

Early Childhood Education and Care

Background

Canadians have good reason to be concerned about the future of their well-established health and public education systems. For many, there is an uneasy sense that years of tax cuts have lessened our collective ability to publicly fund high-quality and equitable access for all. The evidence suggests that Canadians question the unrelenting push to bring market-oriented, often profit-making approaches to public services whose very foundations rest on values of sharing, caring, and equality.

But are concerns about the dangers of privatization real? After all, health and public education systems still exist. To answer this question, one need look no further than child care¹ — Canada’s poster child for market failure and inadequate public investment in the common good. Rather than merely strengthening child care — as is necessary with our health and public education systems — we actually need to begin to *build* a system of early childhood education and care (ECEC) in Canada.

Canada’s Market-Based Child Care

Child care services in Canada are marketized, having always relied on the private sector (both for-profit and non-profit) to develop, finance, and operate programs for young children, with parents paying most of the costs even for regulated child care.

The result? Child care in Canada² demonstrates triple market failure, with:

- **High parent fees and a shrinking pool of fee subsidies:** Data from British Columbia shows that child care is the second-highest cost to families, next to housing.³ This is true across Canada as well: many

young families pay more in child care fees than other families pay for their children's university tuition. In Ontario, parent fees are reaching new heights as instability in child care services has grown. Longitudinal data on fee subsidies shows that the pool has shrunk since 2001,⁴ so fewer low-income children have access to regulated services.

- **Low staff wages:** Compensation for staff trained in early childhood education is a key indicator of the high quality that is important for child development. However, Canada's training requirements for early childhood educators fall short of the average standards across OECD countries. Furthermore, the predominantly female child care service sector remains one of the lowest-paid in Canada. More than half of Canada's trained early childhood educators do not work in child care.⁵ The resulting recruitment and retention crisis across the country compromises the quality of our children's care.
- **Unmet demand:** While more than 70% of mothers of young children are in the paid labour force, there are regulated child care spaces for only about 20% of children 0–5 years old.⁶ Yet in 2007 and 2008, the number of regulated child care spaces in Canada grew by only 3% annually, about one-third of the growth rate earlier in the decade.⁷

High fees, low wages, and unmet demand should be a wake-up call to governments about the fundamental inequality of their longstanding market-based approach to child care services. The evidence-based response to Canada's high rate of mothers' labour force participation and contemporary knowledge about the benefits of early childhood education should be a publicly managed and publicly funded system that blends early childhood education and child care, and prioritizes equity in both access and service provision.

The Smart Thing to Do, and the Right Thing to Do

A consistent body of evidence shows that building a public system of early childhood education and care is not just the right thing to do for parents and children, but the smart thing to do for Canada's economy.

An analysis⁸ for the Child Care Human Resources Sector Council (CCHRSC) shows that:

- **Child care grows the economy:** Every dollar invested in child care programs increases GDP by \$2.30 — one of the strongest levels of short-

term economic stimulus of all sectors and far ahead of construction and manufacturing. As the Canadian economy continues to struggle, all of the evidence points to child care as the most effective investment Canadians can make for today, and tomorrow.

- **Child care creates jobs:** Investing \$1 million in the child care sector generates almost 40 jobs — at least 40% higher than the next closest industry, and four times the number of jobs generated by investing \$1 million in construction activity.
- **Child care more than pays for itself:** Even in the short term, more than 90% of the cost of hiring child care workers returns to governments as increased revenue, and the federal government gains the most. Over the long term, every public dollar invested in quality child care programs returns \$2.54 in benefits to society.

Evidence from Quebec⁹ provides proof positive that child care pays for itself. The province's child care program serves about half of Quebec children under the age of five. The program helped an additional 70,000 women with young children enter the labour force, a 3.8% increase in women's employment overall. The ripple effect of this increase in working mothers' employment contributed an additional \$5.2 billion to the provincial economy and increased Quebec's GDP by 1.7%. Furthermore, the impact of working mothers' increased purchasing power and taxes paid, along with reduced social transfers, means that for every dollar Quebec invests in its child care system, the province currently recovers \$1.05 and Ottawa recovers 44 cents — for an additional \$700 million in federal revenue.

The Threat of Big-Box Child Care

Although the benefits of a public system are clear, and the failures of market-based ECEC are in plain sight across the country, it is disturbing to observe the for-profit child care sector growing in almost every province; for-profits now deliver close to 30% of total regulated spaces. The umbrella term “for-profit child care” includes small, individually owned centres and growing numbers of child care chains. In 2011, Edleun, Canada's first publicly listed big-box child care chain purchased more than 40 existing centres in Alberta, B.C. and Ontario, stating its intentions for substantial growth in other provinces.¹⁰ Edleun is well-positioned for expansion, as venture capital and mainstream banking investors provide significant capital.

Countries such as Australia, the United Kingdom and the United States, which are dominated by for-profit big-box chains, provide the following lessons for Canada if it continues to ignore this threat:

- Growth in spaces will be offset by closures of small, for-profit and non-profit operators.
- Growth will be least likely to occur in less “profitable” areas and will be less likely to target “unprofitable” children (for example, in rural or isolated communities, children with disabilities, or infants and toddlers).
- Because of their high fixed costs (staff, facilities, etc.), child care chains will not be any more financially viable than existing programs.
- Governments will be lobbied to promote profitability by relaxing quality standards and/or increasing public funding.
- As for-profit chains grow and acquire real estate, the pressure to provide returns to investors will lead to even higher parent fees and lower staff wages. Once the limits of both approaches are reached, these corporations will look to government to increase public funding to grow private profits.
- Overall quality – so important for children – will decline, as the research literature shows definitively that the for-profit sector generally provides poorer quality (Childcare Resource and Research Unit, 2011).

In other words, public funds will support private profits rather than the public goals of quality, affordability, and access.

In its review of the evidence on indicators of “best practices” in early childhood education and care, UNICEF observed that:

Some private providers are tempted to reduce less visible costs such as training, pay, and conditions of work. And staff turnover in for-profit services tends to be higher (a factor which, from the child’s point of view, translates into instability of care)...poor quality early childhood education and care is not a product that can be returned, repaired, exchanged, or refunded. It may take years for the lack of quality to show its effects; the cause may never become apparent; and the consequences are likely to fall not only on the child but on society as a whole...what is offered by private providers of child care is not a consumer product but a child’s once-in-a-lifetime opportunity to pass successfully through critical stages of cognitive, emotional,

and social development. As UNICEF has argued for many decades and in many contexts, the child's name is 'today'.¹¹

Moving Towards More Public Early Childhood Education and Care

It has been encouraging in some ways to note the recent and growing provincial/territorial interest (among governments, families, advocates, experts, etc.) to deliver ECEC services. Most countries that have implemented effective ECEC systems have done so through education rather than social services ministries, as many have moved to integrate the traditional separation between early education programs in public schools and child care in community settings. The principles of public education systems across Canada — universal entitlement to programs provided by reasonably paid and well-trained staff, with democratic governance — are consistent with the evidence-based principles recommended for child care.

ECEC researchers Kaga, Moss and Bennett, however, note that:

Simply moving administrative responsibility for [ECEC] into education is not enough: it is a starting point for reform. Great attention has to be paid to the subsequent process, including strong re-thinking to complement deep restructuring.... Integration requires re-thinking of concepts and understandings and re-structuring, covering a range of areas including access, regulation, funding, and workforce.¹²

The fact that, to date, the full working-day needs of families and the ECEC needs of children age 0–12 have not been part of most provinces' policy-making illustrates the need to transfer the mandate of child care to education. In addition, there has not been an adjustment in conventional conceptions about how young children learn to ensure that "schoolification" (that is, age-inappropriate focus on more academic content and approaches to learning) of ECEC is avoided. Finally, the implications for child care services and early childhood educators of a shift towards public education are being felt as provincial policy has by-and-large focused narrowly on kindergarten-age children, to the detriment of even existing child care provision. In building a new, publicly funded, publicly managed system of education and care for young children, one would hope for a process and a solution that respects and includes those who are keen to participate in advancing a quality, universal, democratically controlled system.

The Organisation for Economic Cooperation and Development (OECD), in calling for “a strong and equal partnership” between child care and education, captured the spirit of this discussion (OECD, 2001).

The Absence of the Federal Government

A key barrier to advancing a system of early childhood education and care in Canada is the federal government’s absence from the table. The current federal government has gone one step further than even previous governments by abandoning all responsibility for this file. In this instance, doing nothing is a policy decision – and a poor one. The federal government’s lack of leadership on child care is limiting provincial/territorial progress today and restricting our ability to act in the future.

There is a growing awareness of problems created by over-reliance on a market-based approach that is not balanced by government intervention to achieve equitable access to quality services. Even before the recent recession, the public discourse acknowledged the need for government involvement in addressing issues like climate change. In the end, this awareness may enhance opportunities to develop a publicly funded and managed system of early childhood education and care, or it may encourage market advocates to seek new ways to make private profits from this public good.

“We would but we can’t afford it” was the excuse for inaction on child care prior to 2000. Then, as federal and provincial surpluses began to mount annually – reaching a dizzying \$30 billion combined in 2007¹³ – a small but increasing federal commitment to child care funding finally emerged. However, at the height of Canada’s economic success, the current federal government terminated Canada’s sole significant national child care initiative. As a result, federal transfers in 2007–08 were reduced by 37% from 2006, and by 61% from the previous government’s commitment for 2009.¹⁴ Canada’s public spending on ECEC programs is only 0.25% of GDP – about one-third the OECD average (0.7%) and far short of the international minimum benchmark of *at least* 1% of GDP for ECEC for 0–5 year olds.¹⁵

Having squandered the opportunity to share the economic good times with children, women, and families, Canada entered the recent recession with deep poverty and inequality, and exacerbated the problem by ignoring the opportunity to reap the social and economic benefits of stimulus spending on child care.

In the meantime, other developed countries continue to sprint down the early childhood education and care track, leaving Canada far behind.

The legacy of Canada’s continued reliance on a market-based approach is reflected in international comparisons of family support in general, and early childhood education and care in particular, which consistently give Canada a shameful review. Most recently, UNICEF ranked Canada in a tie for last out of 25 developed countries in terms of meeting minimum benchmarks for early childhood education and care related to quality and access.¹⁶

Current Issues

Too Little Money, Too Little Policy

Public opinion research shows that three-quarters of Canadians support a national child care program and consider the lack of affordable child care to be a serious problem. An unparalleled crisis has erupted in much of the country over the past year, with budgets being cut, centres closing, exploding parent fees, and burgeoning waiting lists joining the shortages already generated by under-funding. Media stories report women unable to work, students unable to attend school, two- and three-year-long waiting lists for spaces, “serious” health and safety failures (usually in poor-quality, for-profit centres), and even an occasional death in unregulated arrangements. The collapse of child care’s free market indicates how antiquated is Canada’s approach.

The current issues facing child care can be summarized as “too little money, too little policy.” Child care today is plagued by provincial and territorial budgets that are – at best – stagnant in constant dollars, and the expansion and contraction of services unconnected to planning or community need and shockingly unaffordable parent fees. Fee subsidies are even more inadequate than in the past; subsidy availability for eligible low-income families has shrunk relative to 2001 across Canada, although the supply of regulated spaces has grown by about 400,000 spaces since that time.

Early Childhood “Education” and “Child Care”

There has been significant provincial interest and some activity in shifting child care into education and moving to full-day kindergarten (generally only for five-year-olds). But this has not created the “strong and equal partnership” between kindergarten and child care recommended by the OECD and practiced successfully by many top-ranking countries. Families’ needs for child care for children younger than kindergarten age and outside regu-

lar elementary school hours have largely been untouched while consternation about a “schoolifying” trend for four- and five-year-olds has grown among early childhood experts.

Kids Are Not for Profit

Robust evidence from research shows clearly that for-profit child care is significantly less likely to deliver the high-quality environments necessary for age-appropriate learning in the early years than does public, non-profit care. While Canada has long entertained a debate about the ethics of deriving profits from essential children’s services, the current trend towards big-box profit-seeking operations is more than worrisome.

ECEC Spending and Policy

Not only is Canada’s public spending on ECEC programs (0.25% of GDP) abysmal, but many features of provincial and territorial programs run counter to recommended best practices in ECEC policy, including the absence of either a comprehensive policy framework or adequate funding.

AFB Actions

Occupy the Nursery

There is compelling evidence that public investment in early childhood education and care – with its multiple benefits to multiple groups – offers among the highest benefits that nations can adopt. Studies have repeatedly shown that well-designed public spending on ECEC promotes health, advances women’s equality, addresses child and family poverty, deepens social inclusion, and grows the economy.

But wishful thinking and a market-based approach won’t make it happen. The federal government must move to accountability for results by beginning to build a system of high-quality, affordable, inclusive, and publicly owned early childhood education and care services across Canada, with equitable access for all children and families.

To protect and promote the public interest, the AFB provides leadership and significant funding support to provinces and territories that commit to building public systems of early childhood education and care. The goal of the AFB’s early childhood education program is to reach at least 1%

of GDP, starting this year with a \$1 billion investment that increases over the next 10 years.

A reallocation of current expenditures provides a starting place for realizing this funding commitment. We propose to incorporate the almost \$2.5 billion annual funds currently spent through the Universal Child Care Benefit (UCCB) into federal expenditures both on the early childhood education and care program, as described, and on improvements to the Canada Child Tax Benefit (CCTB), including the National Child Benefit Supplement. We argue that there is neither evidence that the considerable public expenditures on the UCCB furthers ECEC goals of improved access and quality nor is the UCCB an effective income support program that can help lift families with children out of poverty. Thus, we suggest that these considerable public funds would be more effectively spent on ECEC and on the CCTB and should be moved into these columns (see the AFB Poverty and Inequality Chapter for more details on CCTB improvements).

The AFB will establish a policy framework to guide collaboration with provinces and territories, providing federal funds to those that are accountable for developing and maintaining:

- **Public plans** (including legislated universal entitlement, targets, and timetables) for developing comprehensive and integrated systems of ECEC services that meet the care and early education needs of both children and parents.
- **Public expansion** through publicly delivered ECEC services (including integration of existing community-based services into publicly managed systems).
- **Public funding** delivered to ECEC systems, not to individual parents, designed to create and maintain high-quality, accessible services.
- **Public monitoring** and reporting in the legislatures (federal, provincial/ territorial) on the quality of, and access to, the early childhood education and care system.

Within these broad recommendations, the AFB acknowledges the right of Canada's First Nations and Aboriginal peoples to design, deliver, and govern their own early care and learning services. It also respects Quebec's right to develop social programs. However, it is clear that additional federal funding and more focused public policy are required to further advance both quality in and equitable access to Quebec's system, so the AFB encour-

ages the federal government to work with Quebec to achieve the province's goals for child care.

Finally, the AFB recognizes that, in addition to high-quality accessible child care, families with young children also require, and have a right to, well-paid maternity/parental leave. But many parents — mothers and fathers — cannot afford to take or are ineligible for the maternity/parental leave benefit. An improved, better-paid, more inclusive, more flexible maternity/parental leave benefit program including earmarked paternity leave should be developed in the near future.

Notes

1 This chapter incorporates excerpts from various publications of the Child Care Advocacy Association of Canada and draws extensively from the article “The Fight for a Publicly-Funded Child Care System in Canada” by J. Dallaire and L. Anderson, in the CCPA's Spring 2009 issue of *Our Schools Our Selves* “Beyond Child's Play: Caring for and Educating young children in Canada”. V. 18 N.3 (#95). It also draws on various publications of the Childcare Resource and Research Unit as well as on M. Friendly and S. Prentice's book *About Canada: Childcare*, published in 2009 by Fernwood Publishing.

2 While child care fees remain modest in Quebec, access to high-quality services remains a problem as non-profit expansion has slowed and the for-profit sector has accelerated in recent years. As well, additional attention to ensure consistent quality in programming and a sufficient supply of spaces is required.

3 Richards, Tim et al. (2008). Working for a Living Wage: Making Paid Work Meet Basic Family Needs in Vancouver and Victoria. Vancouver, CCPA p.3. http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC_Office_Pubs/bc_2008/ccpa_bc_living_wage_2008_summary.pdf

4 See data from the Childcare Resource and Research Unit, in Campaign 2000's 2011 report card on child poverty. Available online at <http://childcarecanada.org/documents/research-policy-practice/11/11/revisting-family-security-insecure-times>

5 Child Care Human Resources Sector Council (CCHRSC). (2009). Literature review of socio-economic effects and net benefits: Understanding and addressing workforce shortages in early childhood education and care (ECEC) project. Ottawa. CCHRSC. See <http://www.ccsc-cssge.ca/english/aboutus/completed.cfm#p5> for full report.

6 Beach, J., Friendly, M., Ferns., C., Prabhu, N., and Forer, B. (2009). Early childhood education and care in Canada 2008. Toronto. Childcare Resource and Research Unit Calculated from http://www.childcarecanada.org/ECEC2008/tables_long/TABLE22_ECECo8_LONG_VIEW.pdf

7 Calculated from http://www.childcarecanada.org/ECEC2008/tables_long/TABLE22_ECECo8_LONG_VIEW.pdf

8 Fairholm, R. (2009). *Understanding and addressing workforce shortages in early childhood education and care (ECEC) project*. Ottawa: Child Care Human Resources Sector Council.

9 Pierre Fortin, Luc Godbout and Suzie St-Cerny, “Economic Consequences of Quebec's Educational Childcare Policy” (Powerpoint presentation from Early Years Economics Forum, To-

ronto, June 22, 2011), www.mwmccain.ca/media/uploads/does-preschool-education-pay/EarlyLearningEconomicForum_Fortin.pdf

10 <http://www.theglobeandmail.com/report-on-business/your-business/start/franchising/edleun-eager-to-expand-childcare-reach-outside-alberta/article1731059/>

11 2008 UNICEF Innocenti Research Centre, Report Card #8, p. 18.

12 Kaga, Y., Bennett, J. and Moss, P. (2010). "Caring and Learning Together". Paris: UNESCO (United Nations Educational Scientific and Cultural Organization), p. 122.

13 Calculated from Canada. Department of Finance. (2008) Fiscal Reference Tables. Ottawa. http://www.fin.gc.ca/toc/2008/frto8_eng.asp

14 <http://www.fin.gc.ca/taxexp-depfisc/2009/taxexpo901-eng.asp#taxexpend>

15 The 0.7% and 1% come from Bennett, J. (2008), "Benchmarks for Early Childhood Services in OECD Countries," Innocenti Working Paper 2008-02. Florence, UNICEF Innocenti Research Centre. Retrieved from http://www.unicef-irc.org/publications/pdf/iwp_2008_02_final.pdf, p. 38. The 0.25% of GDP is *Starting Strong II*. (2006). Organisation for Economic Cooperation and Development. Directorate for Education. Paris: Author.

16 UNICEF Innocenti Research Centre. (2008). The child care transition: A league table of early childhood education and care in economically advanced countries. UNICEF Innocenti Research Centre, Report Card 8. Florence. p. 2. http://www.unicef-irc.org/publications/pdf/rc8_eng.pdf