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National daycare would not be good for Canada or kids

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The virtues of national daycare are rarely questioned. Now might be the time to do so, since NDP leader Thomas Mulcair is promising to bring it to Canada if his party is elected.

There are good reasons why national daycare hasn't already been enacted. It's not good for kids, it's not good for parents and it's certainly not good for governing parties.

Canadians can see this up close and personal in Quebec, home of state-run daycare since 1997. While Quebec's political propaganda claims it is wonderful, the reality on the ground is much different.

For a program that pays for itself, it's curious that Quebec's premier Philippe Couillard is discussing raising the cost. As of October 1, Quebec's initially five-dollar-a day provincial plan will be indexed to inflation and thus has gone up to \$7.30. He is also suggesting that costs be tied to income.¹

The reality is that the cost of daycare is high. Once enacted as a state-funded plan, it becomes the task of government to figure out how to continue to pay up. The options include higher debt and deficit levels or higher taxes and user fees, neither of which are popular.

You may wonder how some economists arrive at the place of saying state-run daycare pays for itself? Generally speaking, there are two assumptions.

Faulty assumptions

The first is that more women work, which means more women paying taxes.

It's true that more women entered the workforce when Quebec brought in provincial daycare. For example, in 1995 (pre-provincial daycare plan) in Quebec, the labour participation rate for women age 24 to 54 with children under six was 65.3 percent. In 2005, this same demographic had a participation rate of 77.9 percent.²

Compare this with New Brunswick. There, in 1995, the labour force participation rate was 63.5 percent, and in 2005, it grew to 78 percent. This is a greater increase than in Quebec, yet New Brunswick has no provincial daycare program.³

It may just be that Quebec's daycare plan is getting the credit for something that was happening anyway.

Another assumption made when claiming daycare programs pay for themselves is that children who attend contribute more later in life. These children are supposed to be more school ready, and better socialized.

There is little proof for these claims.

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Multiple studies in Quebec have revealed a low quality of care.⁴ Reports indicate that children are safe but not learning. The authors of a 2006 study wrote that "children were worse off in the years following the introduction of the universal childcare program." They continued: "We studied a wide range of measures of child well-being, from anxiety and hyperactivity to social and motor skills. For almost every measure, we find that the increased use of childcare was associated with a decrease in their well-being relative to other children."⁵

Developmental psychologists like British Columbia-based Gordon Neufeld say that for children under five, socializing does not occur in institutional daycare environments. Paraphrasing Dr. Neufeld, small kids need strong attachments to learn how to hold on to themselves before they can go and meet the world and take on peer pressure.⁶

The kicker, of course, is that parents across Canada do not choose institutional daycare programs as their first or even second choice. A recent IMFC poll showed 76 percent of Canadians think the best place for a child under six is in the home.⁷

National daycare is a recipe for a national boundoggle. Canada has the example of Quebec. We ought to learn from it and make better recommendations that truly allow parents to choose what is best for their family.

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¹ Canadian Press. (2014, September 11). Quebec Liberals considering sliding scale daycare fee: Report. *The Globe and Mail*. Retrieved from http://www.theglobeandmail.com/news/politics/quebec-liberals-considering-doing-away-with-universal-daycare-fee-report/article20569835/
² Malvern, P., Mrozek, A. and Benesch, C. (2011, November). A Quebec family portrait. Ottawa: Institute of Marriage and Family Canada, p. 16.

³ *Ihid*

⁴ Japel, C., Tremblay, R., Côté, S. (2005, December). Quality Counts! Assessing the quality of daycare services based on the Quebec longitudinal study of child development. Institute for Research on Public Policy. Vol. 11, No. 5; Lefebvre, P., Merrigan, P. and Roy-Desrosiers, F. (2010, October). Quebec's childcare universal low fees policy ten years after: Effects, costs and benefits. Centre Interuniversitaire sur le Risque, les Politiques Économique at l'Emploi.

⁵ Baker, M., Gruber, J. and Milligan, K. (2006, February 1). What can we learn from Québec's universal childcare program? Toronto: C.D. Howe Institute. Retrieved from http://www.cdhowe.org/pdf/ebrief 25 english.pdf

⁶ Neufeld, G. and Maté, G. (2004). Hold on to your kids: Why parents need to matter more than peers. Toronto: Vintage Canada.

⁷ A poll commissioned by the Institute of Marriage and Family Canada and conducted by Abingdon Research in May 2013 showed this result. For more information see Canadian daycare desires at http://www.imfcanada.org/sites/default/files/monthly-release/DaycareDesiresMay2013.pdf