

The Federal Provincial Territorial Agreements and Child Care

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Thank you for the invitation to participate in this conference, and to share in FAFIA's important work. It's a pleasure to be here today, and to speak on behalf of the Child Care Advocacy Association of Canada, or CCAAC.

In the brief time we have I will focus on the relationship between the long term *goals* of a high quality, universal, pan-Canadian child care system and the current *reality* of our existing FPT agreements. I'll try to describe 2 things:

- The relationship between goals and reality in terms of public funding, public policy and public accountability
- Some of the barriers that we still face in trying to achieve a pan-Canadian child care system, particularly given our recent experiences with these FPT agreements.

I'll start by summarizing our perspective, and then explain it.

Given the overwhelming evidence about the need for, and benefits of, child care, the good news is that Canada is finally beginning to move forward. The country's financial commitments to services and supports for families and young children have grown in recent years.

While this public investment is essential, and we need more, *how* these public funds are invested is also critical. Effective child care systems can only exist in the presence of a strong public policy framework. Layering new funding on top of the current patchwork will not provide the desired outcomes for children, women, families and communities. Nor will it provide the predicted economic returns.

In order to achieve the child care goals of tomorrow, we need to invest new funds appropriately starting today.

What are the CC Goals, and how can they be achieved?

The goals for a pan-Canadian approach to quality, universal child care are outlined in our November 2004 strategy document. *From Patchwork to Framework: A Child Care Strategy for Canada* was developed out of a year-long citizen engagement process, and the findings are based on research documenting the essentials of good quality services and the lessons learned by other countries with comprehensive child care systems.

Our plan lays out a detailed 15-year schedule for **new federal child care funding and legislation** that would provide quality child care opportunities for all children, including those with additional support needs. Affordable fees would be charged to families, averaging 20% of program costs. Whether they work in centre- or family-based programs, the child care workforce would be appropriately compensated. Expansion would take place through community-based, non-profit programs that receive direct and substantial public funding and are accountable for standards of service. A comprehensive range of programs would be accessible for children under six, on either a part-time or full-time basis.

These proposals are directed to the government of Canada and are focused on action required outside of Quebec, which has taken the lead in developing quality, universal child care. The strategy also includes policies to help parents balance work and family responsibilities, and acknowledges that additional planning and resources are required to meet the needs of Aboriginal people, and to build services for school age children.

The FPT Agreements

While our strategy recommends federal legislation to advance a comprehensive and coordinated child care system, to date, federal, provincial and territorial governments have chosen to work through a series of FPT agreements. Here's a quick overview of the 3 relevant agreements:

New federal funding started in 2001 under a multilateral agreement that provinces and territories can use to fund a broad range of early childhood development services, including child care. This agreement was followed in 2003 by a smaller, child care-specific agreement.

More substantially, in June 2004 the federal government promised that an additional \$5 billion over five years would be transferred to provinces and territories to build a national child care system. Although a multilateral agreement related to this commitment has not been achieved, to date 6 provinces have signed bi-lateral child care agreements with the federal government.

How do these agreements compare to the child care goals?

The FPT agreements related to child care reflect important commitments from our governments. The most recent agreements commit substantial new funds for regulated child care. Provinces and territories agree to consult with their communities and develop Action Plans indicating how these funds will be spent.

At the same time, these agreements fall short of what we're looking for. Here's why:

Public funding:

While our *strategy* calls for a **15-year** plan with annual increments, reaching **\$5 billion annually by year 5** and \$10 billion by year 15,

The *FPT agreements* only reflect a **5-year** federal funding commitment with annual increments reaching **\$1.5 billion annually by year 5, and** no further funding commitments specified.

Public policy:

While our *strategy* calls for **Federal legislation** with standards that guarantee quality, universal, accessible, developmental and inclusive programs,

The most recent **FPT agreements** require only that the investment be in regulated care, where regulation is determined by the provinces and territories. Furthermore, universality is not a clearly stated principle in the agreements.

While our *strategy* calls for commitments to expand child care through non-profit, community-based services,

To date only 2 provinces – Manitoba and Saskatchewan – have included this commitment in their bi-lateral agreements.

And, while our *strategy* calls for a fundamental shift in how we fund child care services, moving away from relying on user fees and subsidies towards a system that provides substantial and direct public funding to programs, with affordable parent fees,

To date, this fundamental shift is not required in the FPT agreements.

Public accountability:

While our *strategy* calls for a comprehensive range of accountability mechanisms, including public reporting to the various legislatures,

The *FPT agreements*, which were developed behind closed doors, only require the various governments to report 'to their publics'.

Comparison Summary

In summary, the existing FPT agreements form a foundation on which high quality universal child care CAN be built - IF federal funding is adequate and sustained and IF provinces and territories choose to do so. Already, for example, we are seeing planning in Manitoba that will use new federal funds to raise the wages of the child care workforce, limit parent fees, and expand through community-based, non-profit services.

But the challenge is, the FPT agreements do not yet reflect adequate and sustained federal funding. Nor do they require all provinces and territories to be specifically accountable for raising the wages of the child care workforce, lowering parent fees, and creating new spaces in non-profit, community-based services.

So, these agreements could also lead to more of what we have now – a patchwork of generally underfunded services that are neither affordable nor available to the majority of Canadians, and often pay low wages to the child care workforce.

What's the evidence to back up these concerns?

First, 7 provinces and territories have yet to sign bi-lateral child care agreements, so it's unclear whether all of them are committed to building a child care system. Media reports indicate that New Brunswick, for example, wants to use child care funds for at-home parents.

Second, there are notable variations between the agreements that have been signed, and it's not clear that these differences all reflect the unique needs of children and families in different provinces and territories. For example, only Manitoba has committed to publicly reporting on the wages of its child care workforce, and how they have been improved under the bi-lateral agreement. This is surprising, given the research indicating that the wages and benefits of the child care workforce are directly related to child care quality.

Now, a word about these provincial and territorial differences, and jurisdictional issues.

It's clear that child care is under provincial and territorial jurisdiction. That means that the provinces and territories are responsible for planning and delivering child care services that meet the needs of their children, families and communities.

But it's also clear that the federal government has a leadership role to play in establishing the overarching principles and standards for such a system, and funding it adequately. Without such a role, how will Canadians be provided with access to comparable services wherever they live, as committed in the Social Union Framework Agreement?

Building a pan-Canadian child care system requires collaboration by all levels of government, and community. Each has an important role to play.

Contrary to what you might read in the media, both the FPT agreements and the child care goals support different delivery models, plans and priorities as required in different parts of the country.

But, provincial and territorial flexibility must not minimize the goals of quality and affordability, or ignore the reality that 70% of mothers with young children are in the paid labour force. Children living in rural parts of Canada have as much right to benefit from quality child care as children in our cities and suburbs. Child care workers everywhere must earn decent wages and benefits. And parents from coast to coast to coast must not be forced to pay most of the costs of a system that provides such widespread public benefits.

So, what are the **real** barriers to advancing the child care goals under the FPT agreements?

3 of the key barriers are:

1. cost
2. the 'anything but child care' attitude
3. ambivalence about mothers in the workforce

1. Cost

While multiple studies show that public investment in quality child care yields returns of 2:1 for all children, and over 7:1 for children at risk,

And while the estimated pan-Canadian child care system costs are consistent with the 1% of GDP recommended by the European Union Child Care Network

And while Canada lags behind many of its peer nations in terms of our public investment in child care,

The reality is that the \$10 billion child care system price tag is substantial. Without an adequate and sustained federal funding commitment, it's not surprising that provinces and territories have expressed concern about starting to develop a child care system – they're worried about what happens if and when the federal funding runs out.

The 'Anything But Child Care' Attitude

Behind many recent children's initiatives is a misunderstanding or misuse of new developmental brain research. Many policymakers have constructed an artificial distinction between "child care" and "child development" or "early learning", resulting in policies that advocates term "ABC" – "Anything But Child Care".

Enrichment programs offer 'stimulation' for infants and 'learning readiness' courses for preschoolers. These short term programs may be popular with governments because they are less expensive than a comprehensive response, and it appears these programs qualify for funding under the existing agreements.

In terms of effectiveness, however, one-off programs would be similar to offering older children a 2-week reading camp, or a Thursday math hour, in place of a school system.

Ambivalence about Mothers in the Workforce

Canada's maternal labour force participation rate is only surpassed by the Scandinavian countries. Unlike Canada, however, the Scandinavian countries have built an extensive network of income supports and public services to facilitate women's economic and social contribution.

Some say the problem in Canada is ambiguous marketing... Is child care a children's issue? ...a family issue? ...a women's issue? It is all of the above. Nevertheless, while all family members are affected, women pay a disproportionate price when quality care is not available.

Surveys indicate that a majority of Canadians expect women to contribute financially to their families, but are also concerned about the well-being of young children when both parents work.

Simplistic solutions such as tax breaks or direct funding to all parents are sometimes suggested to address this ambivalence about working mothers, even though equitable tax measures would cost the public far more than a comprehensive child care system. Economists estimate that if all mothers with children under the age of 6 were to leave the labour force, the cost to the Canadian economy would be about \$83 billion per year – about 8 times the cost of a universal child care program.

If the cost of a universal, quality child care system is a challenge, paying all mothers to stay home is a non-starter.

Nonetheless, to this day there are strong views of child care as a parental responsibility, with government intervening only to support the labour force participation of low-income families. Proponents of this view generally prefer to continue with child care user fees and subsidies, rather than making the fundamental shift to building a comprehensive, publicly funded system.

Conclusion

To conclude – while the FPT child care agreements can move us forward, much more work is required to ensure that the goals of quality, affordable, accessible child care are achieved. The CCAAC has worked towards these goals for over 20 years, and our work carries on. We continue to advocate for legislation and long term funding commitments for child care *and* to work with our colleagues across the country to make the most of the existing FPT agreements for children, families, and the child care workforce. The CCAAC's *Making the Connections* project will look to the public investments and policies that flow from these agreements to show measurable progress towards achieving the child care goals.

Thank you very much.