

'Historic moment' in Canada as Ontario strikes deal for \$10-a-day childcare ^[1]

Trudeau promises fees will fall to just C\$10 a day by 2026, but program still must contend with shortages of staff and spaces

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EXCERPTS

Canada's most populous province has signed a long-awaited deal with the federal government for subsidized childcare, paving the way for a nationwide plan that Justin Trudeau hailed as a "historic moment".

Unveiling the plan on Monday, the prime minister pledged that fees will eventually drop to C\$10 a day by 2026, but experts caution that the plan must reckon with the reality of chronic staff shortages, fierce demand for limited spaces and murky funding agreements.

Trudeau and Ontario's premier, Doug Ford, announced billions in funding for the province, part of a broader multibillion-dollar package offered to all provinces and territories.

"Childcare is becoming a reality for all Canadians," said Trudeau.

Ford, who had held out for nearly a year for more money from Ottawa, is the last leader to sign on to the national childcare plan.

But Monday's announcement is essentially the amount of money offered to Ontario last year.

"It's unfortunate that it took this long, because the longer it takes to make the agreements, the longer it's going to take to implement," said Sarah Kaplan, director of the Institute for Gender and the Economy at the University of Toronto. "Families in Ontario have been missing out on the progress that could have been made."

Ontario has the highest childcare costs in the country; in Toronto families often pay more than C\$1,600 a month for childcare. The new deal would, on average, cut fees in half by the end of 2022. Other provinces that signed agreements earlier have seen fees drop sharply.

But Kaplan and others worry the early figures from deals announced by other provinces suggest they are not yet on track to reach their goal by 2026.

"Unless something changes, you'll still see low-income families paying upwards of 40% of their income, for childcare. That is not 'affordable'," she said.

Additionally, Canada is struggling to train, hire and retain early childhood educators, many of whom are leaving the field amid frustrations over low pay. Without enough staff in childcare centres, families will be left waiting for space, or pushed to higher-cost options.

For decades, a nationwide affordable childcare system has proven elusive for the governing Liberals.

A previous attempt to introduce such a scheme was scuttled by an election defeat in 2006, but Canada's decentralized governance system, in which provinces hold immense power, has also been blamed for hampering the rollout of a national plan.

"At the end of the day, the federal government's hands are tied and families are beholden to what provinces choose to do and if they are really going to take childcare seriously," said Kaplan.

Quebec implemented low-cost childcare in 1997 and economists say the province demonstrated the costs were easily recovered by a sharp increase in workforce participation, especially among women.

When she announced the aim of nationwide affordable childcare last year, deputy prime minister Chrystia Freeland pointed to the effects the coronavirus pandemic was having on women in the workforce.

"Covid has brutally exposed something women have long known: without childcare, parents – usually mothers – can't work," she said, calling it an "investment worth making".

Affordable childcare has become an important progressive issue during the pandemic, and in the United States, Joe Biden has tried – and failed – to include similar efforts in his administration's proposed Build Back Better legislation.

In both Canada and the US, there is a growing effort to recast childcare as both an investment in infrastructure, similar to roads and bridges, and as a 'job creator'.

"We told Minister Freeland, and all the other ministers involved, that there was a limited window of opportunity too, because the pandemic has opened people's eyes to these issues. Luckily, they took it," said Kaplan. "And Canada should be commended for making progress now. But honestly, this should have happened 20 years ago."

Region: Canada ^[3]

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