

Canada to put up C\$30 billion for long-awaited national childcare program ^[1]

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EXCERPTS

OTTAWA (Reuters) -Canada will invest up to C\$30 billion (\$23.9 billion) over five years to set up a long-promised national childcare program and help female employment recover from harm done by the COVID-19 pandemic, Finance Minister Chrystia Freeland said on Monday.

Freeland, who has stressed her feminist credentials since becoming Canada's first female finance minister last August, said Ottawa wanted to bring the average daily fee for regulated childcare down to C\$10 within five years and halve costs by the end of next year.

"COVID has brutally exposed something women have long known: without childcare, parents – usually mothers – can't work," she said in prepared remarks to lawmakers as she delivered her first budget, noting that women's participation in the labor force had fallen to its lowest in more than two decades.

Freeland noted that Quebec, which has the highest female employment of any province, has had its own heavily subsidized childcare system for 25 years, under which parents currently pay around C\$8.35 a day.

Monthly childcare fees for toddlers range from C\$181 in Quebec cities to above C\$900 in most other Canadian cities.

If a national program is set up, Quebec will be able to use its share of the money to improve its own system.

The C\$30 billion is designed to cover half the cost of the program. The provinces, which deliver many social programs, will cover the other 50%.

Starting in the 2025-26 fiscal year, the center-left Liberal government will invest at least C\$8.3 billion annually into the program.

Earlier this month, Freeland said COVID-19 had "created a window of political opportunity and maybe an epiphany" on the importance of early learning and childcare.

For decades, Canadian federal governments of various stripes have mused about a national childcare program. High cost and the need to negotiate with the provinces have inhibited action.

"This is not an effort that will deliver instant gratification. We are building something that, of necessity, must be constructed collaboratively," Freeland said.

The government will formally unveil legislation setting up the program later this year, at about the time Liberal insiders predict an election. The pledge could eat into support for the rival left-leaning New Democrats, who have long demanded a national system.

In November, Freeland set aside C\$420 million for training and retaining child care workers.

Speaking ahead of the budget, YMCA Canada chief executive Peter Dinsdale said a successful national program would require capital supports to build new spaces and clear, national standards. But staffing would be the key issue, he added.

Freeland also promised to help other vulnerable sectors. The aid includes C\$8.9 billion over six years in additional support for low-wage workers and C\$3 billion for provinces to help improve long-term care facilities, which were very badly hit by the pandemic.

(\$1=1.2537 Canadian dollars)

Region: Canada ^[3]

Tags: federal budget ^[4]

national child care ^[5]

female labour force participation ^[6]

childcare-program

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