Child Care: Early Childhood Education and Care

Background

Although Canada is a wealthy country, its social and economic support of families and children is less than robust. Forty-four years after the Royal Commission on the Status of Women called for a national child care program, regulated child care is available for only 22.5% of Canadian children 0–5 years.1 Although early childhood education and child care now figures in most conceptions of how societies prosper, how women are supported as workers and mothers, how to eradicate poverty, and how societies can work to benefit all, Canada has never had a national early childhood education and child care (ECEC) program or policy.2

Each province and territory provides “spaces” in centres, regulated home child care, publicly funded kindergarten, and (usually) part-day nursery schools.3 None has developed a long-term plan for universal ECEC, so it isn’t surprising that we rank at the bottom of affluent countries when it comes to access, quality, and public funding.4

There are severe shortages of child care places, especially for Indigenous and rural or remote communities and parents working non-standard hours. Children with disabilities are frequently excluded because underfunded service providers cannot accommodate them. High user fees put regulated child care out of reach for many families and threaten the viability of regulated child care centres. Fee subsidies for lower income families are inadequate. The proportion of subsidized child care spaces has essentially remained static since 2001, yet the child poverty rate in Canada has risen to 19.1%.5

Unregulated child care is the only affordable, available option for many parents. All regions report difficulty attracting and retaining qualified early childhood educators because the profession is poorly valued and paid. Program quality is often weak so cannot be considered “educational.” Service gaps encourage the expansion of for-profit child care, which research finds tends to be poorer quality. While child care and kindergarten are often technically administered in the same government department they are still separated by starkly different policy and funding approaches. Universal access to public kindergarten is available across Canada, yet it is generally only for five-year-olds and doesn’t accommodate parents’ work schedules.
What We Know: The Smart Thing and the Right Thing To Do

ECEC is key to women’s equality, social justice, and lifelong learning, with long-term implications for societal prosperity. Research shows high quality ECEC benefits children developmentally but can be ineffective or even negative if the quality is poor. Thus, high quality must be a given in any consideration of ECEC.

Building a quality ECEC system is the right thing to do for families, women, and children, and the smart thing for Canada. Quebec research shows that the $7/day system more than pays for itself: in 2008, “each $100 of daycare subsidy paid out by the Quebec government generated a return of $104 for itself and a windfall of $43 for the federal government.” Also, 70,000 more women hold jobs as a result.6

Childcare is considered to be a human right by the United Nations (under the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination Against Women); some countries carry this into national policy by making ECEC an entitlement. In the most recent review of Canada’s compliance with the Convention on the Rights of the Child, the UN singled out the “lack of funding directed towards the improvement of...affordable and accessible early childhood care and services,” the “high cost of childcare,” and the “lack of available places.”7

Relying on the Market: Why Canadian ECEC Doesn’t Work

Canada’s reliance on a child care market is the key explanation for our persistent patchwork of services. Rather than building a coherent public system (like public education) with long-term goals, planning, substantial public funding, and public management, Canadian governments allow market forces to shape, create, maintain, deliver, and finance child care services.

Every aspect of Canadian child care is shaped by the market. The role of provincial and territorial governments is largely limited to monitoring minimal regulations that fail to deliver the high quality programs that benefit children. Outside Quebec, parent fees cover most costs in regulated and unregulated child care.8 Most public funding comes through market-oriented vouchers, cheques, or fee subsidies rather than funds paid directly to services. The private sector — child care chains, smaller entrepreneurs, non-profit and charitable organizations — determines when and where services open and close. Non-profit and for-profit operators finance most capital costs and deliver most regulated child care with little public management or public planning.

The results of this failed market approach are well documented. Yet, as the OECD suggests, Canada’s adherence to a market-based approach reflects “economic orthodoxy” rather than lack of knowledge about the benefits of publicly managed, publicly funded systems.9 Existing policy encourages dependence on markets despite clear evidence that public manage-
ment is a much more effective and equitable way to deliver services.

In 2004, a substantial federal commitment to begin building a national child care program finally emerged after years of inaction. The federal Liberal government program, which would have been supported by $1 billion in annual transfer payments to provinces and territories, was terminated by the incoming Conservatives.

Between 2009 and 2011, provincial and territorial allocations to regulated child care (adjusted for inflation) actually decreased in several jurisdictions, increasing only marginally for Canada as a whole—from $3.7 billion to $4.0 billion.10 Canada’s public investment in child care has been fairly static since the OECD calculated Canada’s public spending on ECEC (child care + kindergarten) to be only 0.25% of GDP (2006).11 As a share of GDP, this represents one-third the OECD average (0.7%) and far less than the international minimum benchmark of at least 1% of GDP.12

Too Little Public Money, Too Little Public Policy

Comparative research shows two things are key for shaping high quality, accessible ECEC systems: substantial, well-directed public funding, and robust public policy. Limited public funding guarantees high quality services will be unavailable and unaffordable and will make it impossible to offer wages at the level needed to attract and retain highly qualified staff. The delivery of funds through ineffectual mechanisms with insufficient public management makes it difficult to “steer” towards the right mix of high quality, affordable services or to integrate child care and early childhood education.

Canadian child care today can be summed up as “too little public money, too little public policy,” plagued by stagnant budgets and arbitrary service expansion and contraction. Adequate public funding and robust, well-designed public policy matter very much for quality, access, and a “strong and equal partnership” between child care and education. If good public policy is absent, public funds may not achieve the best possible results; if public funding is too limited, even strong policy frameworks cannot deliver.

Current Issues

The lack of policy coherence in the area of ECEC has resulted in significant variations in the affordability of child care from region to region. An evaluation of child care fees in Canada’s 22 largest cities found that fees ranged from $1,676/month for infant care in Toronto to $152/month for all age groups across Quebec.13 In many municipalities outside of Quebec child care fees amounted to three months of women’s average earnings. Compare that to Quebec cities like Gatineau, where fees amounted to only 4% of women’s incomes.14

There are also significant gaps in the availability of child care spaces across Canada. In 2012, there were 1.9 million children under the age of five, and just over half a million regulated, centre-based child care spaces in Canada.15 A million of those children lived in families with two working parents. Less
than 10% of those children (half of all four-year-olds) are enrolled in pre-kindergarten (which is not necessarily full day). According to the 2011 census, the number of children under the age of five grew at the highest rate in 50 years (11% since 2006) and the number of children 0–5 years with employed mothers went up by 108,000 between 2010 and 2012. These demographic trends suggest the gaps are only going to grow.

Regulated child care providers find themselves struggling to offer child care at affordable rates and to charge enough to pay their staff a living wage. The median wage for early childhood educators is less than $18,000 per year. Low wages make recruitment and retention an endemic problem, with many early childhood educators unable to afford to put their own children into the centre at which they work.

Home child care providers make even lower wages, with annual median incomes of just over $11,000. Yet, this is one of the reasons that many parents rely on unregulated child care — because it is what they can afford.

As parents increasingly rely on unregulated care, the quality and safety of that care have come under increasing scrutiny. The tragic deaths of four children in unregulated child care in Ontario focussed renewed public attention on the issue in that province, leading the provincial government to address some safety concerns. However, the issues that drive demand for unregulated care — availability and affordability — remain.

For-Profit Childcare: Continuing to Grow Almost Everywhere

In 2012, for-profits delivered 29% of centre spaces, up from 20% in 2004. In most provinces and territories, regulated child care’s limited growth has been dominated by the expansion of for-profit services. New mega-sized for-profits include Brightpath (previously Edleun), Canada’s first publicly listed big box chain, along with privately held Kids & Company, with 75 centres. Both report that they are positioned for growth, with investors providing significant capital infusions.

There are useful lessons for Canada from countries relying on corporate chains, where public funds support private profits rather than public goals of quality, affordability, and equity of access. The higher fees, lower wages, unmet demand, and poor quality in countries dominated by corporate child care are a wake-up call about the dangers and inequity of this approach.

Where Is the Federal Government?

A key barrier to a Canadian ECEC system has been the federal government’s absence from the table. The provinces have jurisdictional responsibility and some provinces have introduced changes to their ECEC situations. However, without federal funding and leadership, these services remain inadequate to meet the need, failing to provide substantial enough reforms to impact the status quo significantly. Even funding for Aboriginal ECEC, for which the federal
government has direct responsibility, has been static since 2006.\textsuperscript{22}

Since 2006, the federal government has spent an estimated $20 billion on its Universal Child Care Benefit (UCCB). The UCCB program is set to expand in 2015, with the parents of children under six receiving $160/month and the parents of children aged 6–17 now receiving $60/month. The UCCB offsets only a fraction of the average cost of child care and does nothing to increase the availability of child care.

The federal government has also introduced income splitting between two-parent families with children under 18. This tax policy benefits higher income two-parent families where there is a significant disparity between the incomes of the two parents. Half of all parents with children under 18 will receive no benefit. Single parents, families where both parents earn similar amounts, and low-income parents receive no benefit. Income splitting for families, with its hefty additional public cost of an estimated $2 billion annually, will be of little benefit to those children and families who have the greatest need.\textsuperscript{23}

The federal government has also increased the Child Care Expense Deduction, another demand-side funding approach that benefits wealthier families most, does nothing to build a child care system yet costs almost $1 billion annually. The proposed increase in the deductible limit will cost the federal government an additional $65 million in 2015–16.\textsuperscript{24}

**AFB Actions**

There is no doubt that a national child care program is back on the political agenda. In 2014 ChildCare2020, the fourth national child care policy conference, was held in Winnipeg with a goal of moving from a common vision of a high quality, universal public child care system across Canada to action. The 600 delegates unanimously endorsed the conference’s vision paper outlining common principles — universality, high quality, and comprehensiveness — and a call for moving from our current market-based child care to a public system.\textsuperscript{25}

The AFB supports and builds on these principles. To protect and promote the public interest, the AFB will provide leadership and significant funding support to provinces, territories, and Indigenous communities that commit to building public ECEC systems. The goal, consistent with the recommendations at ChildCare2020, is to build a system that ensures universal access to high quality ECEC. Public ECEC funding will grow to reach at least 1% of GDP, with contributions from both federal and provincial-territorial governments.

In 2015–16 the AFB will commit $1 billion in federal funding. Funding will increase by $1 billion over each of the following five years. At the five-year mark, an evaluation will determine how to fine-tune the program going forward. It is expected that funding will increase until a mature universal program is achieved.

Consistent with ChildCare2020, the AFB will establish an overarching federal policy framework to guide collaboration between
the federal government and provinces and territories, providing federal funds to those that develop and maintain:

- Public plans for developing integrated systems of ECEC that meet the care and early education needs of children and parents. The overarching federal policy framework and each provincial and territorial framework will include: a vision statement that considers ECEC as a public good and a right; principles including universal access and affordability, high quality, full inclusion, and respect for diversity; clear targets and timetables; legislation at both federal and provincial-territorial levels; integration of care and education; a well-educated, well-paid ECEC workforce; democratic participation of parents and community; and data, research, and evaluation to ensure robust policy development.

- Public management of the expansion of public and not-for-profit services under public authorities through public planning processes (including integration of existing community services into publicly managed systems).

- Public funding delivered directly to ECEC systems rather than through individual parent-payment measures, designed to create and maintain high quality, accessible services through predictable, sustained, dedicated funding.

- Public reporting in federal, provincial and territorial legislatures on quality, access and other elements in the ECEC system.

Within this broad approach the AFB acknowledges the right of Canada’s Indigenous peoples, who have been especially neglected by the federal government, to design, deliver, and govern their own ECEC services, as well as Quebec’s right to develop social programs, recognizing that additional federal funding and public policy are required to further advance quality and equitable access in Quebec. The AFB encourages the federal government and other provinces/territories to work with Quebec to achieve provincial goals and for all jurisdictions to learn from one another.

Finally, the AFB recognizes that, in addition to child care, families require well-paid parental leave. A better-paid, more inclusive, more flexible parental leave benefit program, including earmarked paternity leave, should be developed in the near future.

Notes


2 “Early childhood education and child care” is defined as full- and part-time care and learning services for children from birth to compulsory school age, including centres, preschools/nursery schools, regulated home child care, kindergarten and family resource programs, as well as outside-school-hours up to age 12.


Delivering the Good: Alternative Federal Budget 2015


7 Committee on the Rights of the Child, October 5, 2012. Consideration of reports submitted by States parties under article 44 of the Convention, Concluding observations: Canada. (71) CRC/C/CAN/CO/3-4.

8 While the market approach is prevalent across Canada, Quebec has introduced elements of a public system.


11 Note that this is the most current complete data on Canadian ECEC available from the OECD. Based on available information in Canada, ECEC funding has undoubtedly increased since 2006 as several provinces have added full-day kindergarten while child care funding has continued to grow slowly. No comparative data, however, are available as Canada’s entries in the OECD Family Database (2009) and other international sources are incomplete.


13 Macdonald, David and Martha Friendly (2014). The Parent Trap: Child Care Fees in Canada’s Big Cities. Ottawa: Canadian Centre for Policy Alternatives. In November 2014, the Quebec government announced that the $7/day flat fee will be replaced with a sliding scale. It is reported that the lowest fee will rise to $8/day, increasing to $15 to $20 for those making more than $150,000.


19 Ibid.


22 Friendly, Martha and Jane Beach (2013). The State Of Early Childhood Education And Care In Canada 2010: Trends And Analysis. Toronto: Childcare Resource and Research Unit.

