



THE HARPER RECORD

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Harper and Child Care

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FEBRUARY 6, 2006 was a big day for the newly elected minority Conservative government. Stephen Harper introduced his new cabinet, set the date for the start of the new Parliament, and was sworn in as Prime Minister. Moments later, he terminated the early learning and child care agreements that would have provided \$5 billion as a first step to building a national child care system in Canada.

Harper declared that his government would meet the needs of children through a new taxable monthly allowance of \$100 for children under six, as promised in the election campaign — and ridiculed by Liberal spokesperson Scott Reid as “beer and popcorn money.”

Clearly, child care was at the very top of the government’s list of five priorities. As long-time child care advocate Jamie Kass recalls, “it was the first time ever that we were hoping to be ignored by government. Instead, child care was the first target.”

Advocates and defenders of child care were quick to react. Within days, a large contingent of parents, children, and child care workers gathered outside the Prime Minister’s residence. Taken by surprise, the RCMP officers on duty urged the crowd to go home, arguing that the Harper family had not even had time to move in.

Coalition formed

In a few weeks, a new coalition of groups and individuals came together to launch the Code Blue for Child Care campaign. Some organizations had never before made child care a focus of political work, but they were convinced that a significant setback for Harper on this front would make it more difficult for him to move his agenda forward on other fronts. Within two months, Code Blue had the active support of more than 80 groups representing a broad cross-section of interests and constituencies. More than 100,000 Canadians had signed petitions opposing Harper's child care proposals.

The government's plan had three components: cancel the early learning and child care agreements; institute a monthly federal transfer to individual families with young children and market it as "universal child care"; and allocate \$250 million in a future budget to create new child care spaces through businesses or community groups.

Code Blue made the strategic decision to zero-in first on the cancellation of the child care agreements.

"The cancellation represented a massive reduction of more than \$1 billion in transfers to the provinces for early learning and child care, starting in 2007–08," explains Jody Dallaire, chairperson of the Child Care Advocacy Association of Canada, a leader of Code Blue. "We knew that Canadians would be furious about the magnitude of the cut when child care programs are so desperately needed."

This is not to say that Code Blue or others ignored Harper's so-called child care allowance. For example, the Caledon Institute of Social Policy, a well-respected Ottawa-based think-tank, had already produced an analysis during the federal election exposing the allowance's flaws:

The scheme's true value would be less than \$1,200 because it would increase families' taxable allowance income and thus trigger both reductions in federal and province/territorial income-tested benefits and increases in taxes... The biggest losers would be modest-income families earning in the \$30,000–\$40,000 range... It is doubly unfair because it would favour one-earner families over single-parent families and two-earner families.

Most Canadian families need and use child care outside the home so that parents can work in the paid labour force or study. The proposed Choice in Child Care Allowance would do little if anything to increase the supply of affordable, quality child care. Nor would the scheme do much to help families pay for child care, since it would offset only a fraction of the cost of child care.¹

While there was a lot wrong with the monthly allowance, Code Blue came to the conclusion that it would not be possible to organize massive opposition to a program that would give families some extra cash. To make things even more difficult, the government was determined to move quickly on the allowance, getting it approved through the first Budget and cheques mailed out by July 1.

“We decided to focus on the cancellation of the agreements because we had more time to organize on that front,” says Code Blue Steering Committee member Sue Colley. “The terms of the agreements required Harper to give one year’s notice. Also, we figured we needed the powerful voices of the provincial and territorial governments to turn things around. We knew they would be more likely to speak out against the transfer cuts.”

Premiers disappoint

In fact, only five provinces — Saskatchewan, Manitoba, Ontario, Québec, and Nova Scotia — came out publicly against the cuts, and even their muted opposition quickly dissipated. By the time the premiers gathered for their annual meeting in July 2006 in St. John’s, not one of them would step out of the hotel to accept Code Blue’s 85-foot petition urging them to take a strong stand against the cuts. Ian Urquhart, *Toronto Star* political commentator, gave this astute explanation for their hesitancy to take on the issue:

... The premiers’ preoccupation now is with lobbying Ottawa for more money with no strings attached — through either equalization payments or, in the case of Ontario, per capita grants. A simultaneous push for restoration of funding with strings attached to child care might be counter-productive. Whether the provinces would spend any no-strings-attached

funding on child care is another question. They all have competing priorities — from post-secondary education to infrastructure. Better for the premiers, then, to put the child-care issue behind them. But not better for the cause of public debate.²

Rebuffed by the provinces, Code Blue turned to the federal opposition parties to take action against the Conservative child care policy, but here too they ran into roadblocks. For one, the parties were more interested in differentiating themselves from each other than in taking a unified position on child care. The Liberals championed the federal-provincial agreements as a reminder to Canadians of what they had lost in electing the Conservatives. The NDP focused on the massive federal transfer cut that would result in terminating the agreements, arguing that the previous Liberal government had not gone far enough in its negotiations with the provinces. The Bloc Québécois took issue with the new government's unilateral decision to end the agreements, but at the same time stuck to its position that all federal transfers be unrestricted. The biggest problem, though, was that none of the parties was willing to trigger another federal election on this or any other issue.

Budget passes

Child care advocates were frustrated by the political quagmire on Parliament Hill. An Environics public opinion poll prepared for the Child Care Advocacy Association of Canada revealed that only a minority of Canadians supported Harper's child care program,³ yet the opposition parties, representing a majority in the House of Commons, could or would not block it. The 2006 federal budget, including the new monthly allowance, passed easily.

The federal-provincial early learning and child care agreements expired without fanfare in early spring of 2007, but Code Blue continued to lobby against cuts in federal transfers for child care. Under the Harper plan, \$250 million was to be transferred to business and other groups to subsidize capital investments in child care spaces. Code Blue argued that to divert previous federal dollars to private child care ventures, divorced from provincial capital and operating program funding, would

result in making child care services even less affordable and less available to most Canadian children.⁴

Child care advocates wanted to see the Conservative government's \$250 million program replaced with a dedicated transfer payment to the provinces and territories for capital expansion, along with an increase in transfer payments for operating funds such as those that had been committed in the now-defunct federal-provincial agreements.

Harper flip flops

The Conservative government did in fact backtrack by the time it introduced its March 2007 federal budget, abandoning the ill-conceived Child Care Spaces Initiative in favour of a \$250-million direct transfer to the provinces, distributed on a per capita basis.

"It was the first Harper policy flip-flop," says Margot Young of the Canadian Union of Public Employees, one of the many trade union supporters of Code Blue. "Giving financial incentives to businesses to create spaces had been tried before and failed. It was such bad policy that even members of the Minister's hand-picked advisory group raised objections, and it was roundly criticized when the government's policy folks conducted cross-country consultations on how it could be made to work."

Child care advocates celebrated the government's retreat, but recognized that it was a minor victory in the larger scheme of things. It meant a quarter of a million dollars for child care, but the \$1.2 billion for child care committed for 2007–08 and the following year by the previous government through the federal-provincial agreements was wiped out.

The fallout from Harper's child care policy will be felt for years to come. Federal transfers specifically designated for early learning and child care were reduced by almost 37% in 2007–08.⁵ The \$1,200 taxable allowance cost the federal government an estimated \$2.4 billion in 2007–08⁶ and the price tag will keep going up. This is money that should have been used to begin to build an accessible, affordable and quality early learning and child care system.

In 2006, only 19.3 %⁷ of children five and under had access to a regulated child care space, leaving more than 2.4 million children in that age

group without one. The Harper Conservatives have no interest in closing the gap. Since their election in 2006, growth in child care slowed as Canada has seen an increase of only 26,661 regulated child care spaces, the smallest since 2001.⁸

Advocates targeted

Another crucial victim of the Conservative government is the child care advocacy movement itself. In the fall of 2006, a major shift in federal policy ended government grants to women's and community groups for research and advocacy. The Child Care Advocacy Association of Canada, one of Harper's most vocal and high-profile critics, was hit hard, as were other child care advocacy groups across the country.

However, the child care movement in Canada is resilient, and advocates are determined to make child care an issue in the next federal election. The Liberals and BQ both supported the NDP's private member's bill to create a public, non-profit child care system by attaching strings to federal transfers for child care.⁹ Code Blue, the Child Care Advocacy Association of Canada, and others are pushing these parties, along with the Green party, to stay firm in that commitment should there be a change in government.

"We can't overstate the damage Harper has done to early learning and child care in Canada," says Kass. "The situation, outside of Québec, has never been good, but we were seeing some real interest by governments to make things better. Just as we were getting started, the Conservatives got elected and derailed things. With a change in government we could get things back on track. Child care advocates are a tenacious bunch."