

Quality, Affordable Child Care? Not in Canada ... thanks to Market Failure

By Lynell Anderson

Let's face it - debating whether or not governments should invest in child care is a waste of time. The fact is, they have been investing for years (albeit inadequately) and federal, provincial and territorial governments have made many public commitments about improving access to child care services. It's not a question of 'if' but of 'how much' governments should invest, and how to ensure that public funding results in measurable improvements?

For most of the last 30 years child care policy in Canada has been grounded in the wishful thinking that, through the magic of the market, desired services will be available on demand.

This market-based approach equates child care with clock radios. It assumes that families can pick the mix of quality and affordability that they desire for their young children's education and care, and that there are a range of community-based services that meet family needs. A little public funding is provided to lower-income families to compete in the high-priced marketplace but most families are left to fend for themselves.

The reality? A triple market failure: Canada has the lowest child care access rates in the industrialized world, with regulated spaces for fewer than 20% of children; parent fees are among the highest in the world, often exceeding the annual cost of university; and quality is constantly undermined by low wages and poor retention rates for college-trained early childhood educators. In short, 'wishful thinking' hasn't worked.

Will this approach continue? That depends. If families continue to make do, and if women continue to provide child care for low wages, then it might. But the evidence is clear - Canada's market-based approach to child care is failing children, women, families and communities, and undermining Canada's economic performance.

Given the child care crisis in Canada, it was disturbing to hear recently from Professor Deb Brennan, visiting Australian child care expert, that things could be even worse. The pressure to increase public funding is strong, but the pressure to maintain a market-based approach - with no strings attached to public funding - is formidable.

Like Australia, Canada could increase public funding for child care by providing more money directly to parents, with 'no strings attached' for where programs are located, who they serve, or how much they cost. The results? In Australia, 'no strings attached' means public spending up, a system dominated by for-profit corporations, public accountability down, and public goals unmet. Australia provides a glaring example of what can go wrong when the rhetoric of 'the market provides choice' trumps all other considerations.

Canada needs to take another course of action – one that finds substantial common ground between the large and supposedly left-of-centre child care community and the powerful and supposedly right-of-centre OECD (Organisation for Economic Cooperation and Development).

The recommendation? ‘Accountability for results’ through a focused public investment strategy that provides direct funding to child care services. Public funding should be tied to measurable improvements in affordability, quality and accessibility through reduced parent fees, increased wages for trained staff, and additional spaces.

In countries that have adopted this strategy, child care programs are an expected and planned part of neighbourhoods. Like schools, libraries and recreation centres, child care programs are available, accessible and affordable to all who choose to use them. Children’s healthy development and parent’s work/life balance are well-supported, the current and future labour force is enhanced, and the economic returns on public investment are promptly realized.

So what will it take to move from ‘wishful thinking’ to ‘accountability for results’? The courage to admit that the market has failed child care.

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