

Ottawa promises billions for child care and long-term care, while EI reforms are on the way ^[1]

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Source: Toronto Star

Format: Article

Publication Date: 19 Apr 2021

AVAILABILITY

Access online ^[2]

EXCERPTS

The federal government is going to pump billions of dollars into delivering on the promise of a national child care program, in what experts described as a historic investment from Monday's budget.

During a pandemic that has disproportionately impacted women, people of colour and low-wage workers, child care was one of the biggest holes exposed by the crisis that Ottawa plans to address over the coming years.

Other areas exposed by the pandemic as needing attention and funding include long-term care and income support, but a major component of the latter — reforming the Employment Insurance system — won't be happening right away.

The government is committing up to \$30 billion over five years, in order to split the cost of child care 50/50 with the provinces — pending bilateral agreements. Ottawa is banking on reducing the average fees of regulated child care by 50 per cent by the end of 2022, with the average cost proposed to come down to \$10 a day by 2025-26.

By year six, "future objectives and distribution of funding" would be determined "based on an understanding of need and progress achieved as part of this initial plan," according to the budget.

Beginning in 2025-26, the government is committing a minimum of \$9.2 billion per year in child care funding, a combination of new money and previous investments announced since 2015.

The median monthly cost of child care in Toronto alone in 2020 was \$1,578, according to data from the Canadian Centre for Policy Alternatives.

The changes would be significant, experts point out, should they receive the necessary buy-in from the provinces.

What's clear, however, is that the plan will not have much of an impact in the short term for parents actively looking for an affordable child care spot.

What's less clear is how the plan would increase the number of affordable, good quality child care spaces, though Ottawa committed in the budget to "ongoing annual growth" of those spaces.

"I think it demonstrates the willingness of the government to listen to the concerns raised by community leaders and child care advocates and women, and that they're trying to make good on their promise of creating a feminist recovery plan," said Jasmine Ramze Rezaee, director of advocacy and communications at YWCA Toronto.

"But the question is also: How are they going to expand the system and really ensure that everyone has access to affordable quality child care?"

The fact that the funding is permanent is significant, said Jennifer Robson, an associate professor of political management at Carleton University, and it could encourage the provinces to create more spaces knowing that they'll be getting money from Ottawa to help.

"But anybody who was hoping that this was going to mean it was going to be easier to find child care and child care spaces they can more easily afford in September — that's not what this is doing," Robson said.

She added that while she's optimistic that the feds and provinces can ultimately get to 50/50 cost sharing, she's less optimistic about whether Ottawa could actually get the provinces on board with any real conditions.

Another area of likely tension between Ottawa and the provinces centres around national standards for long-term care — something the federal government promised in its September throne speech.

Long-term care homes were hit especially hard during the first and second waves of the COVID-19 pandemic, resulting in the bulk of the country's deaths from the virus.

But some of the biggest provinces, such as Quebec, have vocally pushed back against any suggestion that Ottawa should impose standards in an area of provincial jurisdiction.

The Health Standards Organization and Canadian Standards Association has launched a process to help develop those standards, according to the budget, which commits \$3 billion over five years to Health Canada to help provinces and territories ensure standards are applied and permanent changes are made.

“This is one of those areas where the provinces have so visibly, horrendously failed. Yet they feel perfectly empowered in terms of any political pressure to say, ‘No, we’re not accepting federal standards coming in to tell us what to do in our jurisdiction,’ ” Robson said.

The fact that third-party organizations are developing the standards, however, creates some space from the federal government and might make the idea of national standards more “palatable” to the provinces, Robson said.

Finally, on income support, the government plans to add an additional 12 weeks to the Canada Recovery Benefit, for a maximum of 50 weeks. The first four additional weeks will be paid at \$500 a week, and the government intends to pay \$300 a week for the remaining 8 weeks.

The number of weeks available under the Canada Recovery Sickness Benefit will remain at four weeks, as announced in February. The Ontario government, which has repeatedly rejected the idea of paid sick leave, has pointed to this benefit as an option for workers, but as critics have pointed out, a worker must apply for the benefit after the fact.

The budget promises consultations on long-term EI reforms, a process to be rolled out over the next two years.

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“Consultations will examine systemic gaps exposed by COVID-19, such as the need for income support for self-employed and gig workers; how best to support Canadians through different life events such as adoption; and how to provide more consistent and reliable benefits to workers in seasonal industries,” according to the budget document.

“This idea of having the ramp time to actually do consultations is sensible,” Robson said.

“They’ve been talking since the speech from the throne of covering gig workers, but I’ve never heard them once say what they mean by gig workers, and they haven’t actually provided compelling evidence that all self-employed workers in Canada want to be covered by EI,” she said. “So I get it, it’s really complicated. They should actually take the time to go and consult with stakeholders.”

The budget establishes a \$15 federal minimum wage and also “enhances” the Canadian workers benefit, which provides up to a \$1,400 tax refund for single individuals. Most people working full-time on minimum wage would be eligible for the benefit under changes proposed by the budget.

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