

Presentation to the House of Commons
Standing Committee on Finance*
Public hearings - 2019 federal budget

Childcare Resource and Research Unit (CRRU)
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* Please see as well CRRU's written brief to FINA *Universal early learning and child care is essential to the country's competitiveness: Canada can't work without it* (August 2018)

Thank you, members of the Committee and Mr. Chairman

The Resource and Research Unit has been an independent policy research institute studying early learning and childcare and family policy since the early 1980s. Our August pre-budget brief argued that universal childcare is essential to Canada's competitiveness, outlining in some detail why gender equality isn't possible without quality childcare that is accessible to all women across the economic spectrum. And-- not only is childcare fundamental to women's economic security but Canada overall would derive substantial benefits by strengthening it.

These arguments have been around for as long as I've been working in this area--since the Royal Commission on the Status of Women argued the same in 1970. Today, though, we have the advantage of abundant evidence to back them up.

To review just a few recent examples:

- A 2018 study by the House of Commons Standing Committee on the Status of Women *titled Women's Economic Security: Securing the Future of Canada's Economy* described childcare as key and necessary for "increasing women's access to the labour force and increase their economic security".
- In a 2018 Statistics Canada study, mothers with children under age three in Ontario and Quebec had substantially different labour force participation rates: the Ontario rate rose from 66% to 70% (up 4%) between 1996 and 2016; in the same period, the Quebec rate increased 19%, from 61% to 80%. The researchers attributed this substantial difference to Quebec's much-more-affordable, much-more-available, and much better publicly-funded childcare provision.
- A 2017 International Monetary Fund study also used the Quebec/Rest of Canada "natural experiment". Citing women's labour force participation lagging men's by 10% outside Quebec, the IMF calculated that a substantial, well-focused increase in public spending on childcare could improve Canada's GDP by 4% through "realizing women's full potential in the work force".
- In 2018, the Governor of the Bank of Canada outlined how helping underrepresented groups-- such as women with young children-- enter the labour market could increase Canada's productivity by \$30 billion a year. He identified affordable, publicly-funded childcare as key to labour market participation for women with young children.

It's most welcome that the current government has re-engaged in childcare, and I commend federal, provincial/ territorial governments for crafting last year's Multilateral Agreement on Early Learning and Childcare, together with budget commitments and three year action plans in almost all jurisdictions. I especially want to recognize the recent announcement of an Indigenous-led early learning and childcare framework intended to address the needs and aspirations of Indigenous communities across Canada.

These are welcome and significant first steps in a multiyear process aimed at building a high quality, affordable early learning and childcare system to meet the multiple goals of women's equality and economic security, children's well being and development and a wide range of social goals including poverty reduction, social inclusion and meeting Indigenous communities' language and cultural goals.

But what I want to focus on is the next phase of taking childcare forward to become--as the 2016 federal budget termed it "...more than a convenience—but a necessity".

As we look toward the end of the first three year agreements under the Multilateral framework, we observe that these have been a starting place-- setting out the commendable shared principles of Accessibility, Affordability, Quality and Inclusion-- but not yet supported by sufficient federal funds or the evidence-based steps needed to ensure their achievement.

RECOMMENDATIONS

Thus, we propose to this committee three recommendations aimed at moving early learning and childcare forward to Phase 2 with the second round of three year bilateral agreements:

1. The current annual commitments do not "ramp up" adequately to account for the need for substantial service expansion. A gradual year-by-year increase in earmarked childcare transfers to provinces/territories/Indigenous groups-- is required to support sufficient service expansion to meet accessibility goals. We recommend a childcare allocation of \$1 billion in 2019, adding an additional \$1 billion each following year, until accessibility and affordability targets are reached and annual spending on a mature early learning and childcare program reaches the international minimum benchmark of 1% of GDP about a decade from now.
2. To ensure these substantial public funds are used effectively to serve families and children, we recommend crafting plans for operationalizing the Multilateral Framework based on the best available evidence. To be effective, this should be developed collaboratively by governments at all levels and making full use of the expertise of the childcare sector, researchers and others.
3. To support development of provincial/territorial childcare systems across Canada, a collaborative system-building strategy is critically required. This should include provinces/territories/ Indigenous organizations, the federal government, the childcare community and other experts. We call for:
 - a) A comprehensive childcare workforce strategy;
 - b) Creation of the needed infrastructure to support development of a quality childcare system. This should include, first, a federal learning and childcare secretariat to facilitate intergovernmental and community collaboration and communication on policy development, research and data, best practices and innovation. Second, resources are needed to support growth of public and not-for-profit childcare services across Canada;
 - c) Reinstatement of federal funding is needed to rebuild the childcare community's capacity including the childcare organizations that provide much of the infrastructure for early learning and childcare across Canada;
 - d) Funds for developing a fourth system-building element-- an early learning and childcare data strategy-- have already been committed in the 2017 federal budget. These are most welcome.

In conclusion, we know that when we make progress towards gender equality-- everyone benefits. But progress towards gender equality and its benefits for everyone will continue to be impeded in the absence of the universally accessible quality childcare system that has thus far been so elusive for Canadians.

