How to grow an accessible, high quality, equitable child care system [1]

Child care spaces are scarce and inequitably distributed. To fix this, curtail growth of for-profit centres and expand public and nonprofit delivery.

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EXCERPTS

The April 2021 federal budget was momentous for Canadian child care, committing significant federal dollars to building a national system of accessible, affordable, high quality, inclusive child care for all. Among its policy elements was a recognition that meeting this long-term goal will require "working with provinces and territories to support primarily not-for-profit sector child care providers to grow quality spaces across the country." The budget's linking of child care expansion to centre ownership is significant, because public policy ensuring that child care expansion is not-for-profit is pivotal to the success of the cross-Canada early learning and child care initiative.

Debates about the effects, impacts and desirability of public, nonprofit or for-profit service delivery have long been ubiquitous in Canada and other nations, especially in Australia, New Zealand and the United Kingdom, where market-based approaches have defined child care provision. Research consistently shows for-profit ownership has negative impacts on child care quality, as a result of lower staff compensation and qualifications, poorer working conditions, limited support for educators and a lack of professional recognition. Child care markets with significant for-profit ownership are also linked to inequality of access through higher fees and locations selected on the basis of profitability. The expert consensus is that for-profit child care is not in the best interests of children, women or families, as it undermines gender equality and minimizes the developmental, economic and social benefits associated with high quality, affordable and widely available child care systems.

Permitting public child care funds to be used for private profit, including acquisition of real estate, has long been Canadian practice. This diverts funds away from lowering parents' fees, improving staff wages and advancing children's well-being. Recent experience with publicly funding for-profit expansion has been eye-opening. Quebec's experiment with side-by-side child care models highlights significant differences between the higher quality, operationally funded, nonprofit centres de la petite enfance, which have provincially set affordable fees and province-wide wage scales, and the rapidly growing, poorer quality, high fee, for-profit centres underwritten by tax credits for parents. British Columbia has used sizeable capital grants to incentivize for-profit child care expansion – often to develop privately owned facilities – and has increased operational funding, exerting limited control on how public operational funds are used. These policies have fuelled historic growth in BC's for-profit sector, and in cities where for-profits are numerous they have thwarted needed fee reductions for families.

Most of Canada has long relied on some relatively small-scale for-profit child care. However, the last decade has seen considerable growth in child care chains and franchises, along with the introduction of large-scale corporate child care companies backed by private equity firms. But a new threat is emerging for Canadian child care – financialization – which plays a major role in Canadian long-term care, and now it has come to dominate the child care landscapes in some countries. The potential risks this presents for Canadian child care are troubling.

Financialization is a phenomenon of post-industrial capitalism, broadly defined as "accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production." New Zealand and UK research describes how corporate child care has evolved from large child care specialist firms to complex global firms that acquire or bankroll child care as "assets," defined solely by their profitability. Drawn by the lure of Canada's hefty new public child care dollars, these companies are now studying whether public policy will make Canadian child care lucrative for them to enter the market. With resources to back rapid expansion, they typically grow by acquiring smaller child care businesses rather than creating additional services, and that complex business structure obscures public accountability for child care dollars, research shows. Overall, financialization and its practices have the potential to thwart Canadian dreams of an accessible, high quality, equitable child care system.

So, what to do instead? How should Canada increase "quality spaces across the country," primarily in the not-for-profit sector? The evidence about how best to advance not-for-profit child care growth demonstrates the urgent need to shift to a public responsibility model. Currently, child care centres come into existence only if nonprofit "third-sector" groups or entrepreneurs decide to initiate their creation, with governments playing a limited role in regulation and funding that may – or may not – support or facilitate these private initiatives. As a result, child care is scarce and inequitably distributed in Canada: communities inhabited by low-income families, newcomers and nonstandard-hour workers, as well as rural and remote communities, are the most underserved "child care deserts." Typically, this means there is little, or no, licensed child care, simply because no private group or individual has emerged to create it.

Examination of how child care services grow suggests that Canada's child care goals cannot be achieved without the assertive, planned, publicly managed, intentional expansion strategies such as other countries have used. Reaching these goals will require a shift in mindset, away from assuming that creating child care is a private responsibility (i.e., relying on "the market"), toward the idea that a transformational shift in building a child care system includes public responsibility for the availability and distribution of licensed provision. Comparative analysis shows that countries that have built quality universal child care have developed their services through public processes that create child care where and when it is needed, similar to development of other community infrastructure – schools, roads or sewers.

Internationally, national governments have typically driven child care expansion, delegating appropriate responsibility to subnational and local governments and providing capital funding to ensure success. For Canada, this necessitates expansion strategies supported by adequate capital funding. These strategies, developed by and tailored to each province or territory, would be supported by targets, timetables and priorities to ensure underserved and new communities are included. They would use local planning processes and tools such as land-use planning, needs assessments and demand forecasting. Public buildings and spaces would provide more locations for child care – not just schools, which have been central in nonprofit expansion in several provinces, but also other publicly owned buildings.

Boosting public service delivery, which has been central in expanding child care in many countries, while also proactively strengthening the capacity of Canada's large nonprofit child care sector to expand, are both fundamental to success. And capital funding plans could be designed to retain publicly funded child care facilities as public assets.

The recipe for growing an accessible, high quality, equitable child care system has two ingredients that must work in concert: curtailing further expansion of for-profit child care, and ensuring vigorous expansion of public and nonprofit provision through an assertive, publicly managed approach. Both pieces are necessary to ensure that the accessible, affordable, high quality child care system promised in the federal budget will take shape and its benefits achieved. Ultimately, how this policy element is implemented will be key in determining whether Canada "gets the architecture right" for building a child care system able to meet ambitious goals in the future.

Region: Canada [3]

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