

# Why Harper's child care plan won't work [CA]<sup>[1]</sup>

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## EXCERPTS

The Conservative party has never found it easy to come up with a policy on child care. They know what they don't like - regulated, institutional not-for-profit child-care services - more than what they like. That's why the rumoured new Conservative policy plank on child care is likely to be so confused, facing all directions at once.

On the one hand, the Conservatives don't want to be seen opposing the progressive and popular thrust of the Liberals in signing deals with three provinces so far (Manitoba, Saskatchewan and Ontario), with several more soon to come. Rona Ambrose, Intergovernmental Affairs critic for the Conservatives, says a new Harper government would honour those commitments.

On the other hand, the Conservatives want to be seen to be oriented toward private sector initiatives in child care and more flexible about responding to parental choice of child-care arrangements - especially stay-at-home mothers.

So we can expect tax breaks for companies that put money into developing family supports and child-care services. And we can expect much hoopla trying to dress up a tax break for parents (first announced in the 2004 campaign platform) as a major new child-care initiative.

The Conservatives are on the horns of a dilemma here. They say many parents would prefer to stay at home with children, rather than work outside the home. That's why they will recycle their \$2,000 tax deduction for all families with children (about \$600-\$800 per child for the typical family). However, no one is going to be convinced that this relatively puny tax break will make a difference.

The reality the CP faces is that paying parents to stay at home is costly - much more expensive than good quality learning and care.

As a solution to Canada's preschool child-care problems, paying parents to stay at home is a non-starter. Unless unacceptably large amounts of public money are devoted to paying parents, only a small number will take up the option. If a large number do, the social costs will be astronomical.

To encourage many employed parents to stay at home, you would have to pay them at least the rate of maternity and parental benefits, currently 55 per cent of their regular pay, up to \$413 per week. Maternity and parental benefits, which cover the first year of a child's life, now cost about \$2.7 billion a year. Multiply that by six to cover all of the preschool years and it would cost more than \$16 billion per year.

Maternity and parental benefits cover only about 60 per cent of all parents with newborns. To cover all families, it would cost about \$27 billion per year.

Not only is the out-of-pocket cost to the taxpayer significant. Parents who stay at home full-time throughout their children's preschool years will cost billions of dollars in lost production, will cost their families considerable amounts of lost income and will cost the federal and provincial governments substantial amounts of current and future lost tax revenues. In the long run, this would cost the economy about \$83 billion per year.

In contrast, the high-quality child-care system that we have proposed (in a 1998 cost-benefit study) for 2- to 5-year-olds would cost taxpayers \$5-\$6 billion; serve 100 per cent of children who wished to use it, and return benefits to the economy of at least \$2 for every \$1 invested.

Right now, the main problem to allowing extended parental care is that, outside of Quebec, there is little good quality regulated child care that is affordable by the large majority of mothers who are employed, or for parents staying at home who want the stimulus and play with peers that good part-time programs can provide.

We believe the Conservatives will not find innovative and cost-effective ways of actually providing the child-care services and the parental support that children need. Instead, they will squander money trying to buy votes in ways that are unlikely to change the lives of Canada's children. And that's a real shame.

- reprinted from the Toronto Star

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<https://childcarecanada.org/taxonomy/term/7864> [3] <https://childcarecanada.org/category/tags/economics> [4]

<https://childcarecanada.org/category/tags/election> [5] <https://childcarecanada.org/category/tags/funding> [6]

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