

Why Andrew Coyne is wrong about child care funding ^[1]

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EXCERPTS

Andrew Coyne knows very little about child care, but feels free to pontificate about it. It's a shame, because some people still listen to him and believe he has done his homework. He hasn't. And so, he concludes that the federal government should help parents, especially low-income ones, by giving them a direct subsidy – money. There are more than a few problems with his opinion piece in the *Globe and Mail*.

Apparently, Andrew doesn't realize that we already have a direct payment to parents, similar to the one he is calling for and geared to income, called the Canada Child Benefit. If your family earns less than about \$32,000 annually, you will receive \$563.75 per month for each of your children under six years and \$475.66 for each child 6-17 years of age. The Canada Child Benefit is a partial solution to poverty, but it is not a child care policy.

Of course, the funding announced in the recent federal budget is designed for a different purpose – to dramatically improve the affordability and accessibility of early learning and child care services. The plan is explicitly feminist; it is designed to remove barriers to the full participation of mothers in the economy and society. That's why it is designed to follow Quebec's CPE example of low-fee licensed child care. Andrew Coyne apparently doesn't get this; he apparently doesn't see gender as a relevant policy issue.

Andrew Coyne applies a very old-fashioned economist lens to his thinking about child care. Those economists rely on what they learned in the first-year course, that it is always better to give someone money rather giving them a service. But, giving money directly to families (as with Stephen Harper's Universal Child Care Benefit), will tend to discourage mothers' employment and reinforce current gender roles in families and in the workplace. So, handing out money is not a good place to start.

On top of this, Andrew doesn't know much about Quebec's child care situation (or else he is simply cherry-picking his facts to fit his preconceptions).

Andrew Coyne says that only 1/3rd of Quebec's child care is subsidized.

I encourage him to check the website of the Quebec Ministry of the Family; it has a lot of data available to correct his misperceptions. In December 2019, nearly 80% of the child care spots for children 0-4 years of age were directly subsidized, at \$8.35 per day (some in CPEs, some in family child care, some in subsidized for-profit child care). About 55,000 children were in "unsubsidized" child care, but even here a provincial child care expenses tax credit covers a substantial portion of a family's child care costs.

Andrew Coyne says that Quebec's child care system is far from universal.

Nearly 75% of Quebec's children who are between one and four years of age are in early learning and child care services substantially paid for by the Quebec government, over 80% for 4-year-olds. Andrew Coyne likes to say that Quebec's child care system is not universal; this evidence suggests it is very close to universal.

Andrew Coyne says there are huge waiting lists for child care

As economist Pierre Fortin reckons there is no longer a problem of excess demand for child care spots in Quebec. There is no "shortage of spaces in aggregate". In fact, there are empty child care spaces amongst the for-profit full-fee child care centres whose parents will receive a tax credit. Where there is excess demand is for spaces in the relatively high-quality CPE network. So, there is a problem, but not the problem that Andrew Coyne identifies. Parents are on long waiting lists for non-profit CPE spaces, because the quality there is so much better than in the wild-west for-profit centres that have been more recently established. The federal government has learned the right lessons from this and will strongly favour funding going only to non-profit enterprises and family homes.

Andrew Coyne says that Quebec's child care funding "disproportionately benefits the well-to-do".

Coyne is not wrong here, but neither is he fair in his judgement. We can compare the situation of low-income children in Quebec to those from high-income families – the bottom 20% to the top 20% of children. When we do that, using Statistics Canada data from 2019, we find that 68% of children from low-income families in Quebec use licensed child care compared to nearly 78% of children from the highest-income quintile in Quebec. I agree, this disproportionately benefits the well-to-do and we should structure the new bilateral agreements with provinces and territories to bend the stick the other way. It's important.

However, Andrew Coyne is cherry-picking here. What he doesn't examine is this same problem of "disproportionate benefit" in other provinces. Take Ontario. Despite the existence of child care subsidies targeted at low-income families, only 27% of children from the low-income quintile are using licensed child care. But just about 50% of children in the top-income quintile use licensed child care. So, this problem of disproportionate benefit for the well-to-do is bigger outside Quebec than in it. "Universal" child care contributes to solving the problem of disproportionate benefit rather than making it worse.

Andrew Coyne says that Quebec child care appears to have negative effects on children and families

I agree with Andrew that the impact of child care on children's development is an important one, but his assessment is not balanced. Professor Pierre Fortin reads the literature differently. As he says, "all published studies in the fields of psychology, psychiatry and medicine have given high marks to the CPE network, which is attended by 35 per cent of children in care. Their unanimous finding is that CPEs deliver positive cognitive, health and behavioural results on average, and are effective in reducing the vulnerability of children of all income classes." According to Fortin, the big problem is quality in the for-profit child care centres, and to some extent in family child care services. This is where the negative effects are concentrated.

The new bilateral agreements should therefore work on fostering high-quality child care in not-for-profit centres, or in publicly-operated facilities.

Andrew has his knickers in a twist about the money Quebec will receive from the federal government. He is busy developing a conspiracy theory that the only reason that the federal government likes the Quebec CPE model of child care is so that it can funnel free money to Quebec! This ridiculous claim is beneath him. Andrew should talk to any person knowledgeable about child care policy before making this outlandish claim. Admittedly, this federal funding will be beneficial for Quebec, and will, no doubt, help them improve quality in their existing child care system. But anyone will tell you that the Quebec model, although it is not perfect, has many fans amongst those who know a lot about child care.

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Tags: social policy [4]

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<https://childcarepolicy.net/why-andrew-coyne-is-wrong-about-child-care-funding/> [3] <https://childcarecanada.org/taxonomy/term/7852> [4]

<https://childcarecanada.org/category/tags/social-policy> [5] <https://childcarecanada.org/category/tags/universal> [6]

<https://childcarecanada.org/category/tags/profit>