

Canada's early learning and child care system: Building a foundation for sustainable population growth ^[1]

Key Insight Report #1

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AVAILABILITY

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Excerpted from overview

At Century Initiative, we are convinced that Canada can and should achieve a population of 100 million by 2100. To do so, we need to get the foundations right. In our Key Insight Reports, we will dive deeper into a number of the key enablers necessary for Canada to grow in a prosperous and sustainable way.

This first Report highlights the child care system. An accessible, affordable, high quality system of early learning and child care can have a positive impact on fertility rates and will boost labour market participation. Child care is a key factor in children's well-being and future skills development and it can help attract and retain newcomers to Canada. Canada will not be able to achieve its population targets in a sustainable and prosperous way without a better child care system that supports women's labour market participation. Covid-19 has dramatically increased attention on the need for a better child care system in Canada. The federal government committed in Budget 2021 to transform child care through the creation of a Canada-wide Early Learning and Child Care (ELCC) system. As of early August 2021, the first bilateral federal-provincial early learning and child care agreements under this plan have been signed with six jurisdictions.

Building a strong system will require sustained focus on quality, accessibility and affordability, and must be informed by lessons from Canadian and global experiences. As outlined by the federal government, it will also require intergovernmental collaboration and provincial variation around common principles and objectives. If Canada is to prosper and grow over this century in a way that allows us to protect our interests and build the Canada we want, progress on ELCC must happen over the next year. It will require shared commitment across governments, stakeholders and political parties. It will also require us to think about child care as an essential public service and a key piece of social and economic infrastructure that must be fully incorporated into our planning.

Child care: Canada's current performance

Century Initiative's National Scorecard on Canada's Growth and Prosperity is our annual pulse check on progress towards building a bigger, bolder and more prosperous Canada. The inaugural 2021 Scorecard found that Canada is "falling behind" on key indicators related to child care. However, current plans for system building and expansion have the potential to begin reversing the trend.

Why is child care a foundation for sustainable population growth?

Canada's long-term prosperity will require significant growth in our population and our labour force. In addition to immigration, fertility rates are one of the most crucial determinants in achieving sustained population growth. However, Canada's fertility rate has declined in recent years, with Statistics Canada reporting a record low in 2019 of 1.47 children per woman.

Survey research has found that some Canadians are having fewer children than what they consider the ideal number and that financial constraints are a commonly cited barrier. Economic downturns and uncertainty often result in decreased fertility rates – and as would be expected, fewer births are occurring as a result of Covid-19. In 2020, Canada's population growth was at its lowest in more than 100 years.

While Canada's fertility rate is overall on a steady decline, it is higher within Indigenous communities, which are younger and form an increasingly critical component of working-age population growth. Indigenous communities face especially significant gaps in accessing required supports for children and families due to factors including funding and geography.

According to a UN Population Fund report, a strong system for child care with access beginning when parental leave benefits end "is indispensable to sustaining higher fertility rates". Quebec provides a strong example – it has more affordable child care and more generous parental leave compared to the rest of Canada, having launched a universal child care system in 1997 and a separate parental leave program in 2006. While there are legitimate disagreements on various aspects of Quebec's system, it is clear that it has contributed to both a higher fertility rate and growing labour market participation for women compared to other parts of Canada.

Related link: [A strong child care system is a key enabler of Canada's economic prosperity](#) ^[3]

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