

Janet Bagnall: \$7 daycare: the Alberta take vs. the truth^[1]

Ignore the wildrose Line about subsidizing Quebec. Our affordable daycare has been a boon for provincial and federal coffers

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EXCERPTS:

Alberta is on the march and Quebec is in its sights.

Last week, a newspaper columnist demanded to know: "Will Albertans stand up to Quebec?" Wildrose Party leader Danielle Smith, for one, intends to do just that.

If her party wins the provincial election next week, Smith has promised to try to stop the flow of money from Alberta to spendthrift Quebec.

A complaint about the unfairness of having to pay for Quebec's luxury social programs - \$7-a-day daycare, more medical coverage and low-cost tuition - is written right into the Wildrose platform. In the party's view, Quebec perfidy extends well beyond luxurious social services. Radio-Canada reported this week that Smith joked she had been told by a "Quebec colleague" that Quebec had imposed a moratorium on shale-gas development to keep its revenues low and its equalization payments high.

Smith is positively subtle compared to Sun Media and Journal de Montréal columnist Éric Duhaime. Here he is channelling the Albertan zeitgeist as the Wildrose Party closes in on power: "This is the story," he wrote, "of a girl (Alberta) who works like crazy 50 to 60 hours a week to make ends meet and pay her taxes. After coming home by public transit late at night after a hard day at work, she falls on her butt when she sees her welfare recipient neighbour (that's us) has just bought a brand new yacht and a limousine. She is outraged and demands justice."

It was convenient, though patronizing, that he cast his characters as girls. The supreme symbol of wastrel Quebec across the country is its system of heavily subsidized daycare centres, which mainly affects women, or "girls" as Duhaime would put it. (I am admittedly assuming his welfare recipient is also female. It is a statistical probability.)

Instead of wishing Quebec's \$7-a-day daycare system an early death, Alberta would do better to breathe some life into one of its own. Our subsidized system doesn't cost Quebec, the federal government or any other province a dime. It is fully self-sufficient, bringing in more money than it costs in subsidies.

Last week, a paper put out by the Université de Sherbrooke's research chair on fiscal policy and public finances showed that for every \$100 the province put in, it got back \$104. The federal government made out like a bandit, getting an extra \$43 for putting in exactly \$0.

What the heavily subsidized daycare centres did was allow more mothers to join the job market. Between 1997, when the first centres were established, and 2008, nearly 70,000 mothers took up paid employment. The presence of these additional workers added 1.8 per cent to total provincial employment, resulting in an increase of \$5.1 billion to Quebec's gross provincial income.

In 1996, Quebec women trailed women in the rest of the country in labour-force participation by six percentage points. By last year, they had caught up to the Canadian average, going from 63 per cent to 75 per cent.

The biggest increase came among single mothers, where there was a 22-per-cent employment hike for those with children under the age of 6. Between 1996 and 2008, the number of single mothers on welfare in Quebec dropped by more than half, from 99,000 to 45,000. Their after-tax median income jumped by 81 per cent.

These results - families off welfare, children out of poverty, women gaining financial independence - were everything Quebec dreamed of when it set out to remove what has been acknowledged as the biggest impediment to women's participation in the workforce: lack of affordable child care.

There are still problems with the daycare system, including long waiting lists, under-representation of poorer children, rigid hours of operation. But Quebec's system proves it is possible to achieve social and economic progress in the same package.

Yet the rest of Canada persists in criticizing Quebec for its "Cadillac social services." Luc Godbout, a professor of economics at the Université de Sherbrooke and one of the paper's three authors, said Quebecers have a better standard of social services because they have chosen to tax themselves at a higher rate to pay for them.

The common criticism that Quebec uses equalization payments to pay for its heavily subsidized daycare system is incorrect, Godbout said. Using 2008-09 figures, he pointed out that while the average tax burden in the rest of the country was 31.1 per cent, in Quebec it was 38.7

per cent.

"We tax ourselves at a rate several percentage points higher," he said. "If other provinces want the same public services, they can pay for them by raising their taxes."

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