

SUMMARY: A POSITIVE VISION FOR CHILD CARE POLICY ACROSS CANADA

AVOIDING THE SOCIAL AND ECONOMIC PITFALLS OF UNIVERSAL CHILD CARE

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THIS DOCUMENT IS THE RESULT of a collaborative process in which Cardus Family conducted consultations with child care stakeholders, academics, parents, educators, NGOs and think tanks. The following parties have signed on to this document and more will be added as we promote the paper. The only shared consensus for signatories is the recognition that “universal” systems do not work. While there are several policy options in the recommendation section, not every signatory to this paper will agree with each of these. We share agreement in rejecting so-called universal systems put forward by government and otherwise welcome a robust discussion and exploration of a diversity of public policy options.

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EXECUTIVE SUMMARY

Based on a longer paper that tells the history of family policy in Canada, identifies philosophies around approaches to child care policy, cites international examples, and gives evidence for outcomes from Quebec-style early learning programs, this short summary recognizes there is a fundamental inequality in child care funding today, based on the type of care parents choose. Where funding for child care is concerned, a positive vision includes equal funding for all families regardless of care type.

Instead, the child-care-policy landscape is shifting toward “universal systems” that don’t effectively or strategically support families.¹ Evidence lays to rest the myth that a universal system works in (1) providing high-quality child care and (2) providing sustainable child care. The creation of government-funded universal child care systems is structurally opposed to the diversity children and families need. With Quebec-style universal systems, many families are excluded from significant benefit, violating the human-rights principle of equal benefit under the law. Taxpayer money is currently allocated based on the style of child care chosen, violating the principle of free choice without discrimination based on lifestyle choices. Furthermore, government funding for child care systems is opposed to what Canadians prefer.² Finally, peer-reviewed research is clear on the lack of benefit for the majority of middle-class children in “universal state care.”³

In light of all this, we asked the following questions:

- What has the tradition in child care policy been in Canada to date?
- What can we learn from international example?
- What are the characteristics of great child care policy?
- What principles should guide a positive vision for child care?
- Which policies best reflect these guiding principles?

The history of child and family policy places Canada in the tradition of liberal diversity. As a result, a number of different solutions are on the table. Again, solutions here reflect political values that are both left and right, ranging from high subsidies to families to lower taxes. The only shared consensus for

1. Universal systems, such as Quebec’s, are not accessible to all. Thus “universal” is a misnomer. For more information, see Norma Kozhaya, “Quebec’s Failed Child-Care Model,” Montreal Economic Institute, May 10, 2007, <https://www.iedm.org/1921-quebecs-failed-child-care-model>.

2. Rick August, “What Child Care Do Parents Really Want?,” Rickaugust.ca, August 2015, <http://rickaugust.ca/what-child-care-do-parents-really-want/>.

3. Michael Baker, Jonathan Gruber, and Kevin Milligan, “Universal childcare, maternal labor supply, and family well-being,” *Journal of Political Economy* 116 (2008), 709–745. Michael J. Kottelenberg and Steven F. Lehrer, “New Evidence on the Impacts of Access to and Attending Universal Childcare in Canada,” National Bureau of Economic Research, February 2013), <https://doi.org/10.3386/w18785>. Vincent Geloso, “Subsidized Daycare—What British Columbia Can Learn from Quebec’s 20-Year Experiment,” Fraser Institute, 2018, <http://bit.ly/2u4CIRM>. See also the section “What’s Happening in Quebec” in this paper. The main source for positive benefits from early intervention is typically the Perry Preschool Project, which was a high-intensive intervention for a small group of severely at-risk kids in Michigan. The application of this to a province or country is limited. There is overarching consensus that the early years matter for child development. The debate occurs over how to best help in those early years.

signatories to this paper is the recognition that universal systems do not work. The goal of this collaborative effort is to take universal child care as an option off the table, once and for all.

Each province therefore can and should take its own approach in early learning and care, as should each municipality, understanding that the care of small children should rest very close to those needing the care. The federal government will want to pursue policy to maximize freedom and choice.

“Child care” here is defined as the care of a child, regardless of who does it.⁴ Respect for parental preference in the early years is paramount. The freedom to decide what works for a family comes when many different options are on the table, and this freedom is the result of parents having more money in their pockets. We understand and recognize that in different parts of the country the challenges to care are different—for example, that in rural care, the situation is drastically different from that in an urban centre. This points to the need for solutions that are community based, and not delivered from Ottawa or other provincial capitals.

While child care is largely a provincial jurisdiction, we also examine federal policy in order to set the stage and understand the overarching policy under which provincial policy lives. As we navigate this difficult topic, the principles outlined in the following section will be important in understanding how to best advance child care provision. There is interplay between all family, government, business, and civil-society organizations; and a thriving early learning and child care sector will not elevate one area at the expense of the other.

This white paper is the result of a collaborative effort from experts—parents, activists, academics, educators, businesspeople, think tanks, and NGOs. While we have put forward these options, we welcome a robust discussion and exploration of diverse public policy.

PRINCIPLES OF GREAT CHILD CARE POLICY

The following are the key principles undergirding great child care policy.

CHOICE

Real choice means accommodation for many diverse types of care. Choice means the equitable treatment of independent care providers, as well as stressing the power and importance of mothers, fathers, grandparents, extended family, or any other person of the primary caregiver’s choice. Contrast a top-down, one-size-fits-all system with the personal, intimate, local, and child-focused needs and wants of parents in a diversity of places, urban and rural.

FUNDING NEUTRALITY

All levels of government must remain neutral about the type of child care parents choose, acting only to provide quality regulations based on peer-reviewed research. Centres, public or private, not-for-profit or for-profit, home-based care, faith-based care, nannies, parents, and extended family: it’s all care, and

4. This is the definition used in this Statistics Canada report. Statistics Canada and Health and Welfare Canada, “Canadian National Child Care Study, Introductory Report,” Catalogue 89-526E, February 1992, 134, http://publications.gc.ca/collections/collection_2016/statcan/CS89-526-1992-eng.pdf.

the government does not prioritize one type over another; parents and families do. A government monopoly on child care would be negative, just as a corporate monopoly would be. State neutrality opens up a beautiful patchwork quilt of care—one where parents can make their own choices. State neutrality places a safety framework over non-parental care but otherwise steps back without imposing values on Canadian families.

QUALITY

Child care settings should be subject to simple, consistent, and easily understood and enforced quality and safety standards that are transparently enforced. They should not be bogged down in inaccessible, changing, or unknown regulations that have more to do with insurance and legal requirements than on quality and safety. Parents cannot be alienated from standards of quality—they need to be able to measure what care is better.

DIVERSITY

Diversity is our strength. Different communities can create their own child care. The principle of subsidiarity means ensuring that decisions are taken as closely as possible to the citizen.⁵ This links closely to the neutrality principle. A corporate or government monopoly means that parental choice and quality suffer. Working together, we can allow for a diversity of child care options to flourish. In the past, advocates of universal care bemoaned the “patchwork” of care across the country. Patchwork quilts are a beautiful art form to celebrate. They are a symbol of different types of care coming together into one whole cloth.

PARENT ACCOUNTABILITY

In existing publicly funded school settings, parents are often shut out or find it difficult to access resources for their children, particularly where special needs exist. The need to advocate for your child and liaise with staff is even more important at younger ages. Direct involvement with a child care provider ensures that the best interests of the family are met because the provider is dependent on a good relationship with the family. Parents lack formal representation such as a union and thus lack power in the public square. Funding parents instead of providers helps parents find their place and restores power to parents. Regardless of situation, wealthy or poor, employment in paid work outside the home or not, parents control the type, amount, and quality of child care their children receive. Parents need to know they are ultimately responsible for the quality of their children’s care, regardless of type.

BEST INTERESTS OF THE CHILD

Evidence-based child care provision applies good, peer-reviewed research on what works well for child outcomes. Child care needs to ensure that child well-being is not compromised at any expense. Making economic or social arguments around child care, like drawing correlations to increased labour-force participation, raising the GDP, responding to gender equity in the workplace, or attempting to increase fertility rates may be interesting, but the best child care policy will be the one that prioritizes child well-being.

These important principles undergird good child care policy and point to enhancing existing solutions rather than the creation of a universal system.

5. “Subsidiarity,” Eur-Lex, <https://eur-lex.europa.eu/summary/glossary/subsidiarity.html>.

A POSITIVE VISION OF FAMILY POLICY: SUGGESTIONS AND SOLUTIONS

FEDERAL RECOMMENDATIONS

Canada’s approach to family policy has long been heterogeneous. No particular path in child care should be taken for granted, or assumed to be more effective, or more “Canadian.” We have many options available to us, based in our history and tradition.

Build on the successful Canada Child Benefit. This is an effective model that supports families in their diverse choices. It is already in operation. The amount a family receives is geared to income. Monthly amounts should be increased, including for middle-income families, for whom child-care-related expenses are a significant burden. Importantly, other child care funding should be transferred and gradually eliminated to offset the costs of increasing this benefit.

Work on increasing the flexibility of parental leave. Allow for parents on leave to receive a higher level of employment income, before EI benefits are clawed back. Many parents would like to work up to twenty hours per week while on leave, but the current system doesn’t make this feasible. Allowing for a small amount of part-time work while on leave would help parents stay engaged in their jobs and help businesses who may not need to hire a full-time replacement worker. This also eases transitions and sets up greater flexibility in the workforce, something many parents desire long after parental leave is over. Business can take their own approach to this, including the use of “keep-in-touch” programs for parents on parental leave.⁶

Maintain neutrality to market-based/independent child care. Diversity and choice are critical. Today we are witnessing unnecessary discrimination against market-based, home-based, or other private/independent child care. These forms of care are some of the most popular for parents as they often mimic the home environment more closely.

Remove child care policy from policies pertaining to GDP enhancement, labour-force building, or gender equity and place it squarely in the domain of family policy. All manner of justifications have been used to create versions of child care policy. Some of these justifications may seem important, but this is not the point: Child care is family policy. Given the sensitive age of the children involved and what research shows about the importance of the early years, child care policy exists to serve families, not the other way around. Government neutrality, one of our child care principles, will enhance parental choice; and given free choice, some parents will choose workforce participation, while others will choose parental child care.

Maximize the freedom of the federal-provincial bilateral agreements. There is space on the regulatory side to ensure and affirm flexibility. Diversity is an important quality to maintain, and true diversity flourishes where freedom is maintained for a community in a particular province to be able to respond to child care needs in a manner that befits that community. We would prefer money go to parents, but where this is not the path government takes, maximum freedom must be allowed for provinces to act in accordance with citizens’ desires. Separate plans for child care in Indigenous communities seems a hopeful sign in this regard.

6. Ivona Hideg et al., “Do Longer Maternity Leaves Hurt Women’s Careers?,” Harvard Business Review, September 14, 2018, <https://hbr.org/2018/09/do-longer-maternity-leaves-hurt-womens-careers>.

Think Finland, Not Sweden. If spaces must be funded, the Finnish approach is superior to Sweden's. Finland consistently has the best educational outcomes in the world, which alone makes their education policy worth studying. They have a program of family benefits that normalizes a measure of choice, be it to provide parental care in the first three years of a child's life, or use non-parental child care and return to paid work. The type of child care offered by professionals is of the nurturing and caring, as contrasted with educative models. Finnish child policy is expensive, and it doesn't reflect Canada's liberal traditions, which are unlikely to support anything nearing a three-year leave. That said, it provides some funding to parents, is child-friendly, and remains more generally neutral on the nature of parental choices in the first three years of a child's life. "The allowance consists of two parts: a fixed care allowance amount and a means-tested care supplement. The monthly care allowance is 341 euros for one child under age three, 102 euros for each additional child under age three, and 66 euros for an older sibling who is still under school age."⁷ The Finns also learned via trial and error that the idea of universal child care was too expensive, causing them to move to a more diverse model.

Define child care as the care of a child, no matter who does it. The effect of current definitions, which do not include parents or family, is to discriminate against parents and family. What a definition change would signal is inclusivity. While many professionals do a wonderful job working with children, this should not be emphasized at the expense of family and parental care.

Lower taxes. Lowering family taxes provides a viable way for parents to be more self-sufficient, choosing what they do with the money they are not paying in taxes. Family taxation is one way to achieve this, and a simple lowering of individual taxes is another way.

PROVINCIAL RECOMMENDATIONS

Let funding following the child, not spaces. If a parent chooses parental child care, then fund that. If a parent wants to use non-parental child care, then fund parents to pay for that. Maintain state neutrality toward the care of children. Funding should be divided equitably among all kids by age and likely, though not necessarily, by income. For example, in British Columbia, the Affordable Child Care Allowance began in September 2018. Funding is on a sliding scale, but parents who use non-parental care can get up to \$1,500 a month to spend on child care.⁸ If that were extended to parents who want to do parental child care, that would allow a lot of families to choose to do so.

If a government chooses a tax rebate program for child care, broaden the definition of what constitutes child care to include all forms of child care, be it parental, family, home-based, nannies, or independent. If families don't have the money to pay for child care up front, include a voucher program for parents, not spaces. Vouchers should be in a dollar amount that reflects the cost of child care and could cover a whole range of options, from parental child care to institutionalized care, day homes, nannies, and family caregivers.

Stop discrimination against market-based child care/independent child care. In some provinces there is a deliberate strangling of the private sector. This results in a decrease in spaces and choices. Opening the market up—under appropriate regulation and safety requirements, of course—would

7. Kaarina Korhonen, "Family Policies: Finland (2014)," Population Europe Resource Finder and Archive, 2014, <https://www.perfar.eu/policy/family-children/finland>.

8. "British Columbia: My Family Services," Government of British Columbia, <https://www2.gov.bc.ca/gov/content?id=FCC7ACF3C7BC4C0D8D56CA75D07F66E5> (accessed September 21, 2018).

mean more choice for parents. Child care provision can and should be allowed to include entrepreneurial activity.

Reduce inefficiency in finding child care and improve data-gathering of child care providers. This kind of privately owned and operated service will help parents find and choose the proper non-parental child care service for their family. Digital tools such as online registries and mobile apps can accelerate the discovery of these services.⁹

Establish a stable and unchanging age for kindergarten to begin. In Ontario, the goal appears to be to extend government-funded kindergarten to lower and lower ages. What this has done is create instability, and put non-parental child care providers out of business. Establishing an age at which kindergarten starts would ensure stability of the child care sector below that age, without the insecurity that the constant threat of government encroachment provokes in the sector. Kindergarten should also be targeted toward at-risk children who may actually benefit from the programs.

Consider changing the requirements to become a qualified Early Childhood Educator. Qualifications are important, but education and training for child care providers can vary. More important than degrees are the presence of caring and empathetic adults in a high ratio of adults to children, allowing for dialogue and listening.¹⁰ Newcomers to Canada, for example, could enter into child care provision immediately without the barrier of lengthy and expensive degree and certificate programs.

Streamline the reporting process for independent child care inspectors.¹¹ Currently in Ontario, checks on the quality of child care in independent child care provision are widely variant between inspectors. Standardizing the approach would allow for consistent and objective reporting.

Facilitate licensing in Ontario. “Gaining accreditation for independent childcare providers can be a difficult and costly endeavour. . . . These agencies take a regular fee, per child, averaging \$10 per child, per day.”¹² There is often no benefit to the independent child care provider as a result of licensing; however, there is a tremendous financial burden. Changing the problems of licensing would help return independent child care providers to the market in Ontario. Allowing independent child care providers to engage in a consultative process that would help form how licensing occurs will ease the burden on independent child care providers and create more options for families.

9. See existing services by child care entrepreneurs like Cubby Spot, <http://www.cubbyspot.com/>.

10. Carollee Howes, Deborah A. Phillips, and Marcy Whitebook, “Thresholds of Quality: Implications for the Social Development of Children in Center-Based Child Care,” *Child Development* 63, no. 2 (1992): 455–56.

11. Heidi Higgins et al., “Playing Fair: Supporting Independent Childcare Providers,” Coalition of Independent Childcare Providers, May 2017, <http://www.cicpo.ca/wp-content/uploads/2016/09/CICPO-Recommendations-Website-Version-2.pdf>.

12. Higgins et al., “Playing Fair.”