

FROM PATCHWORK TO FRAMEWORK

A CHILD CARE STRATEGY FOR CANADA

CHILD CARE ADVOCACY ASSOCIATION OF CANADA

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THE CHILD CARE ADVOCACY ASSOCIATION OF CANADA

The Child Care Advocacy Association of Canada is a pan-Canadian, membership-based organization formed in 1982. The CCAAC works for:

- child care as a cornerstone of progressive family policies;
- the right of all children to access a child care system supported by public funds;
- a child care system that is comprehensive, inclusive, accessible, affordable, high quality and non-profit; and
- a range of child care services for children from birth to 12 years.

To achieve our goals, CCAAC:

- initiates activities and mobilizes public support for a pan-Canadian child care system;
- develops policy solutions to child care issues; present briefs and submissions to elected representatives and governments;
- partners in initiatives to raise the public profile of child care as a political issue and to promote broad support for our vision for child care; and
- works collaboratively with provincial/territorial child care organizations, social justice organizations and government representatives.

The Association is headquartered in Ottawa, has a broad base of support and features:

- a membership base of individuals, families, child care programs, provincial/territorial and pan-Canadian organizations;
- a regionally representative Board of Directors elected from the membership in each province and territory;
- a Council of Child Care Advocates which brings together the provincial/territorial board members and sectoral partners in the social justice movement. Council members bring diverse voices to the CCAAC table: families and parents, organized labour, the anti poverty movement, the disability movement, the immigrant and visible minority community, women's organizations, rural voices and others.

1. DEVELOPING A CHILD CARE STRATEGY FOR CANADA

Who should use this document?

From Patchwork to Framework: A Child Care Strategy for Canada is a policy document of the Child Care Advocacy Association of Canada. It is both a detailed blueprint outlining the funding and policy components essential to developing an accessible, effective and accountable child care system and a yardstick against which public policy and progress can be measured.

The federal government's 2004 election commitments to child care represent a major social victory. Canada now stands at a cross-road. We can use the opportunity provided by promised new investments and sector and community enthusiasm to think hard about what constitutes good child care policy. This is our chance to get it right from the start, to avoid squandering scarce public resources going down roads unlikely to produce the positive outcomes quality child care promises.

We have the lessons learned in building other major social programs such as health care and public education that have helped to define us as Canadians. Unlike the pioneers of health and education however, we embark on a strategy steered by research outlining the elements of good quality services and the lessons learned by other countries who have had comprehensive early learning systems in place for decades. This document compiles and applies these strategies to Canada. It is a guide for policy makers and an accountability tool for stakeholders.

Overview

From Patchwork to Framework: A Child Care Strategy for Canada

- places child care within the current Canadian context;
- describes the benefits to Canada of a comprehensive and coherent child care strategy;
- outlines a 15-year legislative and funding strategy for a high quality, universally accessible, accountable child care system; and
- includes policies to help parents balance work and family responsibilities.

The recommendations contained in the document are directed to the Government of Canada. While the provinces and territories have jurisdiction over child care service design, the federal government has a duty to be proactive on pan-Canadian issues. This Constitutional responsibility was reaffirmed in the Social Union Framework Agreement and acted on in recent federal/provincial/territorial agreements including the National Children's Agenda, the National Child Benefit, the Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care.

The CCAAC supports Quebec's access to federal funding to advance their comprehensive family policy, however it is in the rest of Canada where policy and services flounder. For this reason, our proposals are focused on actions required outside Quebec.

We urge the federal government to develop a funding and policy framework that meets the needs of First Nations and Aboriginal people for culturally responsive child care services. Their unique circumstances and relationship of First Nations and Aboriginal people with the federal government are outside the scope of this paper.

The CCAAC advocates for a child care system that meets the needs of children from birth to twelve years. In this document, we outline a federal strategy to provide services for children 0-6 years — before entry to formal school. We are committed to developing a comprehensive policy strategy for school age child care in the near future.

The Process

The recommendations in this paper flow from a year-long citizen engagement process sponsored by the CCAAC. The effort utilized group discussion and on-line feedback to reach out to diverse sectors of Canadians throughout the country. To assist these consultations an options paper, *Seeing and Solving the Child Care Crisis: Options for Progress*, and supporting documents were circulated. The paper applied the policy lessons of the Organization of Economic Co-operation and Development (OECD) study on early learning and child care services¹ to Canada and proposed alternatives for consideration based on the OECD findings. In total 18 consultations took place in 16 communities with 318 individuals participating. In addition, the paper was downloaded over 1,000 times. Written and on-line responses were received from 66 groups and individuals.

The CCAAC would like to thank all those who responded. Their input informed the recommendations which were endorsed by the CCAAC Board of Directors and Council of Child Care Advocates at the June 2004 board meeting. While all contributions were considered, the recommendations in this document reflect the position of the CCAAC.

¹ Organization for Economic Co-operation and Development, *Starting Strong: Early Childhood Education and Care*. OECD, Paris. June 2001. A second phase of the study to be released in Fall 2004 includes Canada.

2. CHILD CARE DEFINED

Child care is known by a number of terms, including: Early Childhood Education and Care; Early Childhood Development and Care; Early Learning and Care. This paper defines child care as:

- A non-compulsory program that supports the optimal development and learning of children aged 0-12 years.

At the same time it:

- enables parents to work, study, care for other family members and participate in their community;
- provides supports and resources to help parents become active participants in their children's early learning; and
- promotes women's equality.

There are strong social and economic arguments for a child care program that concurrently supports women, families and children. Quality programs provide an advantage to children², regardless of their parents' workforce participation or the family's social or economic status. Nurturing, stimulating child care helps strengthen children's dispositions to be life long learners and productive participants in society.

Benefiting mothers also benefits their children. Children's well-being is strongly linked to maternal parenting³. Mothers who are supported by a strong public policy framework of quality child care, adequate parental leave, income supports and family-friendly workplaces are better able to respond to their children.

Programs that meet the needs of both parents and children are also more cost effective than single objective services. Economic models demonstrate that every public \$1 spent on child care produces a \$2 return through reduced social service costs and increased tax revenue as more parents join the workforce⁴.

² M. McCain, F. Mustard. *Early Years Study*. Ontario Children's Secretariat. April 1999.

³ Willms, J.D. Editor (2002) *Vulnerable Children*. Edmonton, Alberta: University of Alberta Press.

⁴ G.Cleveland, M. Krashinsky. *The Benefits and Costs of Good Child Care: The Economic Rationale for Public Investment in Young Children*. Childcare Resource and Research Unit, University of Toronto. 1998.

3. WHY A CHILD CARE STRATEGY?

Supporting the Rights of the Child

The United Nations Convention on the Rights of the Child names child care as one of the fundamental rights all children should enjoy. This statement, which is endorsed by Canada, is supported by numerous studies, commissions and policy documents concurring that quality child care is essential to addressing many of our country's most pressing challenges.

Promoting Health

Increased investments in health care must be accompanied by equally significant investments in health promotion⁵. Children whose development is actively supported during their sensitive early years are at less risk of social, emotional or physical challenges in later life.

Reducing Child Poverty

Child poverty can only be reduced by a set of complementary policies that together increase family income and promote well-being. These include: income support; affordable housing; adequate employment; child care; and community services. Canada has taken steps to address the income support side through the National Child Benefit, but the most stubborn poverty trap, particularly for single parents, is the lack of child care to allow them to participate in training and employment. In this case, child care provides a double benefit. It allows parents to work or upgrade their skills, while compensating children at-risk due to their families' social and/or economic circumstances.

Advancing Women's Equality

Child care is key to a society where women are full and equal participants. Child care — in the words of Justice Rosalie Abella — “is the ramp to equality”⁶. Without it, women are unable to fully participate in the economic, social, cultural and political life of their communities.

Investing in the Knowledge-Based Economy

Skills-training and life-long learning, beginning with early childhood, are the centre-pieces of the federal government's skills agenda⁷. Nobel Prize winning economist James Heckman indicates public investments in young children yield a higher return

⁵ Often referred to as 'population health', an approach to health that aims to improve the health of the entire population and to reduce health inequities among population groups. In order to reach these objectives, it looks at and acts upon the broad range of factors and conditions that have a strong influence on our health, called the 'determinants of health'. *Determinants of health* include: Income and Social Status; Social Support Networks; Education; Employment/Working Conditions; Social Environment; Physical Environments; Personal Health Practices and Coping Skills; Healthy Child Development; Biology and Genetic Endowment; Health Services; Gender; and Culture. www.hc-sc.gc.ca/hppb/phdd/determinants

⁶ R. Abella, *Equality in Employment: A Royal Commission Report*, Government of Canada. 1984.

⁷ Canada's skill strategy was launched on February 12, 2002, with the release of two companion documents: *Achieving Excellence: Investing in People, Knowledge and Opportunity* and *Knowledge Matters: Skills and Learning for Canadians*. The papers highlight goals, milestones and targets that will improve innovation, skills and learning in Canada. *Achieving Excellence* examines the role of innovation in the Canadian economy and proposes goals, targets and federal priorities in four key areas: knowledge performance, skills, the innovation environment and strengthening communities. www.innovationstrategy.gc.ca

than most economic initiatives. Canada's aging workforce is in critical need of renewal. A stable, competent workforce must run deeper than a highly skilled elite if the knowledge economy is to produce a sustainable quality of life for all Canadians.

Deepening Social Inclusion

Child care promotes vibrant communities and makes many contributions to the social, economic, gender, cultural and ethnic harmony Canadians value⁸. Child care contributes to equity for all children including those with differing abilities and those from groups with diverse cultures, family structures and economic backgrounds. It provides a welcome to new Canadians, supporting their participation in Canadian society while retraining and promoting respect for their own heritage and the culture of others.

Keeping Pace with International Trends

Universal early learning programs for children do not begin in the majority of Canada's provinces/territories until children are 5, far older than their counterparts in Europe, many American states and even some developing nations.

⁸ C. Coffey, M. McCain. *Commission of Early Learning and Child Care for the City of Toronto*. Children and Youth Action Committee. May 2002.

4. WHAT IS BEHIND THE CHILD CARE CRISIS?

Child Care is a Patchwork Service

The participation of mothers with young children into the labour force creates opportunities and challenges that go beyond individual families and touch every sphere of life — private, social, cultural, economic and political. Other countries constantly update their policies to reflect this. Canada's scant public support for child care is largely limited to subsidies for mothers in low-income families to enable them to enter and remain in the workforce.

Relegating child care to a labour market support for low-income families is outdated and counterproductive. This approach does not respond to the needs of modern families or to the new science documenting the importance of early childhood experiences to later health and well-being. In every region of the country, parents confront the consequences of this obsolete view. Nowhere is there enough licensed child care to meet demand. For families with non-traditional work hours or living in rural and isolated communities, it is almost non-existent. When care is available it may be of questionable quality, yet too expensive for most families to afford. Public financial support in the form of child care subsidies is determined by an intrusive process where parents must prove themselves deficient to qualify. The result is stand-alone service providers ill equipped to meet the demands placed on them and a patchwork service poorly resourced and vulnerable to changing political winds.

The 'Anything But Child Care' Attitude

Behind many recent children's initiatives is a misunderstanding or misuse of new developmental brain research. Many policymakers have constructed an artificial distinction between "child care" and "child development", resulting in policies that advocates term 'ABC' — 'Anything But Child Care'. Care is seen as parental responsibility with government intervening only to support the labour force participation of low-income families. The availability of the care and its quality tends to be of secondary concern, particularly when the objective is the employment of single mothers.

Enrichment programs offer "stimulation" for infants and "learning readiness" courses for preschoolers. Numerous public campaigns supported by public dollars are aimed at educating parents about the importance of a child's early years.

Information for parents without providing resources only adds to family stress. Intervention programs, unconnected to each other or to a service system, are unable to sustain their benefits beyond a short time. Short-term programs may be popular with governments because they are less expensive than a comprehensive response. In terms of effectiveness, however, one-off programs would be similar to offering older children a two-week reading camp, or a Thursday math hour in place of a school system.

Ambivalence About Mothers in the Workforce

The entrance of mothers with young children into the workforce reflects international trends. Canada's maternal labour force participation rate is only surpassed by the Scandinavian countries. Unlike Canada, however, the Scandinavian countries have built an extensive network of income supports and public services to facilitate women's economic and social contribution. It is astonishing that need alone has not forced similar policies in Canada. Some say the policy stalemate is the fault of ambiguous marketing... is child care a children's issue? ... a family issue? ... a women's issue? It is all of the above. Nevertheless, while all family members are affected, women pay a disproportionate price when quality care is not available. The *National Child Care Study* (1988) confirmed that it is overwhelmingly mothers who make the child care arrangements and scramble when they fall apart. Labour market surveys find that mothers are most likely to refuse work, promotions or transfers because of family responsibilities⁹. Mothers are also the first to forfeit their own well-being in the attempt to balance work and family¹⁰.

Surveys also indicate a majority of Canadians expect women to contribute financially to their families (this is particularly true for mother-only families), but are also concerned about the well-being of young children when both parents work.¹¹ On the other hand, polling shows considerable support for increased public investments in child care¹². Policy makers have fostered conflicted public opinion about the role of women and the care of young children as an excuse for inaction.

Meanwhile parents make do. Mothers forgo paid work while their children are young, even those who would prefer to be in the labour force. Spouses work opposite shifts. Others do double duty and work from home. Farming families take their toddlers to the fields and barns and still others call on relatives or patch together a variety of informal care arrangements.

In the end, everyone suffers. The challenge of finding appropriate services is shared by mothers who are not in the paid workforce but want an early learning experience for their children. Parents are stressed and all children are denied the social, emotional, health and learning benefits quality child care offers.

⁹ Statistics Canada, *General Social Survey*. Author. 2001

¹⁰ K. Daly, *It Keeps Getting Faster: Changing Patterns of Time in Families*. Vanier Institute of the Family. 2000. Mothers in the labour force are most likely to report high levels of daily stress and have less personal and leisure time than fathers or workers without children.

¹¹ N. Ghalan. "Attitudes toward women, work and family", *Canadian Social Trends*. 1997.

¹² Poll commissioned by the CCAAC and the Canadian Child Care Federation found 86% of respondents supported "... a publicly funded child care system that makes quality child care available to all Canadian children." (January 27, 2003). Other polling by YWCA Vancouver, Canadian Policy Research Networks, Environics and the Child Care Human Resources Steering Committee had similar results.

The Current State of Child Care Policy

A child care system can only exist in the presence of a public policy framework. While several intergovernmental initiatives influence the provision of child care¹³, Canada lacks the policy components necessary to move forward.

The **Multilateral Framework on Early Learning and Child Care** (March, 2003), a federal/provincial/territorial arrangement to “invest in provincially/territorially regulated early learning and child care programs for children under six”, is the sole federal policy dedicated to child care. Its objective is to “promote childhood development and the support of parental workforce participation or employment training”. It describes principles for service operation suggesting programs be “available and accessible”, “affordable”, “high quality”, “inclusive” and allow for “parental choice”.

Accountability is addressed through a public reporting process requiring provinces/territories to report on child care services offered in 2002-2003 as a baseline with subsequent annual reports to cover spending, service and quality enhancements.

The Multilateral Framework has been called a ‘start’ to a Canadian child care strategy. It reintroduces the federal government to child care, a role it abandoned in 1995 with the abolition of the Canada Assistance Plan (CAP) and the introduction of the Canada Health and Social Transfer (CHST)¹⁴. Since the Multilateral Framework does not situate child care within welfare policy it has some advantages over CAP. In addition to providing service for families at risk of poverty, funding flowing through the agreement can also be used for capital and operating costs and upgrading staff qualifications.

Unlike CAP, where the federal government reserved the right to withhold funds to provinces/territories not in compliance, the Multilateral Framework contains no enforcement mechanisms. It is left to what the document calls “publics” to monitor the agreement without any mechanism. A major deficiency is the agreement’s silence on the issue of for-profit services. CAP reserved federal funds to not-for-profit administered services, a requirement which discouraged the spread of commercial child care in some provinces.

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 a small number of political leaders and as such is unenforceable and vulnerable to political change.

¹³ The Early Childhood Development Initiative (ECDI) and the National Child Benefit Reinvestment strategy, the National Children’s Agenda (NCA) reference child care. These agreements are available on line at http://socialunion.gc.ca/menu_e.html

¹⁴ This action substantially reduced federal funding to the provinces and territories, abolished cost-shared programs like CAP and removed entitlements for Canadians in need.

5. THE FRAMEWORK FOR A PAN-CANADIAN CHILD CARE STRATEGY

Most of Europe has a well established system of early learning and child care and is reaping the benefits in lower rates of school dropouts, decreased child poverty levels and enhanced maternal well-being. Other countries as diverse as Britain, the U.S. and Jamaica have launched policy initiatives in an attempt to catch up. Canada stands as one of the few economically advanced countries that has yet to produce a child care strategy.

However, accessible, inclusive high quality child care can only exist in the presence of a strong public policy framework. New funding alone will not produce the desired outcomes in the absence of an adequate infrastructure, accountability mechanisms and accompanying family supports. The policy and funding framework outlined in this paper is an effort to address this deficit.

The recommendations developed within this paper, apply the lessons of the OECD *Starting Strong* study to Canada. These lessons include the eight elements of a successful child care policy which are:

- A systemic and integrated approach to policy development.
- A strong and equal partnership with the education system.
- A universal approach to access, with particular attention to children in need of special support.
- Substantial public investment in services and infrastructure.
- A participatory approach to quality improvement and assurance.
- Appropriate training and working conditions for all staff.
- Systematic attention to monitoring and data collection.
- A stable framework and long term agenda for research and evaluation.

With these elements in mind, this paper provides a detailed framework around three main recommendations.

1. Develop and enact legislation and supporting agreements outlining service entitlement, standards, quality enhancements and accountability and leadership responsibilities.
2. Establish a schedule for federal funding to reach 1% of Gross Domestic Product (GDP) by 2020 outlining goals and timelines for funding and service provision in 5-year increments over a 15-year period.
3. Support parents to balance work and family responsibilities by enhancing maternity/parental benefits and family responsibility leaves.

The 'Why' section following each recommendation provides the rationale for its inclusion in the framework.

Unless otherwise stated, all recommendations are directed to the Government of Canada.

RECOMMENDATION ONE: Develop and Enact Legislation and Supporting Agreements

Legislation and accompanying agreements shall contain:

I. A Legislated Definition of Child Care

For the purposes of legislation, child care is defined as a universally accessible, non-compulsory service that promotes the optimal development of young children, at the same time as it provides parenting resources and enables parents to work, study, care for other family members and participate in their community.

This legislation applies to child care in both regulated group and home care settings.

II. Service Entitlement and Standards

The creation or expansion of child care services are guided by the following standards identified in research and practice:

- **Universal entitlement** – Every child in Canada is entitled to high quality child care services regardless of their abilities, economic, cultural or linguistic circumstances, geographical location or parents' work status.
- **High quality** – Services are governed by provincial/territorial regulations promoting the emotional, cognitive, social, cultural and healthy development of children.
- **Inclusive** – Services are responsive to the needs of children with disabilities and are culturally responsive to Canada's diverse population.
- **Comprehensive** – Service provision shall be integrated and coherent and enable parents to work or study and to participate in their children's early learning.
- **Affordable** – Cost is not a barrier to participation.
- **Public/non-profit administration** – Services operate under the auspice of public and non-profit administration as this contributes to community development and provides an accountability measure to ensure all funding remains within the service.
- **Accountable** – Governments and service providers are responsible to parents, children and the public for child care quality, funding and service levels.

Why: The standards listed above are derived from principles compiled by the CCAAC.¹⁵

Pan-Canadian child care legislation is permitted under the Social Union Framework Agreement (SUFA)¹⁶, which allows the federal government to establish new federal programs in areas of provincial/territorial jurisdiction providing a majority of provinces/territories agree. National standards are also consistent with SUFA's assurances that Canadians will have access to comparable services wherever they live. Their inclusion in legislation is a critical accountability mechanism.

¹⁵ For full description of the principles developed by the CCAAC see Appendix A.

¹⁶ SUFA is an agreement between the federal government and provinces/territories, which oversees inter-governmental relations.

Provinces/territories have already indicated a willingness to accept standards by signing onto the National Children's Agenda and the objectives and principles contained in the Early Childhood Development and Multilateral Framework Agreements.

III. Goals and Timelines for Quality Enhancements

A. Provincial/Territorial governments shall develop child care service delivery plans consistent with the identified standards, service and quality goals and timelines outlined in this legislation. First phase plans will include the development of coherent service delivery systems to provide a stable base for continued investments.

Why: In the absence of coherent public policy, a confusing array of services for young children has developed resulting in gaps and duplication that make a shaky foundation for new investments.

There are other delivery options, more cost-effective and better able to address quality and facilitate access. One would be to blend child care, kindergarten/preschool/nursery school and family supports and information into a single service, delivered at a single site or through a neighbourhood hub of interconnected services.

Other jurisdictions also provide alternatives. In developing its system, Quebec split responsibilities based on the age of the child. Schools took over the education and care of children 5-12, while children 0-4 are served by a network of children's centres. In some European countries local 'children's authorities' have responsibility for preschool early learning and care; in others non-compulsory preschool programs are offered by the school system.

B. High quality child care requires a diverse, valued, fairly paid and educated workforce. Service delivery plans will include steps to recruit and retain a workforce that is qualified and diverse; afforded legislated protections; and appropriately compensated.

Plans will contain benchmarks to improve qualifications:

By the end of Phase One: At least half of all staff working with children in regulated group and home settings in a teaching capacity will have acquired provincial/territorial child development certification.

By the end of Phase Two: At least 70% of all staff working in a teaching capacity will have acquired provincial/territorial child development certification.

By the end of Phase Three: All staff working in a teaching capacity will have acquired provincial/territorial child development certification.

These benchmarks shall not be used to lower existing provincial/territorial qualification standards.

Why: The status of the child care workforce including its education, compensation and working conditions, is the most significant indicator of quality in child care settings.

C. The Government of Canada will support the development of resources to enhance quality in child care settings.

Supports include, but are not limited to:

- identifying and addressing gaps in staff training curricula;
- identifying and addressing gaps in child care curricula and materials;
- providing an ongoing grant program to voluntary pan-Canadian child care organizations to further their role in developing and supporting the sector;
- providing ongoing grant programs for related research and evaluation;
- supporting the popularization of research findings for policy development, to inform practice and to promote public education; and
- developing and maintaining standardized data collection systems.

Why: Stable research funding is critical to monitoring quality and assessing policy goals. While no province/territory would be prevented from developing its own materials, it is poor use of public resources to require each province/territory to independently produce its own training, curricula, assessment resources, etc. In addition, accurate monitoring requires that each province/territory use common data collection mechanisms.

IV. Leadership and Accountability

A. Governments, systems managers and child care programs are accountable for financial, administrative and service performance.

The Government of Canada shall:

- provide long term stable funding for the development and operation of child care services for children from 0 to 6 years;
- assume primary responsibility for pan-Canadian child care policy, resource development, research and data collection;
- support the reorganization of service delivery to include the timely transfer of funding and administrative responsibilities to province/territories for federally delivered early years programs;¹⁷
- develop and make public annual progress reports to Parliament as described in Section IV. D; and
- continue to make direct investments in child care including services for Aboriginal and First Nations children and the Canadian military.

¹⁷ The federal government directly funds the Community Action Plan for Children and the Canada Prenatal Nutrition Program.

Provincial/territorial governments shall:

- maintain baseline funding for kindergarten and regulated preschool, child care and family support services;
- develop and implement service plans to meet legislated quality and service targets. Plans shall include funding allocations; system design and management, quality supports, monitoring and evaluation of child care services.
- develop and implement a plan to recruit and train new staff and upgrade the qualifications of the existing child care workforce to meet quality and service targets; and
- develop and make available annual progress reports as described in Section IV. D.

Why: Clear assignments recognize the responsibilities of senior governments for the well-being of Canada's children and families. A clear division and description of responsibility avoids the traditional jurisdictional disputes and allows communities to hold their governments accountable.

B. Designate a federal department to provide leadership for child care.

A department for child care would:

- support the work of the federal government on child care;
- develop pan-Canadian child care policy;
- promote the development of resources to support quality in child care settings;
- develop and maintain common data collection systems;
- promote the development of child care research and its dissemination;
- support and enhance knowledge of child care through sector and public education;
- develop and implement mechanisms to receive input from the child care sector and stakeholders;
- receive and review annual provincial/territorial reports; and
- develop pan-Canadian annual reports for Parliament.

Why: As the federal government increasingly invests in early childhood initiatives, it becomes imperative that there is a 'home' for its work. A federal department would consolidate and co-ordinate the work of the large number of federal departments which currently are involved in programs for young children.

C. The expenditure of funds by all governments must respect the service standards of this legislation. Federal funding will be directed to provincially/territorially regulated public and non-profit child care services.

Why: Analysis of other countries' child care situations (such as the United States and Australia)¹⁸ confirms research which concludes that Canadian child care should be a

¹⁸ Business Resources Whitepapers, *Millions milked in child care industry*, Volume 25, No. 44, November 13, 2003.

public or community-based service, not a commercial business. Public or non-profit auspice is an accountability measure to ensure all funding, whether public or through parent fees, remain within the service. Moreover, a for-profit direction for child care would be inconsistent with the governments' defense of public health care. Developing Canadian child care legislation that is trade sensitive will be critical. The availability of substantial sums of public funding for child care will be a draw, particularly for foreign corporate day care chains. Without a national legislative restriction, provinces/territories choosing to grow their services in the public/non-profit sector would be open to a trade challenge. Even the option of introducing a non-profit restriction in the future would be limited since commercial providers would demand compensation for future profits.

D. Governments shall monitor their work and report annually to Parliament, their respective Legislatures and the public on their progress. Annual reports will include quantitative and qualitative data on the development and effectiveness of child care services and an assessment of compliance with the standards described in Section II.

The designated Minister shall provide Parliament with annual reports on child care services in Canada containing:

- a baseline report on child care services and expenditures;
- an assessment of progress and compliance with this legislation;
- expenditures;
- activities of the department; and
- details on future directions.

Provinces/territories shall provide the designated Federal Minister and their respective Legislatures with annual progress reports containing:

- an assessment of progress and compliance with pan-Canadian legislation and their provincial/territorial service plan;
- a baseline report on child care services and expenditures;
- child care service plans including targets and timelines for quality and access enhancements;
- the type of services and the amount spent on them;
- the number of spaces in child care settings broken down by age of child and type of setting;
- indicators of affordability, such as number of children and families receiving service, the family income of users and the income and social eligibility for fee subsidies;
- numbers and percentage of children with disabilities receiving child care services;
- numbers and percentage of children with disabilities receiving child care services in specialized child care settings;

- numbers and percentage of off-reserve Aboriginal (i.e. Indian, Inuit and Métis) children receiving child care services;
- numbers and percentage of children receiving child care services whose first language is not an official language;
- numbers and percentage of children receiving child care services in rural and remote communities;
- numbers and percentage of families receiving child care services that have non-traditional employment circumstances;
- status of the child care workforce including regulated training requirements, numbers and percentage of trained staff, length of time in the field, and workforce diversity;
- remuneration of the child care workforce as a percentage of the average remuneration for professions with similar educational requirements in the province/territory;
- quality indicators such as child/caregiver ratios and group size;
- a description and accounting of monitoring and enforcement systems; and
- a description and report on disputes.

Why: The Multilateral Framework and similar intergovernmental initiatives rely exclusively on public reporting to 'shame' governments into compliance. This process bypasses elected legislatures that are ultimately responsible to Canadians. Annual reports to Parliament/Legislatures provide accountability and transparency. A reporting template ensures each jurisdiction is gathering the same data based on the indicators outlined in the legislation.

E. Governments Shall Support Citizen Involvement and Third Party Monitoring

Governments shall take steps to equip communities to take part in planning and monitoring child care services as appropriate to ensure community-responsive service development and delivery.

Why: Governments have primary responsibility for child care services. Parents, employers, unions and professional associations, schools, academics, the voluntary sector, and advocates have important roles to play as well.

RECOMMENDATION TWO: Establish a funding schedule to reach 1% of Gross Domestic Product by 2020

A: Public investment in early education will be brought in line with funding for the education of older children by establishing a schedule for federal funding to reach 1% of Gross Domestic Product by 2020.

One percent of GDP reflects the minimum amount the European Union Child Care Network recommends its member countries devote to early learning and child care. For Canada, 1% of GDP represents about \$10-billion annually. While this may seem like a large sum, by comparison public spending on education — primary, secondary and post secondary — is about 6 % of GDP (down from 7.5% a decade ago).¹⁹ Thus, 1% of GDP represents about a sixth of the public education budget and therefore a modest share of public resources for an age group which accounts for one third of the child population.

Federal funding may be used for provincially/territorially regulated child care services for children 0 – 6 years inclusive. Regulated programs are defined as those that support the healthy development of children at the same time as they provide parenting resources and enable parents to work, study and/or care for other family members. Eligible programs meet the quality standards of this legislation as established and monitored by provincial/territorial governments. Federal funds may be used for capital and operating costs including enhancing affordability for parents, staff salaries and benefits, professional development, quality assurances, resources to integrate children with disabilities, and family supports that are part of regulated child care services.

The first five-year phase of this Canadian Child Care Strategy focuses on expansion to firmly establish the program and to build momentum and public support. Revenues increase more slowly in later years, since much of the start up costs and infrastructure will have been covered in the first phase, and the use of child care services by infants/toddlers is not predicted to be as intense as for preschoolers. Funding flexibility allows the provinces/territories to enhance their licensing and regulatory systems and upgrade in-service training. Provinces/territories continue their responsibility for the post-secondary training of the child care workforce.

Funding is allocated according to the following schedule:

¹⁹ Conference Board of Canada. *Investing in Innovation*, 2001.

A 15 year Schedule for a Canadian Child Care Strategy

Baseline spending (2003) \$3.4-billion on kindergarten and child care services by provinces/territories. Federal spending: \$564-million, includes Aboriginal and First Nations child care, child care for the Canadian military and transfers used for child care through Agreements.²⁰

PHASE ONE : YEARS 1 THROUGH 5

Policy Goals	Funding sources and responsibilities	5 year federal funding target
<p>Expansion and Rationalization</p> <p>Child care services expand to cover 56% (1,170,400) of the 2.09-million children 0-6 years.²¹</p> <p>Enhance workforce training and working conditions.</p> <p>Establish federal/provincial/territorial infrastructure.</p> <p>Provinces/territories rationalize and provide infrastructure for service delivery.</p>	<p>Federal Government:</p> <ul style="list-style-type: none"> Retain current spending on child care and parenting supports. Fund child care expansion, rationalization and infrastructure supports. <p>Provinces/Territories:</p> <ul style="list-style-type: none"> Retain existing funding for child care, kindergarten and family support services. Retain responsibility for training the child care workforce. <p>Parent Contribution:</p> <p>To meet service goals, an overall 20% parent contribution²² is included accompanied by a partial phase out of the \$5.7 million now spent on the Child Care Expense Deduction (CCED)²³.</p>	<p>Additional new spending \$4.5-billion.</p> <p>Total annual spending at year 5 \$5-billion.</p> <p>Costing:</p> <p>Average capital cost \$10,000/space.</p> <p>Average operating cost \$10,000/space for full-year service.</p> <p>10% of spaces are designated for children with disabilities @ \$20,000 per space.</p> <p>Average staff salary/benefits \$36K.</p> <p>Average child/staff ratio 1:6.</p>

²⁰ Includes current funding through the ECDA, Multilateral Framework, Aboriginal and First Nations child care and head start programs and health initiatives including CAP-C and CPNP.

²¹ Assumes 65% of the target (760,760) would attend full-time; while the remaining 409,640 would use part-time care. 117,040 spaces would be designated to children with disabilities.

²² The 20% parent contribution represents one fifth of global child care spending. Provinces/territories would determine the fee structure that could include an affordable flat fee, or a sliding scale fee geared-to-income.

²³ Parents receiving publicly funded child care would not be eligible for the federal Child Care Expense Deduction.

PHASE TWO: YEARS 6 THROUGH 10		
Policy Goals	Funding sources and responsibilities	10 year federal funding target
<p>Expansion and Quality Enhancement</p> <p>Services expand to cover 76% of the child population 0-6 years.</p> <p>All teaching staff require post-secondary education.</p>	<p>Federal government pays for child care expansion; retains responsibility for Aboriginal and First Nations child care.</p> <p>Provinces/territories assume full cost of post secondary upgrading of staff qualifications.</p> <p>Parent Contribution: Remains at 20% parent contribution as the Child Care Expense Deduction is phased out.</p>	<p>Additional new spending \$3-billion.</p> <p>Total annual spending at year 10 \$8-billion.</p>

PHASE THREE: YEARS 11 THROUGH 15		
Policy Goals	Funding sources and responsibilities	15 year federal funding target
<p>Expansion and Quality Enhancement</p> <p>Access expanded to cover the child population 0-6 years.²⁴</p> <p>Upgrading staff qualifications to include degree programs.</p>	<p>Federal government pays for child care expansion.</p> <p>Provinces/territories assume full cost of post secondary upgrading of staff qualifications.</p> <p>Parent contribution remains at 20%.</p> <p>CCED is phased out.</p>	<p>Additional new spending \$2-billion.</p> <p>Total annual spending at year 15 \$10-billion.</p>

²⁴ By the end of year 15, 50% of 2.09 million children under 6 years would have full-time access to child care services; while the remaining 50% would use part-time care. 209,000 spaces would be designated for children with disabilities.

B. Financial transfers to provinces/territories for child care services are contingent on compliance with legislation.

Why: The Social Union Framework Agreement reaffirmed federal spending power. As the main funder of children's initiatives, the federal government assumes a particular responsibility to ensure accountability for public investments. Without the ultimate step of financial penalties, there is no mechanism to hold provinces and territories accountable for federal transfers. The regional representation provided by Parliament and the disputes mechanism contained in the Social Union Framework Agreement protect against arbitrary action.

C. Should a provincial/territorial government decline to participate in the provisions of the legislation, the Government of Canada may exercise its right to enter into direct agreements with regional governments.

Why: The Social Union Framework Agreement could be interpreted to allow the federal government to transfer funds directly to regional authorities.

RECOMMENDATION THREE: Support parents to balance work and family responsibilities

Supporting families requires interconnected and complementary initiatives. Recognizing that current social and income replacement policies have not kept pace with the changing economy and its impact on families with young children, the Government of Canada shall take steps to:

A. Expand and enhance maternity/parental benefits.

During Phase One: Extend benefits to cover self-employed parents.

During Phase Two: Extend benefits to cover all parents working or studying to 12 months. Allow parents the option to extend the total time of the leave over an extended calendar period.

During Phase Three: Extend maternity/parental benefits to cover 75% of lost income.²⁵

B. Provide 10 days of annual paid family responsibility leave.

Leave may be used at the discretion of the parent to care for sick family members or to attend medical, school and other appointments.

Why: Family life has been affected by profound changes taking place in the labour market. The changing economy creates new jobs, but it also generates precarious employment for more part-time, casual and self-employed workers²⁶. Women are most likely to work in these employment categories. Furthermore, paid work is more likely to be characterized by longer and more non-traditional hours²⁷. This phenomenon contributes to families that are smaller and more financially insecure. Today's families are also more likely to experience separation and divorce, resulting in growing numbers of children primarily raised by lone mothers²⁸. The changing workplace and the situation of single parent families presuppose new ways of carrying out parental responsibilities²⁹, one that acknowledges the primary role of parents and the supporting role of governments in promoting healthy child development.

²⁵ Maternity/parental benefits will cost \$5-billion by 2020 when the coverage and payments are extended.

²⁶ Andrew Jackson (2003) *Is Work Working for Women?* Research Paper #22. Canadian Labour Congress: Ottawa.

²⁷ Ibid.

²⁸ Statistics Canada, (2003) *2001 Census: Analysis Series*.

²⁹ Cindy Wiggins (2003) *Women's Work: Challenging and Changing the World*. Research Paper #23. Canadian Labour Congress: Ottawa.

Social and income replacement programs have failed to reflect these massive changes. As a result young families and particularly lone mother families are often associated with poverty³⁰.

Child development is jeopardized by poverty³¹ and enhanced by parental involvement³². These critical findings are sufficient reason for governments to intervene in an effort to support parents as they balance work and family responsibilities.

³⁰ Campaign 2000, (2003) Honouring our Promises, Meeting the Challenge to End Child and Family Poverty. 2003 Report Card on Child Poverty.

³¹ GHJ Elder and A Caspi, (1992) "Economic Stress in Lives: Developmental Perspectives" *Journal of Social Issues* 44.4 (1988). GHJ Elder et al, "Families Under Economic Pressure," *Journal of Family Issues* 13.1 (1992): 5-37. GJ Duncan et al. (1994) "Economic Deprivation and Early Childhood Development", *Child Development*, 65. and (1997) *Consequences of Growing Up Poor for Young Children*. Russell Sage Foundation.

³² N. Baydar and J Brooks-Gunn, "Effects of Maternal Employment and Child Care Arrangements on Preschooler's Cognitive and Behavioural Outcomes: Evidence from the Children of the National Longitudinal Study on Children and Youth". *Developmental Psychology* 27.6; 932-945.

APPENDIX A: Principles of a Quality, Accessible, Accountable Child Care System

The Child Care Advocacy Association of Canada has developed the following principles to govern the operation of publicly funded child care services. Research indicates that child care is more likely to contribute to improved outcomes for children, families and communities when these conditions are met.

- **Universal entitlement:** Every child is entitled to quality child care services regardless of their abilities, economic, cultural or linguistic circumstances, geographical location or parents' work status.

Participation is not targeted to any social or income group nor is it tied to the employment status of the parent. Unlike formal compulsory schooling, parents decide if, when and how much their child will participate.

- **High quality:** Government regulations, licensing, monitoring and enforcement provide quality assurances and accountability. Services are based on the most current knowledge and practices in child development and family supports. They provide children with a holistic quality learning environment supporting their physical, cognitive, emotional, cultural and social development. Caregivers have post-secondary level training in child development and receive ongoing training. Fair wages and working conditions support caregiver consistency. Adult/child ratios allow caregivers to respond to the individual needs of children. The physical environment is child-friendly while supporting the work of caregivers and parents.
- **Inclusive:** Supports the participation children with disabilities or other specific needs; providing support to parents and helping all children to reach their full potential.
- **Comprehensive service provision:** A continuum of services is available in every region of the country for children from birth to 12 years in both centre and home-based settings. Services respond to diverse communities including parents' need for parenting supports and resources; full-part-time, extended, seasonal, emergency and non-traditional hours of care.
- **Affordable:** Cost should not be a barrier to participation. Our goal is that eventually child care as an educational program would have no parent fee as does the public school system.
- **Publicly funded to support:**
 - community planning to determine the types of child care services and their location;
 - construction, renovation and maintenance of facilities and equipment;
 - operating costs of child care programs; and,
 - infrastructure supports including licensing, monitoring, caregiver training and upgrading, research, communications and resource development.

- **Responsive:** Services are responsive to the diversity of Canada's communities, promote social inclusion and provide for community and parental input.
- **Accountable:** Governments and service providers are responsible to parents, children and the public for child care quality, funding and service levels.
 - Federal legislation describes the principles governing child care services, provides funding and establishes targets and timelines as a condition of funding to the provinces/territories.
 - Provinces and territories are responsible for allocating federal transfers as directed by legislation. Provincial/territorial legislation, policy and regulations require regular monitoring of service providers to ensure sound financial and administrative practices and the quality of child care services.
 - Funding to service providers is contingent on meeting quality and service standards.
 - Ongoing research and evaluation supports improved child, family and community outcomes.
- **Not-for-profit:** Public and non-profit auspice contributes to community development and is an accountability measure to ensure all funding, whether public or through parent fees, remains within the service.
- **Integrated, coherent service provision** provides continuity for parents and children, builds on existing community capacity and makes efficient use of public resources.