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Social and Economic
Returns of Child Care

The State of Child Care
in Canada in 2009

Privatizing Child Care
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Beyond Child's Play



Caring for
and educating
young children
in Canada



MARTHA FRIENDLY

Can Canada Walk and Chew Gum? The state of child care in Canada in 2009

I know there are some who believe we can only handle one challenge at a time [but] we don't have the luxury of choosing between getting our economy moving now and rebuilding it over the long term.

— Barack Obama, unveiling the first piece of his education plan, which includes increasing access to early childhood education and child care, March 10, 2009.¹

As a world-wide economic crisis has affected countries of all stripes in all regions of the world, Canada (one of the most prosperous of the prosperous countries) still has not developed a plan for helping families care for and educate its youngest citizens. Families in most of Europe are being supported through the recession with good quality accessible early childhood education and care (ECEC) for their children but Canada has advanced only marginally over the ECEC situation of a generation ago. Canada is not alone in its position as a slacker; international analyses also identify the United States, Australia, Britain and Ireland as ECEC laggards. But Canada's 2009 federal and provincial budgets have come and gone with governments across the political spectrum failing to acknowledge either ECEC's economic stimulus possibilities or the need for

action to help families. At the same time, Barack Obama has begun positioning the United States, which has historically been a major influence on Canada's approach to early childhood education and care, to "handle [more than] one challenge at a time". Obama's "walking and chewing gum" strategy represents a broad-based approach to economic crisis management that includes not only bailouts and unemployment insurance but long-term measures aimed at building social capital through education, health care and the environment. This includes recognition of ECEC as both early childhood education and a support to parents' employment as part of rebuilding the economy in both the short and the long term.

Few sensible people would disagree with the assertion that, in 2009, the state of Canadian ECEC² policy and programs is at a low point. The 2006 cancellation of Canada's first national ECEC program even before it began means that there is still no cross-Canada approach to ECEC and, since 2006, expansion of spaces has slowed.³ ECEC programs across Canada are in short supply or they are — as with kindergarten — insensitive to the labour force needs of parents and mostly unavailable until children are five years old. Regulated child care is rarely of high enough quality to be "developmental" and is usually too expensive for ordinary families, most of whom — if they can afford to — use unregulated private arrangements that they pay for out of their own pockets. Young school-aged children may be alone after school or attend recreation or other community programs that are not intended to provide "care". In short, although this has been an era in which evidence about the benefits of quality early childhood programs for young children has gained public acceptance, and participation in the paid labour force has become the norm for mothers of young children, Canada has failed to make progress in early childhood education and care.

Paradoxically, there is more use of the various forms of child care than ever before. National data show that nearly 80% of pre-school-age children with employed or studying mothers are regularly in some form of non-parental child care or early childhood program with almost 50% in some variety of organized ECEC programs.⁴ Yet no part of Canada can boast of a situation where more than a minority of families can access a high quality ECEC program that meets both their and their children's needs. The

range and quality of ECEC programs and access to them still varies enormously by region and circumstances, with no family choice or lifestyle, class or circumstance coming out the winner.⁵

In Canada, child care (the “care” component of early childhood education and care) for preschool-age children and young school-age children after school

hours is still a private family responsibility as is early childhood education for children below kindergarten age. In contrast, questions about whether child care is an individual parental responsibility to be organized and purchased privately, or a

societal responsibility that is accorded substantial public financing and involvement have largely been settled in most European countries, most of which began dedicating public resources to building ECEC systems as many as 30 years ago. The perspective that assumption of social responsibility for ECEC is desirable is linked to robust evidence that shows that ECEC programs become widely accessible and of high quality only when governments take the lead role in organizing, financing and operating them.⁶ Whereas the European countries have largely agreed with the idea that governments have a key role to play in ECEC, Canada’s approach to early childhood education and care continues to be — at best — timid and — at worst — downright antagonistic. The evidence in 2009 shows clearly that Canada’s practices regarding ECEC have significant, negative on-the-ground results for families and children.

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Where does Canada fit?

In December 2008 a report card on early childhood education and child care released by UNICEF’s Innocenti Research Centre ranked Canada last among 25 developed nations.^{7,8} The UN agency’s 10 benchmarks build upon Article 3 of the Convention on the Rights of the Child which states that “the best interests of the child shall be a primary consideration.” The benchmarks, of which Canada met only one, address quality and access issues,

specifically staff:child ratios, teacher qualifications, access and public spending on ECEC programs as well as parental leave, child poverty and basic child health indicators. The study was the first to quantify aspects of ECEC programs associated with access and quality and to rank countries' provision accordingly.

The rankings tell the public policy story, reinforcing what is known about best practices in ECEC policy. The benchmark ratings demonstrate how public policy "in the best interests of children" means that a national policy and adequate financing are linked to good access to high quality ECEC programs: none of the six poorest ranking countries has a national plan for ECEC and their spending is a fraction of what the top ranking countries spend. The six top countries met most of the benchmarks including creation of a national plan and public financing of at least 1% of GDP for ECEC for children 0-5 years. The benchmark rankings also demonstrate how solid provision of ECEC goes hand-in-hand with better parental leave, lower child poverty rates and better health indicators for young children.

It is noteworthy but not surprising that the top-ranking countries — Sweden (1st ranked, meeting all ten benchmarks), Iceland, Denmark, Finland, France and Norway (which all met eight benchmarks) — are all countries that assume public responsibility for social programs more generally. All the Nordic countries — social democratic welfare states characterized by universal provision of high quality social programs — are in the top ECEC category. Conversely, almost all the poorest-ranking countries (meeting only three or fewer benchmarks) — Mexico, Spain, Switzerland, United States, Australia, Ireland and Canada — treat ECEC primarily as a private family responsibility. Of these, only Mexico had published a national plan and none of the countries met the benchmark of spending 1% of GDP; indeed, Canada spends only about a quarter of that. Almost all the liberal welfare state regimes — those countries which mostly rely on the market by privatizing payment for and provision of social programs — fall into the poorest-ranking category.

The UNICEF study appeared four years after publication of an analysis by the Organization for Economic Co-operation and Development (OECD) put ECEC in Canada in an international context for the first time.⁹ Whereas the UNICEF study is significant as the first to quantify and rank countries according to

their ECEC policy and practice, the OECD study is noteworthy for its depth and breadth of analysis not only of the 20 countries that participated but of the “lessons learned” about best practices in ECEC practice and policy. The team of experts who visited Canada to study ECEC first-hand found Canada to be considerably behind most other OECD countries. They concluded that Canada’s ad hoc approach to ECEC policy has had the result of disconnected administration, rationales and provision linked to multiple programs for care and education. They noted that neither the federal government nor the provinces, which have the main jurisdictional responsibility for ECEC, had created workable policy and effective programs, set goals and objectives or adequately financed programs so as to provide high quality and equitable access. They reported that weak policy and inadequate financing by both provincial and federal governments contribute to the precariousness of Canadian ECEC.¹⁰

In most of Canada, there are few good options that meet both children’s and parents’ needs.

The State of ECEC in Canada 2009

It has long been observed that early childhood education and care in Canada suffers from a mix of problems: severe shortages of places, especially for infants, school-age children, children with special needs, Aboriginal, rural and remote communities; program schedules that do not coincide with parents’ work lives; under-funding, low wages, high user fees and deficient program quality in child care; and narrow age-eligibility criteria for kindergarten that have failed to keep up with developments in knowledge about the importance of learning in the early years.

What does this mean at a practical level, for parents and children? It means that in most of Canada, there are few good options that meet both children’s and parents’ needs. Kindergarten is not provided for most children under five years¹¹ and does not meet parents’ work schedules; in most provinces kindergarten is 2 ½ hours/day or alternating days or, at best, covers the full school-day. Regulated child care programs are not only limited in avail-

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ability but the limited and arcane funding arrangements mean that parent fees must cover program costs, pricing regulated child care out of reach for families across most of the economic spectrum. This extends to poor, modest and middle-income families, most of whom are not eligible for the provinces' outdated fee subsidy systems. School-aged programs providing appealing and stimulating after-school recreation that adequately cover working parents' hours are few and far between. At the same time, research shows that the quality of many of Canada's chronically under-funded regulated child care programs, which have difficulty attracting and retaining qualified staff, is not high enough to be called truly "educational" or "developmental".

In each province/territory, an assortment of ECEC programs is provided through multiple departments and authorities. These include child care centres and regulated family child care homes intended to provide "care" while parents are working or studying, kindergartens and nursery schools whose main purpose is early childhood education, and "child development" programs, most of which are parenting programs intended to mediate the effects of poverty. The federal government also offers an assortment of ECEC programs for populations for whom it has special responsibility (newcomers in federal language programs, military families, First Nations on reserve).

The federal government also provides almost \$700 million in tax deductions for child care costs through the Child Care Expense Deduction (CCED). The CCED is intended to "recognize and offset child care costs incurred by parents who work, carry on a business or pursue an education", treating child care as a business expense for the parent. It allows up to \$7,000 a year as a tax deduction for child care for children under age seven and \$4,000 for children 7-16 years and can be used for any kind of child care — unregulated, for-profit, summer camp, after-school, poor or good quality.

The Universal Child Care Benefit (UCCB), spending an estimated \$2.4 billion annually, was introduced in 2006 by the Conservative government after cancelling the Liberal's child care program. In spite of its name, it is questionable whether it is indeed a "child care" program or is an income support program like the Canada Child Tax Credit. Unlike the CCED, which must be used for employment-related child care expenses of some vari-

ety, the UCCB may be used to cover a range of expenses; it can be used for “daycare, baby-sitters, or a caregiver to come into their homes to watch their children for a couple of hours each week. The money also goes towards clothing, transportation, special projects, and in some cases, savings for higher education.”¹² It pays \$100 a month, taxable, in the form of a cheque mailed to the home for all children under six years of age. The stated purpose of the UCCB is to provide “choice in child care”.

In addition, two federal funds transfer earmarked money to the provinces for regulated child care: the Multilateral Framework Agreement on Early Learning and Child Care and the “Child Care Spaces” initiative announced in the 2007 budget. Respectively, these provide \$350 million and \$250 million to provinces annually through the larger block fund intended for provincial social spending, the Canada Social Transfer. Overall, then, the bulk of the federal funds that can be considered to be in the child care envelope go to individual parent payments, not to programs for early childhood education and care.

Provincial/territorial governments are responsible for almost all the spending for kindergarten, regulated child care and associated programs; the federal transfers are included in provincial budget figures. Provincial budgets for regulated child care totaled more than \$2.6 billion in 2006; of this, Québec’s share was almost \$1.7 billion. An estimated \$1.7 billion was spent by provinces on kindergarten and pre-kindergarten programs¹³; there is no federal contribution to early childhood education under an education auspice. Thus, Canada’s spending that can be identified as early childhood education and care is less than .03% of GDP.¹⁴

Child care programs are almost all privately-operated, mainly on a not-for-profit basis by community-based or voluntary organizations. In Ontario, about 10% of child care programs are municipally-operated and in Québec, school boards run school-aged programs. About 21% of centre-based child care programs were operated for-profit in 2006 and their numbers are growing. For-profit child care forms a large sector in several provinces. Kindergarten programs are mostly publicly operated by school boards.

Today there is not only no national ECEC policy, but no region (with the possible exception of Québec¹⁵) enjoys a well-designed, high quality and widely accessible ECEC system. While there

may seem to be many programs, in just about all of Canada they are poorly connected silos. This means that for families, a seamless, affordable, high quality ECEC situation is the exception rather than the rule. While there are now more than 800,000 regulated child care spaces across Canada, there are 2,000,000 0-5 year olds and almost 3,000,000 6-12 year olds. Only a minority of 0-5 year olds and a minority of 6-12 year olds have access to an integrated ECEC program, to regulated child care or to any early childhood education before the age of five.

Under Canadian constitutional arrangements, early childhood education and child care is without a doubt within provincial jurisdiction. At the same time, it is also evident that without the federal government playing a leadership role similar to that which allowed Canada's national approach to health care to be undertaken, it seems unlikely that Canadian families and children will enjoy the "services of reasonable comparable quality for Canadians wherever they live or move in Canada" promised by the Social Union Framework Agreement of 1999. The federal role in social programs such as ECEC has been historically exercised through the "federal spending power", which many scholars trace back to the *Constitution Act* of 1867.¹⁶ The federal spending power has been described by former federal Justice Minister Anne McClellan as a "constitutionally legitimate" instrument that has enabled the Government of Canada, working with provinces and territories, to

ensure Canadians across the country have access to reasonably comparable benefits and services and to promote equality of opportunity for all Canadians. Without it, we clearly would not have Canada-wide social programs such as Medicare. Indeed, we would not have a *Canada-wide* social safety net.¹⁷

Best practices in ECEC policy: What Canada needs to do

Since today's young parents were children, there has been an enormous expansion in what is known about ECEC. However, most Canadian provincial/territorial and federal governments have paid little attention to the considerable knowledge about ECEC policy and programs that has accumulated in the last two decades, so there is a major gap between the best available evidence and Canadian policy and practice. The ECEC evidence has

been gained from a variety of kinds of research about how, and under the right circumstances, ECEC benefits children, families, the economy and society. Child development, economic, sociology and other research identify characteristics of child care programs and policy that are predictive of or associated with good child and family outcomes, economic stimulus and community benefits. These characteristics include teaching staff with post-secondary training in early childhood education, higher staff salaries and favourable staff-child ratios. Other studies, those, for example, that show significant quality differences between for-profit or not-for-profit operations, have used standard measures of ECEC quality that are linked in turn to child outcomes. A selection of studies show the effects on quality of program characteristics such as reflective practice, good physical environment, a planned approach and a defined curriculum framework. Economic studies show the long-term cost-benefits of high quality early childhood programs, the effects on revenues from mothers labour force participation, the impact on birth rates and on long community revenues.

Knowledge about practices in ECEC policy that supports or detracts from its benefits and efficacy has come from policy analysis including international comparative studies like the OECD's 20 country ECEC review. This decade-long study found eight "policy lessons" to be associated with high quality ECEC systems:

- a systemic, integrated approach to policy development and implementation;
 - a strong and equal partnership between child care and the education system;
 - a universal approach to access, paying particular attention to children in need of special support;
 - substantial public investment in services and the infrastructure;
 - an ongoing participatory approach to improving and assuring quality;
 - appropriate training and working conditions for staff in all forms of provision;
 - systematic attention to monitoring and data collection;
- and

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- a stable framework and long-term agenda for research and evaluation.

The OECD concluded that “countries that have adopted some or all of these elements of successful policy share a strong public commitment to young children and their families.”¹⁸

Today ECEC is part of many social and economic agendas — anti-poverty, labour force, economic prosperity, women’s equality, social justice and health promotion. While many details of a future ECEC system are still to be worked out, a broad range of players in Canada agree not only that a solid ECEC system is necessary but about many of the key elements of such a system. There is reasonable agreement that: ECEC should be accessible to all children, rather than targeted to the few; that an integrated approach to child care and early childhood education (the “strong and equal partnership” recommended by the OECD) that takes account of both children’s and parents’ needs is desirable; that ECEC programs should be public and not-for-profit, not businesses; that parents should have an opportunity to make choices within a coherent ECEC system; that governments must take responsibility for substantial public funding and robust public policy; and that family support programs such as maternity/parental leave and child benefits should complement — not replace — ECEC programs.

So what should Canada do? As ECEC has become a fundamentally ideological issue in Canada, the appropriate place for spelling out new directions for ECEC is the political arena. In the lead-up to the next federal election, the political parties may want to be sure that their ECEC commitments distinguish them from their opponents. Those of us with an interest in children and families will be looking to political leaders for solid commitment to transformational public policy that treats ECEC as a short and long term social investment, not merely as an expenditure. We will be looking for commitments to initiatives that move to positioning ECEC as a public good, not a commodity to be developed, bought and sold in the market. Public spending should be linked to a robust public policy framework that is based on the best available knowledge, not quick-fixes that are shown to provide little in the way of tangible results. Finally, we will be looking for ECEC commitments to children and families

that signal that they will not be the first items to be traded off against “quick-fixes” to the economy.

Keeping in mind the evidence about best policy practices from the perspectives of “best interests of children” and the access to high quality ECEC programs that families and children need, a robust policy framework should include some key directions for implementation:

- Child care and early childhood education including kindergarten should be integrated into a new kind of program (for Canada), making use of the best elements of each in a “seamless day”. This program would be administered by one provincial ministry, preferably the education ministry under an early childhood division;
- Seamless day programs would be inclusive and universal — open and welcoming to all children regardless of social class, race or ethnicity, special need, perhaps with an affordable parent fee for some parts of the day or for some ages;
- The ECEC system would be built upon the understanding that children are active learners and social beings, engaged, eager to explore, competent, and capable of sustained activity and interests. Consistent with the idea of children’s rights embodied in the United Nations Convention on the Rights of the Child, early childhood would be viewed as an important stage in its own right, not merely a period of preparation for adulthood. The system’s goals for children would draw on a broad approach to child development and well-being, so programs would employ an active learning and play-based pedagogy;
- Responsibility for initiating and operating programs should be primarily public, with local authorities — local governments or education authorities — taking responsibility for program delivery and ensuring that parents can participate as partners. ECEC programs should not be operated for-profit;
- Options such as family child care and part-day participation would be part of the system to ensure choices for parents;

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- A long-term plan for public financing would be developed. Financing would be delivered as core program funding, not fee subsidies, tax breaks, vouchers or cheques to parents;
- Improved family policy would play a key role in complementing ECEC policy — this would require enhanced maternity/parental leave with better rates of reimbursement for more people, as well as public policies regarding workplace practices designed to protect family time;
- A research agenda and plan for data and evaluation would be developed to remedy the current situation in which even basic data are limited in scope and reliability. These are necessary for ongoing evaluation to understand the impacts of policy and program change and assuring public accountability.

While developing and maintaining ECEC programs would continue to be a provincial/territorial responsibility, the federal government would play a key role as a funder, a policy and research leader and as a convenor of the other levels of government. The federal government, provinces/territories and First Nations would work together to develop a policy framework based on best practices in policy and program delivery. This would involve, where appropriate, key stakeholders — parents, unions, researchers, the ECEC community, education authorities, local governments and NGOs. The policy framework would specify roles and responsibilities for the various levels of government including First Nations, and for other key stakeholders. Targets and timetables for expansion, integration of care and education, staffing, financing, and quality improvement would be designed taking into account the variation in needs and capacities among the provinces/territories as well as variation in regions and populations within provinces.

Getting Canada moving forward on ECEC

In a sense, the many problems in the stagnant Canadian ECEC situation can be summed up as “not enough money, and not enough policy”. Canada-wide early childhood education and child care policy with good quality universal programs has been debated and discussed beginning in the 1970s, through the

1980s, the 1990s and on into the new millennium. In that time period, countries with fewer resources than Canada have been able to develop good ECEC systems for their children and families. Yet in spite of both provincial and federal fits and starts, this has not yet materialized in Canada. During periods of fiscal surpluses, most Canadian governments have not seen fit to act definitively. While many would say that a recession is not the time to be putting forward demands for a new social program, others would follow Barack Obama's lead to argue that the choice between "getting our economy moving now and rebuilding it over the long term" is a false choice — that leaders need to be able to walk and chew gum by ensuring that the demonstrated potential for early childhood education and care to contribute to a prosperous Canada is realized.

* * *

Martha Friendly founded and is Executive Director of the Child Care Resource and Research Unit. She has been an activist for child care for 30 years and has authored numerous papers, chapters, reports and popular articles on child care as well as two books on child care policy.

ENDNOTES

¹ Obama, B., 2009.

² Early childhood education and care (or early learning and child care) in Canada includes the assortment of regulated child care, kindergarten and nursery school/preschool programs. In many countries, these programs are more or less blended to provide a more seamless approach to early childhood education and child care for most preschool-age children.

³ Child Care Resource and Research. (2007). *Child care spaces report*. Toronto: Author.

⁴ Cleveland, et al, 2008.

⁵ For more detailed information about ECEC programs in Canada, see Friendly et al, 2007 or Beach et al, forthcoming 2009.

⁶ UNICEF Innocenti Research Centre (2009). *The childcare transition. Report Card 8*. Florence: Author.

⁷ Canada was tied with Ireland for last place.

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⁸ UNICEF Innocenti Research Centre, Ibid.

⁹ Organization for Economic Co-operation and Development. (2006). *Starting Strong 2*. Paris: Directorate for Education, OECD.

¹⁰ OECD (2004). *Canada Country Note*. Paris, Directorate for Education, OECD.

¹¹ Except in Ontario, where “junior” kindergarten is provided for all four-year-olds.

¹² The Honourable Monty Solberg, Minister of Human Resources.

¹³ *Childcare Resource and Research, 2007*. Child care space statistics 2007. Toronto: Author.

¹⁴ Childcare Resource and Research Unit, 2006. *Canada-wide spending on early childhood education and care 2006*.

¹⁵ Development of Québec’s ECEC program, representing substantial progress in financing and conception, has slowed down in recent years.

¹⁶ Asselin, R.B. (2001). *The Canadian Social Union: Questions about the division of powers and fiscal federalism*. Library of Parliament: Political and Social Affairs Division

¹⁷ McClellan, A. (1998) *Modernizing Canada’s Social Union*. Policy Options, November, pg. 6. Montreal: Institute for Research on Public Policy.

¹⁸ OECD. (2001). *Starting Strong*. Paris: Directorate for Education, OECD.

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