Women's Support, Women's Work: Child Care in an Era of Deficit Reduction, Devolution Downsizing and Deregulation

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Status of Women Canada is committed to ensuring that all research produced through the Policy Research Fund adheres to high methodological, ethical, and professional standards. The research must also make a unique, value-added contribution to current policy debates, and be useful to policy-makers, researchers, women's organizations, communities, and others interested in the policy process. Each paper is anonymously reviewed by specialists in the field, and comments are solicited on:

- the accuracy, completeness and timeliness of the information presented;
- the extent to which the analysis and recommendations are supported by the methodology used and the data collected;
- the original contribution that the report would make to existing work on this subject, and its usefulness to equality-seeking organizations, advocacy communities, government policy-makers, researchers and other target audiences.

Status of Women Canada thanks those who contributed to this peer review process.

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PREFACE

Status of Women Canada's Policy Research Fund was instituted in 1996 to support independent, nationally relevant policy research on gender equality issues. In order to determine the structure and priorities of the Policy Research Fund, Status of Women Canada held consultations from March to May 1996 with a range of national, regional and local women's organizations, researchers and research organizations, community, social service and professional groups, other levels of government, and individuals interested in women's equality. Consultation participants indicated their support for the Fund to address both long-term emerging policy issues as well as urgent issues, and recommended that a small, non-governmental external committee would play a key role in identifying priorities, selecting research proposals for funding, and exercising quality control over the final research papers.

As an interim measure during the fiscal year 1996-1997, consulation participants agreed that short-term research projects addressing immediate needs should be undertaken while the external committee was being established to develop longer-term priorities. In this context, policy research on issues surrounding the Canada Health and Social Transfer (CHST) and access to justice were identified as priorities.

On June 21, 1996, a call for research proposals on the impact of the CHST on women was issued. The proposals were assessed by Status of Women Canada and external reviewers. The research projects selected for funding in this area focus on women receiving social assistance, economic security for families with children, women with disabilities, the availability and affordability of child care services, women and health care, and women's human rights.

The call for research proposals on access to justice was issued on July 18, 1996. Also assessed by Status of Women Canada and external reviewers, the selected policy research projects in this area include a study of abused immigrant women, lesbians, women and civil legal aid, family mediation, and the implications for victims of sexual harassment of the Supreme Court ruling in *Béliveau-St. Jacques*.

The objective of Status of Women Canada's Policy Research Fund is to enhance public debate on gender equality issues and contribute to the ability of individuals and organizations to participate more effectively in the policy development process. We believe that good policy is based on good policy research. We thank all the authors for their contribution to this objective.

A complete listing of the research projects funded by Status of Women Canada on issues surrounding the Canada Health and Social Transfer and access to justice is provided at the end of this report.

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ACKNOWLEDGMENTS

The authors gratefully acknowledge the assistance provided by people from across the country, who willingly gave of their knowledge and patiently answered questions. Their names are listed in Appendix A. A special note of appreciation to Julie Mathien who conducted some of the interviews with provincial key informants.

The draft report was circulated for review and comment to:

- Dr. Barbara Cameron, Department of Political Science, York University, Toronto. Dr. Cameron was chair of the Child Care Committee of the National Action Committee on the Status of Women during the Countdown for Child Care campaign in 1987 and has continued to provide consultation to the National Action Committee on issues related to child care; and

- Dr. Donna Lero, Department of Family Studies, University of Guelph, Ontario. Dr. Lero is a well-known researcher and commentator on child care.

The final report benefited greatly from their insightful comments.

We also wish to thank Status of Women Canada for providing the funds to enable this examination of the impact of the Canada Health and Social Transfer (CHST) and related policy changes on the availability and affordability of child care.

ABSTRACT

Among the multiplicity of objectives that high quality child care can meet is the pivotal goal of promoting equality for women. Child care has consequences for women both as mothers and as providers of care for other people's children. Thus, women have a powerful stake in child care policy. Canada has no national child care policy and its child care situation has never begun to approach adequacy. In the 1990s, however, federal funding reductions and withdrawal from the social policy field, coupled with provincial downsizing have induced a new child care crisis. The predicament in which the block-funded Canada Health and Social Transfer (CHST), implemented in 1966, places child care embodies its standing in Canadian social policy. Child care has no "home" and its dwindling, mostly market-oriented funding arrangements ensure that even existing services are plagued with ever-increasing fragility. Yet Canada as a nation has a growing number of sectors that identify high quality, reliable child care/early childhood development services essential for their own agendas. National reports, such as that of the National Forum on Health, and national commitments, such as the Child Tax Benefit, plus a variety of international obligations and covenants, including the Convention on the Elimination of All Forms of of Discrimination Against Women and the Nairobi Forward-looking Strategies for the Advancement of Women, all need child care in order to be effective. This paper identifies what has been happening in child care over the last decade, describes policy options for the commencement of Canada's long-recommended national child care policy, and suggests that a successful resolution to the child care dilemma would serve as a good test for assessing the effectiveness of the new social union.

EXECUTIVE SUMMARY

As noted by the 1984 Royal Commission on Equality of Employment, "child care is the ramp that provides equal access to the work force for mothers" (see Abella, 1984, 1978). Child care is also a major source of employment for women. According to census data, in 1991 there were 181,830 women providing child care. For mothers, lack of affordable child care may mean having to be out of the work force for several years, or part-time participation only. This results in a reduction of lifetime earnings, lost opportunities for career advancement and smaller pension benefits than would have been the case otherwise. For providers of child care, the reduction in government financial support means job insecurity and deteriorating working conditions.

The child care situation has become precarious right across the country as the affordability and availability of regulated child care decreases. In the period between 1990 and 1996, two provinces stopped providing recurring financial grants to child care programs, and the amount of such grants was decreased in four provinces. Recurring grants have been frozen in five jurisdictions. This means that new services cannot obtain them. Fees for child care increased in all the provinces and in the Yukon between 1989 and 1993. They increased again between 1993 and 1995 in five provinces and both territories. In the same period, average family incomes decreased, fee subsidy amounts failed to keep pace with fee increases and fee subsidies have been limited by a limit on the total fee subsidy budget or the total number of families served. The availability of regulated spaces has decreased in tandem with the decreased affordability. This is a result of programs closing or not staffing spaces because they cannot cover their operating costs. Child care providers are experiencing stress associated with funding cutbacks and the need to assume additional tasks. Some have lost their jobs.

The Canada Health and Social Transfer (CHST), introduced in 1996 to replace the Canada Assistance Plan (CAP) and Established Program Financing (EPF), and further reductions in federal funds for the provinces and territories, appear likely to exacerbate the situation. It is important to note that it is not the CHST alone that is affecting the affordability and availability of child care. The CHST is an extension of the federal government's retreat from cost sharing social service expenditures with the provinces, and reductions in the amount of federal funding that began in the late 1970s. Child care is also being affected by the changing roles of the federal and provincial/territorial governments in the social service area.

In the last few years, it has become increasingly evident that the availability of affordable, high quality child care is a crucial component in strategies to address broad national objectives. These national objectives include promoting the optimal development of *all* children, reducing the incidence of child poverty, developing a healthy economy, and promoting women's economic and social equality.

A shift in the roles and responsibilities of federal and provincial/territorial governments and between each of these levels of government and the citizens of Canada, is occurring. This shift is away from direct state funding of services to reliance on the tax system for income redistribution and away from a moderate degree of federal leadership and involvement in social programs to an emphasis on the primacy of the provinces. In this political climate, it is difficult to identify an approach that would halt the current rapid deterioration of child care services in Canada and move toward a national child care strategy. Yet Canada desperately needs affordable, high quality child care. This paper discusses some options for governments to work together to develop a national child care plan. The National Children's Agenda may provide a window of opportunity for so doing.

CHAPTER 1: INTRODUCTION

Child Care is ....

In Canada, the terms "child care," "early childhood services" and "early childhood education" are used to refer to arrangements which provide care that enhances the development of children under age 12. This "care" is provided by people who are unrelated to the child. It is used when parents are participating in the paid work force or engaged in training or educational programs, and by parents who are neither students nor work force participants but wish to supplement the care and education they provide to their children. Child care/early childhood services in Canada include regulated centre-based and family child care (also known as family day care), nursery schools, kindergartens and Community Action Programs for Children (CAP-C). Children can also be cared for in their parents' absence through a number of other arrangements, such as a relative in the child's home or in the relative's home, or by a non-relative in the child's home (a nanny).

In this paper, the term "child care" refers to child care centres, school-age child care programs and family child care that is regulated by the provincial or territorial government. There are two reasons for this focus. First, regulated child care was the primary form of child care to benefit from federal–provincial cost sharing and, as a result, is the form most affected by the Canada Health and Social Transfer (CHST). Second, research demonstrates that regulated child care is more likely than unregulated care to be a stable service that meets the developmental needs of the children served.[1]

A well-designed system of high quality child care/early childhood services should simultaneously meet a diverse range of needs. It should enhance the healthy development of *all* children, support families regardless of the parents' labour force status, be part of a comprehensive approach to alleviate poverty and, finally, provide an essential tool for pursuing women's equality. Supporting women's equality and autonomy requires a number of different forms of child care in order to address diverse needs and also to permit women to choose the form of care they prefer or that suits their family's particular needs.

This paper, supported by the Policy Research Fund of Status of Women Canada, is concerned primarily, but not exclusively, with the impact of recent policy changes on child care from the perspective of women: both those who are parents and those who work in the child care field.

Child Care as a Support for Women's Equality

Child care is a women's issue because its availability is essential for the support of women's equality. However, child care is neither solely nor primarily the responsibility of women as mothers. High quality child care provides collective as well as individual benefits. The whole society benefits when families can be economically self-sufficient because affordable, reliable child care enables parents to work, and when children's non-parental care provides the stimulation that assists them to be school-ready at age 6. Therefore, child care is a social issue for which there is collective responsibility.

There continues to be an insufficient amount of affordable, high quality child care for Canadian women who need or want it. In 1993, the percentage of children under age 12 with a mother in the paid work force who could be accommodated in the regulated child care system ranged from 16.6% in Alberta and 12.7% in Manitoba to 4.9% in Newfoundland.[2] Fees could be as high as $857 a month for infants, depending on the province or territory.[3] For Aboriginal women,[4] rural women,[5] new immigrants and refugees,[6] the issues of access, availability and affordability are even more extreme. These women face the additional barriers of culture, language, distance, and appropriate physical access and programming. Given their similar situation, these barriers are also faced by mothers with disabilities or whose children have disabilities, and Francophone women living outside Quebec

Where Is Child Care's Home in Public Policy?

Since the Royal Commission on the Status of Women first recommended the introduction of a national day care act in 1970, the availability of affordable, high quality child care has been a primary concern for the organized women's movement, e.g., the National Action Committee on the Status of Women, and for government departments responsible for women's issues. In the 20 years since the Royal Commission, several federal and provincial task forces have recognized the legitimacy of child care as part of the social policy spectrum. Canada, however, still has no national or rational strategy to ensure that child care/early childhood services are available to meet contemporary child, family and societal needs.[7] Instead, child care services that simultaneously support women's equality and safeguard children's healthy development are neither widely available nor affordable anywhere in Canada.[8]

It has been suggested that at least part of the reason for the current situation is that child care has never found an appropriate or even a stable policy "home[9]." There has been a persistent lack of consistency about its purpose(s). Governments have treated it at various times as a way of encouraging women to work in industries essential for the war effort in World War II, as a tool for reducing women's reliance on social assistance, as a "ramp" to women's equality, as a means to enhance the development of children considered to be "at risk," as early childhood education for all children, as a business expense and as a tool to support parent employability[10]. As a result, child care has been developed and delivered primarily by voluntary community-based groups with the ad hoc support of a fragmented set of federal and provincial/territorial programs.

Child Care: On and Off the Public Agenda

Although child care has been an important women's issue since the early 1970s, it did not become highly visible on the national political scene until the early 1980s. It was highlighted in the televised party leader's debate on women's issues during the 1984 federal election when all three national political parties promised to improve child care if their party formed the next government[11]. For a short period in the mid-1980s, increased federal and provincial/territorial activity suggested that child care might be addressed in a co-operative and comprehensive manner. However, by the early 1990s, as the Government of Canada accelerated its withdrawal from the social policy field, the small advances that child care had made in the 1980s began to wither. Although the Liberals' 1993 federal election platform made a commitment to significant new child care spending, little of this has materialized[12]. Instead, there has been continued provincial program and cost cutting in child care in tandem with a continued withdrawal of federal involvement and a reduction in federal funding to the provinces[13]. Today, the child care situation in many provinces, while never very strong, has become precarious. It is, in fact, in decline, for the first time since the 1960s.

It appears that the Canada Health and Social Transfer (CHST), introduced in 1996 to replace the Canada Assistance Plan (CAP) and Established Programs Financing (EPF), will further exacerbate child care's precarious situation. It is important to note, however, that the CHST is but one factor, albeit an important one, that mitigates against the development of adequate child care services now and in the future. As illustrated by Appendix A, the CHST is an extension of the federal government's retreat from sharing the cost of social services with the provinces, a retreat that began in 1977 with the replacement of cost sharing for some programs with the block-funded EPF. As discussed in this paper, other factors affecting child care include provincial political will and fiscal limitations, and the shifting relationships between the various levels of government.

Research Objectives, Research Methodology and Project Intentions

Research objectives

This research project had the following four objectives:

- To analyze the recent, current and future trends in child care within the political and social context.

- To seek, synthesize and present data documenting the impact of the CHST and related policy developments on the availability and affordability of child care now and in the future.

- To analyze the potential consequences of these trends, including their potential impact on women's ability to access child care and, hence, their ability to compete in the paid work force or to participate in training or educational activities.

- To present recommendations that could mitigate any negative consequences for child care, and hence for women, that might be identified as a consequence of the implementation of the CHST.

Research methodology

The methodology employed to assemble information for this project included five steps.

- Review and analysis of data on the number of child care spaces, average parent fees, the availability of fee subsidization, provincial grants and so on for each province and territory.

- Seventy-one key informant interviews. These included interviews with a government official responsible for child care in each province and territory[14]; a federal official with long-time involvement in child care issues; at least one representative from a provincial/territorial child care organization in each province and in the Yukon; five representatives from programs training child care providers in five different provinces; and a number of social service and women's issues advocates (see Appendix B). Key informants were made aware that their names would be identified in the report although specific comments would not be attributed to any individual.

- A mail-out questionnaire to board members of both the Child Care Advocacy Association of Canada (the national child care advocacy group) and the Canadian Child Care Federation (the national child care professional group). Eighteen of the 21 people who were sent questionnaires responded. There was at least one respondent from each province and territory and two from Newfoundland, Nova Scotia, Quebec, Manitoba, Alberta and the Yukon. See Appendix C for a copy of the questionnaire.

- A half-day discussion group that involved 11 people from a variety of child care and social service/advocacy group backgrounds (see Appendix D).

- Review and analysis of reports and commentaries concerning current trends in Canadian social policy in general and the potential impact of the CHST in particular.

Project intentions

This project and its ensuing paper had two primary objectives.

- To gain a better understanding of, and to assist others to better understand, the fiscal and political factors that led to the current crisis in the availability and affordability of regulated child care.

- To move the debate about the need for a national child care strategy forward within the context of the current fiscal, political and economic situation, and taking into account the current climate of deficit reduction, the dynamics of federal–provincial relations and the devolution of responsibility from the federal government to the provinces and, in some cases, from the province to local government.

This paper argues that affordable, high quality child care is critical to the success of a number of broad national goals and benefits the whole society. It illustrates that regulated child care has a precarious existence as a result of the recent deficit reduction, devolution, downsizing and deregulation activities of all levels of government and that its future is even more jeopardized by the CHST. The paper concludes that the care of Canada's children is of national importance and must be resolved through the establishment of a national plan of action for child care.

A glossary of terms is provided at the end of the paper.

CHAPTER 2: CONTEXTUAL FACTORS: DEFICIT REDUCTION AND DEVOLUTION

Federal Transfers Prior to the CHST

At the time the first Canadian constitution was drafted in 1867, the social programs we have today did not exist. Therefore, responsibility for them was not assigned to either the federal or provincial levels of government. Subsequent court interpretations of the *Constitution Act, 1867* assigned social programs to the provinces as part of their exclusive jurisdiction[15]. However, as will be apparent by the end of this chapter, the boundary between federal and provincial/territorial responsibility for social services has shifted back and forth over time. It is still not clear.

Although the provinces had been assigned jurisdiction for social programs, it became evident during the Depression that they did not have the necessary finances to carry out these responsibilities. Between the end of World War II and 1960, a number of conditional grant programs were established that permitted the federal government to provide provincial governments with funds for the development and provision of health and social services[16]. Eventually, these grants were consolidated into three main mechanisms for transferring federal funds to the provinces: equalization payments, the Canada Assistance Plan and Established Programs Financing.

Equalization payments

Equalization payments are unconditional transfers of money (i.e., the funds do not have to be spent for a specific purpose) from the federal government to provinces whose revenues fall below the national average revenue. In practice, this has included all the provinces except Alberta, British Columbia and Ontario. The stated purpose of this program is to reduce the financial disparities between provinces by ensuring that all "provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation[17]."

The Canada Assistance Plan (CAP)

CAP, established in 1966, allowed Ottawa to reimburse *all* the provinces and territories for up to 50% of eligible expenditures on social assistance and a variety of social services, including child care, used by children whose parents were deemed to be in financial need or at risk of becoming so. To receive cost sharing, the provinces had to contribute to the cost of the program in question and adhere to certain conditions, e.g., that any person in need of social assistance should receive it without regard to length of residence in the province.

Established Programs Financing (EPF)

Legislated in 1977, EPF was a uniform per capita grant for *all* provinces, partly in the form of cash and partly in the form of a transfer of tax points. Although, from the federal perspective, EPF funding was intended to pay for health and post-secondary education, there were no controls on how the funds were actually spent. However, in the area of health care, the provinces were required to adhere to the principles set out in the *Canada Health Act, 1984* in order to receive their full amount of federal funds. There were no requirements attached to EPF transfers for post-secondary education.

All the provinces are highly dependent on federal funding, especially those that receive equalization payments. Just before the implementation of the CHST, federal funding (made up primarily through equalization payments, CAP and EPF) accounted for about 35% to 40% of revenues in Newfoundland and the Maritimes, about 25% to 30% in Saskatchewan and Manitoba, and about 20% in Quebec.[18] Any reduction in federal funding significantly reduces the ability of all these provinces to fund social programs such as child care.

Provincial Use of Federal Funding

The Canada Assistance Plan: A case study

The CAP was implemented as an open-ended agreement that allowed the federal government to reimburse provinces for up to 50% of their CAP-eligible social services and social assistance payments regardless of the amount of those expenditures. In the area of child care, this cost sharing covered:

- fee subsidies for low income parents who were deemed eligible due to financial need on the basis of either a needs or an income test;
- operating grants for regulated non-profit or government-operated child care services (limited to that portion of the service used by families eligible for a fee subsidy); and
- the depreciation of child care premises and equipment in certain circumstances.[19]

The expansion period

Although CAP was established in 1966, and all the provinces signed on in just over a year, it took several years for the legislative regulations to be finalized. As a result, CAP was not really operational until 1970[20]. From July 1971 to March 1973, there was an increase of 557 regulated child care spaces across Canada[21]. Between March 1973 and March 1974, the increase in growth was 28,370 spaces[22]. Between 1974 and 1988, with only a couple of exceptions, the rate of increase in regulated spaces each subsequent year was between 10% and 16%[23]. In 1989, when the annual increase was 13%,[24] both territories and all the provinces except British Columbia were providing some form of annual operating grants to regulated child care services, even if it was only a small grant acknowledging the cost of caring for infants[25]. While these expansions involved provincial decisions requiring provincial funds, the availability of reimbursement from Ottawa for some child care expenditures was an enticement to spend on child care.

In some provinces, expansion also occurred in the social assistance area. For example, Ontario enriched the level of its social assistance payments for lone-parent/one-child families by 23.6% between 1986 and 1990[26]. Under the open-ended cost-sharing agreement then in place, Ontario's unilateral decision to provide higher social assistance payments increased Ottawa's CAP reimbursements at a corresponding level. This may have contributed to Ottawa's 1990 decision to limit its cost sharing under CAP with Alberta, British Columbia and Ontario to 5% annual growth for two years. In the following year's budget, the federal government announced that the limit on growth in cost sharing for these three provinces would be extended to the end of the 1994-95 fiscal year. Transfers to all provinces in 1995-96 were frozen at 1994-95 levels.

The end of expansion

When considering the impact of the limit placed on CAP reimbursements to the three wealthiest provinces in 1990, it is important to note that:

- the equalization payments in the other seven provinces had been gradually eroding since 1986-87 due to de-indexation (payments were then frozen in 1991 and the freeze was later extended to 1994-95)[27]; and
- almost all the provinces were in a deficit position in 1989-1990[28].

Thus, all provinces experienced erosion in federal funding at a time when, except for Alberta, they were spending more than their revenues. It is not surprising that 1990 marked the beginning of the loss of some of the limited gains made by child care in the 1980s.

Between 1989 and 1993, the annual growth rate in the number of regulated spaces across Canada dropped from 13%[29] to 3.5%[30]. Between 1990 and 1996, recurring grants were cut or abolished in five provinces, and frozen in three more. Another province has proposed reducing its wage grants[31]. The following chapter provides more detail about the deterioration of child care since 1990.

The provinces: Political will and financial capabilities

The growth and maintenance of child care has been related both to the availability of federal funds and initiatives, and to provincial political will and financial capability. For example, during the Social Credit era in British Columbia, the provincial government limited its use of CAP to the provision of fee subsidies for low income families. However, although British Columbia was affected by the federal imposition of the 5%

limit on growth in 1990, the New Democratic Party government, elected in 1991, aided and encouraged considerable expansion in regulated centre spaces (from 20,479 in 1991 to 31,976 in 1995)[32]. It also expanded the availability of fee subsidies, and introduced wage, capital and other recurring grants. Political will took precedence over fiscal issues in both these situations.

In contrast, the NDP government elected in Ontario in 1990, which also had a commitment to child care, had to contend with not only the federal government's limit on CAP expenditures but also with a severe recession. Reliance on social assistance in Ontario more than doubled between 1990 and 1993[33]. With the limit on the expansion of reimbursement under CAP held at 5% by the federal government, Ontario had to assume most of the increased cost of social assistance. It has been estimated that the limit on CAP cost Ontario $1.7 billion in lost federal funds for 1992-93 alone[34]. Thus, Ontario's fiscal ability to assume the non-shared cost of its promised child care reform and the early years program proposed by the Royal Commission on Learning were harshly restricted by both federal actions and the provincial situation. Neither new program materialized. In this case, it appears that fiscal issues took precedence over political will.

Other illustrations of the interplay between fiscal ability and political will can be found in comparisons between other provinces. Manitoba and Saskatchewan, adjacent Prairie provinces with approximately the same population base, had governments with very different orientations during the 1980s (Manitoba with an NDP government, Saskatchewan with a Conservative government). Both had access to the same open-ended cost sharing through CAP. However, by 1993, while regulated child care was available for 12.7% of children age 0 to 12 with a mother in the paid work force in Manitoba, it was available for only 5.4% of such children in Saskatchewan.[35]

All the Atlantic provinces have high rates of unemployment and low fiscal capabilities; none of the four is regarded as having a well-developed system of child care. However, within these parameters, there are interesting differences. In 1993, Newfoundland could offer regulated care for only 4.9% of children age 0 to 12 with a mother in the paid work force, the comparable rate in New Brunswick was 10.5%[36]. Thus, even within Canada's perpetual "have-not" provinces, the role of political will is evident.

1995: Child Care's Pivotal Year

The federal government entered 1995 faced with two major issues that influenced the policy directions that followed. The first of these was anxiety about the possibility of the separation of Quebec from Canada; the second was the fiscal pressure created by the deficit and the debt.

Reinforcing decentralist tendencies: Anxieties about Quebec

The political gulf between Quebec and the rest of Canada had been widened by the 1982 Constitution which was repatriated without Quebec's signature. In the Mulroney era, two subsequent attempts to include Quebec in a new constitutional accord failed. The first, the Meech Lake Accord, was not ratified by two provinces. The second, the Charlottetown Accord, failed when Canada- and Quebec-wide referendums did not support it. The interpretation of these failures by many in Quebec as rejection by the rest of Canada, the rise of the Bloc Québécois as a force in the federal House of Commons and the re-election of the Parti Québécois as the government of Quebec increased federalist anxieties about the future of Quebec in Canada. It should be noted that both the Meech Lake and the Charlottetown accords (initiatives of the previous Conservative government) proposed responding to the challenge of Quebec by retreating from federal leadership in social programs, thus foreshadowing the direction that would be adopted by the Liberal government in the 1995 budget and the 1996 Speech from the Throne.

At the same time, decentralist aspirations emerged among the other provinces as well. This theme, not a new one in Canadian history, was exacerbated when the provinces' willingness to accept federal leadership in areas within their jurisdiction diminished as federal funds to develop and maintain these programs were reduced[37]. Some provincial governments, as the delivery agents for social programs, struggled to balance diminishing revenue with the continued needs and expectations of their constituents. Others found that their own cost cutting and downsizing ideologies were well-served by the climate of devolution, downsizing and deregulation.

The 1990 limit on reimbursements under CAP, a unilateral decision by the federal government, called into question the security of other financial arrangements between the federal government and the provinces/territories. A sense of shattered provincial trust is suggested in the proposals made when the Charlottetown Accord was tabled in 1992. One proposal was that national objectives for social programs would be defined and their implementation monitored by the provinces. This language also foreshadowed the social policy changes that were to follow.

Fiscal pressures

The second major issue facing Ottawa at the beginning of 1995 was the deficit and the debt. Between 1979-1980 and 1994-95, there was a steady deterioration in Ottawa's fiscal situation as its ratio of revenue to spending fell and interest payments as a percentage of revenue rose to 33.6%[38]. There was considerable debate about the appropriate federal government response. This debate included proposals for redressing the share of revenue derived from corporate (as opposed to personal) taxation and/or lowering interest rates. Nevertheless, in the 1990s, the approach adopted not only by the federal government but by all provincial governments was to reduce government spending through downsizing and privatizing programs, by cutting jobs in the public service and by downloading costs to the next lower level — provinces, local government, families and individuals.

The 1995 budget: Spending cuts and federal withdrawal

The Liberal government responded to the decentralizing and fiscal pressures it was experiencing by using its second budget, in February 1995, as a tool. The budget announced not only substantial cuts in federal funding to the provinces, but also a new funding mechanism that marked federal withdrawal from a role in shaping social programs through its spending power — a role that had shaped Canada's social safety net over the previous 40 years.

In 1994-95, the cash entitlement for the provinces and territories under CAP and EPF was estimated to be $17.3 billion. In 1996-97, according to the budget, it was to be $12.9 billion[39]. This represented a reduction of $4.4 billion compared to the amount that would have been transferred had CAP and EPF remained untouched. The 1997 federal budget amended the 1995 figures to be $19.3 billion in 1994-95, $14.9 billion in 1996-97, $12.5 billion in 1997-98 and $11.3 billion in 1998-99[40]. Subsequently, the government made a commitment, on April 28, 1997, to maintain the cash portion of the transfer at $12.5 billion for future years, rather than continuing the 1996 budget reduction of $11.1 billion by 1999-2000. This commitment puts $700 million back in 1998-99 and $1.4 billion in 1999-2000 and subsequent years.

As illustrated in Appendix A, the federal government had previously imposed limits on the growth of its transfers or reduced their purchasing power through de-indexation. However, the 1995 announcement was different from previous announcements of reductions in an important way. It involved actual federal *spending cuts*, not simply a reduction in the rate at which federal expenditures were increasing[41].

The 1995 budget also announced that federal transfers to the provinces and territories for their social, health and post-secondary education under the CAP and the EPF would be collapsed into a single block grant. This was to be known as the Canada Health and Social Transfer (CHST) and to take effect on April 1, 1996.

This announcement meant:

- the loss of built-in cyclical protection for social assistance and social services in times of recession; and
- a reduction in the federal government's ability to shape program development.

The loss of built-in cyclical protection

Federal cost sharing under CAP had helped provinces respond when economic circumstances increased demand for social assistance and other social services. Until the federal government imposed the 5% ceiling on annual increases for Alberta, British Columbia and Ontario in 1990, any province facing increased social assistance case loads could rely on getting additional funds from the federal government. This important assurance is lost under CHST's block funding formula. Provinces will have to manage additional social assistance costs without corresponding increases in federal funds, even if it means cutting other programs. Services that are discretionary and not well established, such as child care, are the most vulnerable to cuts.

The reduction in the federal government's ability to shape program development

Transfers of funds from one government to another have different effects, depending on the form they take. Cost-shared programs are considered to be good mechanisms for the creation of new programs because the cost sharing requires prior commitment of provincial funds. Block funding, as with the CHST, increases provincial revenues but provides no enticement for the development of a particular service. The Caledon Institute of Social Policy has noted that the current lack of specific program designations for expenditures under the CHST means that federal funds transferred through this mechanism, presumably for health, social services and post-secondary education, could be used for other purposes such as paying down the provincial debt[42].

Historically, a federal role and cost sharing mechanism have been vital in the development of basic human services in Canada. For example, our current system of universal health care started with cost sharing agreements between the federal government and each of the provinces and territories under the *Hospital Insurance and Diagnostic Services Act, 1957*. These arrangements enabled the federal government to provide approximately 50% of the provincial and territorial costs associated with the provision of a basic range of in-patient services in acute, convalescent and chronic care hospitals. This cost sharing assisted the provinces to establish their hospital systems. Tied to the funding was the condition that the benefits of the program were to be available to all citizens within a province on uniform terms and conditions, regardless of age, sex or physical condition[43]. Subsequently, the *Medical Care Act, 1966*, which also involved federal cost sharing, extended universal medical benefits to include all medically necessary services rendered by a physician, thereby assisting provinces to develop out-patient services[44]. It was not until 1977, 20 years after the original cost sharing announcement, that the federal government moved to a block grant approach for funding health care — the EPF.

Federal devolution of powers to the provinces

A third important outcome of the 1995 budget was that the requirements related to health services under the *Canada Health Act,* which was part of the EPF, would be retained, as would the CAP condition disallowing residency requirements for social assistance. However, other CAP conditions would no longer be in force. The implied intent of the federal government to draw back from sharing responsibility for shaping social programs was confirmed in the 1996 Speech from the Throne. It stated that "[p]rovinces are responsible for providing health, education, and social services in the manner best suited to the particular needs of their own residents"[45] and noted that the CHST was implemented "to give provinces enhanced flexibility to design and administer social programs in the most efficient way, and to allocate funds according to their own priorities[46]."

According to the 1995 federal budget, the federal Minister of Human Resources has been given the task of seeking the co-operation of his provincial and territorial colleagues in "developing, through mutual consent, a set of shared principles and objectives that could underlie the new transfer...[so] all governments could reaffirm their commitment to the social well-being of all Canadians[47]." As of late summer 1997, no shared principles or objectives had been announced.

Conclusions

The boundary between provincial/territorial and federal jurisdiction for social programs has shifted over time as the federal government has withdrawn some of its financial support and, through the CHST, reduced its ability to shape program development.

At the federal level, the changes described above:

- enabled substantial expenditure and deficit reduction;
- reduced possible perceptions of federal interference in areas within provincial jurisdiction; and
- signalled federal withdrawal from its role in social programs and from initiatives to harmonize social services across the country.

These shifts, made without either an electoral mandate or consultation with the electorate, changed both the nature and the amount of federal financing for health, social programs (which included child care fee subsidies for persons deemed to be in financial need) and post-secondary education. The devolution of power to the provinces is a reflection of the failed Charlottetown Accord. The shift in responsibilities embodied in the message of a block grant will make it very difficult to create another national social program, such as child care, through federal leadership and cost sharing as was done for medical services.

These profound shifts have been implemented through the budget and political process, rather than through constitutional changes. They can, theoretically, be reversed in the same way. However, the question of whether federal spending will continue to be sufficient to induce provinces to adhere to Canada-wide principles, conditions or standards remains. The 1996 budget announced a five-year commitment to ensure that the federal cash transfer will not fall below $11 billion between 1998-99 and 2002-03[48].

Subsequently, on April 28, 1997, the federal government made a commitment to maintain the cash portion of the transfer at $12.5 billion. This $12.5 billion minimum is for health, social assistance and related social programs, and post-secondary education. Since the costs for health and social assistance are likely to increase more than the rate of inflation, $12.5 billion will have less purchasing power in the future than it does today. Thus, federal leverage to influence provincial behaviour through the use of its spending power is likely to decrease.

At the provincial level, the future of child care will become even more heavily dependent on provincial political will and financial capability. A reduction of provincial support for child care seems likely across Canada as a result of:

- the significant reduction in federal funding;

- the loss of the enticement to spend on child care in order to access federal reimbursement; and

- the loss of built-in cyclical protection for surges in the need for social assistance. This puts services such as child care in jeopardy.

As the following chapter describes, provincial child care programs have already begun to lose ground in much of Canada.

CHAPTER 3: DOWNSIZING AND DEREGULATION

Child Care Before the 1990s

As noted in Chapter 1, there is no Canada-wide child care policy or plan. Over the years, separate regulated child care programs have developed in each of Canada's 12 jurisdictions. They share some common elements including regulations pertaining to the operation of services, mechanisms for funding and a child care policy that is more or less developed, depending on the jurisdiction. However, the programs also exhibit many variations, e.g., in the amount of public funding, the regulations associated with the physical requirements for the setting and the number of child care providers and their training, the methods and schedules used for monitoring and enforcement of adherence to the regulations, and the range of services available. Both provincial fiscal capabilities and provincial governments' ideologies have helped to determine these critical variations. However, the policy initiatives and funding decisions of the federal government have also had a considerable impact.

For a brief period in the 1980s, it appeared that all provincial and territorial governments acknowledged that they had a role in ensuring at least basic health and safety in child care. By the end of the decade, all provinces and both territories had child care regulations and had established systems to monitor compliance with the required standards. In most jurisdictions, there appeared to be an emerging appreciation that high quality child care was an essential service for families across the social and economic spectrum, a service that required some public funding. By 1989, both territories and all provinces, except British Columbia, provided recurring grants to regulated services, even if they were only small grants recognizing the additional cost of infant care. These provincial funds provided some fiscal stability for child care programs and encouraged their growth[49].

In 1988, the Conservative government proposed a national child care act and a block fund of $4 billion over seven years to assist the provinces in creating 200,000 new child care spaces. However, this proposal was strongly criticized for its decentralist approach, the retreat from CAP's open-ended cost sharing, the commitment of federal funds for only seven years, and the failure to set national standards or principles[50]. The act died on the order paper when the 1988 election was called. The Conservatives did not reintroduce national child care legislation and, following the 1988 election, optimism about new cost-sharing options or a national child care policy dwindled.

The Policy Environment for Child Care in the 1990s

The new decade brought a severe recession, increasing the fiscal anxieties of both the federal and the provincial governments. It also saw the adoption of a neo-conservative agenda by some provinces. As discussed in Chapter 2, the federal–provincial jurisdictional shifts of the mid 1990s have supported the primacy of provincial decision making in social services. This appears to be encouraging some provincial governments to move toward a greater market-driven approach to the provision of child care, e.g., to encourage the provision of child care by commercial operators, as in New Brunswick,[51] or to propose reducing the requirements for regulation, as in Ontario[52]. At the same time, federal funding reductions have made it harder for poorer provinces to support child care if they are so inclined.

Changes in Child Care in the 1990s

Families in all regions of Canada encounter similar problems regarding child care. These problems can be divided into three categories:

- affordability;
- availability; and
- quality.

This chapter examines changes in child care from 1989 to 1995 from the perspective of each of these three categories. The year 1989 was selected as a baseline because the limitation on CAP reimbursement imposed in 1990 was both financially and symbolically critical for child care.

National data are not available for most of the areas addressed. As a result, many of the statistics used are based on the data collection systems of individual provinces and territories and, in some cases, estimates or key informant information. This lack of consistent national data posed a problem in carrying out this research, a problem that has also been noted by other researchers. The implementation of the CHST will exacerbate the problem of a lack of consistent national data. Unlike the situation under CAP, the provinces will no longer be required to provide the federal government with comparable data on their child care spending. In contrast, the government of the Commonwealth of Australia undertakes an annual census of all child care services and is thus able to produce basic national child care statistical information[53].

The data presented pertain to child care for children under age 6, the group that makes the most use of child care services. This is not to suggest, however, that availability, affordability and quality are not concerns in regard to school-aged care. For example, in 1993, the percentage of children age 6 to 12 with full-time working parents for whom there was a regulated space was only 5% in comparison to 9% for infants and toddlers and 30% for children age 3 to 5.[54] With the exception of British Columbia and Quebec, there has been very little increase in school-age child care spaces since 1993[55].

When reviewing the 1996 update column in tables 2 and 3, it is important to keep in mind that this information is based on perception, not statistics.

Affordability

Whether or not child care is affordable for parents depends on two factors: the fee the parent has to pay and the amount of public funding available for child care.

Increasing fees: decreasing family income

In Canada, child care is primarily funded through parent fees. In 1991, a national survey found that parent fees accounted for as much as 82% of centre operating budgets in two provinces, and over 55% in three other provinces and one territory[56]. Thus, affordability directly relates to the financial viability of child care programs.

As illustrated by Table 1, parent fees increased in all provinces and in the Yukon between 1989 and 1993. They increased again between 1993 and 1995 in seven jurisdictions (Newfoundland, New Brunswick, Saskatchewan, Alberta, British Columbia and both territories). In the same period, average family income decreased. In 1994, the national average after-tax income of a family with children under age 18 was $43,700, in comparison with an average family income of $47,300 in 1989 (measured in 1994 dollars)[57].

Fee subsidies for low income families

All provinces and both territories subsidize child care fees for low income parents who meet specified criteria. However, the availability of fee subsidization is limited either by a ceiling on the total fee subsidy budget or on the total number of families that can receive the fee subsidy, in five provinces (Newfoundland, Prince Edward Island, Nova Scotia, Ontario and Manitoba)[58]. A sixth province, Quebec, also limits the availability of its fee subsidy but uses a different mechanism. As a result of these limits, some parents may not be subsidized even though their income level qualifies them for this assistance. These limits on subsidization are set by the provinces (or by municipalities in the case of Ontario) on the basis of their budget priorities, apparently regardless of any changes in parental or community needs.

Table 1
Average Fees, Regulated Full-Time, Centre-Based Care, by Jurisdiction

Jurisdiction	1989	1993	1995
Newfoundland and Labrador	Preschoolers - $354/month	Preschoolers - $360 to $380/month	Preschoolers - $450/month
Prince Edward Island	Infants - $390/month Preschoolers - $325/month	Infants - $530/month Preschoolers - $375/month	Infants - $530/month Preschoolers - $375/month
Nova Scotia	Infant and toddler - $305/month	Data not available	Infants - $500/month Preschoolers - $400/month
New Brunswick	Infants - $302/month Preschoolers - $266/month	Infants - $383/month Preschoolers - $335/month	Infants - $405/month Preschoolers - $373/month
Quebec	Infants - $352/month Preschoolers - $350/month	Infants - $407/month Preschoolers - $328/month	Average, infants and preschoolers - $404/month
Ontario	Infants - $599/month Preschoolers - $447/month	Infants - $502 to $1,109/month Preschoolers - $460 to $753/month*	Data not available
Manitoba	Infants - $322/month Preschoolers - $256/month	Infants - $529/month Preschoolers - $348/month	Infants - $529/month Preschoolers - $348/month
Saskatchewan	Infants - $425/month Preschoolers - $322/month	Infants - $418/month Preschoolers - $328/month	Infant - $431/month Preschoolers - $358/month
Alberta	$300/month	Infants - $382/month Preschoolers - $348/month	Infants - $430/month Preschoolers - $375/month
British Columbia	Infants - $546/month Toddlers - $469/month Preschoolers - $392/month	Infants - $608/month Toddlers - $496/month Preschoolers - $366/month	Infants - $660/month Toddlers - $575/month Preschoolers - $440/month
Northwest Territories	$450 - $500/month	$500/month	Infants - $543/month Preschoolers - $536/month
Yukon	Infants - $454/month Preschoolers - $373/month	Infants - $500/month Preschoolers - $450/month	Infants - $560/month Preschoolers - $500/month

Sources: Childcare Resource and Research Unit, 1990; 1993; 1997.

Note: * There is considerable variation in Ontario. These ranges come from a sample of urban and rural locations and a variety of different-sized communities.

Even when a fee subsidy is available, its value may not have kept pace with increases in parent fees. As illustrated by Table 2, this is exactly what has happened since 1989 right across Canada.

- In Prince Edward Island, the maximum fee subsidy remained unchanged even though average fees increased between 1989 and 1993.

- In Newfoundland, Alberta, Manitoba and the Yukon, the maximum subsidy remained unchanged between 1993 and 1996, even though fees increased in three of these four jurisdictions.

- In New Brunswick, Nova Scotia, Quebec and British Columbia there were increases in the amount of fee subsidy between 1993 and 1995. However, in all four provinces, parents have to pay the difference between the actual fee (which has also increased) and the subsidy.[59]

- Saskatchewan increased the amount of fee subsidy for infants and toddlers in 1996, but decreased it from $235/month to $225/month for preschoolers and from $235/month to $200/month for school-aged children.

- In Ontario, subsidy amounts in many municipalities have decreased over the last two or three years.[60]

Recurring grants

Recurring grants (operating, maintenance, wage enhancement) are another form of public funding for regulated child care. These grants were introduced by almost all provinces in the 1980s. They are important from the perspective of affordability because they provide some of the funds needed to cover the child care service's operating costs, e.g., provider salaries.

Table 2
Child Care Fee Subsidies for Children Age 0 to 6 in Regulated Centre Programs by Jurisdiction

Jurisdiction	1989	1993	1995	1996 Update
Newfoundland and Labrador	· maximum $360/month · user fee - none	· depends on actual costs · user fee - none	· depends on actual costs · user fee - none	no change
Prince Edward Island	· maximum $320 - $400/month depending on child's age · user fee - none	· maximum $340 - $440/month depending on the child's age · user fee - none	· same as 1993 · user fee - none	Anticipated increase in total provincial parent fee subsidy budget in 1997
Nova Scotia	· maximum $280/month · user fee - $1.25/day	· maximum $330 - $420/month depending on the child's age · user fee - $1.50/day	· maximum $337 - $429/month depending on child's age · user fee - $1.75/day	1997 subsidy rate the same, user fee increased by 50 cents/day
New Brunswick	· maximum $240 - $280/month depending on child's age · user fee - none	· amount, same as 1989 · user fee - none	· maximum $300 - $340/month depending on child's age · user fee - none	no change
Quebec	· maximum $254/month · user fee - $20/month	· maximum $285/month · user fee - $20/month	· maximum $485.80/month · user fee - $20/month	subsidy reduced by $2.43 per day in 1996
Ontario	• the amount of fee subsidy, whether there is a user fee, and the amount of any user fee, is left to the discretion of the municipality administering the subsidy program	• the amount of fee subsidy, whether there is a user fee, and the amount of any user fee, is left to the discretion of the municipality	• the amount of the fee subsidy, whether there is a user fee, and the amount of any user fee, is left to the discretion of the municipality	key informants report that fee subsidies are decreasing and user fees increasing in concert with decreased provincial funds to municipalities
Manitoba	· maximum $256/month · user fee - $22/month	· maximum - $542/month · user fee - $2.50/day	· same as 1993 · user fee - same as 1993	total fund for subsidy has been capped
Saskatchewan	· maximum $235/month · user fee - 10% of actual cost	· same as 1989 · user fee - same as 1989	· same as 1989 · user fee - same as 1989	subsidy increased for infants and toddlers but decreased for older children in 1997

Table 2, continued

Jurisdiction	1989	1993	1995	1996 Update
Alberta	· maximum $280/month · user fee - $40/month	· maximum $300 - $370 depending on child's age · user fee - $40/month	· same as 1993 · user fee - $40/month	no change
British Columbia	· maximum $230/month · user fee - none	· maximum $350 - $574/month depending on child's age · user fee - none	· maximum $368 - $585/month depending on child's age · user fee - none	no change
Northwest Territories	· family can receive up to the full amount of the actual cost at the government's discretion · user fee - none	· family can receive up to the full amount of the actual cost at the government's discretion · user fee - none	· maximum $700/month · user fee - none	no change
Yukon	· maximum $350 - $450/month · depending on child's age · user fee - none	· maximum $450 - $500/month depending on child's age · user fee - none	· subsidy same as 1993 · user fee - none	no change

Sources: Childcare Resource and Research Unit, 1990; 1994; 1997; key informant interviews conducted for this study.

Notes: User fee pertains to the amount the parent must contribute to the actual cost of the child care, even if eligible for a full subsidy. Municipalities in Ontario are responsible for the provision of fee subsidization and set their own rates.

In the period between 1990 and 1996, Newfoundland and New Brunswick stopped providing recurring grants, and the amount of such grants was reduced in Manitoba, Alberta, Ontario and Prince Edward Island. Some recurring grants are frozen in Prince Edward Island, Ontario, Manitoba, British Columbia and the Yukon. This means that new centres cannot obtain them. The freeze was implemented in 1991 in Prince Edward Island and now affects 30 of that province's 132 centres.[61] A 1996 provincial government consultation paper in Ontario announced that the province intends to implement further reductions in salary enhancement grants.[62] Appendix E provides detailed information about changes in recurring grants in each province and both territories, and for both centre-based and family day care.

Key informants in Newfoundland, New Brunswick, Nova Scotia and the Yukon all noted that their jurisdictions are heavily dependent on federal funding for their revenue. When the value of this revenue decreases, as it has through de-indexation of the EPF, cuts are likely to be made by the provincial or territorial government. In other situations, such as Manitoba, the changes are perceived to reflect a combination of federal funding cutbacks and provincial government ideology. The reductions in Alberta and Ontario were identified by key informants from those provinces as primarily reflecting provincial government ideology.

The Alberta government justified its reduction of operating grants on the basis that the funds could be better used to increase fee subsidies.[63] However, fee subsidies have remained static in amount in the 1990s while recurring grants have been repeatedly reduced.[64] Reducing provincial grants usually means an increase in parent fees. This increase in fees may offset any increase in subsidy amount. Similarly, increasing the number of fee subsidies available may not make child care more affordable if fees increase.

Conclusion

Between 1989 and 1995, fees increased, average family incomes decreased, fee subsidies became harder to obtain because of limits on the total subsidy budget or the number of families that can receive a subsidy, and subsidies failed to keep pace with fee increases. The result has been a decrease in the affordability of regulated child care. The factors deemed most relevant by key informant for each province and both territories are identified in Table 3.

Child care availability

Centre-based care

Table 4 shows that the official number of centre-based spaces increased each year on a nation-wide basis between 1989 and 1995. However, as also illustrated by this table, there was a *reduction* in centre spaces between 1992 and 1995 in four jurisdictions (Newfoundland, Prince Edward Island, Nova Scotia and Alberta).

Table 3
Perceived Reasons for Decreased Affordability by Jurisdiction

Factor	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Y.T.
Fees have increased, subsidy has not kept pace.	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes		Yes
Fees have increased, family incomes have not increased at the same level.	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes		Yes
Total fee subsidy budget has decreased or a ceiling has been put on it. Therefore, some eligible parents cannot obtain subsidy.	Yes	Yes	Yes			Yes		Yes	Yes			
Fee subsidy criteria have been tightened. Parents who previously would have been eligible are no longer eligible.	Yes	Yes	Yes	Yes		Yes		Yes	Yes			Yes
The upper income level for eligibility has been lowered.			Yes			Yes						Yes
User fee and/or surcharge has increased.			Yes		Yes	Yes		Yes	Yes	Yes		

Sources: Mail-out questionnaires and telephone interviews with people working in the child care field in each province and both territories.

Note: There is no perceived decrease in affordability in the Northwest Territories.

Table 4
Number of Regulated Full-Time Centre-Based Child Care Spaces by Jurisdiction, 1989 to 1995

Jurisdiction	1989	1990	1991	1992	1993	1994	1995
Newfoundland	1,863	2,402	2,680	2,764	2,554	2,983	2,946
Prince Edward Island	1,457	1,681	1,767	1,934	1,982	1,772	1,751
Nova Scotia	5,773	5,977	6,649	6,926	6,989	6,986	6,892
New Brunswick	4,738	5,568	5,909	6,444	7,344	7,731	7,838
Quebec	40,666	41,212	43,226	44,157	46,355	49,117	52,911
Ontario	97,038	107,546	108,866	118,329	118,938	124,110	128,093
Manitoba	10,220	10,171	10,942	11,492	11,533	11,576	11,537
Saskatchewan	3,705	3,795	3,880	4,135	4,301	4,409	4,653
Alberta	42,955	54,872	55,043	45,252	43,615	45,428	43,262
British Columbia	21,020	18,489	20,476	22,105	27,761	27,791	31,976
Northwest Territories	684	694	769	883	775	873	1,182
Yukon	612	719	640	750	752	745	838
National totals	230,731	253,126	260,847	265,171	272,899	283,521	293,879

Sources: Data for 1989 to 1994 inclusive, from the relevant federal government annual *Status of Day Care in Canada* publications, and for 1995 from the draft *Child Care and Kindergarten in Canada, 1995* (Childcare Resource and Research Unit). Discrepancies between the statistics in the above table and the relevant *Status of Day Care in Canada* document for Alberta and British Columbia, 1994, Nova Scotia, 1992 and Quebec, 1991 to 1994 inclusive, reflect amendments by the provincial governments when verification of the statistics was sought.

Note: The 1995 statistic for British Columbia actually refers to March 1996 data.

Table 4, showing the official number of centre spaces, may not tell the whole story. Provincial government officials from New Brunswick, Saskatchewan, British Columbia and the Yukon who responded to the Child Care Sector Study conducted by Human Resources Development Canada reported vacant centre spaces in their jurisdictions. The Saskatchewan respondent estimated a 15% vacancy rate[65]. Key informants for the present study from eight provinces (Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, Ontario, Manitoba, Alberta and British Columbia) reported that regulated spaces are not being staffed. They attributed the failure to staff some regulated spaces to fees that are too high for parents to pay. Thus, it appears that regulated centre spaces are not being staffed and, therefore, are not available, in all the provinces except Quebec. This failure to staff spaces does not signal a lack of need for the spaces; rather it reflects parental inability to pay the fees necessary for the centre to cover its full operating costs.

Family day care

All the provinces and territories, except Newfoundland, have regulated family day care. There has been an increase in the official number of regulated family day care spaces on a nation-wide basis since 1989. However, between 1993 and 1995 there was a loss of 32 spaces in Prince Edward Island, 275 spaces in Manitoba and 290 in Alberta[66]. Space statistics are not available for subsequent years. Key informants for this study attributed this loss of family day care spaces to parental inability to afford the fees in regulated care.

Conclusions

It appears that provincial and territorial data bases may overestimate the actual number of regulated spaces available. As parents become less able to afford the fees for regulated care, centres are cutting back on their staffing levels and effectively taking spaces out of circulation. Similarly, regulated family day care providers are leaving the field.

The increasing number of vacant regulated spaces makes it possible to minimize the underlying problem of lack of affordability and to claim that additional regulated spaces are not required. Since child care continues to be needed, the existence of vacant spaces probably signals an increased use of unregulated care. This is care that does not have to meet even basic standards for health and safety and is not monitored by an outside person, as is regulated care. For women, unregulated care means less assurance that their children's health and safety are protected and their development supported and encouraged through active programming.

Quality

The Canadian Child Care Federation has defined quality child care as that which supports and assists the child's physical, emotional, social and intellectual well-being and development, and supports the family in its child rearing role[67]. A number of changes have occurred at the provincial level that jeopardize the level of quality in regulated child care programs. Elimination and reduction of provincial and territorial recurring grants has already been discussed. Other changes include a reduction in, and potential reduction in, existing regulations in some provinces, reductions in the infrastructure that supports quality and the devolution of regulatory responsibilities from the provincial government to local groups.

Reduced provincial and territorial funding

The level of funding is one of the most important factors influencing quality. As a group of American researchers noted, a low level of funding has a direct negative impact on quality in child care because, "the main ways to control costs are through high child-to-staff ratios and low pay, making it difficult to attract and keep better educated staff, the most important factor affecting quality[68]." A large multi-site study in the United States documented that better funded centres were able to employ a greater number of staff with training in early childhood education, had lower child-to-care-provider ratios and experienced lower staff turnover rates than did centres that were more poorly funded. The researchers concluded that funding level has a direct impact on the level of quality in child care[69].

Reduced regulation

Canadian and American research has consistently demonstrated that quality is higher in regulated than in non-regulated child care situations[70]. Furthermore, among regulated settings, quality is highest in those programs operating in jurisdictions that have regulations regarding staff training, the number of children per care provider (ratio) and group size that best reflect the requirements indicated by research[71].

In Canada, each province and territory sets its own regulatory standards. Many of these are significantly below levels found by research to be necessary for a high quality program. For example, most provinces allow a higher number of children per care provider than research suggests is desirable, and in provinces where group size requirements exist, they are all larger than those found to be associated with child well-being[72].

Since 1991, there have been some limited reductions in child care regulations. Alberta has increased the number of infants age 13 months to 18 months who can be cared for by one person from a ratio of 1:3 to 1:4 and the permitted group size for this age group from six to eight. This province has also increased the provider-to-child ratio for toddlers from 1:5 to 1:6 and the group size for this age from 10 to 12[73]. In Nova Scotia, the permitted number of children in unregulated care has been increased from three to six. Ontario has announced that it intends to increase the permitted number of preschool children per care provider in centres, and to permit regulated family day care providers to care for two additional school-age children before and after school[74]. The increases in the permitted number of children per care provider in Alberta and Ontario will reduce the provider's ability to give the children individualized attention. Key informants for this study from four other jurisdictions (Newfoundland, New Brunswick, Nova Scotia and Manitoba) reported that their child care regulations are under review and expressed concern that the reviews would be used to propose reduced regulatory requirements.

Reductions in the infrastructure that supports quality

A survey of 52 child care experts in Canada and the United States found agreement among the experts that, to be effective, government regulations must be monitored and enforced by government officials[75]. Such monitoring is most effective when the official has a background in early childhood education and can review the situation based on a solid knowledge of the developmental needs and tasks of the children being served. Key informants working in the child care field reported reduced frequency of on-site monitoring by government officials in six jurisdictions (New Brunswick, Nova Scotia, Ontario, Manitoba, Saskatchewan and Alberta). In all cases, this reduced monitoring was perceived to be a cost-cutting measure. In the 1980s, Ontario required all its child care licensing officials to have early childhood education training and experience in child care. This requirement is no longer in force[76].

The availability of pre-service and in-service training related to child development supports quality by assisting care providers to understand what is appropriate to expect from a child of a given age and the types of activities that encourage child development. According to key informants for this study, college tuition fees have increased in the last two or three years in all jurisdictions except British Columbia and the Yukon. Colleges and universities in some provinces, such as Ontario and Prince Edward Island, have instituted new user fees in addition to increasing tuition fees[77]. At the same time, it is harder to obtain student grants or loans, and the amount has not kept pace with increases in tuition. For example, grants through the Ontario Student Assistance Plan (OSAP) no longer cover basic tuition fees in several of the province's early childhood education courses[78].

In Ontario and Newfoundland, college faculty have been reduced in number[79]. As a result, the remaining faculty have larger classes and have to spend more hours doing placement supervision. This results in less individual contact with students and decreases faculty availability to provide in-service training for care providers who are not students.

Devolution

As already noted, the level of regulatory requirements and monitoring for compliance with them is important. Alberta is implementing the devolution of all social services, including child care, to 17 local social services boards. Key informants working in child care in Alberta expressed concern that this might mean reductions in regulatory standards. In Ontario, provincial government proposals to devolve regulatory responsibilities to municipalities for social services, such as child care, are raising similar concerns.

Conclusion

Erosion of public funding for regulated the child care and the reduction in regulations and monitoring, and in child care's supportive infrastructure jeopardize the quality of child care in Canada.

Chapter Summary

Federal funding reductions and devolution to the provinces mean that the future of child care is even more dependent on provincial political will and, to a lesser extent, provincial fiscal circumstances, than it was in the 1980s. In several provinces, federal withdrawal has been associated with downsizing and reduced regulation. In some cases, as in Alberta and Ontario, key informants identified the primary cause as being provincial government ideology.

Other jurisdictions, such as Nova Scotia, Quebec, Saskatchewan and British Columbia have tried to protect child care in the face of decreased federal funding. These data, limited as they are, support the idea that both provincial political will and the provincial financial situation influence how child care fares in a particular province.

CHAPTER 4: THE IMPACTS ON WOMEN

Introduction

Providing care, whether for a child, or for a person who is ill, disabled or elderly, is a complex activity involving the mental, emotional and physical effort required to look after, respond to, and support the person receiving care.[80] In our society, most direct care is provided by women — as mothers, wives, daughters of elderly parents and as workers in the helping professions. Men also provide care, but usually do so in a way that is different from women. For men, the exercise of providing care more often means taking responsibility for its provision, e.g., by paying for an elderly parent's homemaker, rather than actually providing the care.

Contemporary expectations that women will be the primary source of the provision of care reflect, in part, the development of the modern industrial society. The market economy's emphasis on the "productive" value of men's work in the highly visible and salaried labour market obscured the significance of women's work in the home, work that is not salaried and is largely invisible. Much of women's provision of care still occurs in a home setting, e.g., a mother with her own children or a family day care provider. Because of the invisibility of women's work, an understanding of the complexities involved in providing care has not been incorporated into the design of our social policies or public services[81]. Nor is it reflected in the value placed on such work. For example, when the care of children has been transferred to the public sphere (the market place), it has remained undervalued. In Canada, province-wide wages for child care providers range from minimum wage to five or six dollars above minimum[82]. The average wage for a warehouse worker, "a job requiring less skill, less education, less experience and certainly less responsibility, is 58% more."[83]

As noted by the 1984 Royal Commission on Equality in Employment, "child care is the ramp that provides equal access to the work force for mothers."[84] For single, or low income mothers, the availability of affordable non-parental child care may make the difference between financial independence and subsistence on minimal social assistance payments. For all mothers, lack of affordable non-parental care may mean having to be out of the paid work force for several years, or part-time participation only.

Child care can ease the burden of full-time parental responsibility for mothers who are neither participants in the paid work force nor students. It also can provide information and support for all mothers and, when of high quality, enrichment and social stimulation for children to supplement parental involvement.

The provision of child care is a major source of employment for women. According to census data, in 1991 there were 181,830 women in one of the following employment classifications: baby-sitters (providers of care in their own home), nannies, parent's helpers, or child care educators or assistants. Women accounted for 97% of the total number of people employed in one of these four categories.[85] The majority of instructors in early childhood education in colleges and universities are also women.

This chapter discusses the impact of the downsizing and deregulation identified in the previous chapter on women as parents, on women as workers in the child care field and on women's equality of access to child care.

The Impacts on Women as Parents

The decrease in government funds for child care, especially since 1990, is:

- reducing women's choices regarding participation in the paid work force;
- reducing women's choices regarding the type of child care they use;
- decreasing supports for mothers who are neither engaged in the paid work force nor students; and
- increasing the likelihood of stress among mothers.

Reduction in women's choices regarding participation in the paid work force

In spite of political rhetoric to the contrary, e.g., the claim by some provincial politicians that diverting funds from operating grants to fee subsidies provides parents with more choice, the reality is decreased choice. Parental choice is limited when regulated child care is not affordable or available. In such situations, parents have only the following choices:

- to use unregulated care;
- to have one parent, or the lone parent, remain out of the paid work force or work only part-time in order to be home to care for the children;
- to arrange to work different shifts, thereby enabling one parent to be at home at all times (this "solution" has its own consequences, for example, a significant reduction in the amount of time the family unit is together); or
- to leave the child unattended or in the care of an older sibling.

Unregulated family day care providers are less likely to have a back-up than their regulated counterparts (who are often associated with a family day care agency). As a result, a mother may find herself without child care should her unregulated provider become ill or unable to provide care for some other reason. Lack of reliable child care can result in women deciding to remain out of the paid work force, or to participate on a part-time basis only, for example, when their children are in school.

Being unable to participate in paid employment increases the likelihood of living in poverty, especially for single mothers. In 1995, the incidence of poverty in families with at least one child under age 12 decreased from 90.7% for families with no earners, to 32.6% for families with one earner, to 7.5% for families with two earners.[86] Even if the woman does not face poverty, she foregoes direct earnings, loses opportunities for career advancement and will probably have a smaller Canada or Quebec Pension Plan benefit and retirement income in general (registered retirement savings plan, private pension and so on) than she would have had otherwise.

A woman who engages in part-time participation in the paid work force because full-time child care is either not affordable or not available, earns less than she would in full-time employment, and has reduced or inadequate access to employer-provided benefits. In 1989, 26% of part-time employees in the service sector were covered by supplementary medical insurance plans compared to 70% of full-time employees. Only 22% had company pension plans compared to 58% of full-time workers.[87] In addition, a woman working part-time may be perceived as lacking long-term career interests, a perception that affects promotion opportunities. Thus, part-time work equates to long-term financial insecurity.

Reduction in women's choices regarding the type of child care they use

As illustrated by Table 1, average fees in regulated child care for three- and four-year-olds range from $340 to $450 a month in the provinces and are higher in the two territories. This represents almost half the after-tax income of women in many clerical and service occupations. As a result, some women in the paid work force have no choice but to use unregulated care.

Decreased supports for mothers not participating in the paid work force

Toy and equipment lending libraries and drop-in parent and child play groups assist mothers in their child-rearing role by providing children with additional sources of stimulation. In so doing, they make a unique contribution to children's development. Occasional child care enables mothers not in the paid work force to address emergency and personal needs and to participate in training and other community-based services. The varied types of programs noted above are sometimes funded through municipal grants. For example, the Westcoast Child Care Resource Centre in Vancouver receives a portion of its operating budget from the municipality. If provincial funds to the municipality are cut as a result of decreased federal transfers to the province, the municipality would face the hard choice of either increasing property taxes or decreasing services. Services such as Westcoast are potential victims of federal or provincial downloading because they are considered “soft” in comparison to “hard” services such as roads and sewers.

Increased stress

The stress associated with leaving a child with a non-relative in order to participate in the paid work force is lessened if the mother feels confident that the care being provided will protect her child’s health and safety and support her child’s development. Such confidence is encouraged when the child is in a situation that has to meet regulatory standards and is monitored on a regular basis by an outside person. However, as documented in the previous chapter, the availability of regulated child care seems to be decreasing in many provinces.

Being limited to the use of unregulated care can be stressful for mothers. Such services do not have to meet any standards, even those related to basic health and safety. Often, this means that there is only one adult present and no regular monitoring of that person’s activities by an outside person. The limitation also means not being able to enrol the children in a centre where they will have the opportunity to develop peer social skills and to benefit from an organized program developed by trained staff.

As discussed in the previous chapter, even within regulated care, the assurance of a program that will support children’s development is decreasing as provincial governments reduce the frequency of their monitoring and change their regulations.

The Impact on Women as Workers

As a result of the changes outlined in the two previous chapters, women as workers are experiencing job insecurity, deterioration in their working conditions and diminished access to educational opportunities.

Job insecurity

As noted earlier, some child care providers have lost their jobs as a result of centres not staffing all their regulated spaces. Key informants from several provinces reported widespread fear of job loss among child care providers and among staff in family support programs such as parent–child drop-in centres.

Cuts to federal transfers under EPF have been associated with early childhood education faculty members losing their jobs in Ontario[88] and Newfoundland.[89] Respondents in other provinces expressed concern that faculty jobs could be at risk in their jurisdictions. This risk was attributed to decreased enrollment as a result of increased fees and decreased access to student loans.

Deteriorating working conditions: Increased workplace stress

Regulated child care providers are already reporting increased stress as a result of funding cutbacks and the resultant need to conserve program materials and assume additional tasks not directly related to caring for children. When the permitted number of children per care giver is increased, as has been done in Alberta, is being proposed in Ontario and, apparently, is being considered in other provinces, care givers experience a conflict between their knowledge that individual attention is necessary for optimal child development and their ability to provide such attention. Research has found that care givers report increased stress when the number of children per care giver is increased.[90]

Some child care providers who lost their centre positions are reported to be working in family day care. Child care providers in centres know what their salary will be each week, work an eight-hour day, and have some benefits, e.g., paid vacation time. On the other hand, family day care providers work, on average, a 10-hour day. Most have no benefits and many are only paid for days and for children where care is provided. They have no guarantee that they will be able to work full-time or at capacity so are subject to fluctuations in earnings over which they have no control.[91] Furthermore, it has been estimated that a family day care provider may spend as much as 40% of her earned income on direct work-related costs such as food and program supplies.[92] Centre staff do not have these expenses. When people who have been working in a centre have to switch to the provision of family day care, they automatically lose financial security, benefits and a career ladder.

Respondents from nine jurisdictions reported that their provincial or territorial government is actively encouraging the development of family day care as opposed to funding centre spaces. In some cases, this was perceived to be an appropriate acknowledgement that family day care providers can be more flexible in their hours of operation, an advantage for the 40% of women in the paid work force who work non-standard or irregular hours.[93] However, the respondent in one province expressed the conviction that the move was part of cost cutting since family day care providers have lower earnings and lower overhead expenses than those found in centres.

Diminished access to educational opportunities

The changes discussed in chapters 2 and 3 affect women's access to educational opportunities in two ways. First, they mean that the affordability of college and university education has decreased. Second, the affordability of child care, an essential support for mothers who are students, has decreased. This has resulted in inequitable access to education for women who are also mothers.

Tuition and other fees

Respondents from all provinces, except British Columbia and the Yukon, reported that tuition fees have increased by several hundred dollars a semester during the last two or three years. In the same period, student loans decreased or remained static and are harder to obtain. The result is significantly decreased affordability, not only for women wishing to take early childhood education courses, but for all college and university students. Key informants view lost federal training dollars, reduced EPF transfers and the additional reductions in transfers under CHST (which are intended not only for post-secondary education but also for social services and health) as directly contributing to this situation.

When reduced affordability results in fewer students, class spaces are not filled. Concerns were expressed by key informants that empty spaces may result in full-time early childhood education programs having to close because they are funded on a per capita basis. Extension courses, such as part-time evening courses and distance education courses, were also perceived to be vulnerable by key informants because students are experiencing difficulty paying the fees. These are the courses used by women already working in the field to upgrade their qualifications and, in so doing, increase their opportunity for career advancement.

Reduced access to child care

Until recently, mothers who were students could receive assistance to meet their child care needs either through the provision of a child care fee subsidy as part of a government training program or student grant, or through college- or university-operated child care programs subsidized by the institution in order to keep parent fees low. This is no longer usually the case. For example, students receiving grants through the Ontario Student Assistance Plan (OSAP) are no longer considered eligible for a regular child care fee subsidy, although they can apply for an OSAP child care bursary.[94] Faculty members from two Ontario early childhood education programs expressed concern that this change has resulted in students dropping out or switching to part-time studies.[95] College faculty interviewed for this study reported that college/university operation and subsidization of child care programs are at risk. The operation of child care programs is not part of the official mandate of such institutions. As a result, child care services are more vulnerable to cuts than "academic" services in times of fiscal restraint.

The Impact on Equity of Access

The changes to child care discussed in the previous chapter will increase the variation in the availability of regulated child care and increase polarization based on socio-economic status.

Increased variation in availability

In 1993, the percentage of children under age 12 with a mother in the paid work force for whom there was a regulated child care space varied from a "high" of 16.6% in Alberta to 5.4% in Saskatchewan and 4.9% in Newfoundland/Labrador.[96] While the lack of child care is a problem for all families right across Canada, it is an even greater issue for families with a child who has special needs,[97] Aboriginal women,[98] rural families[99] and, by extension, Francophone communities outside Quebec and immigrant/refugee families.

The variability in the availability of child care in Canada has not developed in response to the unique needs of families and communities. Instead, it reflects the result of differing economic capabilities, e.g., between the "have" and "have-not" provinces, and differing political will, as discussed in Chapter 2. The federal withdrawal from policy and program development in the social service area signalled by the replacement of CAP by the CHST will maintain and probably exacerbate the existing variability. First, the "have-not" provinces, which have never been able to achieve the same child care levels as the "have" provinces, will have difficulty protecting what they have and will find it impossible to catch up with the "have" provinces. Second, without the enticement for cost sharing that existed under CAP, provinces whose political ideology is not supportive of regulated child care may reduce their expenditures on this service.

Increased polarization based on socio-economic status

An analysis of the 1988 data collected by the *Canadian National Child Care Study* found that children from families with incomes either less than $10,000 or greater than $50,000 were more likely to be in regulated care than children from intermediate income families.[100] This polarization may have been the result of the low income families qualifying for a full fee subsidy and the upper income families being able to afford the full fee. However, because in 1988 there was no particular stigma attached to fee subsidization, children from various socio-economic backgrounds attended the same program.

Interviews conducted with provincial officials for this study indicated that fee subsidies are increasingly targeted to persons on social assistance, with the expectation that the fee subsidy will enable the parent to enter the paid work force. Non-government key informants expressed concern that the targeting of fee subsidies in this way causes them to be associated with "welfare." As a result, some parents who can afford the full fee may not use regulated child care because they do not want their children mixing with "welfare" children. If this occurs, the result would be the loss of a healthy mix of socio-economic groups.

Chapter Summary

Child care is essential for women in their role as mothers to assist them to obtain economic equality and to support them in their role as parents. At the same time, women make up 97% of child care providers. The reduction in the affordability and availability of child care over the last few years has reduced women's choices in regard to participation in the paid work force, decreased supports for mothers not in the paid work force, resulted in increased job insecurity and deteriorating working conditions for child care providers, and diminished women's access to educational opportunities.

CHAPTER 5: PROMISES, PROMISES

Federal Commitments: Federal Follow-Through

Canada's first government proposal for a national child care program was made by Brian Mulroney's Conservative government. However, the 1987 recommendations of the report of the Special Committee on Child Care were very controversial. The report recommended enhanced tax breaks to parents, support of for-profit (commercial) child care and continuation of a limited subsidy system. When a national child care act was tabled in the summer of 1988, it was widely criticized as lacking federal leadership, failing to set national standards or principles, and expanding the role of the Minister of Finance in social programs.[101] The child care act died on the order paper as the 1988 federal election was called. Although the Conservatives won the 1988 election, they never reintroduced national child care legislation or any type of national child care program.

The 1993 federal election and the Red Book

The federal Liberal Party took a new approach during the 1993 election campaign. For the first time, it spelled out, and in some cases costed out, its election promises in a public, widely distributed document, the Red Book. The Liberals said that their integrity as a government would hinge on fulfilling the Red Book commitments.

The 1993 federal election campaign was the first to place child care within an economic context, with both the Liberals and the New Democrats identifying its capacity for supporting both parental employment and job creation. The Red Book made a commitment to expand child care by 50,000 new regulated child care spaces (in addition to those already in place) in each year that followed a year of 3% economic growth, up to a total of 150,000 spaces.[102] The proposed funding was intended to be in addition to cost-shared funds already in place through the Canada Assistance Plan.[103] The Liberals proposed that the $1.8 billion cost of expansion be shared among the federal government (40%, $720 million) the provincial and territorial governments (40%, 720 million), and parent fees (20%, $360 million), with fees based on parental ability to pay.[104]

What happened between 1993 and 1996? On the agenda and off again

Child care and the Social Security Review

Soon after the 1993 election, the Liberal government announced a major review of social programs. For the child care community, the Social Security Review seemed to be a good opportunity to reinforce the idea of a national child care program. However, when the 1994 budget established saving goals for the Review, even before it began its work, it became clear that a primary motivation for the Review was cost saving. Nevertheless, the Liberals backed up their Red Book commitment in the 1994 budget by designating $120 million for child care in 1995-96 and $240 million more in 1996-97.[105]

When *Improving Social Security in Canada* was released as a centrepiece for the Social Security Review in October 1994, it was well received by the child care community. This paper was a federal "first" in its identification of child care as central to three themes: working/employment, learning and security. The paper characterized child care as "lying at the heart" of the three areas, a "critical support for employment," "but more than an employment measure" and as a way to "provide children with a good environment in which to grow and learn."[106] This document was shortly followed by an in-depth analysis of child care in *Child Care and Development: A Supplementary Paper*. It stated that "the federal government suggests that a vision for child care and development across Canada should address the common themes of quality, availability, affordability, and comprehensiveness" and proposed "incorporation of a [national] framework of principles to guide and consolidate investments in child care and development."[107] The supplementary paper concluded by reiterating the federal government's "commitment to improving Canada's child care system, and to developing, with governments, parents and the public, a national framework for child care and development."[108] It also reaffirmed the Red Book's commitment to invest $720 million in new funds in child care expansion over three years beginning in 1995-96.[109]

The federal government's report on the Social Security Review was released in January 1995. It noted that:

> many witnesses...highlighted the need for upcoming federal/provincial/territorial negotiations to agree on a set of principles that would form the heart of a national child care program. [They] stressed the need to revamp the way the federal government finances child care. In their view, moving toward a more dedicated funding approach was necessary for the future.[110]

The report identified child care as integral to social reform. The federal Human Resources Development Committee said: "It is time to strengthen our collective will, and nerve, and kick-start the redesign of social programs in ways that foster the well-being of Canadian children and their parents," then asked, "How do we move toward this new social vision for Canada?"[111]

Child care and the 1995 budget

The 1995 federal budget almost immediately followed the release of the Social Security Review report. In it, the Minister of Finance answered the question posed by the Human Resources Development Committee about how to move forward with a new social vision for Canada. The budget announced the Canada Health and Social Transfer and the reductions in transfer payments described in Chapter 2. In addition, the specific child care allocation that had been designated in the 1994 budget disappeared. Instead, child care became one of the components of the new Human Resources Investment Fund (HRIF) to fund programs that foster employability. This meant a shift in emphasis toward child care's potential as a tool to support employability and away from the Social

Security Review's identification of child development as integral to a conception of child care.

The Quebec referendum - fall 1995

In the period between the 1995 federal budget in February and the Quebec referendum on sovereignty in the fall, the anxiety of the federal government and the public about the possibility of Quebec separation and the future composition of Canada grew. The federal government became extremely wary of any initiatives that could be construed as intruding on Quebec's jurisdiction. However, notwithstanding the CHST and budget reductions, as well as apprehension about national unity, child care remained somewhere on the federal government's agenda, if not on a front, at least on a back burner due, at least in part, to the interest of the Minister of Human Resources Development, Lloyd Axworthy. The results of the Quebec referendum in which a bare — a very bare — majority of Québécois voted for the status quo with Canada shook the federal government and reinforced its caution regarding initiatives that might be interpreted as impinging on provincial jurisdiction.

The Axworthy announcement

However, in spite of federal concerns about national unity and the primacy of the deficit as an issue, on December 13, 1995, the Minister of Human Resources Development was able to announce that an offer of $630 million over a three-year period had been made to the provinces and territories for the implementation of a cost-shared child care program.[112] The $630 million represented the funds in the Red Book for child care that had not yet been committed to the new Aboriginal child care and the new child care research initiatives. Minister Axworthy's expectation that several of the provinces would participate in an initial round of child care development was based on a series of preliminary discussions with provincial governments. During these discussions, Nova Scotia, British Columbia and New Brunswick had expressed clear interest in moving ahead while a number of other provinces had at least indicated an interest in pursuing the discussion.[113]

The Ministerial Council on Social Policy Reform

At the same time, social policy activities were proceeding in a different vein through provincial initiatives. The Ministerial Council on Social Policy Reform and Renewal was formed by the provinces following the Annual Premiers' Conference in 1995. It involved all the provinces except Quebec. The Council was given the mandate to develop a provincial vision for national social policy. In its December 1995 report to the premiers, the Council argued that the provinces and territories must "take on a leadership role with respect to national matters that affect areas of provincial jurisdiction.... [and] speak with a common voice on the essential elements in the national debate on social policy."[114] Furthermore, it noted that federal spending power should not be used "to mount new programs without prior provincial agreement on the nature of federal involvement."[115] The report proposed that social services would fall entirely within provincial jurisdiction. Since child care has usually been treated as a social service in Canada, the report's implication was that it would fall entirely within provincial responsibility. By March 1996, the proposal had been endorsed by all provincial and territorial governments, except Quebec, and the report had been sent to the Prime Minister.[116]

In 1996, the Annual Premiers' Conference released a second paper which reaffirmed the proposals of the December 1995 paper. It added the assertion that the federal government ought not to be able to "unilaterally impose conditions on social programs."[117] This paper was also endorsed by both territories and all the provinces, except Quebec.[118]

The exit strategy

A Cabinet shuffle in early 1996 replaced Minister Axworthy in the Human Resources Development portfolio by Minister Doug Young. It soon became apparent that Mr. Young's priority was Unemployment Insurance reform. In mid-February, the federal government's exit strategy for child care surfaced. Even before formal federal-provincial negotiations had taken place, Minister Young announced that sufficient interest had not been generated among the provinces to enable the federal government to proceed with child care.[119] In fact, several provinces had expressed some interest in pursuing the topic of child care.

The 1996 Speech from the Throne

The 1996 Speech from the Throne had yet one more message for child care. In language that echoed the Charlottetown Accord, it said that "the government will not use its spending power to create new shared cost programs in areas of exclusive provincial jurisdiction without the consent of a majority of the provinces.... Any new program will be designed so that non-participating provinces will be compensated, provided they establish equivalent or comparable initiatives."[120] Based on information already available from the preliminary child care discussions with the provinces, it was clear that fewer than a majority of provinces were prepared to move forward with a new child care program. Through the above statement, the federal government served notice of a self-imposed limitation on its role in social programs.

The National Child Benefit

In 1996, it became evident that child care was off the federal government's agenda. Instead, the federal and provincial governments focused their energy on an income security program, the new National Child Benefit.

Work on a new child benefit began in 1996 among the federal government and all the provinces except Quebec. The child benefit strategy was agreed to by yet another new Minister for Human Resources Development, Pierre Pettigrew, and announced by Finance Minister Paul Martin in the 1997 budget speech. The National Child Benefit comprises the existing Child Tax Benefit, the Working Income Supplement and additional dollars. It will be paid by the federal government to every child living in a family with an income below $25,000. In exchange, provincial governments may reduce welfare payments for low income families with children, dollar for dollar. The provinces have agreed that they could use the funds freed up by reduced social assistance payments for children's services, e.g., breakfast programs and child care for low income children.[121]

Toward the New Social Union

What is the social union?

> The social union is the web of rights and obligations between Canadian citizens and governments that give effect and meaning to our shared sense of social purpose and common citizenship. The social union embodies our sense of collective responsibility (among citizens), our federalism pact (between and across regions), and our governance contract (between citizens and governments).[122]

A social union, therefore, involves certain expectations of the rights, obligations and relationships between citizens and their governments and, in a federation such as Canada, between and among the federal and the provincial/territorial governments. It is not a master plan, nor is it static. Instead, it evolves over time in response to changing perceptions and needs.[123]

The evolution of a new social union

Combining the EPF, a block fund, with the cost-shared CAP, to form the Canada Health and Social Transfer has redefined the roles and responsibilities of the federal and the provincial/territorial governments in social services. The CHST block fund currently lacks principles or conditions. It represents a significant retreat from the model of federal government leadership, particularly evident in the 1960s,[124] in shaping and funding social programs and promoting basic Canada-wide standards. The federal government's self-imposed limitation on its role in social programs provides authenticity for the primacy long sought by the provinces and territories in this area. Thus, the CHST can be viewed as part of the foundation of a new social union.

Just as roles and responsibilities have shifted between the federal and the provincial/territorial governments, so have rights and obligations shifted between citizens and their governments at all levels. This movement is illustrated by initiatives such as the Seniors' Benefit to replace Old Age Security, privatization of human services by some provincial governments and the introduction of the National Child Benefit instead of funding for child care spaces. All these signal a shift in balance from universal to targeted programs, "from primarily public to greater private provision of social services... [and] from direct state funding of services to reliance on the tax system for redistributing income to individuals and families."[125] These shifts toward privatization — either through commercialization of what were public services or downloading onto families or individuals — can be seen as another part of the foundation of a new social union. They will have particular impact on women, since, as discussed in the previous chapter, women are the primary sources of the provision of care in our society.

As described in Chapter 2, the contours of the new social union have been shaped, in large part, by the federal government's responses to concerns about the future of Quebec in Canada, decentralist pressures from all the provinces and a fixation on the deficit. It is important to note that there has been no electoral mandate or public consultation to suggest that Canadians endorse the emerging new social union. The 1993 electoral mandate did not foreshadow the shift in federal-provincial responsibilities associated with the CHST nor the massive reductions in federal transfer payments that accompanied it. In the 1993 Red Book, the Liberals, aspiring to form the Government of Canada, criticized the Mulroney government by observing that "since 1984, the Tories have systematically weakened the social support network that took generations to build. Not only have they taken billions of dollars from health care and from programs that support children, seniors, and people who have lost their jobs, but they have set us on the path to becoming a polarized society, divided into rich and poor, educated and uneducated, with a shrinking middle class."[126]

Child care in the new social union: "The first fatality"

It is especially interesting to consider child care within the framework of the emerging new social union. As this paper has described, neither the provinces, nor the federal government, nor the state of the economy was solely responsible for the collapse of the Liberals' commitment to child care, although all were culpable. Rather, as Bach and Phillips point out, "child care has been the first fatality of the construction by the federal government and the provinces of a New Social Union" [127] — a social union that has shifted from direct state funding of services to reliance on the tax system to redistribute income so individuals and families can make their own service arrangements. The following chapter examines child care in the emerging new social union.

CHAPTER 6: CAN CANADA WORK WITHOUT CHILD CARE?

Child Care as a Policy Tool

In the last few years, it has been increasingly evident that high quality child care is a crucial component in a wide array of strategies that address broad national policy objectives. These objectives include: promoting the optimal development of *all* children, reducing the incidence of child poverty, developing a healthy economy, and promoting women's economic and social equality.

Promoting the healthy development of all children

There is a substantial body of research demonstrating how child care, family and other variables combine to influence children's social and intellectual development in a profound way. This research shows that high quality child care provides intellectual and social enhancement that persists into elementary school, thus establishing a foundation for later success. In contrast, poor quality child care can have a negative impact on children's development. These findings pertain regardless of socio-economic status.[128] The importance of healthy child development for society as a whole, and the positive contribution of high quality child care to healthy development, is now widely understood and acknowledged. Recent reports by a number of national groups not ordinarily involved in child care issues, and international commitments made by the Canadian government, underline this new understanding.

The National Forum on Health

The National Forum on Health, comprising authorities from the medical community, was appointed by the Prime Minister right after the 1993 election. Its mandate is to "advise the federal government on innovative ways to improve our health system and the health of Canada's people."[129] The Prime Minister is the Chair and the federal Minister of Health is the Vice-Chair. Its 1997 report is noteworthy in its emphasis on the correlation between social factors, lifelong health and utilization of the health system. The report notes that "the period from birth to the age of six in a child's life is critical because this is when the brain develops. Healthy brain development affects health and the capacity to participate fully as a citizen and a productive member of society in later life."[130] The report concludes that:

> All children have the right to high-quality care. Most families in Canada need non-parental child care arrangements. Canada's child care system has unacceptable gaps due to problems with quality, availability and affordability. All of these problems create hardship for families and children in most regions of the country. The negative effects of poor quality child care and the positive effects of high quality child care have an impact on children, regardless of social class. Access to affordable, high-quality child care and early childhood education services should be accessible to all, with parents paying fees on a sliding scale based on their ability to pay.[131]

The Forum's report recommends that "governments give priority to ensuring that families have access to such services [high quality child care] during early childhood. The different levels of government should work together to negotiate mutually agreeable solutions."[132]

The provincial/territorial ministers of health

The *Report on the Health of Canadians*, prepared by the Federal, Provincial and Territorial Advisory Committee on Population Health for the meeting of the ministers of health in September 1996, states that fostering healthy child development is one of the major challenges facing Canada. It notes that "there is strong evidence that early childhood experiences influence coping skills, resistance to health problems, and overall health and well-being for the rest of one's life... how we manage stress and respond to life's challenges, our ability to communicate with others, our capacity to express feelings and to respond to the feelings of others, all contribute to health in powerful ways."[133] The report concludes that major areas for government action should include "fostering strong and supportive families, care givers...ensuring a safe, sustainable, high quality environment for all children."[134] The federal government and all the provinces and territories, including Quebec, have endorsed this report. [135]

The National Crime Prevention Council

The National Crime Prevention Council is an appointed body set up within the federal Department of Justice. The Council's 1996 report notes that the vast majority of funding for youth crime prevention goes toward efforts to prevent further offences from being committed by youth who are already in conflict with the law. Noting that high quality child care has been demonstrated to assist children to learn social skills, to control their aggressive tendencies and to respect authority, the report concludes that such services are an important delinquency prevention initiative that should be available to all children.[136]

The United Nations Convention on the Rights of the Child

Canada has made formal commitments to its children in the international arena by becoming a signatory to the United Nations Convention on the Rights of the Child in 1990. Canada was an active participant in drafting this Convention. In 1990, Brian Mulroney, who was then Prime Minister, hosted a world summit at the United Nations to promote this endeavour. The Convention covers a wide variety of issues including: poverty, health, education and protection from physical violence. It states that parents "have the primary responsibility for the upbringing and development of the child [but states]...shall render appropriate assistance to parents and legal guardians in the performance of their child-rearing responsibilities and shall ensure the development...of services for the care of children." In particular, states "shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services."[137]

Reducing the incidence of child poverty

In 1989, the elected representatives in the House of Commons of Canada unanimously passed a resolution "to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000."[138]

In announcing the National Child Benefit in 1997, both the federal and the provincial governments signalled an intention to address the issue of child poverty. However, individual income transfers alone will not solve this issue. Assisting parents to participate in the paid work force, provided assistance raises family income above the poverty level, is also an important strategy for addressing child poverty. The lack of affordable, high quality child care has been found to be a barrier to work force participation of low-income mothers. A study on the federal government's Self-Sufficiency Project found that difficulties obtaining affordable care that the mother trusted was a factor differentiating mothers on social assistance who chose to participate from those who did not.[139]

The need for affordable child care as part of the strategy to reduce the incidence of child poverty has been acknowledged by the provinces and territories. The participants at the 1996 Council on Social Policy Reform and Renewal meeting, while discussing the establishment of a child tax benefit to assist low income families, also acknowledged that low income parents need services such as affordable child care.[140] A similar position was expressed at the Social Services/Health Ministers' meeting in January 1997.[141]

Developing a healthy economy

The development of a healthy economy has two components. First, maximize the effectiveness of the existing work force; second, develop the base for a skilled, effective work force for the future. There is considerable evidence that the availability of affordable, stable, high quality child care services increases parents' ability to be effective workers. The *Canadian National Child Care Study* found that parents who had difficulty finding or maintaining appropriate child care reported worrying about their children when they were at work and a reduced commitment to work because of their child care problems.[142] These reactions would inhibit their productivity.

In another study, a survey of 22,000 Canadian families, 40% of working mothers reported significant difficulty balancing the demands of their work and family responsibilities.[143] A third study done in Canada, involving 1,600 organizations and over 11,000 employees, found that workers who reported experiencing difficulty juggling work and family responsibilities missed an average of 4.5 full days from work during the previous six-month period. In comparison, workers reporting no difficulties balancing the demands of family and work missed an average of 2.5 days during the same time period.[144]

The above studies indicate that access to affordable, quality child care is crucial in supporting the effectiveness of parents as workers in the labour force.

Success in an international marketplace dominated by new knowledge and technology depends on a work force with high literacy and numerical skills, good problem-solving ability and adaptability. A 1995 estimate produced by Human Resources Development Canada indicates that 55% of all new jobs created between 1995 and 2000 will require a minimum of 12 years formal education.[145] Canadian and American research has demonstrated that school readiness at age 6 is a significant predictor of whether the child completes high school.[146] The extent to which the child of 6 is school ready is a function of the child's previous exposure to warm and supportive care giving, to language and to stimulating activities.[147] From this perspective, our society as a whole has a substantial interest in supporting the development of young children by supporting parents in their parenting role. This includes ensuring the availability of affordable, quality child care.

Promoting women's equality

Canada is a signatory to three international agreements to promote women's equality: The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Nairobi Forward-looking Strategies for the Advancement of Women (FLS) and the Beijing Declaration and Platform for Action. The federal government is on record as stating its commitment to ensure compliance within Canada with its international commitments under the CEDAW and the FLS.[148]

The CEDAW has the standing of a "legally binding covenant," as acknowledged by the Secretary of State (Status of Women) in 1995.[149] Article 11.2 (c) of this Convention states that signatories should take appropriate measures to: "encourage the provision of the necessary supporting social services to enable parents to combine family obligations with work responsibilities and participate in public life, in particular through promoting the establishment and development of a network of child-care facilities."[150]

The FLS does not have the formal legal status of the CEDAW but represents the moral sanction of a consensus vote of 159 states. It identifies lack of child care as a fundamental obstacle to women's equal access to economic and educational opportunities. Paragraph 230 specifically states that public expenditures for child care should be increased.[151]

The Beijing Declaration and Platform for Action reaffirms its signatories' commitment to the CEDAW and to the achievement of full and effective implementation of the FLS. It specifically notes that the upbringing of children should be the shared responsibility of parents and society as a whole, and that motherhood should not restrict the full participation of women in society.[152]

The federal government has stated that it is committed to "contribute to provincial programs that support women's autonomy and economic well-being" and, to this end "will continue to seek new partnerships with provinces and territories to explore arrangements for child care financing."[153] However, the shifts in government roles and responsibilities and the decreased federal funding documented in this paper undermine child care and, thereby, women's efforts to achieve equality, whether it be equality of access to education and training, equality in the paid work force, or equality of participation in society in general.

Child Care as an Issue of National Importance

As the National Forum on Health and the National Crime Prevention Council have suggested, high quality child care provides collective, as well as individual benefits. When families can be economically self-sufficient because affordable, reliable child care enables parents to work, when employed parents are not distracted when on the job because of child care worries, when children receive social and intellectual enhancement that assists them to be school ready at age 6, the whole society gains. From a fiscal perspective, high quality child care contributes to the tax base because parents who are in the work force pay income taxes. Community services like child care can also be part of the "glue" that supports the kind of social cohesion that is recognized as a prerequisite for prosperous, democratic societies.[154] Thus, the availability of affordable, quality child care is in the public interest and public expenditures for child care should be seen as a public investment, not merely a public cost.

Child Care as a Test Case

This paper has reviewed child care's roller coaster ride on and off the political and policy agenda since the 1970s, with special reference to the 1990s. It has identified the negative impact of the deficit reduction, devolution, downsizing and deregulation activities of all levels of government over the last few years. The paper has pointed out that objectives that have been identified as important to Canada as a nation — healthy child development, economic and social prosperity, and women's equality — will be difficult to achieve without affordable, high quality child care. Furthermore, lack of child care will make it difficult for Canada to meet its international commitments related to children and to women's equality. Finally, the paper has illustrated that roles and responsibilities between levels of government have shifted so dramatically that it is difficult to determine how a program of national significance, such as child care, can emerge.

The following section discusses child care as a test case for determining how the new governmental arrangements — the new social union — might resolve issues of national importance. It examines five options[155] for addressing child care in the "new" Canada. In so doing, it attempts to determine the strengths, weaknesses and barriers associated with each option. The extent to which an option might be effective is judged on the basis of its ability to provide equality of access to affordable, quality child care across the country in support of national objectives. This paper has suggested that appropriate national objectives are: promotion of healthy development for all children, reduction of the incidence of child poverty, development of a healthy economy and promotion of women's equality.

Option one: Each province and territory develops its own approach without federal involvement.

This approach reflects the situation that has been in place since the CHST was implemented. As an option, it does not appear to have any strengths. One of its weaknesses is that, as documented in this report, it has failed to provide equitable access to affordable, high quality child care from coast to coast or even from region to region. A second weakness is that the wide range of current provincial ideologies and approaches to policy makes it unlikely that the various jurisdictions would develop similar principles or programs. As a result, this option appears to be incompatible with the provision of child care services that could support national objectives such as promoting the development of all children or assisting in the development of a healthy nation-wide economy. Third, under this option, it would be difficult to develop or implement mechanisms for ensuring public accountability or even monitoring of child care provisions for Canada as a whole.

Option two: The federal government takes a leadership role and uses its spending power to ensure provincial and territorial compliance with Canada-wide principles developed at the federal level.

In a limited way, this approach was applied to child care under the cost-shared Canada Assistance Plan. In a more developed form, it mirrors the current situation for health care under the *Canada Health Act*, although federal health spending is now encompassed in the block-funded CHST. This option would involve federal funding and monitoring even though services would be delivered at the provincial and territorial level.

One strength of this option is that it would provide a coherent way to develop a national policy that could ensure similar, although not identical, provincial/territorial/First Nations child care programs, monitoring for service delivery and outcome, and mechanisms for public accountability for spending. It could, therefore, provide child care services able to support national objectives. Second, this option would encourage the development of Canada-wide equality of access. The weakness of this option, and the barriers to its implementation, stem from the recent governmental shifts with respect to responsibility for social programs described earlier in this paper. At this time, federal leadership in the child care area is unlikely to be acceptable to the provinces.

Option three: The provincial, territorial and federal governments work collaboratively to develop a Canada-wide framework.

This option's strength lies in it being the kind of collaborative endeavour that is compatible with the "spirit of partnership and dialogue" between the federal and the provincial/territorial governments advocated in the 1996 Speech from the Throne. It is also the approach used to develop the new National Child Benefit. While the provinces appear willing to accept federal involvement in an income transfer, the fact that social services have been identified as within provincial jurisdiction might mitigate against provincial acceptance of more than a minor role in child care for the federal government. Other weaknesses are that this option requires an initiative by at least one of the players, agreement among the provinces and, probably, a major funding role by the federal government.

Option four: The provinces and territories, in the absence of the federal government, work together to develop a Canada-wide approach.

From the perspective of obtaining provincial and territorial buy-in, the absence of federal involvement could be a strength of this option. However, like the third option, this option requires at least one player to take the initiative and agreement among the provinces and territories. Agreement may be difficult to obtain. Even if all parties did agree to a plan, the issue of ultimate responsibility for monitoring and ensuring compliance would remain, as would the key question of funding.

Option five: One province undertakes a strong child care initiative, thus setting an example for the rest of Canada. The federal government contributes to the program's cost and, eventually, other provinces follow suit.

This was the model through which medicare evolved. One province, Saskatchewan, established a publicly funded health system in 1961. Within five years, the federal government had begun to share the costs of approved medical services in this province. Within 10 years, the federal government was sharing some of the costs of health care in all the provinces. Over the years, a stronger policy and funding role emerged for the federal government, culminating in the *Canada Health Act* in 1984.

How this option might be applied to child care can be considered by examining the current child care initiatives in Quebec. Unlike the rest of Canada, Quebec has announced that there will be some dramatic changes in its child care situation over the next few years. These include integration of kindergarten and child care, universal funding arrangements and the expansion of a complementary family leave policy. Quebec has asked the federal government to share the cost of these advances. If child care continues to deteriorate in the rest of Canada, Quebec could be the model that parents might pressure their provincial governments to emulate and their federal government to support.

This option's strength lies in the fact that while it requires only one province or territory to get it started, it could yet evolve into a national child care program. Its main weakness is that only one or a few provinces might want to be involved.

Conclusion

Option one, the status quo, neither provides for equity of access across the country nor for the development of a child care system able to support national objectives. Any of the other four options could support national objectives, provided that one level of government took a leadership role. However, regardless of the option, there would be a need for considerable co-operation, commitment and teamwork among the federal, provincial and territorial governments.

Guiding principles

A set of principles, along with clearly articulated objectives, provides a reference point for assessing both the design and implementation of policies and services. The following list of principles is drawn from a variety of sources, including a decade of work by the Child Care Advocacy Association of Canada and the report of the proceedings at a 1994 national child care workshop hosted by the federal government[156]. The principles also reflect articles 18, 19, 24, 27 and 29 of the United Nations Convention on the Rights of the Child, to which Canada is a signatory.

Children

1. Society has a collective responsibility to ensure that *all* children receive the care and services necessary for their well-being and optimal development in the physical, social, emotional, language and intellectual areas.

2. Every child has the right to equal access to the type of child care service that will ensure his or her well-being and enhance his or her development regardless of the child's place of residence, degree of ability or disability, race, culture or language, or the parents' employment status.

3. Disabled children, regardless of the type or level of their disability, have the right to enrollment in the same child care services as non-disabled children, and the right to the necessary supports to enable them to do so.

Parents

4. Parents have the primary responsibility for their children. They have the right to choose how their children will be cared for, including the right to stay at home, to use child care services, or to use a combination of staying at home and child care services.

5. Society has a collective responsibility to ensure a supportive context for raising children for *all* families. This includes policies, such as maternity and family responsibility leave, and funding that makes child care services affordable for all families wishing to use this service, regardless of family income.

Women

6. Every woman has the right to participate in the paid work force and to participate in the social, cultural and political life of her community. The availability of child care services assists women to exercise this right.

Child care providers

7. Early childhood educators and other workers in child care services have the right to good working conditions and to salaries and benefits commensurate with their educational level, responsibility and professional training.

Society

8. Society has the right to expect that child care services receiving public funds be held accountable to the people they serve, the community in which they are located, and the taxpayer for the provision of high quality, responsive services that make the best use of their human and financial resources.

9. Society has the right to expect that child care services receiving public funds operate on the basis of anti-bias programming, are respectful of each individual family's values, culture and language, and encourage parent participation.

The requirements of a national child care system[157]

A national child care system should be:

1. ***Comprehensive:*** that is, provide a range of child care/early childhood education options including full- and part-time group child care services, family day care, emergency child care, seasonal child care services, periodic child care for stay-at-home parents, support services for stay-at-home parents and other caregivers (e.g., drop-in programs and educational opportunities), care in the child's own home for specific situations where this is the most appropriate approach and complementary family supports such as paid maternity, parental and family responsibility leave.

2. ***Universally available:*** that is, a sufficient supply of affordable child care services so all children age 0 to 12 and their families that want to use such services can access them regardless of the region they live in, the family's income, the child's level or type of disability, or the parent's employment status. Universally available does NOT mean compulsory. Nor is an assumption being made that all families with children between age 0 and 12 would want to use child care services. To implement this requirement of universally available, there must be adequate funding and local planning mechanisms to identify the appropriate mix and volume of services to meet the community's need.

3. ***Affordable:*** that is, child care services within the financial reach of all families that wish them. To implement this requirement, government would need to contribute a substantial portion of the funds required to operate child care services.

4. ***High quality:*** that is, child care services that reflect the best available research knowledge about adult behaviours and program characteristics that are consistent with child well-being and optimal development. To implement this requirement, there must be regulatory standards related to care provider training, the number of children per care giver, and group size that are consistent with research findings about what is desirable. To maintain quality, there must be monitoring for compliance with regulations and sanctions for non-compliance, ongoing staff training, support for family day care providers and ongoing research into factors that affect children, families and child care providers. Since research indicates that non-profit services are more likely to be high quality than for-profit services, child care services should be operated on a non-profit basis.

5. ***Responsive:*** that is, a system that has sufficient spaces, allows a range of enrollment options within and between programs so care is available at the times, and on the days, that it is required, addresses the requirements of children with special needs, and supports cultural and linguistic diversity. To implement this requirement, there must be adequate funding and mechanisms for parent and community input into service planning.

6. ***Accountable:*** that is, services that are responsible and held responsible to the children, parents and community served and to the taxpayers. To implement this requirement, there must be mechanisms for ongoing and substantive parent and community input into policy and program decisions, governance by a community board or by elected municipal politicians, and monitoring to ensure quality and that services are meeting user and community needs.

7. ***Co-ordinated:*** that is supportive of continuity for the child through the maintenance of linkages among child care services and between child care services and recreational and school services. To implement this requirement, there would have to be formal planning mechanisms at the community level.

Can the "New" Canada Work?

> "One way or another, the fate of humanity in the new millennium [will] depend on the restoration of public authorities."[158]

The above review of five possible options for the development of a Canada-wide child care approach illustrates the challenges facing the "new" Canada. Any one of these options, except option one, could result in the development of a Canada-wide child care system able to address national objectives. This paper suggests that governments in Canada need a test case or a demonstration project to determine if the "new" Canada that is evolving can work, and that the development of an action plan for child care could be that test case. It must be undertaken as soon as possible, before provincial child care policies and programs deteriorate much further.

In the next few years, windows of opportunity for a child care "test case" may open. The National Children's Agenda could be one such window. First discussed in 1996, the Children's Agenda is a joint undertaking of provincial ministers of social services or human resources and ministers of health. A National Children's Agenda, intended to provide "a national approach to healthy child development" as "a priority within the overall social policy renewal process,"[159] would seem to be a logical vehicle to use to move forward on all children's issues, including child care/early childhood education. The cross-sectoral nature of the Children's Agenda would lend unique strength, weight and coherence to its use as a vehicle for the child care test case and could appropriately accommodate child care's unique cross-sectoral nature.

There is solid support for child care: a 1996 public opinion poll found that 65% of the people surveyed supported the idea of a national child care program.[160] Many diverse sectors of contemporary society support the concept of a national child care program and are committed to continue to advocate for one. The challenge is to develop a Canada-wide child care plan of action that works for children, women, families, employers, communities and society at large. Child care should not be the first casualty of the new social union; instead, it should be its first success.

APPENDIX A

FEDERAL FUNDING WITHDRAWAL

The announcement of the CHST was a natural extension of the federal government's retreat from cost sharing and reductions in the amount of block funds to the provinces and territories beginning in the 1970s.

The retreat from cost sharing

The implementation of the Established Programs Funding (EPF) block grant

Under the Post-secondary Education Cost Sharing Agreement of 1967, the federal government paid 50% of the national average of operating costs, or a specific per capita amount, depending on what a province preferred. The exception was Quebec. This province opted out and instead received 8.5 personal income tax point abatements. Under the terms of the *Medical Care Act 1966-67*, Ottawa paid 50% of national average costs for medicare.[161] The actual percentage of costs received from the federal government varied considerably across the provinces from 41% to 75% for medicare, from 47% to 60% for hospital insurance and, for post-secondary education, from 43% to 76%.[162] The 1977 Established Programs Agreement (EPF) put hospital, medicare and post-secondary education under one block grant. One of the stated objectives was to bring about equality among the provinces with regard to the amount of federal funds they received for medical and post-secondary services. Of equal importance was the fact that the Agreement made the provision of federal funding independent of the growth of health and post-secondary education costs in the provinces. Instead, provinces (except Quebec) would receive tax points and cash payments. The cash payments were set at a roughly equalized per capita amount, indexed to the three year average Gross National Product (GNP) and provincial population growth.[163]

The retreat from open-ended cost sharing under the Canada Assistance Plan

The 1966 introduction of the Canada Assistance Plan (CAP), under which the federal government would reimburse the provinces for up to 50% of their CAP-eligible child care expenditures, *regardless* of the amount of those expenditures, was the federal government's first significant involvement in the funding and provision of child care.[164] Initially, CAP cost sharing was limited to fee subsidization for eligible low income families. In 1972, cost sharing of operating costs (overhead) for those spaces used by children whose parents were receiving a fee subsidy was added. An amendment to the guidelines regarding "likelihood of need" in 1984 enabled provinces to include families that previously would not have been eligible for fee subsidy under CAP.[165] As a result of these changes, federal expenditures on child care under CAP went from \$114.5 million in 1985-86 to \$143.9 million in 1987-88.[166] The open-ended provision of the agreement meant that federal expenditures would continue to increase as long as the provinces and territories increased their child care expenditures.

In 1987, the Conservative government introduced a proposal for a national strategy on child care. This included national child care legislation that would authorize the spending of $3 billion (later increased to $4 billion) dollars on child care over seven years through a new funding agreement with the provinces to replace the existing child care provisions under CAP.[167] The proposed changes put a limit on federal contributions over a fixed time period. The proposed legislation also included a formula that would acknowledge the different abilities of provinces to contribute their share of the funding. The combination of a ceiling on federal funds and individual province-by-province negotiations would have converted the open-ended cost sharing arrangement of CAP into the equivalent of negotiated block funding grants. However, unlike block funding, the provinces and territories would still have had to spend in order to get their allotment. The 1988 federal election was called while the proposed legislation was still being debated in the Senate. Consequently, the act died on the order paper. Although the Conservatives won the election, they never reintroduced national child care legislation during their second term in office.

In 1990, the federal government unilaterally repudiated its cost sharing agreement under CAP by announcing that its contributions to Alberta, British Columbia and Ontario would be limited to a 5% annual growth for two years. In the following year's budget, the federal government extended the limit on growth for these three provinces until the end of the 1994-95 fiscal year. The 1995 budget extended the limit in growth of reimbursement for Alberta, British Columbia and Ontario until the end of fiscal year 1995-96, at which point CAP was replaced by the Canada Health and Social Transfer (CHST). The three provinces that were subject to the limit on CAP reimbursement did not get any redress for past losses when the CHST was implemented. The transfers to the provinces under CHST were allocated among them in 1996-97 in the same proportion as they had received their combined CAP and EPF in 1995-96.[168]

Finance Canada estimated the loss to Alberta, British Columbia and Ontario through the limit on CAP reimbursements as $2.3 billion between 1990-91 and 1994-95.[169] However, Ontario alone estimates its cumulative loses to be $7.7 billion in this period.[170]

The Liberals' 1994 budget announced that entitlements to the provinces under CAP, or any successor, were to be no higher in 1996-97 than they had been in 1993-94.[171] In real terms, this meant that even if a province or territory significantly increased its expenditures on CAP-eligible items, it would not receive a commensurate increase in federal cash transfers. It therefore represented a retreat from open-ended cost sharing.

Funding reductions

Under Established Programs Funding

The EPF structure consisted of two parts: a block transfer of cash, and the transfer of income tax points (so income tax equivalent to the value of these points was paid directly to the province/territory rather than to the federal government). The cash transfers, which were based on the pre-1977 federal cost-shared payments related to provincial health and post-secondary education expenditures, were annually escalated in line with population growth and the full increase in the GNP until 1983. At that time, the post-secondary education component was limited to 6% growth, then to 5% growth the following year. In 1986, the government announced that the EPF transfers would be based on the GNP growth minus two percentage points. This de-indexation meant that the amount of transfer was unlikely to keep pace with inflation. In 1989, indexation was restricted to the rise in GNP less three percentage points. In the following year, transfers were frozen at their 1989-1990 level for 1990-91 and 1991-92. This freeze was extended in 1991 to the end of 1994-95.[172]

The partial de-indexation imposed in 1986 and 1989 had the effect of siphoning billions from federal cash transfers to the provinces. It has been estimated that the provinces and territories, as a group, would have lost approximately $98 billion in federal social transfer payments under EPF between 1986 and 2000 compared to what they would have received if the above changes had not been made.[173]

The implementation of the CHST

As noted above, the federal government had previously imposed limits on the growth of its transfers or reduced their purchasing power through de-indexation. The announcement of the CHST was different in that it involved actual spending cuts, not simply a reduction in the rate at which federal expenditures would increase.

APPENDIX B

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APPENDIX C

QUESTIONNAIRE TO CHILD CARE ORGANIZATIONS' PROVINCIAL AND TERRITORIAL REPRESENTATIVES

Please put a check mark beside each relevant answer for each of the following questions. In some cases, for example, question one, more than one answer might apply, therefore, you would put a check mark beside more than one answer. If at all unsure of what to do, please call Gillian Doherty, collect, at (905) 845-2550.

If at all possible, please return the questionnaire in the enclosed stamped self-addressed envelope by **January 13, 1997.**

Questionnaire completed by: ______________________________

1. There appears to be a general view that the affordability of regulated child care has *decreased* in the last five or six years. Is this the situation in your jurisdiction?

   No ___

   Yes ___

   I don't know ___

   If you answered "yes", which of the following answers apply? You may put a check mark beside more than one answer.

   fees have increased, but the fee subsidy amount has not kept pace ___

   fees have increased, but average parent earnings have not increased at the same level ___

   low-income parents have greater difficulty obtaining a subsidy because the total fee subsidy budget has decreased ___

   low-income parents have greater difficulty obtaining a subsidy because the subsidy eligibility criteria have been tightened ___

   the upper income level (the level above which a parent is ineligible) has been lowered ___

   other, please specify _____________________________________

2. The official space statistics for the provinces and territories (the number of regulated spaces) suggest little or no loss of centre spaces. However, some key informants have suggested that spaces are being lost by simply not being staffed (although officially still on the books as licensed) because the centre cannot fill all its spaces. Is this happening in your jurisdiction?

   No ___

   Yes ___

   I don't know ___

3. It has been suggested that some regulated family day care providers are caring for fewer children than the number for which they are licensed. This may be occurring because parents cannot afford the fees, so the provider cannot fill all her spaces. Is this happening in your jurisdiction?

   No ___

   Yes ___

   I don't know ___

4. In some jurisdictions, it appears that the government is actively encouraging commercial (for-profit) child care? Is this happening in your jurisdiction?

   No ___

   Yes ___

   I don't know ___

5. Some key informants have suggested that the government in their jurisdiction is moving toward encouraging a greater proportion of family day care spaces rather than centre spaces. Is this happening in your jurisdiction?

   No ___

   Yes ___

   I don't know ___

6. In some places it appears that there has been a decrease in the frequency of government on-site monitoring (licensing) visits over the past five or six years.

Has this happened in your jurisdiction?

No ___

Yes ___

I don't know ___

Are there rumours or suggestions that it might happen?

No ___

Yes ___

7. Have there been any changes since **Summer 1995** in any of the following:

the amount and/or type of operating grant to **centres.** That is, a grant given by your jurisdiction's government to a centre each year, for example, an operating grant, infant incentive grant, wage enhancement grant, special needs grant?

No ___Yes ___

the maximum amount of parent fee subsidy per child?

No ___Yes ___

the amount a subsidized parent must pay, sometimes called a "user fee" or a "clawback"?

No ___Yes ___

are there rumours or definite announcement of changes to any of the above three things for 1997?

No ___Yes ___

If you answered "yes" to any of the above questions, please briefly provide details in the space below, e.g., amount, year of implementation.

Thank you for your assistance.

APPENDIX D

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APPENDIX E

Appendix E-1
Recurring Grants Provided to Regulated Full-Day Centre Programs for Children Age 0 to 6, by Jurisdiction

Jurisdiction	Type of grant	1993	1995	Comments/update
Newfoundland and Labrador	Operating grant	none	none	Grants suspended in 1993 and not reinstated
Prince Edward Island	Operating grant Infant incentive grant Special needs grant	$0.91/day/space $250/infant/year up to $11/hour	no change no change no change	In 1991, the child care centre maintenance grant was frozen, centres opening after that date cannot obtain it. This effects 30 of 132 centres. In 1993, all operating grants were reduced by 9% from 1992 levels except for infant incentive grants
Nova Scotia	Salary enhancement Infant incentive grant Equipment grant Special needs grant	$3.25/day/space $21.00/infant/day $130/space/year up to $22/child/day	no change $21.45/infant/day no change no change	No changes
New Brunswick	Operating grant Special needs grant	$13.55/space/year $3,000/space/year	none no change	In 1994, operating grants were decreased by 50%; in 1995, they were eliminated
Quebec	Operating grant Infant incentive grant Special needs grant	$34,202/year plus 30% of the centre's revenue $6.59/infant/day $18.31/child/day plus up to $1,567 for special equipment	Based on a formula, approximately $2,500 - $3,000/year/preschooler, infant grant in addition $8/infant/day $19.66/child/day plus up to $1,629 for special equipment	In 1996, the provincial government announced that new for-profit centres would not be eligible for recurring operating grants

Appendix E-2
Recurring Grants Provided to Regulated Full-Day Centre Programs for Children Age 0 to 6, by Jurisdiction

Jurisdiction	Type of grant	1993	1995	Comments/update
Ontario	Salary enhancement Special needs grant	Approximately $5,000/year/staff Amount depends on the availability of funds and the child's needs	Approximately $6,000/year/staff Amount depends on the availability of funds and the child's needs	The salary enhancement grant was capped in 1996; as a result new centres cannot obtain it. A 1996 government consultation paper suggests reducing this grant for all centres in order to increase fee subsidies
Manitoba	Operating grant Infant incentive grant Special needs grant	$1,196/preschool space/year $1,768/infant/year Available in theory, but currently a waiting list	no change no change no change	In 1993, operating grants decreased by 4% over the previous year for child care and by 50% for nursery schools. Centres that opened after 1992 are not eligible for operating grants
Saskatchewan	Operating grant Teen centre grant Special needs grant	infants = $40, toddlers = $35, preschoolers = $30/space/month $425/child/month $200/child/month	no change no change $200-$300/child/month (depending on needs)	In 1996, a wage enhancement grant was implemented and promised for three years. Each staff person gets $75 a month
Alberta	Operating grant Special needs grant	infants = $180, toddlers = $100, preschoolers = $78/space/month Amount depends on the availability of funds and the child's needs	infants = $165, toddlers = $85, preschoolers = $65/space/month no change	In 1990, the operating grant was: infants = $257, toddlers = $131, preschoolers = $78/space/month. In 1996, the operating grant was again cut to an average of $73 per space

Appendix E-3
Recurring Grants Provided to Regulated Full-Day Centre Programs for Children Age 0 to 6, by Jurisdiction

Jurisdiction	Type of grant	1993	1995	Comment/update
British Columbia	Operating grant Salary enhancement Infant incentive grant Special needs grant	none none $5/infant/day The amount depends on the child's needs	none Based on a formula, so varies across centres $5/infant/day The amount depends on the child's needs	Although there has been no formal announcement, centres report that since late 1995 both the salary enhancement grant and the infant incentive grant have been frozen*
Northwest Territories	Operating grant Special needs grant	$5.00 - $9.50/space/day, amount depends on location none	up to $14.25/space/day, amount depends on the centre's geographic location none	In 1996, a special needs grant of $7.50/child/day was instituted
Yukon	Operating grant Infant incentive grant Special needs grant	Based on a formula, average 20 space centre would get $34,200/year The additional cost of caring for infants is calculated in the operating grant formula The additional cost of caring for a child with special needs is calculated in the operating grant formula	No change in approach, but operating grants are only available to centres licensed before September 1995. If a centre receiving a grant closes, then a centre licensed after September 1995 becomes eligible for a grant	No changes

Sources: Childcare Resource and Research Unit, 1993; 1997; key informant interviews conducted for this study.

Notes: A salary enhancement grant is paid to a centre to be applied solely to increasing staff salaries. An infant incentive grant recognizes the additional cost of caring for infants. A special needs grant recognizes the additional cost of caring for a child who has special needs.

* Centres starting operation since November 1995 report they have been unsuccessful in their applications for salary enhancement grants for any staff. Centres existing before that time have not been able to obtain salary enhancement for new staff. No new centres have been able to obtain infant incentive grants.

Appendix E-4
Recurring Grants to Regulated Family Day Care Homes, by Jurisdiction

Jurisdiction	1993	1995	Comments/update
Newfoundland and Labrador	No regulated family day care	No regulated family day care	No regulated family day care
Prince Edward Island	$450/year (This represents a reduction of 9% from 1992 levels)	no change	no change
Nova Scotia	10% of approved per diem or $1.65/day/space	no change	no change
New Brunswick	none	none	no change
Quebec	$22,800 for agencies with 50 or more spaces, $11,400 for less than 50 spaces, plus $312/child/year and $1,253/provider	$23,498 for agencies with 50 or more spaces, $11,849 for other, plus $325/child/year and $1,302/provider	no change
Ontario	Administration grant to agencies based on a formula, actual figures not available from the province	Administration grant to agencies based on a formula, actual figures not available	no change
Manitoba	Up to $572 for infants and $195 for preschoolers per month	no change	no change
Saskatchewan	Infants = $40, toddlers = $35, preschoolers = $30/child/month	no change	no change
Alberta	$103/infant or toddler, and $65/preschooler/month to the supervising agency	$95/infant or toddler for first 10, then $71, $65/child for children age 3-4.5, $53 per child for over age 4.5	In 1996, the grant cut to an average of $73 per child
British Columbia	$3/infant or toddler/day	$3/infant or toddler/day	no change
Northwest Territories	$5 to $9.50/space/day, amount depends on location	Up to $14.24/space/day, amount depends on location	no change
Yukon	Based on a formula calculated on the ages of the children and the cost of the care	No change in approach, but only available to homes licensed before September, 1995	no change

Sources: Childcare Resource and Research Unit, 1993; 1997; key informant interviews conducted for this study.

GLOSSARY

Affordability

Affordability depends on the proportion of after-tax family income required to purchase child care. If, for example, child care purchase requires 10% of a family's after-tax income, it would be considered affordable since there would still be sufficient income left to purchase food, shelter, clothing and other items. Child care would not be considered affordable if it required 50% of after-tax income.

Canada Assistance Plan (CAP)

An agreement, which has been replaced by the CHST, between the federal government and the provincial/territorial governments that permitted the federal government to reimburse provinces and territories for some of their eligible social service expenditures, including child care.

Canada Health and Social Transfer (CHST)

A block grant from the federal government to the provinces and territories as a contribution to their expenditures for health, social assistance and related social programs and post-secondary education.

Centre-based child care

The provision of regulated and monitored non-parental care in a group setting outside the child's home.

Establishing Programs Financing (EPF)

An agreement, which has been replaced by the CHST, between the federal government and the provincial/territorial governments under which the federal government transferred cash and income tax points to the provinces and territories. This program was intended to assist in the provision of health and post-secondary education services. However, there was no requirement that the provinces and territories actually use the funds for these services.

Family child care

The provision of non-parental care in the care provider's home.

Regulated care

Child care provided in a centre or a family child care setting that operates under regulations set by the province or territory in which it is located. In addition to having to meet government standards, such settings are monitored by an outside person.

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Endnotes

1 Doherty, 1994, p. 36.

2 Doherty et al., 1995,Table 8, p. 46

3 Ibid., p. 50.

4 Jetté and Dumont-Smith, 1994.

5 National Coalition for Rural Child Care, 1995.

6 Child Care Advocacy Association of Canada, 1993.

7 Friendly and Oloman, 1996, p. 273.

8 Doherty et al., op. cit., pp. 39-44. Affordability depends upon the proportion of after-tax family income required to purchase child care. If, for example, child care purchase requires 10% of a family's after-tax income it is more affordable than if it requires 50% of after-tax income.

9 Friendly and Oloman, op. cit., p. 281.

10 Ibid., p. 282.

11 Friendly, 1994, p. 143.

12 Liberal Party of Canada, 1993, p. 4. The Liberals committed themselves to spending an additional $720 million on child care over three years. In 1997, the federal government was spending approximately one-third less ($105 million) on child care services for the general population than it was in 1993 and roughly $274 million less than it had promised in the Red Book (Bach and Phillips, 1997, Table 10.1, p. 246).

13 See discussion in Chapter 3 and appendices E-1 and E-2.

14 The exception was the government of Quebec. In spite of several requests, it was not possible to obtain an interview.

15 Cameron, 1992, p. 7.

16 Guest, 1985, p. 180.

17 *The Constitution Act, 1982*, section 36(2).

18 Mendelson, 1995, p. 4.

19 Townson, 1985.

20 Ron Yzerman, Human Resources Development Canada, personal communication.

21 Canada, National Health and Welfare, 1974, p. 2.

22 Ibid.

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24 Ibid.

25 Doherty et al., 1995, p. 4.

26 Courchene, 1994, p. 151.

27 Dupré, 1996, p. 387.

28 Ibid., Table 1, p. 381.

29 Canada, National Health and Welfare, 1990, op. cit., p. 3.

30 Canada, Human Resources Development Canada, 1994, p. 3.

31 See tables 1 and 2, Chapter 3.

[32] Information for the federal government's annual *Status of Day Care in Canada* reports supplemented by data from Nicole Ryan, British Columbia Ministry of Health.

[33] Dupré, op. cit., p. 389.

[34] Courchene, op. cit., Table 33, p. 216.

[35] Doherty et al., op. cit., Table 8, p. 46.

[36] Ibid.

[37] Courchene, op. cit., p. 127.

[38] Dupré, op. cit., Table 2, p. 385.

[39] Battle and Torjman, 1995a, p. 14.

[40] Government of Canada, 1995b, Table 3.7, p. 64.

[41] Dupré, op. cit., p. 389.

[42] Battle and Torjman, 1995b, p. 4.

[43] Guest, op. cit., pp. 147-148.

[44] Ibid., pp. 162-163.

[45] Government of Canada, 1996b, p. 7.

[46] Ibid.

[47] Government of Canada, 1996a, p. 53.

[48] Ibid., p. 57.

[49] Friendly and Oloman, 1996, p. 276.

[50] Phillips, 1989, p. 172.

[51] Gayle Keith-Mitton, Hélène Legare and Marthe Maillet, New Brunswick, personal communication.

[52] Ontario Ministry of Community and Social Services, 1996, p. 24.

[53] Commonwealth of Australia, Department of Community Services and Health, 1991.

[54] Doherty et al., 1995, Table 7, p. 44.

[55] Childcare Resource and Research Unit, 1997.

[56] Canadian Child Day Care Federation and Canadian Day Care Advocacy Association, 1992, Table A58, p. 34.

[57] The Canadian Council on Social Development, 1996, p. 19.

[58] Key informants from each province, personal communication.

[59] Key informants from each province, personal communication.

[60] Unlike the other provinces and the two territories, fee subsidization in Ontario is administered by individual municipalities and approved corporations. As a result, there is no central data collection. The information provided was obtained from Ontario key informants.

[61] Kathleen Flanagan Rochon, Prince Edward Island, personal communication.

[62] Ontario Ministry of Community and Social Services, 1996, op. cit., p. 15.

[63] Chris McCaffey and Avril Pike, Alberta, personal communication.

[64] Ibid.

[65] Jane Beach, consultant working on the Human Resources Development Child Care Sector Study, personal communication.

66 Data for 1993 and 1994 from the relevant federal government annual *Status of Day Care in Canada* publications (Canada, Human Resources Development Canada, 1994, 1995) and for 1995 from *Child Care in Canada: Provinces and Territories, 1995* (Childcare resource and Research Unit, 1997).

67 Canadian Child Care Federation, 1991.

68 Culkin et al., 1991, pp. 71-72.

69 Whitebook, et al., 1990, p. 112.

70 Doherty, 1994, pp. 32-36.

71 Doherty and Stuart, 1996; Phillips, et al., 1992, pp. 25-51.

72 Doherty et al., op. cit., p. 9.

73 Childcare Resource and Research Unit, 1997.

74 Ontario Ministry of Community and Social Services, 1996, op. cit., p. 24.

75 Doherty, 1991.

76 Gillian Doherty, personal communication.

77 Karen Chandler, George Brown College, Ontario; Alice Taylor, Holland College, Prince Edward Island, personal communication.

78 Karen Chandler, George Brown College, Ontario, and former Chair, Training Committee, Canadian Child Care Federation, personal communication.

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[124] Guest, 1985, pp. 147-148; 155-159.
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[128] Doherty, 1996.
[129] National Forum on Health, 1997, p. 7.
[130] Ibid., p. 15.
[131] Ibid., Vol. II, p. 44.
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[135] Bill Warriner, Saskatchewan Department of Inter-Governmental Affairs, personal

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[136] National Crime Prevention Council, 1996, pp. 26-27.

[137] Multiculturalism and Citizenship Canada, 1991, article 18, p. 9.

[138] Campaign 2000, 1995, p. 1.

[139] Mijanovich and Long, 1996, p. 1. The Self-Sufficiency Project is a research and demonstration project designed to determine whether making work pay more than social assistance will result in more single-parent welfare recipients choosing work over social assistance. The Program offers monthly cash payments to participants who leave social assistance for full-time work. These monthly cash payments are paid on top of employment earnings.

[140] Bill Warriner, Saskatchewan Department of Inter-Governmental Affairs, personal communication.

[141] Kathy McPhee, Strategic Planning, Nova Scotia Department of Community Services, personal communication.

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[145] Estimate produced by the Applied Research Branch, Human Resources Development Canada, for another project being done by Gillian Doherty.

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[147] Ibid.

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[149] Ibid., p. 6.

[150] Secretary of State, 1993, p. 194.

[151] Status of Women Canada, 1985, p. 54.

[152] Status of Women Canada, 1995b, p. 3.

[153] Status of Women Canada, 1995a, pp. 23-24.

[154] The Canadian Institute for Advanced Research, 1994, pp. 3-4.

[155] Since this paper was written, another option for addressing child care in the "new" Canada has surfaced. One of the architects of Canada's social safety net, Tom Kent, has identified child care as an issue of national importance. He argues that the shifts in federal/provincial policy and fiscal arrangements that we have described in this paper have put medicare, and, indeed, social programs, in jeopardy. Mr. Kent proposes that the federal government take a new approach to policy leadership by providing full funding for a children's medicare program and a national child care program. Further detail about this proposal may be found in:

Kent, T. (1996). How to strengthen the welfare state. *Policy Options.* June, pp. 36-39. Montreal: Institute for Research on Public Policy.

Kent, T. (Ed.) (1997). *In pursuit of the public good.* Montreal and Kingston: McGill-Queen's University Press.

Kent, T. (1997). *Medicare: How to keep and improve it, especially for children.* Ottawa: Caledon Institute of Social Policy.

156 The principles were first articulated in this form Doherty et al., 1995, pp. 77-78. Material used with the permission of the publisher.

157 Ibid., pp. 79-80. Material used with the permission of the publisher.

158 Eric Hobsbawn, quoted in Reid, 1996, p. 225.

159 The Annual Premiers' Conference, Press release, p. 3.

160 Insight Canada Research, 1996, p. 1.

161 Courchene, 1994, p. 110.

162 Ibid., p. 109.

163 Ibid., pp. 109-110.

164 In 1942, the federal government agreed to provide 50% of the expenditures incurred by provinces in their support of child care services for children whose mothers were working in essential war-time industries. Only Ontario and Quebec took advantage of this opportunity. At the end of the war, the federal government rescinded this cost sharing agreement (Friendly, 1994, p. 129).

165 Ron Yzerman, Human Resources Development Canada, personal communication.

166 Phillips, 1989, pp. 165-208.

167 The other components of the Strategy were: doubling the Child Care Expense Deduction and adding a child care tax credit, and a seven-year research and special projects fund that eventually became the Child Care Initiatives Fund.

168 Mendelson, 1995, p. 6.

169 Battle and Torjman, 1993, p. 5.

170 Battle and Torjman, 1995a, p. 2.

171 Ibid., p. 12.

172 Dupré, 1996, p. 387.

173 Battle and Torjman, 1993, p. 1.

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