

1 Introduction

Ownership is a fundamental issue for child care policy

The issue of ownership, or auspice, of child care centres has long been one of the most hotly debated child care policy issues in Canada. It has shaped provincial and national debates about child care since the 1970s and has re-emerged in every decade since. Over the years, many OECD countries have moved towards more public ownership, more public management and more public funding of early childhood education and care. As a result, their child care provision has become more systemically funded, more reliable and organized, and has become more (if not perfectly) equitable. At the same time, international trends towards privatization and financialization of care have become part of the child care landscape, pushing back against public services and public management, which mitigate against deriving profits, in many countries – some more than others. In some countries, privatization and financialization dominate child care provision.

In the 2020 Speech from the Throne, the Government of Canada pledged “to build a high-quality, affordable and accessible early learning and child care system across Canada” (Government of Canada, 2020). A federal budget, which followed in April 2021, committed the Government of Canada to substantial, long-term financing and to working with “provincial, territorial, and Indigenous partners to build a Canada-wide, community-based system of quality child care. This will be a transformative project on a scale with the work of previous generations of Canadians, who

built a public school system and public health care” (Department of Finance, 2021).

As Canada contemplates investing historic sums of money to transform early learning and child care into a functional, equitable model, valuable lessons can be learned. A key issue that will be decisive for how child care evolves in Canada is the issue of ownership, or auspice, of services. Lessons about auspice, and policy successes and challenges can be learned from other countries—both those with well developed child care systems and those relying on child care markets. There are also special benefits in examining Canada-specific research, analysis and experience, as there is considerable variation on the issue of auspice across Canada’s provinces and territories including Quebec (see Appendix 1 in this report for a profile of auspice in each province and territory).

The paid and unpaid care economy – the social infrastructure underpinning physical, social, psychological, and economic health – is pivotal to how Canada’s economy and society are able to function. A definition of the care economy refers to “the sector of economic activities, both paid and unpaid, related to the provision of social and material care”, including care for children, the elderly and the disabled (Peng, 2018). Important lessons for early learning and child care can be learned about ownership issues by examining the care economy more broadly, considering similarities and differences between child care and other sectors such as long-term care, especially as its functionality has been challenged during the COVID-19 pandemic.

Insight into Canada’s child care situation has been significantly informed by the COVID-19 pandemic, which brought two realities front and centre for families and political leaders. First, it highlighted how essential child care is for children and families, and for recovering a strong economy post-pandemic and maintaining 30 years of progress on women’s equality. Second, the pandemic underscored how much Canada’s approach to child care provision

has failed. The child care crises Canadian families and service providers have experienced have been in large part because Canada has not yet brought early learning and child care policy and provision into the twenty-first century. As the variety and number of Canadians of all political orientations calling for accessible, affordable, quality and inclusive early learning and child care for all has ballooned, and federal, provincial/territorial governments have indicated their interest in making significant changes to early learning and child care, the question “how will this happen?” has become key. As part of this, the questions: “who will provide child care?” and, more specifically, “how will child care be delivered, publicly or privately, and what types of private organizations are best placed to be entrusted with this responsibility?” will inevitably be part of the considerations.

Today a wealth of evidence, analysis and experience from within Canada and internationally sheds light on the effects, issues and risks associated with operating child care on a for-profit basis. As Canada develops a more ambitious, much more publicly funded cross-Canada child care system, it will need to substantially expand the supply of services to make participation more accessible and equitable. Thus, it will be important to carefully consider the available evidence and experience in order to make the best policy decisions.

What this paper will cover

This paper is intended to inform public and policy debate about how to move early learning and child care policy and provision forward across Canada. It discusses ownership or auspice of child care as a legal, philosophical and pragmatic concept. It recognizes that “auspice” in early learning and child care includes a number of legal ownership types and sub-types. Public child care is defined in this paper as owned and operated by a government entity such as a municipality, school board or Indigenous governance organization.

Kindergarten too, in most of Canada², is publicly delivered but as the first level in the public school system, it is not as a licensed separate entity, as municipal child care is in Ontario. Both non-profit and for-profit licensed child care programs are “private”, i.e., not public. For-profit entities may be small, owner-operated licensed centres or large corporate chains, or in between. In this paper, it is assumed that legally, they are incorporated as provincial or federal corporations with profit-making capabilities. Non-profits also may be one centre or large multi-site operations but as incorporated not-for-profits, must follow requirements about accumulation and disposal of profits and assets and about boards of directors.

This paper makes no assumptions about any particular or individual child care operation unless specifically citing evidence. It recognizes that some for-profit child care programs may emphasize quality, choose to support their workers at the expense of higher profits or have a commitment to serving families and the community as a matter of their individual choice. Nevertheless, the ownership or auspice of child care services, as an important broad public policy issue affecting cross-Canada child care policy going forward, is addressed as such in this paper. It should also be noted that from the perspective of this paper ownership, or auspice, is being discussed as ownership of the child care operation, not the facilities per se, as this is a separate, though sometimes related, matter. Finally, this paper includes only limited discussion of regulated family child care, which plays a role in child care provision in every province and territory.

With a commitment to informing evidence-based policy making, we first examine the idea of a child care market model, and the role for-profit child care plays in a child care market. The paper sets out a three-part framework for considering for-profit child care, then discusses the concept of *financialization* of child care. This is followed by a brief history of for-profit child care in Canada, followed

² Kindergarten in Alberta is part of Early Childhood Services and may be delivered by a school board or a private non-profit or for-profit entity.

by a section reviewing the research evidence base, covering key selected relevant literature. This includes research from Canada and selected international literature, particularly from the last decade. For comparison, a chapter then examines profit-making entities in caring for the elderly in long-term care, examining similarities and differences to child care. The paper concludes with conclusions and solutions to consider as part of the policy process aimed at transforming Canadian child care. Profiles of the child care auspice landscape in each of Canada's 13 provinces/territories are included in Appendix 1, followed by Appendix 2, which identifies the early learning and child care literature examined for this paper.

This paper follows the practice of acknowledging and respecting the distinct perspectives, needs and rights of First Nations, Inuit, Métis Nation children, families, and communities, as well as acknowledging and respecting the perspectives, needs and rights in early learning and child care services and programming of all Indigenous people wherever they live but does not comment specifically on the issue of child care auspice in Indigenous contexts.