

High Quality Child Care

A Pre-Condition to Equality of Employment

BY JUDITH MARTIN

In this article which appeared in Affirmative Action (Vol. 6, No. 4, 1985), Judith Martin, past president of the Canadian Daycare Advocacy Association (CDCAA), writes about the crisis in child care. This crisis has continued unabated. Today, underfunding, lack of availability, high costs and low staff salaries are still major problems. The CDCAA is working for accessible, affordable, high quality, non-profit child care. Its policy proposals include a child care financing act and national child care objectives for a new federal / provincial / territorial shared-cost program. Of the 2,958,231 children with mothers in the work force, only 293,399 of them (9.92%) are served by child care spaces (1989). If women are to have equal opportunity in the labour market, public and private policies are needed to address the reality of their lives as mothers and as wage-earners. If you are interested in becoming a member of CDACC, write to 323 Chapel St., Ottawa, ON K1N 7Z2, (613) 594-3196.

In 1982, 53% of mothers with one child aged 3 to 5 were in the paid labour force. In 1983, 53% of families with pre-school children were headed by two wage-earners. These mothers must be able to rely on accessible, affordable, high quality child care if they are to participate fully in the paid labour force.

Canadians need help. They need policies and programs that make it easier to combine the roles of "worker" and "parent." Today's economy (not to defend this economy!) demands two family incomes: Statistics Canada estimates that 48% of two-income families would fall below the poverty line if either parent quit work. Despite this, almost nothing has been done to provide support systems for the modern Canadian family. In all of Canada, only some 150,000 licenced daycare spaces exist. Still less has been done in terms of other parent support policy, such as the provision of days off to care for sick children.

Daycare, a matter of provincial jurisdiction in Canada, can be briefly characterized as a selectively subsidized user-fee service. Each province and territory (except the NWT) has enabling legislation in respect to standards, monitoring, start-up, and sponsorship. Each jurisdiction also has some form of subsidy program which, in accordance with an income or means test, assists selected parents to pay their children's user-fees.

THE USER-FEE APPROACH

Daycare has developed as a selectively subsidized user-fee service in Canada. This approach finds its roots in antiquated thinking which perceived child care as a welfare service for destitute working women.

Today in all Canada the four common problems that plague daycare are: *underfunding*, which makes it difficult for programs to provide care that is of consistently high quality; the *lack of availability* of licenced spaces; the *high cost* of daycare to parents; and daycare's present dependence on *low staff salaries*.

Each of these problems is linked to our use of a selectively subsidized user-fee approach to this vital human service. When a user-fee approach is used, it is market forces that determine the quality of care, rather than the needs and preferences of parents and children. With the market's constant pressure to keep costs down, daycare programs must save where they can. Some survive because of the low rents of church basements; others limit costs by paying minimum wages, or by cutting food or program supplies.

Good daycare is expensive! A stable, high quality, universally accessible program cannot be produced within the limitations of the selectively subsidized user-fee system.

In 1983-84, Ottawa budgeted as much for daycare (\$185 million) as did all the provinces combined (\$190 million). Because Ottawa chooses to spend all its daycare dollars as income assistance for select individual purchasers of daycare, it

is clear that federal spending plays a significant role in entrenching the provinces' user-fee approach to daycare.

Federal spending on daycare occurs through three programs: The Canada Assistance Plan, the Child-Care Tax Deduction, and the Dependent Care Allowance (Canada Employment and Immigration Commission).

The Canada Assistance Plan Act: Paragraph (2)(b) of the Canada Assistance Plan provides for Ottawa to reimburse (with conditions) up to 50% of the province's daycare subsidies for low income Canadians, as well as 50% of any grants the province makes to centres on behalf of low income Canadians. In 1983-84 this program cost Canada \$75 million.

The Child Care Income Tax Deduction: Section 63 of The Income Tax Act allows for employed parents who can produce receipts for child care expenses to deduct from their taxable income up to \$2000 per child or two-thirds of actual earned income, up to a maximum of \$8000 per family. Tax experts estimate that this program will have resulted in a 1983-84 public expenditure of \$100 million. It is not necessary to use licenced care in order to claim this deduction.

CEIC Dependent Care Allowance: Income assistance to low-income purchasers of child care who are participants in CEIC training programs will result in an estimated 1983-84 expenditure of \$10 million. It is not necessary to use licenced care in order to receive this assistance.

Each of these programs supports the user-fee approach to daycare. They put dollars in the pockets of select daycare consumers. CAP assists the poor to compete in the daycare marketplace. This is a form of welfare which rules out many in need of daycare - such as middle-income families, and mothers who, despite higher "family" incomes, have to pay for their children's care out of their personal poverty-level take-home pay.

While CAP assists the poor in the daycare marketplace, the child care tax deduction favours high-income purchasers of child care. According to tax

experts, 50% of the 1983-84 \$100 million price tag of this program will end up in the pockets of families with annual incomes of more than \$45,000. The problem with using a tax deduction mechanism to finance daycare goes far beyond the obvious gross unfairness of where this money now goes. Many who should claim this deduction cannot – because many babysitters refuse to give receipts as they intend not to claim their babysitting wages as income. In 1981, only 5.7% of female tax-filers made use of the child care expenses deduction.

Since the Canadian Day Care Advocacy Association (CDCAA) has publicized the gross unfairness of the child care tax deduction, there have been rumblings about the advantages of financing daycare via a child care tax credit. Although a tax credit – an amount one would subtract from taxes owed – would provide more assistance to lower-income parents, it is merely a more palatable method of continuing to shore up Canada's user-fee approach to daycare. The basic problems with the tax approach to financing daycare persist if either the deduction or credit scheme approach is used, simply because funding by any type of individual transfer program shores up the user-fee approach to daycare.

DAYCARE CANNOT STAND ALONE

Daycare advocates know that an enlightened and flexible response to the crisis of today's family involves a lot more than daycare. In fact, many parents have come to believe that new daycare policy must be supplemented with comprehensive parent support policies. By parent support policies, I mean policies that would assist the workplace to adapt to the parenting responsibilities of many workers. Parents need the right to stay home when children are sick, the right to breast-feed at work, the right to substantial paid parental leaves, the right to "flex-time" options which accommodate the work of parenting, and the right to shorten the workday when children are young, as parents in Sweden are now able to do.

NEED FOR FEDERAL LEADERSHIP

The federal government is now taking some leadership in examining the daycare issue. But it is important that Canadians appearing before the upcoming Parliamentary Task Force do not let the federal government use the argument that daycare is a provincial matter in order to avoid spending more money on this vital service.

Although the CDCAA supports

provincial control of daycare, we have put forth three main arguments in our case for federal leadership. They are:

- *Responsibility for leadership:* Given the determining role current federal spending on daycare plays in defining and entrenching the provinces' user-fee approach to daycare, it clearly behooves the senior government to take initiatives to assist the provinces to go beyond the user-fee system.
- *Constitutional basis for leadership:* Canada has many well-established precedents involving the expansion of the federal "spending" role in order to develop services which fall within the "regulatory" sphere of the provinces – for example, post-secondary education and health care.
- *Regional disparities:* Federalism is intended to provide Canadians with some measure of "equality of services" and "portability of services." The following Table describes disparities across Canada in respect to availability of licenced daycare. Such disparities also exist in the size of user-fee (after subsidy) and quality of service available. Quite clearly, current federal policy does not provide for equality of daycare services across the country.

Number of licensed day care spaces per 1,000 children under age of six, and labour force participation rate for women with at least one child 3-5 years of age for ten provinces, 1982.										
	NFLD.	N.B.	N.S.	P.E.I.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.
number of licensed day care spaces per 1,000 children under age 6 (1982)	9	36	54	40	43	66	84	31	78	69
labour force participation rate of women with at least one child 3-5 years (Statistics Canada – 1982)	43.9%	42.3%	49.3% (0-5 years)	51%	44.4%	59.8%	63.5%	54.8%	59.1%	55%

CDCAA PROPOSAL: FUNDING FOR A NEW DAYCARE SYSTEM

In order to provide for the development of a system of affordable, universally accessible high quality child care, the CDCAA proposes that new federal daycare policies based on the following goals be developed:

- *Equality and universality:* All children, regardless of the income level of their parents, must have equal access to high quality services, programs, and benefits.

- *High quality service:* Because the quality of nurturing during the early years of a child's life is a key factor in determining the overall quality and character of one's life, it is crucial that daycare be of high quality, in that it should conform to the standards and expectations of child development research.
- *Availability of service:* All Canadian parents ought to have the option of using a range of high quality licenced child care services. Any proposals for new daycare policy

ought to provide for a mechanism ensuring the development of new daycare spaces in Canada.

- *Building a financial and institutional infra-structure across the country:* We need a federal vision that foresees a Canada dotted with a great variety of child care centres and child care support services. This means that we must commit ourselves to funding daycare, not on the basis of transfer of dollars to individuals, but rather on the basis of policies that will develop a range of flexible

institutions to meet the child care needs of Canadians.

- *Public accountability:* Public funds should be dispersed in a way that allows for us to measure and account for the kind of service tax dollars are used to provide.
- *Parent-user control:* The CDCAA believes that, within the confines of provincial regulations, individual daycare centres should be controlled by parent-users. By this we mean that centres should be governed by elected boards of directors or other governing bodies, of which at least 51% are parent-users. (This does not detract from the involvement of community organizations and non-user professionals.)
- *Involvement of caregivers in the running of daycare services:* Wherever appropriate and desired by caregivers and parents, worker involvement should be encouraged in the running of centres.
- *Daycare as a non-profit service:* The CDCAA believes Canada should evolve towards a system of non-profit daycare.
- *Decent returns for those involved in the delivery and provision of services:* Child care policy must recognize the value and worth, in monetary terms, of child care workers and providers.

In order to implement these national goals, the CDCAA is proposing a Federal Child Care Financing Act which, over a period of 10 years, would phase in new federal and provincial funding mechanisms, so that by 1996 Canada would have in place a system of high quality, flexible child care services which would be available to all children. This proposed system would also be universally funded, so that the parent-user fee would be reduced to a minimal amount (10-15%), as is the case in countries such as Sweden.

Clearly, this proposal is both visionary and practical.



FROM THE NATIONAL FILM BOARD OF CANADA

NO TIME TO STOP

Directed by HELENE KLODAWSKY

Produced by CHANTAL BOWEN

for the Federal Women's Film Program

The barriers facing working-class immigrant women are intimately portrayed through the lives of three articulate women from visible minorities — a sewing machine operator, a domestic worker, and a garment worker/labour organizer. Far from seeing themselves as victims, these inspiring women describe their aspirations and accomplishments as well as the ongoing struggles they face in their personal lives and at work. The film is a powerful call for an end to racism and a plea for improved language and skill training in Canada.



NO TIME TO STOP

(C 9190 027, 29 min. 6 sec.)

May be rented by mail or in person from NFB offices in Canada.

Video: \$2/day

16 mm film: \$6 for 5 days
(excluding time in transit)

NO TIME TO STOP/Video Purchase

C 9190 027
\$26.95 each *

	Quantity	Cost
VHS		\$
Beta		\$
	Subtotal	\$
	Add applicable GST & PST	\$
	TOTAL	\$

GST exemption number: _____

- Please send me information on other new films/videos.

N.B. Orders omitting taxes will not be processed.

Price applicable in Canada only.

(NFB GST registration number R121491807)

* Plus taxes



National
Film Board
of Canada

Office
national du film
du Canada

- My purchase order/cheque is enclosed (payable to the Receiver General for Canada).

- Bill me.

Visa # _____ Exp. Date _____

MasterCard # _____ Exp. Date _____

Cardholder Signature _____

PLEASE PRINT:

Name _____

Position _____

Institution _____

Street _____ City _____

Province _____ Postal Code _____

PLEASE RETURN TO:
National Film Board of Canada
Marketing, D-5
P.O. Box 6100, Station A
Montreal, Que. H3C 3H5