The caring economy is the chokepoint of recovery: What's the plan to value the people we know are essential to our well-being? [1]

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EXCERPTS

Imagine the premier or transport minister in your province saying, "We're going to reopen the economy, but only half the roads and bridges are functioning." Businesses scrambling to figure out which roads and bridges were open to get supplies in, or shipments out, would force the government to have a plan to repair and restore critical physical infrastructure – even if only because of the economic impact. But when it comes to the collapse of critical social infrastructure such as child care, which has a similar impact on economic outcomes, insert the sound of crickets.

In a standard-issue recession, the standard-issue government policy for recovery is increased spending on shovel-ready infrastructure projects such as roads and bridges. It creates well-paid jobs and stimulates recovery, though not all the people displaced by a recession (typically a he-cession, because male-dominated industries are usually hit first and hardest) will take the new construction jobs. Just as important as job creation, the public funding repairs, maintains and expands the commonly used physical assets (infrastructure) we need to go about our business.

But so far no government has talked about addressing the world's first she-cession (a term I coined last March to capture how women's hard-won gains in employment equity over the decades have melted away in the COVID-19 pandemic) by spending more on the social infrastructure we all rely on. The caring economy includes – but isn't limited to – health care, child care, elder care and education, sectors that generated jobs before the pandemic and will expand afterward because of Canada's aging population.

Before the outbreak, the caring economy accounted for more than 12 per cent of Canada's GDP and 21 per cent of all paid jobs, a virtual economic engine. Afterward, we'll need more care workers, and we'll need to replace workers who are aging out of these sectors. What's the plan to ensure our quality of life doesn't deteriorate? What's the plan to value the people we know are essential to our well-being?

We may love them. We may need them. But we systemically devalue women's work, both paid and unpaid. Maybe we do this precisely because women do so much unpaid work. And there has been lots more of it to do during the pandemic, because of school closings, remote learning and reduced availability of child care. That may be why more than 100,000 women aged 20 and over (10 times more women than men) have dropped out of the paid labour market: They need to provide care that isn't available on the market.

Statistics Canada has also revealed that the poorest-paid workers have lost the most economic ground during the pandemic. Whether now with or without jobs, the poorest paid are also disproportionately people of colour, recent immigrants, and young and old workers, and disproportionately women in all categories.

We all want to get to the other side of the pandemic and its frustrating restrictions. But if governments don't act soon, new restrictions of our own making will slow our ability to get there. The caring economy is the chokepoint of recovery. And of all the aspects of the caring economy, child care is emblematic of problems we need to solve to reach the other side. It could pay off big time if we overcome them.

To date, child care has been treated mostly as a business in Canada, largely funded and delivered like any other personal service in the market. Supply is dominated by small providers in their homes, with small scale and huge turnover. Options for regulated care, through for-profit and non-profit providers, are very limited, as evidenced by clogged wait lists everywhere. All these businesses tend to be marginally profitable and, by the fall, the pandemic had raised costs, lowered revenues and clearly reduced the capacity to serve families with children.

Canada was already starting on its back foot when it comes to capacity to serve basic needs. In a comparison of access to early childhood education in 2008, Canada came dead last in a parade of 25 OECD nations. Things improved due to government policies, but by March, 2020, before the pandemic hit, there were still just 1.4 million regulated child care spaces across the country. It is unclear how many of Canada's roughly five million children aged 0 to 12 are in paid versus unpaid care, but there is space for just 27 per cent of them in regulated, licensed facilities. The OECD average is 70 per cent.

Our young families, on whom everyone's future depends, deserve better. And they deserve more true choice in their work and parenting options. As the labour force stats suggest, there is now less choice.

A year into the pandemic, we don't know exactly how much of our already limited capacity has been lost – because provincial governments can't or won't measure the evolution of this critical element of social infrastructure through the crisis. But the best guesstimates by child care analysts suggest a 30-per-cent decline in regulated spaces across Canada, rising to roughly half in places such as the Greater Toronto Area, where so many COVID-19 cases have been concentrated.

Plenty of jobs won't come back after we "reopen." Not everyone who lost a job has children. But there is a policy-amenable strategy governments can use to lubricate recovery: child care. The problem is, not only are our elected representatives not communicating where things are at; there are no plans for improving things, or even simply optimizing existing capacity in schools or regulated child care centres – the parts of the system over which they have the most control.

It seems that Plan A and Plan B for most provinces, which are in charge of schooling and child care, is just to have women figure it out – and work harder in paid and unpaid jobs. How's that been working for you? And by "you" I don't just mean women. Fewer women in the paid labour force means less purchasing power and less business for everyone. How will that help recovery?

To yield the best results, our youngest learners must be at the centre of policies. The understandable temptation to simply expand the existing market, which has a loose relationship to quality, should be resisted. New public funding should focus on building a system of quality care that depends on and values the people who provide that care, and offers families a full range of supports. That includes more care in which parents are confident their kids are being nurtured – not just warehoused – as they go to their jobs.

The federal Liberals have repeatedly signalled that they want to do that. The first female Finance Minister in Canada's first self-declared feminist government has talked about the need to learn from the Quebec model, and appointed a task force on women in the economy to inform the country's first pandemic budget and guide a strategy toward a she-covery. (Full disclosure: I am on that task force.)

It's worth pausing for a moment to take in the full potential of the moment. We have a lot to learn from Quebec, the undisputed leader in access to affordable care. But the quantity of quality care is what's most lacking everywhere, perhaps even in Quebec. Every corner of Canada needs to improve. And with a federal government sounding like it is willing to bankroll cash-strapped provinces and territories that have strategies for more and better care, the moment may have arrived to get 'er done – finally.

For a century, women have tried to increase their inputs and improve their outcomes in society, mostly without any help from government. Women have been officially asking for significant public investment in early learning and child care for 50 years in Canada, starting with the report of the Royal Commission on the Status of Women, tabled Dec. 7, 1970. There has been a social revolution in mothers' participation in the paid labour force since then, but almost no public-policy response for working women and their children.

Now, a pandemic has unleashed an urgent economic case for action that is hard to ignore: High-quality early learning and child care would be good for more than just women. It would be good for the economy – today and tomorrow.

We know a significant investment today in the quantity and quality of early learning and child care would pack a one-two-three punch. It would provide training and job opportunities for more workers displaced by the pandemic. More people could accept new job offers or keep their current jobs. Done right, that investment could also lay the foundation for a future with a lot more potential.

What is the "done right" part? Decades of scientific evidence show that the capacity to learn is hard-wired in a child's early years. Maximizing the learning potential of young children today will maximize their earning potential down the road. Public revenues would rise from higher incomes and social spending would fall because we would have prevented much of the predictable fallout from poor educational outcomes. Like your grandmother probably told you: An ounce of prevention is worth a pound of cure.

The pandemic escalated widespread recognition of an undeniable fact about a country with an aging population: The caring economy holds up the essential economy. We need child care, elder care, health care and education today and in the future. People can't feed themselves – and the economic machine – through their paid work and ignore those too young, sick or old to do paid work. Care is the foundation. We can level that foundation with our public efforts, or we can just let the market decide. Either way, it will determine what we can build on that foundation. Whatever we choose, we will reap what we sow.

In the end, the caring economy is shaped by how we value each other – as people who need and provide care. The sector is certain to grow, whether we deal with it publicly or privately. And we'll need to address a reality the pandemic revealed and we now can't unsee: Working conditions of care workers portend the conditions of care. What kinds of jobs will this expanding sector offer?

Any job can be a great job. The social infrastructure on which we all depend will be a growing driver of GDP for decades, the result of population aging and the needs of a shrinking but increasingly valuable working-age cohort. The caring economy could power a better life, not just a bigger economy, if we address issues revealed by the pandemic. Just as manufacturing generated Canada's middle class from the 1950s to the 1970s, the care sector could be the source of our next middle class.

Alternatively, we could simply aim for the lowest common denominator: the cheapest possible price. A gentle reminder: The flip side of every cheap price is a cheap wage. In our insatiable thirst for a bargain, we could pit ourselves as consumers against ourselves as workers. That could easily boomerang to reduce our quality of life.

I'm beginning to think of the pandemic as a love story, and the caring economy its protagonist. The evolution of how we view and value it provides the tension in this narrative. Like a couple that goes through a major shakeup, the "build back better" mantra may turn out to be simply lip service or result in actually doing the work. The road ahead could lead to transformation or bust, or maybe some treading-water muddled state in between. Like everything else about the pandemic, it’s up to us. How we write the closing chapter on this love story is our choice, as individuals and a society.

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