

# Quebec's child-care program at 25: A scorecard <sup>[1]</sup>

Turning down the temperature on Canada's most hotly debated social program

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## AVAILABILITY

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## EXCERPTS

It's Canada's most ambitious provincial social program since Saskatchewan's experiment with single-payer health care— and it's as polarizing as it is audacious. It has been heralded as a game-changer for working mothers that pays for itself through increased women's workforce participation. It has also been decried as a "sizeable negative shock" that has traumatized infants and toddlers, driving them to criminal behaviour in their later years.

If the newly re-elected Trudeau government delivers on its biggest campaign promise, it's a model of child care that may be coming soon to a province near you.

While it continues to serve the province's youngest children, Quebec's child-care program is now well into adulthood. Introduced in the fall of 1997, the program will turn 25 later this year. The program's rapidly approaching Quadranscentennial provides us with a good opportunity to take a step back from the overheated rhetoric and to take stock of what over two decades of research can actually tell us about North America's only experiment with universal child care.

In the paragraphs that follow, I will attempt to synthesize the key facts and findings that have emerged from the multitude of studies that have been published on Quebec's universal child-care program over the past quarter century. (Check out my new [article](#) <sup>[3]</sup> for more of my thoughts on the program.)

A note to readers: unless otherwise stated, the figures that I use in this piece come from the [Childcare Resource and Research Unit](#) <sup>[4]</sup> (C.R.R.U.).

## How the system works

While "universal" in name, Quebec's subsidized child-care system comprises 234,909 publicly funded and reduced contribution spaces (2019 figure), enough to serve just under half of children aged five and under. Parents pay a flat daily fee to place their children in subsidized care (\$8.50 in 2021), although some parents pay lower net daily costs than others due to federal assistance programs.

The supply of subsidized spaces has not kept pace with demand over the years, leaving thousands of families outside of the system. As of the summer of 2021, the wait list for a spot in subsidized care exceeded 50,000 children (*Montreal Gazette*).

A network of 953 non-profit Centres de la petite enfance (CPEs) comprise the core of Quebec's subsidized system. Each CPE may oversee up to five separate child-care facilities and enroll as many as 400 children (80 children per facility). CPEs are governed by a board of at least seven directors, of whom two-thirds must be parents of enrollees.

CPEs, which generate roughly 40 per cent of all capacity in the subsidized system (there were 96,084 CPE spaces in 2019), are widely viewed as Quebec's gold standard for early childhood education and care. Parents apply for coveted CPE spaces through a centralized lottery system.

Regulated home-based daycares, or "family daycares" are the subsidized system's second pillar. Each family daycare may hold up to six children and family daycares are overseen by a group of 161 family Child Care Coordinating Offices (CCCOs) (most CCCOs are part of CPEs); 12,661 regulated family daycares contributed 87,433 spaces to Quebec's subsidized system in 2019.

Rounding out the subsidized system are for-profit garderies (daycare centres). Over 700 of these centres received government operating funds in 2019, enabling them to provide \$8.50-a-day child care to an additional 47,221 children. Garderies are more loosely regulated than CPEs and experts have raised concerns over the quality of care they provide (Quality Counts!).

Just under 70,000 non-reduced contribution, or full-fee, spaces fall outside of the subsidized system, comprising over 20 per cent of all regulated spaces in Quebec. Parents who send their children to non-subsidized centres pay as much as six times the subsidized rate in major cities, although they may recoup up to 75 per cent of fees through a refundable tax credit.

## What we know about the program

### ***It's very popular***

Despite its well-publicized challenges, the program continues to enjoy an overwhelming level of popular and cross-partisan support within Quebec. A 2009 survey conducted by Quebec's governmental statistics agency found a 92 per cent satisfaction rate among parents who sent their children to subsidized child-care centres. Polls also find high levels of public support for the province's unionized daycare workers.

Meddling with the beloved program has proven to be fatal politics in Quebec. Liberal Premier Philippe Couillard learned this the hard way when he introduced a sliding-scale fee system in 2015, a calamitous decision that helped seal his fate as a one-term premier.

### ***It's relatively inexpensive by international standards***

While extravagant in comparison to other provinces, Quebec's child-care spending is unexceptional when compared to most high-income countries. The province spends roughly \$2.7 billion per year on its child-care system, a sum that amounted to 0.7 per cent of its GDP in 2019. This places Quebec in line with the average-spending level among members of the Organization of Economic Cooperation and Development (OECD).

The real story that arises from cross-national comparisons is Canada's overall lack of public spending on child care (it was tied with Turkey and Latvia for dead last among OECD countries in 2013), but that's a topic for another article.

### ***It favours higher-income parents and parents with certain 9-to-5 white-collar jobs***

Even the program's biggest cheerleaders concede that high-quality spaces have not been distributed equitably across income levels. High-income parents have been more successful than low-income parents in securing spots for their children in high-quality CPEs, despite the program's randomized lottery system. Low-income parents also have less time to sit on the boards that manage CPEs. As a result of these barriers to the CPE network, children from low-income households disproportionately use lower-quality for-profit garderies and home-based child care. A 2015 study published in *Labour Economics* found that one in five low-income parents use inadequate quality child care, versus only one in 12 high-income parents.

CPEs often set up shop in areas with high concentrations of white-collar professionals. For instance, a number of CPEs are located in major office buildings. Parents who work in these buildings, generally white-collar workers, may receive preferential access to spaces in these CPEs. Several CPEs can also be found on the campuses of major colleges and universities, where they serve the children of faculty and staff. An acquaintance of mine who recently started a teaching job at McGill University managed to snag a space for their toddler at the esteemed Centre de la Petite Enfance de McGill shortly after arriving in Montreal. Parents who work outside of these white-collar settings lack these routes to securing spots in a CPE. The program also provides limited options for parents who do not work conventional 9-to-5 hours.

Paradoxically, this "flaw" of the program is likely one source of its staying power. Social policy research has consistently shown that "universal" public services that are used by middle- and high-income citizens are more durable than "means-tested" ones that serve only low-income populations. Better-off citizens tend to like government programs that they use themselves, and they are generally willing to support such programs with their tax dollars and votes.

### ***Its quality is uneven, and possibly getting worse over time***

Formal assessments of the program have consistently documented a gap in quality between CPEs and for-profit centres (both subsidized and non-subsidized). Researchers with the Quebec Longitudinal Study of Child Development, who visited over 1,500 child-care sites between 2000 and 2003, found that more than a quarter of subsidized for-profit centres failed to meet basic standards for health, safety, and developmentally appropriate education (over 90 per cent of both home and centre-based CPEs cleared this hurdle). A second study, conducted in 2014 by the Quebec Statistical Institute, recorded even worse results for non-subsidized for-profit centres, deeming 36 per cent of them to be "inadequate" (versus only four per cent of CPEs).

These concerning findings have not slowed the growth of for-profit daycare in Quebec. Between 2008 and 2019, the number of subsidized for-profit daycare spaces grew by 18 per cent, and the number of non-subsidized for-profit spaces increased by an astronomical 1,369 per cent.

Premier Francois Legault recently received a \$6-billion-dollar child-care windfall from the Trudeau government, which he may spend however he pleases over the next five years. Legault has said that a significant portion of the money will go towards "completing" the province's child-care network, but has also clashed with unionized CPE workers.

Bill 1, which was introduced in Quebec's National Assembly this past October, pledged \$3 billion to create 37,000 new subsidized spaces over the next three years, but does not specify the distribution of these spaces between CPEs and for-profit daycares. Whether the Legault government will reverse the trend towards lower quality, for-profit care is anyone's guess.

### ***It has probably contributed to an increase in women's labour market participation***

Most of the available evidence supports the conclusion that Quebec's child-care program has contributed to the dramatic rise in women's labour market participation observed over the past 25 years. Since 2008, three separate teams of labour economists, representing five of North America's leading research universities, have published peer-reviewed studies reaffirming the role of low-cost child care in stimulating maternal employment in Quebec.

At the program's outset, Quebec had Canada's second-lowest labour market participation rate for women with children between the ages

of three and five, with just 67 per cent engaged in work outside of the home in 1998. By 2014, this figure was the *second highest* in Canada at 82 per cent. Over the same period of time, there was a 12 per cent increase in the proportion of women with children under the age of three who were active in the provincial workforce (versus an increase of just four per cent in neighboring Ontario).

Beyond its direct benefits to women with pre-primary school aged children, the program has been central to a broader cultural reorientation surrounding the role of women in the workplace. Today, 85 per cent of Quebec women between the ages of 20 and 44 are engaged in the labour market, placing them in a tie with the women of Switzerland for the highest participation rate in the world.

Researchers affiliated with the right-leaning Fraser Institute and Canadian Taxpayers Federation have pushed back against this narrative, showing that reproductive-aged women in Atlantic Canada entered the labour force at an even faster rate during the relevant timeframe. The finding holds for single mothers with children under the age of six, the group most sensitive to the availability of subsidized daycare. However, these findings have yet to pass the threshold of academic peer review.

### ***It probably won't make your toddler a menace to society***

The Fall 2015 release of the controversial working paper “Non-cognitive deficits and young adult outcomes” dealt the program perhaps its most serious blow to date, generating both national and international headlines. The paper was released in the thick of that year’s federal election campaign, undermining the NDP’s pitch for Canada-wide \$15-a-day daycare.

The working paper, co-authored by senior labour economists at the University of British Columbia, University of Toronto, and Massachusetts Institute of Technology, argued that the introduction of universal child care in 1997 generated a “sizeable negative shock” to the non-cognitive skills of young Quebecers, leading cohorts with increased child-care access to “worse health, lower life satisfaction, and [for boys] higher crime rates later in life.”

Those of us who have read beyond this alarming abstract will know that the paper does not actually tell us anything about the impacts of Quebec’s child-care system on the children who use it. In fact, the authors do not even track which of the children in their sample attended daycare and which ones did not. While they had methodologically-defensible reasons for lumping all children in the sample together, the bottom line is that their data does not directly link child-care attendance to negative developmental outcomes.

The paper’s headline finding is also contentious. Quebec’s youth crime rate actually *fell* during the years covered in the study, following the broader national trend.

## **What Canada-wide \$10-a-day child care might look like**

Quebec’s experience, along with British Columbia’s more recent experiment with \$10-a-day child care, can give us a few insights into what a Canada-wide system might look like. Notably, neither province has been able to churn out high-quality subsidized spaces at a pace that meets the heightened expectations of parents. The scarcity of these highly coveted spaces tips the scales in the favour of more privileged parents. Equity has already emerged as an issue in British Columbia, with reports of racial discrimination playing a role in who gets a space.

If this trend extends to other provinces, richer and more well-connected parents will likely have the upper hand in obtaining new \$10-a-day spaces; especially in the early years of the initiative, before provinces have an opportunity to create a critical mass of spaces. This regressive defect of universal (flat-fee) child care may derail Justin Trudeau’s \$10-a-day framework before it even gets off the ground.

## **Is there another path to universal child care?**

While the “Quebec Model” dominates the national discourse, Canada’s smallest province has quietly developed a promising alternative system of child care over the past decade.

Prince Edward Island launched a major overhaul of its child-care system in 2010, transferring kindergartners from child care to the public education system and launching a network of Early Years Centres (EYCs) to provide child care to children aged four and under. EYCs, which may be public or for-profit, receive operating funds in exchange for capping their fees at a level set by the province and following various provincial guidelines.

EYCs currently administer roughly 40 per cent of the province’s regulated child-care spaces and have driven down the cost of child care at an impressive pace. P.E.I. now offers the third most affordable child-care services in Canada, trailing only Quebec and Manitoba.

Crucially, the daily parental fees charged by EYCs are flat across parental income levels but vary by age category: \$34 a day for infants (1-22 months); \$28 a day for toddlers (22 months-three years old); and \$27 a day for pre-schoolers (three- and four-year-olds) in 2019. This makes economic sense as younger children are more expensive for the centres to care for due to lower mandated staff-to-child ratios. By following P.E.I.’s lead in adopting an age-based sliding fee scale, other provinces can find a less financially torturous path towards universal child care — even if it lacks a catchy slogan like “\$10-a-day.”

Of course, the big question is whether P.E.I.’s child-care program, which serves a total eligible population of just 7,500 children, can be scaled up to larger provinces. This is not a question I can resolve here, but the system is one that other provinces, and the Trudeau government, should be taking a close look at.

**Region:** [Canada](#) <sup>[5]</sup>

**Tags:** [universal system](#) <sup>[6]</sup>

[Quebec](#) <sup>[7]</sup>

[flat fee](#) <sup>[8]</sup>

[affordability](#) <sup>[9]</sup>

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