

Affordable child-care is finally a political winner, 15 years after it was first proposed^[1]

Paul Martin started it, Stephen Harper scrapped it in what we now know was a multi-billion dollar mistake

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EXCERPTS

All things equal, Canada's economy would be stronger today if Paul Martin had won the 2006 election.

That's not a partisan statement. Martin had put in place the beginnings of a national child-care program on the eve of his political downfall. Stephen Harper, who won the contest, promptly scrapped it, a multi-billion-dollar mistake based on what we know now about the relationship between subsidized daycare and labour participation rates.

Only about 81 per cent of women 15 years of age and over were working or looking for work at the end of Harper's decade-long tenure, about the same as when he took power. The rate for men was about 91 per cent, also unchanged. The gap represents hundreds of thousands of people who could have been helping to generate wealth, but weren't, sometimes by choice, but probably more often because daycare was too expensive.

Martin was still angry about it when he published his memoirs in 2009. He called Harper's decision to end the child-care program a "tragedy" and described the Conservatives' replacement — a tax benefit for families with young children — as a "gimmicky political contraption." The embittered former prime minister said the political class would "inevitably" come to realize that it had made a mistake and resurrect his template.

"I mean 'inevitably,'" Martin repeated for emphasis as he concluded that section of his book. "This is not about whether, but when."

The treadmill of inevitability can move slowly. There have been four federal elections since Martin lost. Remarkably, Justin Trudeau, who declared himself Canada's first feminist prime minister after he beat Harper in 2015, quickly adopted his immediate predecessor's approach to subsidizing child care, expanding and rebranding the Conservatives' child benefit. Martin derided Harper for wasting so many "precious" years of early-childhood development and lost economic output. Trudeau could have used his majority to end the "tragedy." Instead, he extended it.

But all of that appears to be history now.

Trudeau on Aug. 5 joined Quebec Premier François Legault and a carefully selected group of children and guardians in a Montreal park to announce that Quebec would be getting \$6 billion over five years, the province's share of the \$30 billion that Finance Minister Chrystia Freeland pledged in her latest budget for a program that would give parents access to \$10-per-day child care within five years. She said it had the potential to provide an economic boost on par with the North American Free Trade Agreement. There's little reason to doubt the claim.

Quebec was already serious about child care, while the rest of the country fiddled. The province has offered highly subsidized daycare since the late 1990s, creating the conditions for a natural experiment in the macro-economic effects of the policy. The top-line results speak for themselves: the labour participation rate of women in their prime working years surged to 87 per cent from 70 per cent in 1996 and 81 per cent in 2006. The influx of workers helped stabilize the province's economy, which was once a basket case, but now ranks among the country's strongest.

"There is such overwhelming evidence that (child care) is going to make a difference," said Morna Ballantyne, executive director of Child Care Now, an Ottawa-based advocacy group. "It's much more of an economic issue now than a social issue in the minds of governments, and to some extent the public."

It would have been fair to wonder back in April when Freeland tabled her budget whether the Trudeau government was up for the hard work of getting such an ambitious program off the ground with pace. The COVID-19 crisis remained a distraction, and Team Trudeau by then had established a reputation for being better at allocating money than actually spending it.

But the crisis appears to have changed the politics. Millions of parents were forced to work from home for months during lockdowns while

also taking care of their children, an untenable situation that proved daycare centres are every bit as important to a modern economy as roads or bridges. A policy that had been popular with technocrats for a few decades was suddenly a winner with the broader public.

"The constituents that I represent here in Charlottetown, a lot of families with young children, all have told me the importance of affordable, accessible child care," Natalie Jameson, Prince Edward Island's education minister, said in an interview. "COVID has put a light on the importance of this sector."

It also helped that Trudeau and Freeland had a template with which to work. Martin and his minister in charge of the file, Ken Dryden, opted to negotiate province by province rather than attempt to get agreement on a single national program.

Trudeau's agreement with Legault followed deals with British Columbia, the Yukon, Newfoundland and Labrador, Nova Scotia, and P.E.I. Those jurisdictions were probably the easiest with which to work, but they will make it difficult for Trudeau's political opponents to undermine his child-care push: B.C. is run by a New Democratic government; Jameson in P.E.I. is a member of a Conservative regime; and only the boldest politicians will criticize an initiative that's popular in Quebec, given that province's electoral weight.

"It's going to be extremely difficult for these agreements to be cancelled," Ballantyne said. "They will hold up. There's going to be a huge outcry, more so than in 2005-2006, when those previous agreements were cancelled."

It took 15 years, but the Canadian political class finally is doing the right thing.

Region: Canada ^[3]

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