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Early Child Learning and Care in Canada: Who Rules? Who Should Rule?

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The aim of this paper is to contribute to the debate on the most appropriate framework for developing and sustaining a pan-Canadian early child learning and care system (ECLC) of the sort Canadians have long demanded. Such a system would have the following characteristics:

- **Universal accessibility:** Early child learning – from birth to school start – should be understood as similar to education – that is, a public entitlement, accessible to all who want it. No children should be excluded on the basis of income, parental employment status, place of residence or formal citizenship.
- **High quality:** There is a wealth of scientific support for the notion that children begin to learn, in the broadest sense, from birth. Parents have an important role to play in their development, especially in the early years, but they also deserve societal support. Canada’s child care system, therefore, has got to be much more than that. It must also support the child’s all-round development. It has to be an early child *learning and care* system. This means a healthy, safe and stimulating physical environment; appropriate staff-to-child ratios; and programs based on a sound knowledge of care and learning, which recognize the child as a rights-bearing actor. Such care is best provided by well-trained early child learning professionals, who earn a fair wage. It means parent involvement and more than merely the right to be informed of one’s child’s day. Parents and the wider community can also play an important role in co-constructing the aims and objectives of such a program.¹ Finally, it means choosing public or non-profit forms of provision.²
- **Comprehensive:** As citizens, children and their parents are bearers of universal rights, but that doesn’t mean they have the same needs. The ECLC system should serve the child who is still at home with a parent, as well as those who need part-time care or full-day/full-year care. It also needs to support children with special needs and to respect and reflect the cultural and linguistic diversity of the population. This is especially important for Aboriginal children, whom society has long failed.
- **Accountable:** Those who spend public funds are accountable to the public – both directly and indirectly through elected governments. There are many forms of government oversight (long-standing systems of regulation and monitoring, plus the newer emphasis on reporting measurable outcomes) but of particular importance here are questions about the requisites for effective citizen participation.
- **Locally based:** Social programs in the form of government transfers to individuals can easily be designed and managed at the national (or provincial) level, but social services, like ECLC, are delivered in communities. It is this level which is most capable of recognising specific needs and bringing about the level of integration required of a truly comprehensive system. As Clyde Hertzman argues, “The design of early child development environments, the allocation of

¹ The OECD report, *Starting Strong*, notes that quality assessment involves more than the application of expert systems of evaluation. In the best system, parents and other members of the local community are engaged with child care providers in co-developing the program. See page 9 and *passim*.

² I will return to this point below, but the association of higher quality with public or non-profit auspice is clear in the numerous studies that have been done over the past decade.

resources, and the delivery of programs should rest with intersectoral authorities in communities. They are more likely to be sensitive to community cultural values and geographic realities.”³ Clearly, however, local systems need to work within a larger framework, designed to ensure an equitable quality and level of provision across the province and the country as a whole.

Governments can use different policy instruments to achieve these ends: money (in the form of public ownership; grants to operators and/or parents; tax deductions or tax credits); regulation; investment in the training of ECLC teachers; sponsorship of pilot projects; information dissemination; and support for research. As we shall see, the framework currently governing Canada’s ECLC system is woefully inadequate. The next section outlines the way the current system – federal tax deductions and support for research; joint federal-provincial subsidies; provincial control over standards, training and auspice – has been developed. This jerry-built system has allowed tremendous variations in levels of provision of regulated ECLC, provincial standards, forms of provision and auspice. The final section reflects on what kind of architecture is required to produce the kind of system outlined above and looks at three new designs.

Who runs the ECLC system in Canada?

Intergovernmental arrangements form a central part of the current framework governing child care, as they do with most social programs in Canada. Rather than simply sketching these, it is useful to take a step back and consider the way this system evolved. This will reveal the now largely forgotten role played by local communities and allow us to look at earlier visions for reform. In these, we shall find a few outdated elements but a continuity of vision and purpose.

The very first day nurseries were established and delivered by local communities – local charities and municipal governments – concerned about the children whose mothers were forced to work. Kindergartens, which catered to middle-class children, remained separate, though they were only later – in some cases, much later – integrated into the school system. During World War II, this changed, albeit briefly, as the federal government agreed to share the costs of child care for mothers needed to keep factories and hospitals running. When the war ended, the federal government withdrew. In Toronto, where many of the wartime day nurseries had been established, however, local protests proved strong enough to push the province into action.⁴ With the passage of the Ontario Day Nurseries Act in 1946, Ontario became the first province to specify standards that had to be met to receive provincial funds, and it was still the only province to have developed a regulatory system when the Canada Assistance Plan (CAP) was enacted in 1966 – which brought federal funding back into the picture. In fact, only Ontario and Alberta had developed the capacity to respond to this growing need, and utilize CAP funds for so-doing, by the time the Royal Commission on the Status of Women reported in December 1970.

Child care, welfare service, or women’s equality?

For the Royal Commission on the Status of Women in Canada, child care was important to women’s equality generally, not just a service for those who needed to work in order to stay out of poverty, and governments had a major role to play in the slowly emerging Canadian child care

³ “The Case for Early Child Development Strategy” in *Isuma*, 1:2 2000.

⁴ See Susan Prentice’s excellent Ph.D. dissertation, *Militant Mothers in Domestic Times: Toronto’s Postwar Childcare Struggle* York University, 1993.

system. In line with the thinking behind CAP, the Commission agreed that municipalities, “where public pressure for the opening of a centre is applied,”⁵ did not have the resources to meet demand. The provinces were in the best position to step in. Yet the provinces alone could not do the job. Because “the provision of a day-care centre is of major importance to the women of Canada,”⁶ the federal government should assume a continuing responsibility. Child care should thus be removed from the Canada Assistance Plan and enshrined in a National Day Care Act, which would provide a framework and incentives for provincial action. Given the limited provincial experience in this area at the time, the Commission also suggested that the federal government provide advisory services to the provinces/territories. The latter should, in turn, establish boards to plan a network of centres, establish and enforce standards, and provide information and consultative services to parent groups and local communities.⁷

These ideas were further developed in the recommendations coming out of the first national conference on day care in 1971. The conference envisioned the kind of comprehensive and integrated services sketched above, and it suggested that provincial/territorial boards should bring together representatives from health, education, and social welfare, as well as users. At the local level, the conference urged that federal funds be tied to parent representation on child care management boards. Unlike the Commission, the conference foresaw a continued role for municipalities. (As we shall see, the Commission proved to be the more prescient in this regard.) With the exception of Ontario and Alberta, the development of provincial regulatory capacity went hand-in-hand with centralization at the expense of the municipalities. The latter disappeared from subsequent designs for a new governance system until the opening years of this decade.

The conference also saw the need for federal involvement. The majority report lacked the Commission’s boldness of vision, drawing back from a call for new legislation. It did, however, suggest the establishment of a national Office of Child and Family Affairs. The Office would be in charge of funding, including guidelines for the use of federal funds that would support the provinces in developing optimal standards; the provision of consultant services; and sponsorship of research on child development. The second and third have come to pass but not the (critical) first.

Lacking the endorsement of child care advocates, those fighting within the federal bureaucracy to implement the Commission’s ideas had to abandon the idea of a National Day Care Act, opting instead for incremental change. The federal government’s main contribution⁸ to child care thus continued to be channelled through CAP until the latter was abolished in 1996. The governing system thus acquired the following features:

⁵ *Report of the Royal Commission on the Status of Women in Canada*, (Ottawa: Government of Canada, 1970) page 269.

⁶ *Ibid.*, page 269

⁷ A number of provinces now have such boards: for example, the Manitoba Child Day Care Regulations Committee, the Ministers Advisory Board on Early Learning and Care in Saskatchewan, and the Provincial Child Care Council in British Columbia.

⁸ In addition, Child Care Expense Deduction, 1971; OFY and LIP programs of the 1970s and support for post-secondary education of specialists in early child development through Employment and Immigration, later Human Resources Development Canada. The federal government is also responsible for child care for Aboriginals, military families and new immigrants/refugees. The establishment of a federal consultant on child care did a lot to promote the expansion of child care across the country, including pushing for the second national conference on child care in 1982.

- It was a cost-sharing agreement between the federal government and the provinces. Municipalities were thus shouldered out of child care, except in Ontario and Alberta;⁹
- There was no ceiling on federal funding, but the provinces had to pay 50%. This proved harder for the poorer provinces, a fact recognised by the subsequent Cook Task Force, which recommended differential federal contributions – from 25 to 75%, depending on provincial capacity;
- Under the “welfare services” route, which offered more generous levels of assistance, federal funding was limited to public or non-profit providers. This influenced the pattern in many, but not all provinces: 77% of all child care centres are operated under non-profit auspice. Alberta, Newfoundland and New Brunswick, however, have a high proportion of commercial operators.
- Under CAP, the federal government perpetuated the idea of child care as a service for families “in need,” rather than as a universal entitlement. The parameters were widened, which would have permitted the provinces to subsidize families well up into the middle-income range (none took full use of this option). Nonetheless, the “welfare” shadow remained.
- Consistent with this “welfare” approach, CAP funds, like the Child Care Expense Deduction, focused on the demand side. As the OECD report, *Starting Strong* notes, however, there needs to be substantial public investment in services and infrastructure to create and sustain a system of high-quality ECLC services.

The inadequacies of this framework were publicly recognised in the reports of the Abella Royal Commission on Equality in Employment (1984) and the Cook Task Force on Child Care (1986). The shift from municipal to provincial jurisdiction had, by then, become the norm. The provinces were responsible for licensing and the enforcement of standards, training, employment standards and labour relations. Yet federal involvement was needed if child care was to serve as a stepping stone for women’s equality (Abella) and if Canada were to develop a comprehensive, high-quality system, accessible to all who wanted it (Cook). The Cook Task Force argued that the federal government should use its spending power to promote such a system. Mindful of the growing resistance on the part of some provinces, it went on to note:

While we share the objectives of those who recommend national standards...we believe that, because primary responsibility for regulation and licensing of child care rests with the provinces, the federal government should act with restraint when considering the imposition of conditions on federal funding. (Cook Task Force, page 287)

In important respects, the recommendations of the Cook Task Force were ignored by the Mulroney government. Its child care legislation would have removed child care from the shadow of social assistance, but it would have done so at a price – commercial providers would have become eligible for the full range of federal funding and a cap on federal contributions would have been imposed. The bill failed to get through Parliament before the 1988 election was called, and given the widespread opposition it had aroused, the new Mulroney government did not bother to revive it. What did survive was a modest, but not unimportant, program providing federal funding for research and development in the area of early child education and care.¹⁰

⁹ In Alberta, this lasted until the late 1970s/early 1980s, when the provincial government centralized control of regulation and financing of child care for preschool children. Ontario is the only province where municipalities retain a substantial role in financing and planning child care.

¹⁰ Also the allowance for unreceipted child care expenditures for stay-at-home mothers.

In 1993, the federal government finally established a Ministry of State for Children and Youth¹¹ (under HRDC). The new Chrétien government failed, however, to deliver on the child care program promised in the “Red Book.”¹² The federal government’s preoccupation with the deficit contributed to the failure of then-Minister Axworthy’s attempts to negotiate a new agreement on child care.¹³ Yet the issue remained on the agenda, the voices of child care advocates amplified by the presence of two other debates – child poverty and “the early years.” These two debates, however, had the potential to push in opposite directions. On the one hand, the heightened attention to child poverty, combined with the push for parental (maternal) employability, supported the continuation of a targeted approach to child care. On the other hand, recognition of the importance of “the early years,” which owed much to the work of ECD experts like Fraser Mustard, potentially provided new grounds for public investment in a universally accessible, comprehensive, high-quality ECLC.

Instead of a new child care program, the Chrétien government replaced CAP with a new (and much smaller) block grant, the Canada Health and Social Transfer fund. The switch from conditional to block funding meant the provinces were no longer required to match federal funds. They were also free to decide how to allocate the (substantially reduced) federal monies, with child care often the loser to high-profile areas like health. There was, moreover, no way for the federal government to hold the provinces and territories accountable for the uses to which federal funds were put. Finally, in the February 1996 Speech from the Throne, the federal government promised not to use its spending power to mount new programs in areas of provincial jurisdiction without the consent of the majority of provinces. This would later be codified in the Social Union Framework Agreement (SUFA) of 1999. In the new era of federal-provincial relations thus inaugurated, the Cook Task Force’s cautious advice concerning the federal government’s use of that same spending power to establish pan-Canadian standards began to look bold indeed.

Child care in the SUFA Era

What does this new era look like? A key feature is the Social Union Framework Agreement concluded by the federal, provincial and territorial governments¹⁴ in 1999 to permit the renewal of Canada’s social programs and establish a stable and sustainable basis for financing them. It promised programs of comparable quality, irrespective of where one lived in Canada. As noted above, however, SUFA codified the federal government’s self-imposed limitations on the use of the spending power. On the positive side, SUFA does not require unanimity, only the assent of the

¹¹ By the end of its life, following the 2004 election, the Ministry had accumulated responsibility for research including the National Longitudinal Survey, understanding the early years and R&D projects under Social Development Partnerships; NCB, NCA, ECDi, EI parental leave, and secretariat to the f/p/t working group on child and family under SUFA. In terms of child care per se, there have been numerous valuable initiatives such as the 1988 National Child Care Survey; *You Bet I Care!*, the Child Care Human Resources Round Table and the Child Care Resource and Research Unit.

¹² The Red Book sketched a new child care system which would have seen the federal and provincial governments each absorbing 40% of the costs, while parents – who currently pay the lion’s share – would only be responsible for 20%, with actual amounts varying by ability to pay. This would have meant a major step towards the kind of system outlined in the introduction.

¹³ In December 1995, Axworthy proposed a new shared-cost program, with the federal government contributing \$630 million over five years. No national standards were proposed and reference to exclusive focus on regulated child care had been replaced by the vaguer “high-quality care.” Shortly after Axworthy was moved to a new portfolio and before any formal bargaining with the provinces and territories had begun, however, the proposal was dropped. See S. Bach and S. Phillips, “Constituting a New Social Union: Child Care Beyond Infancy” in *How Ottawa Spends 1997-1998: Seeing Red: A Liberal Report Card*, G. Swimmer, ed., Carleton University Press, 1997.

¹⁴ Minus Quebec

majority of the provinces. Although it does not establish a specific dispute resolution mechanism, it does define the principles that should be followed in establishing such mechanisms.

In addition, SUFA promised to put into place a new accountability mechanism – public reporting of agreed performance indicators – to fill the gap created by the change to block funding. The agreement committed each of the signatory governments, inter alia, to:

- Monitor and measure outcomes of its social programs and report regularly to its constituents on the performance of those programs;
- Share information and best practices to support the development of outcome measures, and work with other governments to develop comparable indicators to measure progress on agreed objectives;
- Use third parties, as appropriate, to assist in assessing progress on social priorities.

There are certain parallels here with developments in the European Union (EU), notably its replacement of government by directive with “open method coordination.” The latter works via collectively defined guidelines, combined with timetables for achieving goals, and requires the establishment of quantitative and qualitative indicators and benchmarks. Each nation then translates these into national plans, with specific targets and annual progress reports which are subject to peer review. Saint Martin, however, argues that whereas the EU can rely on the European Commission and the Member States to act as watchdogs, in SUFA, it is a vaguely defined “public” (or publics in each province) that is to play the role of watchdog.¹⁵ This is only possible when the public(s) is backed by an institution capable of “guaranteeing independence, transparency and the quality of work.”¹⁶ We will return to this point in the next section.

Finally, SUFA does nothing to bring municipalities back into the social policy picture. Just as in the older arrangements governed by CAP, municipalities remain “creatures of the province.” They have not gained a place at the table. As Jenson and Mahon argue, “Federal-provincial relations have continued to develop since the modern social policy was put into place in the 1940s, but the significance of Canada’s overwhelmingly urban population growth since the 1960s has yet to translate into renewed governance practices that include municipal governments.”¹⁷ The problems to which this omission gives rise have become increasingly apparent, leading to discussions of “a new deal for Canada’s cities.”

“Children” and child care have been part of SUFA from the outset. The National Children’s Agenda (NCA) began to take shape in 1997, prior to SUFA. It outlined the federal, provincial and territorial governments’ agreement to work together to develop a comprehensive, cross-sectoral and long-term strategy to ensure that all Canada’s children have the best possible opportunity to develop to their full potential. It promised to develop clear outcome measures in support of this commitment. Although the NCA seemed to speak in favour of universality, SUFA’s first step, the National Child Benefit (NCB), focused on child poverty¹⁸ and the removal of “work disincentives” from social

¹⁵ See Denis Saint Martin, *Coordinating Interdependence: Governance and Social Policy Redesign in Britain, the European Union and Canada*, CPRN, May 2004, for a thought-provoking comparison of the use of these new instruments of governance in the EU and SUFA. He concludes that the EU’s horizontal “name and shame” technique for coordinating action would not work in Canada where vertical accountability is more appropriate.

¹⁶ *Ibid*, page vi

¹⁷ Jane Jenson and Rianne Mahon, *Bringing Cities to the Table: Child Care and Intergovernmental Relations*, CPRN 2002, p. 1

¹⁸ The NCB had been in the works before SUFA was concluded but it fit well with the new mode of governance established through SUFA, and spoke to one of SUFA’s top priorities, child poverty.

programs while providing supports, like child care, for “parents” to leave social assistance. The NCB included a new low-income supplement which the provinces were invited to claw back from social assistance recipients and reinvest in support services such as child care.

The Early Child Development initiative in 2000 included “strengthening of early child development, learning and care” as one of four areas where the provinces and territories could spend the new federal funds. True to SUFA, the agreement committed the participating governments to monitor and report back to Canadians, using 11 indicators in five domains.¹⁹ In negotiating the deal, however, and getting all the provinces to sign on, the federal government backed off from its original aim of requiring the provinces and territories to invest in all four areas.²⁰ With no requirement to spend on ECLC, less than 10% of the over \$300 million in federal funds was used for child care. Only six of the 13 governments invested *any* of the money in child care, and none of the biggest – Ontario, Alberta and British Columbia – did so.

Cities, the federal Liberal Caucus Committee, and SUFA

Gaps in the Early Child Development initiatives helped, however, to make visible the failure to truly include the cities. In Ontario, one of the provinces that had refused to invest in regulated child care,²¹ municipalities had retained a role in the provision of child care. It was primarily the larger cities, like Toronto and Ottawa, that had used their mandate to lay the foundations for a universal system. In particular, Toronto had a well-developed Child Strategy, and “the infrastructure for the largest concentration of children’s programs (outside of Quebec)...”²² Its impressive child care program, which was assuming the character of a public entitlement, formed the cornerstone of this system.²³ By the end of the 1990s, however, that system was increasingly in jeopardy, largely as a result of inadequate funding from the province.²⁴ The city-commissioned Coffey-McCain report included the following lines that the federal government might pursue:

- Utilize SUFA to establish a child care partnership modelled on the recent housing initiative, Supporting Community Partnerships (SCPI), which would permit direct funding agreements with municipalities in provinces that have failed to invest in regulated, high-quality child care under the ECDi;
- Publicly commit to renew the ECDi to contain the accountability provisions of SUFA, including citizen participation in the development and assessment of the agreement, third-party audit and a dispute settlement mechanism;
- Give public notice that the provinces and territories have to invest in all four areas;
- Engage the municipalities, local authorities and communities in monitoring provincial spending; and,

¹⁹ See the *OECD Thematic Review of Early Childhood Education and Care: Canadian Background Report*, by Gillian Doherty, Martha Friendly and Jane Beach, 2004.

²⁰ *Final Report of the Commission on Early Learning and Child Care for the City of Toronto*, co-chaired by Charles Coffey and Margaret McCain, page 19. Note also failed to include a dispute resolution mechanism.

²¹ It was not simply a matter of cuts to funding but also a marked shift towards increased use of non-regulated child care. The Province also failed to implement the Mustard-McCain vision of a comprehensive ECD system. Instead, their ECD units were little more than information kiosks (*Final Report of the Commission on Early Learning*, page 20).

²² *Ibid.*, page 14

²³ See R. Mahon, “Childcare as Citizenship Right? Toronto in the 1970s and 1980s” (forthcoming in *Canadian Historical Review*) for more details on the politics that lay behind this impressive achievement.

²⁴ This is somewhat more complicated. See *Bringing Cities to the Table*, *Final Report of the Commission on Early Learning*, and “Childcare as Citizenship Right?”.

- Lay the groundwork for creation of a new structure which would allow for meaningful dialogue between the cities and senior government on children's issues.

The provinces/territories, in turn, should provide municipalities and school boards with the authority and resources needed to integrate existing services into a comprehensive system. More broadly, while the provinces should retain the authority to establish program goals, targets and outcomes, it should be up to the municipalities to design and execute the programs. Thus, with the Coffey-McCain report, the municipalities were back in the picture for the first time since the 1971 national conference on child care.

Toronto was not the only government to expose the limitations of the ECDi. The critique was voiced inside the federal Liberal caucus itself. Its social policy committee, headed by long-time supporter of ECLC, John Godfrey, forcefully took up the call for a genuine and effective national child care strategy, one which would foster a universally accessible, high-quality and comprehensive system. To achieve this, a new intergovernmental agreement was required. This could build on the achievements to date under SUFA, but must transcend the limitations of both the NCB and the ECDi. The caucus committee outlined four possible strategies for achieving this:

- Addition of a codicil to the existing ECDA, making new federal funding available for the express purpose of investing in high-quality child care;
- A new national child care strategy, involving the federal government and the majority of the provinces;
- Bilateral agreements on child care, with those provinces prepared to move. While this would allow the provinces and territories to proceed at their own pace and level, all would have to be bound by a common set of guiding principles;
- New federal-municipal arrangements, following the precedent established by SCPI, in areas where the province/territory and federal government cannot find sufficient common ground to work together.

Here again the municipalities are seen to have a role, but in this set of scenarios, only if the federal and provincial governments could come to agreement.

The caucus report released its report in November 2002. In March 2003, the federal, provincial and territorial governments concluded a new multilateral framework agreement on early child learning and care (MFA-ECLC). Many see this agreement as the first real step towards a pan-Canadian ECLC system. For the first time, federal funds can be channelled into developing the supply of quality care: capital and operating costs, fee subsidies, wage enhancements, training, professional development, and quality assurance. There is nothing, however, prohibiting a province from continuing the old focus on correcting for market failures via fee subsidies for low-income families and information and referral services for the rest. Moreover, unlike CAP's provisions,²⁵ this agreement permits subsidies to commercial child care operations. To be sure, following the SUFA mode of governance, the agreement commits the provinces and territories to providing annual reports on: the types of services and amounts spent on each; the number of spaces for children of different ages (under six) in each kind of setting; data on subsidy policy and its reach; training requirements, child/staff ratios and group size.²⁶ Again, like SUFA, however, the MFA-ECLC

²⁵ Note that this was true for the "welfare service" route only.

²⁶ Child Care Advocacy Association of Canada, *Seeing and Solving: The Child Care Crisis: Options for Progress*, October 2003, pp 12-13.

leaves a vaguely defined “public” to act as watchdog. Finally, the amount committed – \$350 million by the fifth year – is substantially less than the amount recommended by the Liberal Caucus (\$10.9 billion over four years) and well below the 1% of GDP (for Canada, \$10 million per annum) recommended by the European Union’s Child Care Network.²⁷

Who should run Canada’s ECLC system?

The governance structure that began to emerge after the passage of CAP had thus succeeded in lifting the burden from local communities, but often at the price of shouldering them out altogether. Standard-setting, monitoring and what planning there was were centralised in the hands of the provinces. The federal government’s role was largely limited to financing 50% of the fee subsidies targeted at lower-income families – with the provinces determining just how far up the income scale they would go. At the time of the Cook Task Force, none were prepared to use the full latitude allowed under CAP. Instead of moving towards universality, the provinces left most middle- and upper-income families to buy what care they could afford, with the very modest relief provided by the Child Care Expense Deduction.²⁸ Decisions about whether to contribute to capital costs or enhance wages were largely up to the province/territory. While the CAP-based system at least created something of a bias in favour of non-profits, since the CHST there has been no such limitation. Each province/territory is free to channel federal funds into commercial care.

This province-centred governance structure has failed to secure universally accessible, comprehensive, high-quality child care across the country. Instead, there is a patchwork of provision. In no province but Quebec has ECLC gained the status of a public entitlement.²⁹ The majority of families are still forced to rely on unregulated services, with substantial variations among the provinces/territories and between urban and rural settings.³⁰ There is also considerable inter-provincial/territorial variations in the standards required of regulated care, in the degree of reliance on commercial versus non-profit or public operators,³¹ and in the balance between centre-based and family child care. Quebec is the only province that has established curricular guidelines for preschool child care. In no province, however, is child care officially recognised as part of the broader educational system, that is, under the Minister responsible for education. Some provinces (and cities) are developing the coordination capacity to implement coherent strategies for child (and youth) development in which ECLC plays an important part. Too frequently, however, different departments and branches hold onto their own pieces of the ECLC puzzle and there is no effective mechanism for fitting them together. This fragmentation is especially apparent at the local level, where the services are actually delivered. Municipalities and/or school boards, which could play an

²⁷ Ibid, p. 30

²⁸ Most provinces also made some contribution towards capital costs but for the most part, these can be described as the sort of “pump-priming” measures that do far too little to develop child care infrastructure. See Bronwen Cohen, Peter Moss, Pat Petrie and Jennifer Wallace, *A New Deal for Children: Re-forming education and care in England, Scotland and Sweden*, Chapter 4, for a critique of this approach in England.

²⁹ Manitoba comes closest to Quebec in that it has imposed maximum limits on parent fees and has established clear timelines for expansion.

³⁰ See OECD background report, Tables 5 and 6.

³¹ There are three provinces where commercial provision accounts for 50% or more of centre-based spaces (Alberta, Newfoundland, New Brunswick), with Nova Scotia and PEI not far behind. Seventy five percent or more of centre-based spaces are provided by non-profit operators in Saskatchewan, the Northwest Territories, Manitoba, Quebec, Ontario and the Yukon. (CRRU, *The Big Picture*, 1998.)

important coordinating function, have largely been shut out of the picture.³² Change is clearly needed – but what are the options?

In thinking through the options, clearly intergovernmental arrangements assume considerable importance in the Canadian context. Before we get to these, however, it is useful to address two other issues: auspice and departmental jurisdiction.

Auspice and “education”

Auspice – or, whether governments should support provision by commercial operators – has been controversial from the outset. Support for commercial provision reflects a view of child care as a service to be purchased on the market. From this perspective, governments may have a role in establishing a regulatory framework and even subsidising low-income families, but market failures thus corrected, entrepreneurs will respond to demand and do so efficiently. In terms of quality, however, numerous studies show that commercial operations consistently lag behind their non-profit counterparts. The most recent study, *Child Care by Default or Design?*, demonstrates that the difference cannot solely be attributed to greater access to public funds and/or subsidized space and/or utilities on the part non-profit providers.³³ The organizational structures, behaviours and characteristics associated with for-profit provision have a negative impact on staff qualifications and wage levels, training opportunities, and staff/child ratios.

When it comes to provision for the early years, however, quality matters as much – if not more – than it does for the school years. Just as Canadians think that profit should be kept out of the school system, so too should it be kept out of ECLC. This position may not be popular with the governments of Alberta, New Brunswick and Newfoundland, but the principle is too central to the achievement of a high-quality, universally accessible ECLC system to be sacrificed on that account. Moreover, non-profit provision accounts for the lion’s share of places in the majority of provinces and the support of the majority is all that SUFA requires.

Quality child care provides not only care, but also age-appropriate learning opportunities. For this reason, the OECD study joined many experts in early child education in arguing for closer links between ECLC and the school system. Many child care advocates have also thought that child care should be removed from the shadow of “welfare” and housed in ministries of education. It is a social service to which all families and children should be entitled. A recent study by Peter Moss et al suggests that while much may be gained by placing ECLC within the remit of ministries of education, this is not a panacea. The transfer to education has facilitated the rounding out of the Swedish child care system but it had acquired its key features – near universal accessibility to high-quality ECLC, primarily under public auspices – before the shift. Conversely, the transfer of child care to departments of education in England and Scotland failed to generate the profound changes required. Both systems, especially England’s, remain highly fragmented and embedded in a regime reflecting the dominance of the market model. To provide a Canadian example, ECLC for preschool children in Quebec is under the Ministry of the Family and Children. This has not prevented it from

³² In Quebec, the Centres des Petits Enfants, charged with knitting together (non-profit) centre- and home-based care for preschool children, come under the Regional Development Councils. The latter bring together representatives of the municipalities, education, health, social services, business, community and family organizations. Each CRD can establish a committee to analyze local child care needs and recommend the development of new, or the expansion of existing, ECLC services to the Minister. Jocelyne Tougas, “Reforming Quebec’s Early Childhood Care and Education: The First Five Years” CRRU Occasional Paper # 17 April 2002, pp. 13-14.

³³ The study focused on the provinces where commercial providers account for the majority of centre-based spaces.

making great strides towards a high-quality, universally accessible system, based primarily on non-profit provision. Thus it is better to focus the energies of ECLC advocates on new financing arrangements and standards, rather than insisting on a pan-Canadian agreement to transfer child care to provincial education portfolios.

“A new deal for cities” and the Romanow Commission

The key parameters for thinking about “who should rule” Canada’s ECLC system are those set by intergovernmental arrangements. As we have seen, all earlier reflections on how to design an effective system to promote the development of a universally accessible, high-quality child care system across the country have focused on this dimension. Not surprisingly, however, each design has borne the marks of its era. Thus, for instance, the thinking embedded in the RCSW final report was consistent with the philosophy embedded in CAP: municipalities lacked the resources to deal with the growing need for child care. The federal government ought, therefore, to support the development of provincial capacity to design and manage an appropriate system, within the framework provided by national legislation. Writing over a decade later, the failure of the 1970s social security reforms,³⁴ followed by a steady deterioration of the federal-provincial relations, made the Cook Task Force report far more cautious about the federal government’s use of its spending power to secure certain common standards. Coffey-McCain and the Liberal Task Force in turn reflected two more recent developments: SUFA and the growing demand for “a new deal for cities.” The key features of the SUFA mode of governance have been outlined above. The “new deal for cities” and the Romanow Commission warrant a little more attention.

All municipalities have long struggled with the limits posed by an inadequate fiscal base, which leaves them primarily reliant on property taxes. Over the last decade, this has been exacerbated by the downloading set in motion by the federal government’s preoccupation with debt, and the provinces’ eagerness to pass along the costs. All are also hindered by the equally archaic political arrangements that shut municipalities out of intergovernmental negotiations, despite the numerous areas of shared concern. Mobilisation by the Federation of Canadian Municipalities to change this helped secure the promised “new deal for cities.” The July 2004 appointment of Minister of State for Infrastructure and Communities brings these concerns into federal cabinet for the first time since the short-lived Ministry for Urban Affairs in the 1970s. The new Ministry’s interpretation of “infrastructure” is likely to involve not just physical but also “social” infrastructure, including social services like child care. As Coffey and McCain argued, municipalities are centres of human and economic development. The new Minister, John Godfrey, is well aware that ECLC has a critical contribution to make in that regard.

Although all municipalities have a stake in these changes, it is also important to recognise that Canada’s biggest cities – the largest of which have a greater population than several of the provinces³⁵ – face a greater range and intensity of challenges than the rest. With their post-industrial economies, they have long had higher female labour force participation rates and remain above the Canadian average. They attract the lion’s share of new immigrants and their social services need to respond to the ethnic and linguistic diversity this brings with it. The biggest cities also have the highest concentrations of poverty. Canada’s biggest cities are also often much better equipped to

³⁴ Had these succeeded, federal subsidies for child care could have been made available on the basis of universality. See R. Mahon, “The Never-Ending Story: The Struggle for Universal Childcare in the 1970s and 1980s,” in *Canadian Historical Review*, 81:4 2000.

³⁵ Thus Toronto is larger than the four Atlantic provinces combined. The City of Toronto accounts for 20% of Ontario’s population and the Greater Toronto Area, for 16% of those living in Canada.

develop comprehensive social strategies, including those for children. Toronto and Vancouver stand out in this regard. As the OECD Background Report on Canada notes:

The city of Vancouver in British Columbia has developed goals for a comprehensive child care system, has a child action plan and employs a City Childcare Coordinator. Vancouver routinely seeks to obtain “community amenity contributions,” such as child care space, when negotiating with land developers. It also provides some funding to non-profit child care programs for specific purposes such as start up costs and program enhancement. The City of Toronto has a child care Advisory Committee, a Children’s Ombudsperson, a Child and Youth Action Committee, and planning processes that engage service providers and the public.³⁶

As Toronto learned in the 1980s, however, this can prove a disadvantage when seeking funds to implement their strategic plans from provinces that are understandably concerned to ensure equitable growth across the province. This raises the question of whether there might not be a form of intergovernmental arrangements that would allow the major metropolitan areas to proceed at their own pace, while the provinces focused on smaller municipalities in the rest of their territory.

The Romanow Commission on the Future of Health Care in Canada is of interest. Although it is consistent with the spirit of SUFA, it set out a stronger pan-Canadian vision through the proposed Covenant, which would commit the federal, provincial and territorial governments to the principles of universality, equity, responsiveness (quality and timely access to services), and accountability. Like SUFA, the Commission looked to the development of a common set of indicators and benchmarks to measure and track performance and report the results to Canadians. Unlike SUFA, it recognised that this could only yield genuine accountability if there were appropriate institutional supports. It thus recommended the establishment of a Health Council that would act as an effective and impartial mechanism in the collection and analysis of data on performance. The Council was enjoined to place a high priority on public input in the form of town hall meetings, internet connections, citizens’ dialogues, as well as regular consultations with stakeholders through a permanent advisory committee. Finally, in terms of funding mechanisms, the aim is to secure stable, predictable, long-term funding for such a system via a dedicated cash-only transfer, with provision for escalation established in advance and increased at a realistic rate, commensurate with economic growth and the capacity to pay.

It may seem utopian to expect a new pan-Canadian child care strategy to be able to match the Romanow health recommendations. After all, health has long stood out as one of Canada’s few social programs that aims to provide universal high-quality care to all living in Canada. This is in marked contrast to the status of child care policy. Yet it is important to remember that the initial push for a pan-Canadian child care policy really only began in the 1970s, when governments were turning away from ambitious reforms as they grappled with the economic effects of the oil crises and “Nixonomics.” The recently elected minority Liberal government has indicated that health and child care are its two priority issues. Perhaps child care can now make greater headway, in the wake generated by the health care reforms?

³⁶ Page 71 of background report.

Three options

Below, three options are laid out, each of which is informed by the analysis sketched out in the preceding pages. The options are: the multilateral framework plus; a Romanow formula for child care; and, bringing the cities in. Certain assumptions run through all three options, however.

First, Quebec has remained outside SUFA and its related child development initiatives. It is, moreover, well ahead of the rest of Canada in laying the foundations for a universal, high-quality ECLC system. If and when a new pan-Canadian child care strategy is negotiated, Quebec should receive its share of federal support, much as it did in through the old provisions for opting out.

Second, the CCAC is right to recognise the right of First Nations and Aboriginal people to self-determination in the development of their own services, including ECLC.³⁷

Third, in all three options, it is assumed that the federal government retains a role in supporting research and data collection. There is no federal funding for commercial operations. While the shift to bilateral human resource development agreement with the provinces may preclude a direct role in training, the federal government should expand its support for voluntary organizations working to develop the child care workforce in the field. A fund could also be established to finance innovative efforts to establish a new relationship between the school system and ECLC. All three options should include not only guidelines consistent with the principles laid out in the introduction, but also timelines for achieving a universally accessible, equitable and responsive system. As Coffey and McCain recommended, the federal government should report annually to Parliament on progress toward a universally accessible, high-quality ECLC for Canadians. Finally, all options need to include a way to strengthen the role of local communities. This could be done by directly involving municipalities and/or school boards, or it could follow the route taken in Quebec, with local ECLC committees operating under the aegis of regional development or health boards.

The first option is the most modest, as it simply involves building on the current multilateral framework agreement. The minimum required to begin to move toward a universal, high-quality ECLC system includes the following:

- the specification of clear targets and timelines for expansion;
- reporting procedures changed so that the provinces and territories would have to demonstrate that their regulations promote quality;
- where fee subsidies remain in force, that the provinces and territories are making regular progress towards universality;
- remove information and referral from the list. Funds need to be focused on the supply side;
- federal funds should not to be used to subsidize commercial operations in the interest of quality and accountability;
- establish a dispute settlement mechanism, with powers of enforcement.

Where a province or territory refuses to support these changes, the federal government should make funds available to municipalities willing to abide by these conditions.

³⁷ See page 5. The CCAC's report, *Seeing and Solving the Child Care Crisis: Options for Progress*, has helped me to go beyond the parameters outlined by Coffey-McCain and the Liberal Task Force.

The second option follows in the spirit of the Romanow Commission, extending its insights to child care. The centrepiece would be an intergovernmental Canada Early Child Learning and Care Covenant, confirming a common vision, based on the principles outlined in the introduction, and outlining the responsibilities of the respective governments. The Covenant would be backed by a Canada Child Care Act, equivalent to the Canada Health Act, giving it the force that the National Children's Agenda and the Multilateral Agreement both lack. This would specify that while the provincial and territorial governments have primary responsibility for policy and program development, regulation and monitoring, and quality improvement, the federal government "has important responsibilities in terms of additional issues that are national in scope and in providing a stable base for funding."³⁸ Perhaps more importantly, an ECLC Council would be established to collect and analyse data on performance, and provide strategic advice and analysis to federal, provincial and territorial ministers and deputy ministers.³⁹ Such a council would go beyond Option One above, not only by providing a strong impartial mechanism for data collection and assessment, but like Romanow's proposed council, this new council would be instructed to actively engage the public.

The third option has all the features of the second but, just as all options respect the distinct status of Quebec, First Nations and Aboriginal Peoples, this option makes Canada's largest cities party to the accord.⁴⁰ This option would recognise the special status of Canada's biggest cities, which face different challenges than their smaller counterparts, and they also have the capacity to develop and implement their own early child development strategies. As we noted above, their willingness and ability to forge ahead of the rest often creates problems for provincial governments which, in the interests of equity, rightly feel the need to devote resources to support smaller cities and poorly serviced rural areas. Another way to think of this is as a partial alternative to targets based on age (e.g. focus on universal access to ECLC for all 3- to 5-year-olds in Canada over the first five years). This kind of agreement would, therefore, allow the big cities to lead the way. In the interests of equity, they would do so, however, within a framework that includes a 15-year timeline for achieving the goal of universally accessible ECLC services of comparable quality to Canadians no matter where they live.

The first option has the advantage of building incrementally on what has already been achieved. If accompanied by sufficient funding,⁴¹ it would represent an important step forward. It falls short, however, when it comes to the promotion of a comprehensive ECLC system of the sort outlined, *inter alia*, in the Mustard-McCain report. It also falls short in terms of accountability, for there is no institutional mechanism charged with the task of supporting meaningful public participation. While municipalities would thus be permitted to receive federal funds earmarked for quality child care, this would only occur if their province/territory decided not to participate. Little would be done to encourage local involvement in the signatory provinces/territories. Finally, as the CCAC notes, "unlike legislation, which can only be changed by Parliament and is subject to the scrutiny of the political process, the Multilateral Framework is ultimately a statement of intent between political leaders and is ultimately unenforceable."⁴²

³⁸ *Building on Values: The Future of Health Care in Canada*, Final Report of the Commission on Health Care conducted by Roy J. Romanow, November 2002, page 47.

³⁹ See Romanow, pp 54-55 for additional details. The term "child" can be substituted for "health" where appropriate.

⁴⁰ This need not be limited to the "Big Five" (C 5) but could include all 22 of the cities represented in the Federation of Canadian Municipalities, "Big City Mayors' Caucus."

⁴¹ At least as much as that recommended by the Liberal Task Force, but preferably closer to the European Union Child Care Network's 1% of GDP.

⁴² Page 13

The third option is the most audacious in that it breaks with the “Russian dolls” view of the place of major metropolitan areas within modern nation states, powerfully reinforced by the 19th Century constitution that makes municipalities the “creatures of the provinces.” This option recognises the particular challenges these “region-cities” face and their desire to move ahead in developing the social and physical infrastructure that affects their “competitiveness and attractiveness.”⁴³ The Martin government’s promise to establish “a new deal for cities” and the appointment of longstanding child care advocate, John Godfrey, as the new Minister for Infrastructure and Communities, may help make space for such a radical departure. Yet even now, it is unlikely that the federal government could get the majority of provinces and territories to go along with such a break with the past.

The second option, then, seems the most appropriate. Some people, like the majority at the first national conference on child care, might feel it is safer to take the incremental option. Yet it is important to recall how this choice contributed to child care remaining encapsulated in CAP, rather than generating support for the Royal Commission’s demand for a National Day Care Act. The minority Martin government has indicated that health and child care are its main priorities. It seems an appropriate conjuncture to make the case for Romanow-like solutions in both areas.

⁴³ See press release following the closing ceremony of the National Forum on Economic Growth and Big Cities, Montreal, June 11, 2004. www.fcm.ca/newfcm/Java/frame.htm.