious one via a cash-for-care model.

There are no shortcuts in system-building. While there is purportedly easy political translatability to a cash transfer to parents, and rhetorical allure to parental choice framings, neither delivers for parents. Choice in childcare comes from making decisions based on excellent options that allow parents, regardless of their circumstances, to make the best decisions for their families — and this necessarily includes high-quality, affordable, accessible care.

Region: Canada ^[3]

Tags: national child care ^[4]

government ^[5]

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