

The Liberals promise big spending on child care. The Conservatives, not so much ^[1]

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EXCERPTS

Scott Moe is not a fan of Justin Trudeau. The Saskatchewan Premier has long been at odds with the federal Liberals. Yet in mid-August, two days before the election campaign began, Mr. Moe's government signed on to Mr. Trudeau's national child-care plan.

Why? Because money talks. The Liberal program – \$30-billion over five years, outlined in the April budget – is far heftier than previous federal child-care proposals. The Liberals say they will cut fees in half by the end of next year in regulated spaces for children under 6, and get the cost down to \$10 a day by 2026. They also say they will expand the number of regulated spaces in Canada by 250,000.

So Regina-Ottawa acrimony was set aside, and Mr. Moe said yes to \$1.1-billion. The province says the money will pay for 28,000 new spaces in his province, from non-profit centres to home-based child care. Saskatchewan is one of seven provinces to sign on to the Liberal plan.

When the Liberals made child care the centrepiece of their pre-election budget, they billed it as “incontrovertible” that the program “pays for itself.” Their evidence was Quebec, whose heavily subsidized child-care system, introduced in 1997, appears to have increased the number of women in the province's work force. Quebec's female work-force participation rate in recent years has exceeded the Canadian rate by more than three percentage points.

This page found the economic evidence to be promising, though not incontrovertible. In a second look at the plan, this page argued that the long history of failures to reduce extravagant child-care costs in Canada showed that a greater role for Ottawa was necessary.

In this campaign, the Conservatives vow to kill the Liberal plan if elected. The Conservatives instead propose an outlay of less than a 10th of the Liberals', in the form of a refundable tax credit worth \$2.6-billion over five years.

Ottawa first brought in a such a tax break in 1971, after the Royal Commission on the Status of Women called for national child care. Tax-deductible child-care expenses were a modest first step; today, they cost Ottawa \$1.5-billion a year and are claimed by 1.4 million people. The Conservative proposal would replace the existing tax credit and the \$2.6-billion over five years would come on top of the current \$1.5-billion cost – an average increase of a third. It would be paid out during the year, rather than recouped at tax time.

It's not nothing. But while data from Quebec show a tax break can help spur new private-sector child-care spaces, the plan is unlikely to reduce child-care costs that average \$50 and more a day in Canada, and which annually adds up to more than undergraduate university tuition.

Quebec is the model for the Liberal plan – but the Quebec model is not perfect. Only a minority of children score the best spots, and not all spaces are subsidized. One-third are in the main centres de la petite enfance system – high-quality care at \$8.50 a day. They number 98,010 out of a total of 307,490. Another 45 per cent of spaces (139,390) are similarly subsidized, while one-quarter (70,080) are unsubsidized. The waiting list for subsidized spots is 51,000 children. (Quebec has signed a \$6-billion child-care deal with Ottawa that is supposed to pay for 37,000 new low-cost spaces.)

What has changed in 2021 is the national debate. Fifteen years ago, when Paul Martin's child-care plan died after Stephen Harper formed government, the replacement policy was a small direct payment to parents, to be used on anything. The current Conservative proposal is money for child care specifically, and the party has adopted the mantra of child-care-as-economic-boost. The Conservatives cite gains in productivity if more women work; their platform states, “Allowing women to reach true equality in the work force is impossible without child care.”

But the declaration isn't matched by their proposed spending. A national system of low-cost child care is not cheap. After the first five years of the Liberal plan, there is a commitment to spend \$9-billion-plus, annually. The money offered by the Conservatives is far less. Though would Erin O'Toole, if victorious on Sept. 20, kill the big-money deals with seven provinces after the first year, as he says he will?

What is abundantly clear is that child-care programs to date have failed in two basic ways: costs are too high, and there aren't enough

spaces. Tax breaks and grants haven't worked; only Quebec's system has made a difference. The Liberal plan will cost billions, but that's the price of affordable child care.

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