



# Child care

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## Introduction

“The need for child care has never been made clearer.”

—*Prime Minister Justin Trudeau*<sup>1</sup>

Never has child care been more vulnerable—and more essential.

It has taken a public health crisis for the essential role of early learning and child care to be widely recognized, and for the fragility of Canada’s provision to be laid bare.

Early learning and child care in Canada was fragile before the pandemic hit because it is market-based, fragmented, and under-funded. Most licensed programs primarily rely on parent fee revenue.

The predominantly female workforce earns low wages and any raise in compensation translates into higher parent fees, as do any other quality improvements. As a result, recruitment and retention of qualified early childhood educators is a perpetual serious concern.

COVID-19 has added another dimension to the challenges that the early learning and child care sector faces. Almost all provinces and territories ordered child care programs to close during the emergency response phase of the pandemic (with limited services for essential workers). They also adopted dissimilar and shifting approaches to supporting the sector through the shutdown.

A recent survey of licensed child care centres in Canada confirms that 70% laid off all or part of their workforce during the emergency response phase of the pandemic, and more than one-third of the centres across Canada are uncertain about reopening.

The early learning and child care sector could lose thousands of educators who will not return to low-wage work when other employment opportunities open up again.

It's time to update Canada's plan for early learning and child care.

The construction of an accessible, affordable, quality, inclusive system of early learning and child care, with fairly compensated early childhood educators at its heart is now essential if Canada is to forge a resilient and just future, and also become the best possible place for children.

Millions of workers have lost their job and income because of the pandemic. A sustainable economic recovery relies on their ability to regain their earning power. But before parents of young children can return to work, they need access to affordable child care programs that meet their diverse needs. This is particularly true for mothers, who have suffered disproportionately through the pandemic.

As one economist states: "There can be no recovery without a she-covey; and there can be no she-covey without childcare."<sup>2</sup>

The evidence providing the rationale for, and value of, a universal child care system has been well established over the last few decades<sup>3</sup> and is now the norm in many countries. While even countries with established universal child care systems continue to struggle to remedy inequality of access for less advantaged populations, the evidence still shows that a universal system is the best approach to advancing equity in child care. Given that the pandemic has disproportionately impacted families facing various and often inter-related systemic barriers, building a universal system in Canada is all the more urgent—one that would make early learning and child care "accessible and affordable for all families and inclusive of children regardless of ability, economic, cultural or linguistic circumstances, where they live in Canada or whether their parents are in or out of the workforce, studying or working non-standard hours."<sup>4</sup>

Federal leadership, including bold, accelerated federal spending, is needed to expedite Canada's move from the market-based provision of early learning and care to a publicly managed and fully publicly funded system.

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## Toward a just recovery

The AFB Recovery Plan will implement the updated Affordable Child Care for ALL Plan<sup>5</sup>, which calls for a two-phased approach by the federal government in the aftermath of COVID-19:

- In the first phase, the plan calls for \$2.5 billion for early learning and child care in new federal transfers to the provinces/territories

and Indigenous communities to support the safe and full recovery of regulated child care as part of the re-opening of the economy.

- In the second phase, the plan proposes federal spending of \$2 billion on early learning and child care in 2021-22. This base would be increased each year after by \$2 billion (that is, \$4 billion in 2022-23, \$6 billion in 2023-24, etc.). The federal funds would be used to move Canada toward a fully publicly funded system, in partnership with the provinces, territories, and Indigenous governments.
- Under the plan, the federal government would require the provinces and territories to use the federal funds to achieve measurable improvements in accessibility, affordability, quality, and inclusiveness.
- Additionally, the federal government would establish and fund a federal early learning and child care secretariat to lead and co-ordinate the federal government’s early learning and child care work.
- Finally, the federal government would propose parliamentary legislation that enshrines Canada’s commitment to give all children the right to high-quality early learning and child care. Similar to the Canada Health Act, the legislation would set out the principles, conditions, and accountability mechanisms for federal transfer payments to provinces and territories.

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### Phase 1 (through March 31, 2021)

The federal government has promised \$14 billion in new federal transfers to the provinces and territories, to be rolled out over the remaining months of 2020, to help finance the safe restart of the economy. Prime Minister Trudeau says the agreement will provide federal funding for child care “so that every parent knows there is a safe place for their kids.”

Under the first phase of the updated plan, the AFB would allocate \$2.5 billion of these promised transfers for spending on early learning and child care. The provinces and territories would use the funds to augment, not replace, the public funding that early learning and child

care programs now receive. Agreements with each province and territory would ensure that the federal funds are used for:

- A safe restart of child care programs;
- Restoration and expansion of the number of licensed child care spaces that existed prior to the pandemic;
- Increases in wages and other compensation for those who work in early learning and child care to ensure the return and retention of staff to the sector;
- Stabilization of parent fees, and reductions to the extent possible; and
- Interim full-day child care programs for school age children 12 years of age and younger until schools are re-opened.

The federal secretariat that has been mandated by the prime minister of Canada would be established during this first phase. Its mandate would be to advise on, monitor, and evaluate the Phase 1 implementation and plan for Phase 2, including the development of comprehensive workforce and expansion strategies.

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## Phase 2 (starting April 1, 2021)

The AFB Recovery Plan will boost the federal allocation for early learning and child care to \$2 billion in 2021-22 and add a further \$2 billion each year thereafter, earmarking 20% of the annual total to support implementation of the Indigenous Early Learning and Child Care Framework<sup>6</sup>.

In this second phase of early learning and child care system construction, the focus would be on expanding availability of licensed child care, making early learning and child care more affordable and on improving the quality of programs, primarily through the development and implementation of a workforce strategy and the application of the best available evidence.

To make progress on these fronts, the federal government would negotiate bilateral funding agreements with each of the provinces and territories. These agreements would provide for federal funds to be directed to enhance the public management of early learning and child

care, and to increase operational (supply side) funding of early learning and child care programs.

During Phase 2, federal early learning and child care legislation enshrining Canada's commitment to high quality early learning and child care for all children would be introduced. The legislation would set out the principles, conditions, and accountability mechanisms for federal transfer payments to provinces and territories.

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## Conclusion

COVID-19 makes clear that it's time to update Canada's plan for early learning and child care. Federal leadership is required to accelerate the construction of an accessible, affordable, quality, inclusive system of early learning and child care, with fairly compensated early childhood educators at its heart. Urgent action is required not only to save early learning and child care programs from collapsing, but to advance the universal approach required to ensure access for all parents—including low-income women from Indigenous and racialized backgrounds—so they can return to the workforce during the recovery and rebuild phases of this pandemic. Research shows investments in early learning and child care pay for themselves by enabling women to enter the paid labour market. Socialization opportunities are also essential for children's well-being, especially since many have been isolated due to the necessary COVID-19 shutdown.

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## Notes

- 1 Jordan Press and Teresa Wright, "Feds quietly probe expanded role for child care in post-pandemic recovery" (May 18, 2020), CTVNews. <https://www.ctvnews.ca/health/coronavirus/feds-quietly-probe-expanded-role-for-child-care-in-post-pandemic-recovery-1.4943770>
- 2 Armine Yalnizyan (June 5, 2020), "No recovery without a she-covery," Presentation to House of Commons Standing Committee on Finance. <https://atkinsonfoundation.ca/atkinson-fellows/posts/no-recovery-without-a-she-covery/>
- 3 Anderson, L., Ballantyne, M., and Friendly, M. (2016). Child care for all of us: Universal child care by 2020. Ottawa: Canadian Centre for Policy Alternatives. [https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/Child\\_Care\\_AFB2017\\_technical\\_paper.pdf](https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2016/12/Child_Care_AFB2017_technical_paper.pdf)
- 4 *ibid.*, p.7.

**5** <https://timeforchildcare.ca/a-strategy-for-recovery-making-affordable-child-care-for-all-a-reality/>

**6** The allocation of 20% of the federal funding to Indigenous communities is consistent with the allocation established in Budget 2016 (p. 101), which noted that the federal government would “invest \$500 million in 2017/18 to support the establishment of a National Framework on Early Learning and Child Care. Of this amount \$100 million would be for Indigenous child care and early learning on reserve.” <https://www.budget.gc.ca/2016/docs/plan/budget2016-en.pdf>