

The politics of child care

VESTA NEWS - Vol 35 #4 2008 January

Articles reprinted with permission from the Vancouver Elementary School Teachers' Association

<http://bctf.ca/local391/news/0801.pdf>

Two Reports on Child Care Models

When Canada participated in a 2004 OECD study on childcare, it was ranked 14th out of 21 countries for the services it provided. The only bright light in the Canadian system was Quebec. Canada's childcare system was characterized by the authors of this study as being a 'fragile creation' which 'relies to a great extent on the voluntary work of women and survives with inadequate public financial support'. The advice offered to the Canadian government was to consider funding a publicly managed service for children aged 1-6 years and that this plan should aim to 'bring provincial regulations and pedagogical regimes into line with current knowledge'.

At the time the study was conducted, 20% of Canadian children were in regulated daycare. This contrasted rather starkly with Denmark where regulated daycare was being provided for 78% of its children. Since 2004 the federal government cancelled the expected federal investments in childcare and the BC government (alone among Canadian provincial governments) responded with further cuts. Presently morale among childcare workers is extremely low and they are leaving their jobs in droves, thus reducing the number of available daycare spaces.

Since then, and against OECD recommendations, Canadian ministries at federal and provincial levels have gone backwards, so that the situation is worse now than in 2004. The exception to this drastic state of affairs is again the province of Quebec.

In November 2007 the Coalition of Child Care Advocates of BC (CCCABC) published a report on how a community-based, publicly funded comprehensive child care system might work in British Columbia.

One of the main claims made in the report is that nobody in B.C. has a plan on how to develop, deliver and sustain a comprehensive child care system. The report states that the essential building blocks of this type of childcare system are to develop public policy to ensure service, stable capital and operating funds, as well as principles that promote quality, access and safety. Accountable governing bodies would make decisions about the service.

Examples of governance in the report were the models for childcare in Denmark, New Zealand and Quebec. It also looked at the BC School Board model as well as the model for Community Living British Columbia. The key fact gleaned from a study of these systems is that public policy and public funding are essential for good governance of childcare in this province. Other important tenets are that governance mandates evolve over time, structures should support diverse services, and that community control can be exercised in different ways.

These observations mirror the OECD vision, which states that childcare centres are more effective when they function 'as a community hub of interconnected services for families and act as a frontline mechanism for child well-being, screening and prevention.'

As teachers we know first-hand the value in screening children prior to entering kindergarten. If children with special needs have attended a child care centre or a pre-school there is a much better chance that they will have been referred to other professionals and may already have services in place.

While governance may be community-based, the job of government is to have legislation in place that ensures access to non-profit child care, to provide adequate and stable budgets, and to establish standards for equity, quality, access and inclusion. The CCCABC report calls for the appropriate ministry in B.C. to show leadership in this field by demonstrating that it is an effective child care champion. The ministry could show its leadership by demonstrating respect for the true needs of parents and the expertise and knowledge of child care workers. Accessible, affordable child care should be one of the cornerstones of a progressive society.

Privatized Child Care in Canada: It is not as Simple as A-B-C

Advocates on both sides of the public vs. private child care debate agree on some key issues. They both claim to want children in the care of capable workers and in facilities that are safe. Both want a system that encourages the overall social and intellectual development of the children in its care. Both want government money. Beyond this, the two sides diverge.

The reason for this is the requirement that commercial child care centres make profits. Some ways for them to make profits are:

- charging higher user fees*
- lobbying for greater government subsidy of user fees*
- paying low wages*
- providing limited services*
- encouraging lax regulations*

Advocates for a non-profit child care system emphasize the need for:

- universal access*
- child care workers to be required to hold qualifications from recognized colleges*
- good wages and working conditions for employees*
- safe, well-equipped centres*
- a fully-funded system that eliminates user fees*

The rallying cry for promoters of the for-profit child care system is choice. They claim that a system of government subsidies for parents allows families to select the best child care situation for their children. In reality this choice extends only to those who have enough money to ensure their children are cared for to their personal satisfaction.

For the vast majority of Canadians there is little choice. They are faced with poor access in rural and low income areas, very limited access for children with special needs, and long waiting lists at established centres. The private system with its profit-driven philosophy exists mainly to provide increasing wealth for the corporation, not to

provide service to the children in its care. By keeping wages low, profit margins increase, but at the expense of a stable workforce. For-profit child care centres tend to be situated in well-populated communities to assure a profit through operations and possible resale of the business. Equity of accessibility and stability in the workplace are not priorities. Children with special needs are more costly to service and are often excluded.

A good case study is the ABC Learning Centres Company of Australia, now linked to the Busy Beaver Learning Centres Company in Canada.

The ABC Learning Centres Company has been in existence for 17 years. Since merging with its largest Australian competitors in 2004 it is now the world's largest child care company with approximately 2,500 for-profit centres world-wide. Last year, profits were in excess of \$140 million dollars, yet the corporation received 40% of its funding from the Australian government! ABC Learning Centres Company also owns a private training college for child care workers. The students from the college work for the company, receiving a training wage of just over A\$12.00. This assures the company of a ready supply of low-wage workers.

Before ABC Learning Centres took hold in Australia 85% of the child care centres were non-profit. However, by 2007 this figure had been reduced to 30%. A major reason for this decline is a 'shift from finding service providers through operating grants to funding consumers through fee subsidies.'

The rise of for-profit child care centres in Australia has been paralleled by inflated costs to the families for childcare. In the past 17 years, fees for child care have increased by 123% - greater than the increase in gasoline prices for the same period. Family incomes went up by only 62%. In some areas of Sydney, child care fees are more than A\$100 a day, only 20-30% of which is subsidized.

While government spending in the area has almost quadrupled since 1990, profits made by the corporation have been ploughed into an expansion of its business in the United States, New Zealand and the United Kingdom.

It is interesting to note that the ABC Learning Centres Company spends around 50% of its income on wages whereas non-profit centres spend on average 80-89% of their income on wages.

The Australian media has recently become concerned about the quality of service offered by for-profit centres. There have been articles on the failure to maintain proper records, substandard nutrition and breaches of basic hygiene. A report released in June 2006 revealed that 21% of ABC Learning Centres employees would not send their own children to the centres. A similar survey showed that only 4% of workers in the non-profit centres felt the same.

ABC centres tend to be in good supply in affluent communities and not readily available to children living in low-income and rural areas. Children with special needs are also underserved.

What has happened in Australia is beginning to take hold in Canada. The future of our childcare services could be bleak. ABC Learning Centres is already in Ontario and Alberta under the name *123 Baby Beaver Learning Centres*. The federal government

has done nothing to assure that child care does not become a commodity, and the only provincial governments to explicitly commit to using new funds for a regulated non-profit system are Manitoba and Saskatchewan.

When the *raison d'être* of a child care business is profit, it compromises the well-being of the children in its care, since services must be sacrificed to maintain economic gain.

As child care companies become more economically powerful, they become more influential societal forces and work to undermine progressive change for the sake of greater profit.

Lobbying of the Australian government by the ABC Learning Centres Company to oppose an increase in wages for child care workers saved the company \$285,000 a year. For the sake of a miniscule financial expense, this wealthy company actively promoted poorer wages for its employees and other child care workers. That, in turn, will encourage further instability in the workforce.

Our children and child care professionals deserve better than what companies such as ABC Learning Centres have to offer. They deserve a child care system that strives to meet the needs of children and provides employees with a life-long career. Children should not be viewed as clients; children should not be discriminated against because of where they live or what their needs are. It is essential that we strive in Canada to provide a universal non-profit child care system offered by fully qualified professionals. Our child care system should reflect the belief that each child should have the opportunity to achieve his or her full potential.

There are many groups across Canada working to achieve this goal. You can learn more about this issue by contacting:

-Coalition of Childcare Advocates of B.C. at www.cccabc.bc.ca or 604-709-5661

-“CODE BLUE for child care” from the Child Care Advocacy Association of Canada at www.childcareadvocacy.ca

The information for this article was derived from:

‘Lessons from Down Under’ produced by the Child Care Advocacy of Canada

‘Hindsight for Australia: Foresight for Canada’ produced by CODE BLUE for child care and Coalition of Child Care Advocates of B.C.

‘Big Pond: Multinational Child Care Corporation Prepares to Flood Canada’ produced by CUPE

DAYCARES

Daycares are funded by a combination of federal transfer payments, money from the provincial budget, and parent fees. Since 2002, the BC government has been reducing its contribution. The only increases have been as a result of federal transfers. In 2005, the daycare community's hopes were raised when the Early Learning and Child Care Agreement was signed, and hopes were raised for the long awaited arrival of universal child care.

In March, 2007, the federal government cancelled the 2005 Early Learning and Child Care Agreement, which resulted in a loss of \$455 million to B.C. over three years. Instead, the Child Care Spaces Initiative will provide only \$99 million over three years. The federal government's taxable payment of \$100 per month directly to families is a farcical contribution. At VSOCC Centres the infant and toddler fees are over \$1,000 per month. Even the lowest fees, which are for after school care, cost \$355 per month, per child. That's hardly providing universal access!

No federal transfers for child care are yet confirmed for the 2008/2009 budget. If funding isn't restored, BC's total child care program budget will be 21% less than in 2001/2002.

Child Care Operating Funding Program (CCOF) has provided British Columbia Daycares with a monthly grant based on the number of children enrolled. Recently the grant has been reduced by about \$2 a day per child. Daycare centres were left with three choices: raise fees, reduce salaries, or close. The Major Capital Grants Program was also cancelled, and funding to the Childcare Resource and Referral Programs was also drastically reduced.

It has been pointed out by Child Care Advocates that the B.C. government has a surplus of over \$4 billion, which could have covered the federal shortfall. Instead, it is now being considered that the child-to-adult ratio be changed so that long waiting lists for daycare can be reduced. Daycares now have waiting lists so long that they are insisting that parents at least be pregnant when they sign up!

As always, there is a small sliver of hope: Bill C303 has recently passed its second reading in the House of Commons. Introduced by MP Denise Savoie (NDP-Victoria), Bill C303 is 'an Act to establish criteria and conditions in respect of funding for early learning and child care programs in order to ensure the quality, accessibility, universality, and accountability of those programs, and to appoint a council to advise the Ministry of Human Resources and Skills Development on matters relating to early learning and child care.' It has gone to committee, and the third reading is expected in February, (election time?).

So once again it is an opportune time to support child care advocates, to deluge the governments, both provincial and federal, with a tidal wave of demand for universal child care! Perhaps this time they'll listen to our message.