

# **A national childcare<sup>i</sup> program can address key themes in the 2014 pre-budget consultation**

**A brief submitted to the House of Commons Standing Committee on Finance  
pre-budget consultation by the Childcare Resource and Research Unit**

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## ***Introduction***

The Toronto Star recently noted in an article about CRRU's latest report in the *ECEC in Canada* series that Canada's "daycare bust" prevents us from meeting social challenges such as the current biggest "baby boom" in 50 years (Monsebraaten, 2014). Canada is one of the world's wealthiest countries but international reviews have repeatedly awarded us the very lowest grades on early childhood education and childcare (ECEC) (for example, UNICEF, 2008). The most recent data show that progress on many aspects of the state of ECEC is virtually inert, with some elements deteriorating (Ferns and Friendly, 2014).

Canada's ECEC situation fails to meet the challenges not only of the current baby boom but many other social challenges as well. Without a national ECEC program and significant federal funding, high quality childcare remains limited in supply and/or financially out of reach for the majority of families in all regions of Canada. While it has become hackneyed to catalogue the problems of Canadian childcare, for the young families who struggle with the same limited childcare options as their parents, it is an urgent crisis.

Canada's inadequate public funding and weak public policy are closely linked to childcare space shortages (especially for infants, Indigenous people, children with disabilities, rural communities and families working unusual hours). High parent fees put quality childcare out of families' reach while the early childhood education profession is poorly paid and under-valued. Program quality too often cannot be considered "educational" or beneficial to children and integration with the education system remains weak. For many parents the only available option is unregulated childcare with no public oversight—a "choice" that occasionally turns harmful or deadly.

## ***What childcare could do for Canada***

Changing childcare could be an opportunity for Canada. Today it is well recognized that ECEC has the potential to address multiple social and political objectives. Women's equality and employment, poverty reduction, family-work balance, social integration and equal opportunity, improved child development and well-being, and economic prosperity are regularly cited as practical reasons to support high quality ECEC.

With specific reference to the 2014 federal pre-budget priorities: transforming the childcare situation could help address four of the Finance Committee's six priority themes set out for these pre-budget consultations.

*If it were well-designed, publicly-funded and more publicly managed, a system of accessible high quality childcare—well-integrated with education—could:*

*Support families and help vulnerable Canadians by focusing on health, education and training...*

- by supporting parents to go to work, training and education, especially (but not solely) those who are vulnerable; by helping lay the groundwork for school success, higher education, life-long learning;
- through its role as a social determinant of health for children and parents, especially women.

*Ensure prosperous and secure communities...*

- by providing stable ECEC services that are valued community institutions, so have the capacity to foster community co-operation and social solidarity for all;
- by providing opportunities for positive social development in the early years.

*Improve Canada's taxation and regulatory regimes...*

- by accounting for Canadian taxpayers' money by spending it on an evidence-based "system" approach to ECEC programs rather than on demand-side public spending schemes (such as the UCCB, the Childcare Expense Deduction and the proposed income-splitting) that are not demonstrated to deliver positive results for families and children in Canada or elsewhere (White and Friendly, 2009).

*Maximize the number and types of jobs for Canadians...*

- by investing public funds in creating childcare services, which have been shown to be excellent job creators—substantially better than construction—and a strong economic stimulus, with every dollar invested increasing GDOP by \$2.30 (Fairholm, 2009).

A transformed approach to ECEC could also have other benefits for Canada. High quality ECEC plays a role in combating inequality between men and women, between social classes and between generations. Few would disagree that Canada's support for families, women, and children is inadequate and has negative implications for today's young adults now and in the future as "Generation Squeeze" struggles with employment, debt, housing and family time (Kershaw and Anderson, 2009).

A national childcare program would also be a key piece in remedying Canada's flagging women's equality record. Further, ECEC is considered to be a human right for not only for women (Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) but for children, as the Convention on the Rights of the Child (CRC) and Education for All (EFA) outline.

Overall, in the absence of federal participation and leadership, Canada's record on ECEC issues leaves many family and societal needs unmet, to the disadvantage of all Canadians, the Canadian economy and for ensuring Canada's place in the world as a modern, forward-looking, equitable country.

***What needs to change: Moving from a market to a system***

The most succinct explanation for Canada's "daycare bust" is that we rely on a childcare market in which governments take limited responsibility rather than building a coherent public system. A real ECEC system needs overarching long-term goals, planning, substantial public funding and public management rather than relying on market forces and a consumerist approach to shape, create, maintain, deliver and finance childcare. Both federal and provincial/territorial childcare policy encourages this dependence on markets, flying in the face of clear evidence that public management of childcare is not only fairer but a much more effective way to deliver quality services (Eurochild, 2014, Ben-Galim, 2014).

Families in all regions of Canada desperately need access to the ECEC services that only a comprehensive system can provide. The key to building this system for all Canadians is the same today as it was before 2006<sup>ii</sup> and for thirty years before that: the federal government must step up to the plate. Without federal funds and robust national policy, provincial/territorial programs left on their own with limited resources will continue to develop in painfully slow steps, leaving many inequities among provinces/territories and many families unable to find or afford quality programs for their children.

The federal government has a key role to play in childcare, now and in the future, as it had in Medicare, Employment Insurance and pensions.

***What has to happen: Next steps to a national childcare program—again***

As noted earlier, there is a strong case to be made that childcare can have a key role in addressing multiple societal goals *if* it is well-designed, publicly-funded, publicly-managed, high quality and accessible. Experience and evidence show clearly that the best way to do this is by using a multi-layered governance approach with robust roles for both the federal government and provinces/territories.

A first step for transforming the current patchwork to an ECEC system will be to develop a national policy framework based on a set of overarching principles<sup>iii</sup> and including several key system components. These should include roles and responsibilities, principles, short- and long-term goals, targets and timetables, accountability measures to assess progress towards goals for all levels of government and plans for implementation.

One of the three key system components that will be of specific interest to the federal Department of Finance is the **long-term sustained funding plan** needed to ensure that the system's principles and goals can be achieved over a period of time. The long-term sustained funding plan should include a commitment by the federal government to be a major funder of the system. The funding plan should incorporate long-term commitments to transferring federal funds to provinces/territories/Indigenous communities (which will design, maintain and grow their ECEC systems) based on the principles, goals, targets/timetables, accountability measures contained in the national policy framework. It should include:

- Capital funding to expand the service system;
- Base/operational funding to sustain services and improve remuneration of the ECEC workforce while keeping parent fees affordable;
- Funds for collaborative work on data, research, evaluation, innovation and accountability measures.

Sustained, predictable federal funding to provinces/territories and Indigenous communities is key. Funds should ramp up each year to ensure expansion until the program reaches maturity and should be indexed to inflation. A long-term public funding goal of at least 1% of GDP for ECEC for children aged 0-5 years, the common minimum international benchmark, would be appropriate for Canada as a whole.

### ***First steps in this federal budget***

A transformation in early childhood education and childcare will require political will from a federal government whose perspective regarding governments, families and social policy supports such a program. Based on community analysis and the state of ECEC in Canada, in the next year, we intend to develop a case for why and how the next government of Canada immediately must begin the process of developing a national childcare program based on the ideas presented here.

In the shorter term—in the 2014 federal budget, we propose:

1. An emergency fund of \$700 million in federal transfer payments earmarked for regulated child care to provinces/territories/and Indigenous communities.
2. That the federal government extend and enhance existing maternity/parental leave benefits. The equity and efficacy of this program, which clearly supports families, children, and maternal and child health, requires strengthening. The benefit should be modified to include all new parents (adoptive, student, trainee, self-employed parents, part-time and casual workers. As well, leave benefits should be made more flexible. Benefits payment should be increased to more closely reflect actual wages. An ear-marked “father only leave” benefit should be added.
3. That the federal government reinstate the funds for national, provincial/territorial and community child care organizations and child care data/research/development/innovation previously available through Status of Women Canada and (now) Employment and Social Development Canada.

### ***Conclusion***

This brief has presented a description of the sorry state of early childhood education and childcare in Canada, about why, and for whom, ECEC is important and valuable and some ideas about how to remedy the situation, beginning with the 2014 federal budget. As childcare is well linked to a majority of the priority “theme” areas set out by the Finance Committee, the first steps to its transformation into a well-designed system are worthy of the Committee’s consideration. A real national childcare program would be both the smart thing—and the right thing—to do for Canada.

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<sup>i</sup> This brief uses two terms: *early childhood education and childcare* (ECEC) and *childcare*. ECEC is an aspirational term that means all full- and part-time care and learning services for children from birth to compulsory school age, including kindergarten, recognizing that there is also a need for outside-school-hours services up to age 12. The vision is that these programs can be blended, so that care and education for young children become inseparable, as they are in some other countries.

<sup>ii</sup> In 2006, the Conservative government cancelled Canada's first national childcare program even before it got off the ground.

<sup>iii</sup> Three overarching principles – Universal entitlement, High quality, Comprehensive approach