Non-parental early child care “is now the norm for pre-school children in Canada,” writes Jane Jenson, a Canada Research Chair at the Université de Montréal. “With the exception of Quebec, Canada is lagging far behind its peers” in OCED countries “in providing preschool education and other developmental services.” While over half of Canada’s preschoolers are now receiving non-parental care, three-quarters are in family daycare or babysitting rather than public daycare, again, except in Quebec. The provincial premiers, she adds, “were caught off guard by Stephen Harper’s promise, during the election campaign, to revive what are essentially family allowances, presenting them as an alternative to the federal transfers promised by the agreements-in-principle.

For decades, social policy was organized around basic assumptions about how the vast majority of the population organized employment and family responsibilities. Typical homes were composed of two parents, several children and perhaps an elderly relative. These assumptions matched the realities of demography, employment and family life. Only one in 10 families was headed by a lone parent. Women’s labour force participation rate was low; they stayed home to care for their children, the house and perhaps their elderly kin.

When these typical patterns began to break down, they prompted policy adjustments. In the 1960s, the Canada Assistance Plan (CAP) provided child care subsidies for regulated daycare to low-income families. The 1970s brought parental leaves and child care expense deductions, but parents themselves still had to cover the costs and, most importantly, find someone to provide the care. In the 1990s, Employment Insurance, social assistance and child benefits were redesigned in response to new labour force realities such as part-time and temporary work as well as more mothers with young children in the labour force (figure 1).

None of these adjustments produced an adequate (affordable, quality and available) system of early learning and child care (ELCC). There are still not enough spaces in good-quality settings, costs are high, and there is little educational and developmental content to programming, even in regulated care.

Yet, non-parental care is now the norm for preschool children in Canada. On February 7, 2005, Statistics Canada’s The Daily reported that the percentage of all children aged six months to six years receiving non-parental child care reached 53 percent in 2000-01, up 11 points from only six years earlier. Among toddlers aged two and three, the rate was 56 and 57 percent. Overall, however, only one in four Canadian preschool children was in a regulated centre. Three-quarters used family daycare or a babysitter.

In 2004, the Organisation for Economic Co-operation and Development (OECD) issued a warning about the policy challenges ahead and recommended substantial new investment, more attention to the quality of services and enhanced intergovernmental cooperation. Its report identified where the policy priority should be. With the exception of Quebec, Canada is lagging far behind its peers in providing preschool education and other developmental services. Canada is, therefore, putting its future human capital at risk; ELCC is an essential component of the learning system in any knowledge-based economy.

A second priority is to make good use of existing human capital. Earlier investments in education do not reap their expected benefit, and family incomes are too often low. Such results occur when parents remain out of the labour force or take low-paid but flexible jobs because they lack confidence in or access to good-quality non-parental care.

Third, despite the recognized need for intergovernmental cooperation, in 2006 we are heading towards a potential clash. When the new Conservative government threatens to tear up the bilateral agreements-in-principle signed with all provinces in 2005, it destabilizes federalism rather than...
fostering the trust that allows all governments to address policy challenges. Creating trust among governments is a priority.

There is now a widely shared consensus that investments in human capital must begin early. ELCC creates conditions for successful schooling and lifelong learning. The oft-cited 1999 Early Years Study, prepared by Margaret McCain and Fraser Mustard for the Harris government in Ontario, is one of many studies building on knowledge in neuroscience, developmental psychology, human development, sociology, pediatrics and the determinants of health. This knowledge provides a framework for understanding the early years of child development and their impact on learning, behaviour and health throughout the life course. Such frameworks all lead, as they did in the Early Years Study, to recommendations for programs for early child development and parenting, including services for non-parental child care that serve as a new “tier” for ensuring healthy development well before compulsory schooling. The science shows that key milestones in brain, physical and social development are passed long before age six.

Good-quality services not only stimulate the brain development of all children, however. They can also lower rates of vulnerability to development problems. Vulnerabilities, moreover, are not confined to poor children.

The findings of the Human Early Learning Partnership (HELP) at the University of British Columbia are revealing. Applying the Early Development Instrument (EDI), HELP observes a gradient in developmental vulnerability. From the most affluent to the least affluent Vancouver neighbourhoods, the vulnerability rate rises from 6 percent to 38 percent, as does the risk of multiple vulnerabilities. But, targeting prevention only at the “disadvantaged” would miss most of the children who would benefit from preventive services, such as good-quality child care. The largest number of children at risk is found in middle-class neighbourhoods that, taken as a whole, house more young children than do poor neighbourhoods.

A key finding of this important longitudinal study is that prevention must begin early if later investments in schooling are to pay off. Schools with large numbers of vulnerable children cannot make up for early experiences that make children vulnerable to failure. The study found that as much as 60 percent of the between-school variation in basic competency tests in Grade 4 can be explained by a combination of kindergarten vulnerability rates and the socio-economic status of the catchment area. The proportion of children who, on entering school, are vulnerable on one or more dimensions of development is a powerful determinant of a school’s success in assisting children to achieve their basic academic competencies.

Good-quality non-parental child care improves the chances of high returns on human capital investments in a third way. In Toronto and Vancouver, children of recent immigrants make up fully one-quarter of the school-age population and are from households in which the main language is neither English nor French. Inadequate language and communication skill in English or French is one key marker of vulnerability. Without access to language learning and cultural integration well before kindergarten, many children enter school with a vulnerability, making them less ready to learn, and therefore with a higher risk of early failure.

The foundations for high returns on human capital are not built in school, and certainly not at university. Well before children arrive at the school door, many of the pathways and capacities for learning are already set, whether hard-wired in their brains or socially determined by their preschool cognitive, physical or social competencies.

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Early childhood learning and care: the route to meeting the major challenges

determined by their preschool cognitive, physical or social competencies.

The demand for good-quality non-parental child care is high not only because it is good for children; parents also need it. Parents understand that it often takes two incomes to keep a family out of poverty. Couple families with one or two children but only one earner have an 18 percent probability of being low-income, while those with three children or more have a 26 percent probability. Both these numbers are higher than the probability of low-income for lone-parent families (15 percent), and four to five times greater than that probability for households with two or more earners (Horizons 2004).

It is hardly surprising, then, that the labour force participation rates of women with children, whether they are lone parents or living in a couple, have soared in only two decades.

Public policy has, however, failed to keep up with this sea change in behaviour. Some politicians sometimes act as if most mothers are at home with their preschool children or as if parents have a choice about taking a job. Neither of these assumptions matches the realities of today’s families. Two-thirds of all mothers with preschool children are employed, and the rate is still climbing.

All parents want the best quality care for their children, but they are often unable to find something that fits their needs and meets their standards. Too often, they must compromise both the quality of the job they take and the quality of non-parental child care.

Despite having higher levels of education — that is, having made more investment in their own human capital — women still work in jobs that pay only 60 percent of what men earn, and many of them are part-time. Such jobs are often in sectors of the economy that enable a work-family balancing act, because hours are flexible or atypical. And then, the only child care arrangements parents can make are too often less than satisfying.

All child care is not equal. When it is commercially provided for profit, even regulated care is much less likely to meet standards for educational quality than are non-profit centres or even family daycare providers. Such results were amply documented in a 2003 study commissioned by the government of Quebec (table 1). The fail-

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The first is supply. In 2004 there is a regulated space for only 16 percent of children aged 0 to 12 across the country, and 43 percent of these were in Quebec — although only 23 percent of children with employed mothers live there.

When quality spaces are available, parents choose to use them. In 1994-95 — that is, before the new sys-

### TABLE 1. QUALITY SCORES FOR TYPES OF CHILD CARE, QUEBEC, 2003

<table>
<thead>
<tr>
<th>Type of Childcare</th>
<th>Unsatisfactory (%)</th>
<th>Fair (%)</th>
<th>Good/very good (%)</th>
<th>Mean score 0-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Childhood Centre (CPE)</td>
<td>3.4</td>
<td>36.0</td>
<td>60.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Family daycare, affiliated with a CPE (regulated)</td>
<td>20.9</td>
<td>60.0</td>
<td>19.1</td>
<td>2.75</td>
</tr>
<tr>
<td>Private daycare centre (regulated)</td>
<td>28.5</td>
<td>62.1</td>
<td>9.5</td>
<td>2.62</td>
</tr>
</tbody>
</table>

tem — Quebec children were already likely to attend a daycare centre. But at 25 percent, their rate was only slightly ahead of Alberta’s (24 percent) and only 6 percentage points ahead of Ontario’s. Six years later, the gaps were much wider. More than two of every five children in Quebec in 2000-01 attended a daycare centre, a percentage more than double that of any other province (except PEI, where kindergarten is provided in child care centres). Moreover, in both Alberta and Ontario, the proportion attending a centre actually fell, as demand outstripped supply and the willingness of governments to spend.

Given such hard data, why are so many parents still “choosing” to use for-profit care? This is because spaces are now more likely to be located in for-profit centres. In Quebec, the rate of increase of for-profit spaces doubled between 1998-2001 and 2001-2004. In Ontario, which has almost twice as many employed mothers with preschool children than Quebec, the number of for-profit spaces created was three times higher than non-profit ones. Governments are sometimes choosing, in other words, to encourage the form of care proven to be of lesser quality.

Rather than supporting “real choice” then, governments are forcing some parents to make the difficult choice between their child’s well-being and their own employment and family income. Such a forced choice is hardly a positive response to either the challenge of ensuring good returns to human capital investment in the future or the challenge of making best use of past investments in girls’ and young women’s education.

It is not as if child care has not been on the political agenda and at the cabinet table. Since the 1980s, both federal and provincial governments have actively shaped supply. In 1997, Quebec innovated within North America with its universal, affordable and developmentally focused system, at a cost of almost $1.5 billion. At the same time, several governments chose to reduce their spending on regulated care, in the name of deficit cutting and/or encouraging other forms of provision.

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Three of the provinces with the most children — British Columbia, Ontario and Alberta — made substantial cuts. For example, between 1992 and 2004, Alberta reduced its spending by 20 percent (in actual dollars). Ontario has begun to increase its spending again, but in 2004, it was still $44 million short of its 1995 level. It is no wonder that the OECD warned that Canada lags behind its peers in building the social infrastructure of a knowledge economy and that this major international organization called for greater intergovernmental cooperation in making ELCC a priority.

Programs focused on children have already served as one of the domains for healing intergovernmental relations. After the federal government unilaterally slashed and redesigned its transfers to the provinces in 1995, substantial rebuilding of trust and collaboration was required. The Social Union Framework Agreement, for all its warts, marked one move toward better relations. The National Child Benefit, the National Children’s Agenda, the Early Development Initiatives, the 2003 Multilateral Framework Agreement on Early Learning and Child Care, as well as the agreements-in-principle for developing ELCC signed in 2005 with all provinces, represent steps towards rebuilding a functioning system of intergovernmental relations.

Meant to be renewed annually over five years, the agreements-in-principle allowed provinces to make plans and commitments to parents and to associations willing to build infrastructure and provide services. Canada finally seemed to be reversing its downward slide and to be following the trend already established by its OECD peers.

That is why the premiers were caught off-guard by Stephen Harper’s promise, during the election campaign, to revive what are essentially family allowances, presenting them as an alternative to the federal transfers promised by the agreements-in-principle. Saying he would abandon the five-year agreements after only one year, he suggested that a $1,200 taxable payment to families, plus tax credits for employers, was a suitable substitute. Provincial premiers with the most to lose because they have made strong commitments to their own citizens about creating an expanded system (BC, Quebec, Saskatchewan and Ontario) quickly went on record after the election, calling for the minority government to respect the agreements duly signed with its predecessor. To do less would only return intergovernmental relations to the bad old days of unilateralism in federalism. It would also create the risk of a return to the status quo ante, when Canada’s future well-being was hostage to the inability of governments to cooperate and to modernize their support for the realities of the Canadian labour force, families and its future, represented by its children.

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