

**Submission to the  
Standing Committee on  
Human Resources,  
Social Development and the Status of  
Persons with Disabilities (HUMA)**

**Brief on  
Bill C-303**

**from the  
Canadian Union of Public Employees**

**May 2007**



## **Introduction**

On November 22<sup>nd</sup> 2006, [Bill C-303](#), the *Early Learning and Child Care Act* passed second reading in the House of Commons by a vote of 144 to 116. Members of the Canadian Union of Public Employees along with other child care advocates were in the gallery to celebrate this historic occasion. Imagine -- Canadians have the opportunity to create national standards for a care program much like the Canada Health Act. CUPE believes Canada urgently needs a high-quality early learning and child care system and is a leader on advocating for legislation that would create a national child care program providing quality, accessible, developmental, inclusive, universal, and not-for-profit early learning and child care across Canada.

CUPE is the largest union in Canada representing employees in diverse sectors including health care, municipal, post-secondary education, school boards, and social services including child care.

Child care has been a major issue for CUPE members for many decades. Many CUPE members are parents with young children. They need quality child care so they can work with peace of mind. Two-thirds of CUPE members are women, and women still bear the major responsibility for child-rearing. Child care workers, many of them CUPE members, provide a valuable service to society, yet are among its lowest-paid workers.

There are many interesting and positive aspects to this legislation. We will focus on three areas—the need for federal legislation, the importance of not-for-profit delivery, and the importance of quality with respect to good wages and working conditions for child care employees.

## **The need for a legislative framework**

Canada's social programs have all been achieved with federal parliamentary leadership. Medicare, public pensions, and unemployment insurance were all established through legislation.

All governments rely on legislation to set the framework for social programs. Legislation is also fundamental to a government's ability to account to the elected legislature with respect to the expenditure of public funds.

The government in recent years has stepped back from this important legislative role in favour of negotiating Federal-Provincial-Territorial agreements that exclude Parliament. These agreements as we have recently been reminded can be cancelled by a unilateral act of the executive, without any debate in Parliament. The cancellation of the agreements on February 6<sup>th</sup> 2006, the first act of the Stephen Harper's Conservative government, was announced prior to the opening of the newly elected Parliament. This could not have happened had the agreements been enshrined in legislation.

Legislation also provides transparency. Canadians may not know chapter and verse of the legislation establishing our social programs, but they do know they have been openly debated and voted on by a democratically elected parliament. Federal-Provincial-Territorial agreements don't have the same significance or transparency. They are almost always negotiated behind closed doors and they often represent the lowest common denominator of federal and provincial policies. Even more recently, it appears that the government has even moved away from agreement-making, favouring simple transfers to provinces with no obligation or framework to establish programs. Even the concept of the social union seems to have been abandoned by this government. This demonstrates a grave lack of federal vision and responsibility for Canada's social programs.

The consequences of federal inaction are quite apparent and have now attracted a certain international notoriety. A September 2006 [report](#) from the Organization for Economic Co-operation and Development ranked Canada [last](#) out of 20 OECD countries — including the US — when it comes to public spending on child care. Canada was the sole country without a goal for early learning and child care, and has not answered the OECD's call for a policy framework and improved monitoring. Canada does not even appear in some of the report's charts because the government could not provide data. Bill C-303 will require substantial accountability and reporting measures. The annual report to Parliament will contain much-needed information for development and improvement of a Canadian system for early learning and child care.

One look at Canada's patchwork of child care services shows how badly this Bill is needed along with a renewed commitment for substantial funding. Child care services vary wildly in terms of quality, cost and access across the country, and accountability is lax. The entire system is severely underfunded.

### **The problems of commercial services**

Already in 2004 CUPE warned that there would be [consequences](#) to establishing a publicly funded and privately delivered child care system given Canada's obligations under various international trade agreements. We are pleased to see that Bill C-303 avoids these difficulties by limiting expansion of for-profit child care. The [trade concern](#), in a nutshell, is the investment and services rules in the North American Free Trade Agreement (NAFTA) and the World Trade Organization's General Agreement on Trade in Services (GATS) would likely apply if child care services are provided on a commercial basis. Both NAFTA and GATS trade disciplines would deny governments the right to prevent foreign child care companies from acquiring a dominant position in the child care sector. NAFTA rules would also mean that governments could not require the boards of directors of child care centres to be comprised of parents or community members.

The GATS could also curb governments' ability to specify qualifications for child care workers, or the licensing requirements for child care institutions, where those regulations are "more burdensome than necessary." The ability of governments to create and maintain standards in the child care sector would be severely limited.

Restricting the expansion of commercial child care is not just a trade issue, however. A [new report](#) produced in March 2007, *An Economic Perspective on the Current and Future Role of Nonprofit Provision of Early Learning and Child Care Services In Canada*, underscores the importance of making sure our new cross-Canada child care system is not-for-profit. The national study by economists and researchers from Ontario, Quebec, and British Columbia, found that non-profit child care centres have the highest quality care.

They examined a range of different data sets and found that non-profit status contributes strongly to the quality of services. They found that non-profit centres appear to have higher quality objectives than for-profit centres. The non-profit centres consistently hire better-trained staff, encourage professional development, and provide better wages and benefits. The study confirms the conclusions of researchers from Canada and around the world. They found non-profits to have a *'culture of quality...producing a quality level more the sum of its parts...the non-profit advantage'*.

Our concern about expansion of commercial child care is not a scare tactic. [Australia's experience](#) with for-profit care is a warning for Canadians. In 1991, Australia had a predominantly not-for-profit child care infrastructure but then the government opened up funding for the for-profit sector. Now more than 70% of the sector is commercially owned with the largest corporation being ABC Learning Centres. Last year ABC reported [operating profits of \\$81.1 million](#), representing an 86.4% increase from the previous year. They also reported being the largest child care provider in the world with the acquisition of some US based child care corporations. Australia also ranked very low in the 2006 OECD report *Standing Strong II Early Childhood Education and Care*. Quality child care in Australia was raised as an issue, according to the [OECD](#):

*It was felt that the low pay, low status and training levels of Early Childhood Education and Care staff undermine quality, and may counterbalance the investments governments are making in the sector, despite state regulation and national monitoring of quality through a quality assurance system. In addition, attention was drawn to the poorer work conditions experienced by staff in the early childhood child care sector, compared to other education sectors.*

We don't want to see the proliferation of large commercial child care centres in Canada that are focused on shareholder returns instead of quality. CUPE is pleased to see the clear commitment to a public, not-for-profit system in Bill C-303.

## Quality and working conditions

Quality is defined in Bill C-303 to include standards for staff, standards for the learning environment, and standards for the cognitive, emotional, and social development of children. As a union representing early learning and child care staff, we will focus on the [relationship of staff to quality](#).

The importance of standards to specify qualifications, recruitment, training, support, compensation, and retention of staff is documented in the [You Bet I Care!](#) Study on wages and working conditions of teaching staff and directors in child care centres. The study makes the link between wages and quality of care. The researchers concluded that a child care centre is likely to be high quality when:

- Staff have two years or more training in Early Childhood Education
- Staff are better paid (leading to less turnover and more stability)
- Staff morale and satisfaction are high
- The centre is run as a non-profit organization

The 1998 report forms part of a body Canadian and international research demonstrates a strong correlation between the compensation of early learning and child care staff and the quality of services delivered. Attracting and retaining skilled and well-trained staff is critical for quality child care as helps ensure positive outcomes for children. Quality child care also allows parents to participate in Canada's labour force and participate in Canadian society.

Highly qualified, well-trained, well-paid and well-supported staff who experience high job satisfaction are better able to respond to all children, to plan and support developmentally appropriate programming, and to provide care that respects diversity and values all children and families.

In spite of the important contribution early learning and child care staff make to society, wages in the sector remain among the lowest of all workers. According to the Child Care Human Resources Sector Council Labour Market Update Study, [Working for Change: Canada's Child Care Workforce](#), the income of early childhood educators and assistants is about half the average of all occupations, sometimes considerably less with average earned income in 2000 was \$21,519 for those who worked outside their home, most likely in child care centres.

CUPE advocates for its members in the early education and child care sector to improve working conditions and wages. CUPE commissioned a [study](#) in 2002 exploring the links between unionization and quality. The study found that unionized centres had an easier time finding and keeping good staff:

- Turnover rates for early childhood educators (ECEs) were lower in unionized centres.

- More unionized providers said they expected to still be working in their centre in a year and to still be working in the child care field in three years.
- Centre directors reported an easier time recruiting and retaining staff.

The study also showed a direct link between unionization and quality child care. It found that unionized centres act in ways and have characteristics that [support high quality programs](#), including more trained staff and slightly better child:staff ratios (most often negotiated by the union into the collective agreement). Unionized centres also have higher ratings on actual overall program quality compared to their non-union counterparts. The study concludes that “unionization is beneficial not only for the child care workforce but also for the children in unionized centres, their parents and for the whole society.

CUPE has also advocated for strong regulation of the child care sector with respect to standards, staff ratios, requirements of the physical workplace, funding and qualifications of staff. CUPE is represented on the [Child Care Human Resources Sector Council](#). The CCHRSC is a pan-Canadian, non-profit organization that addresses pressing human resources issues in the child care sector whose valuable work has been recognized by government.

## Conclusion

CUPE is in full support of Bill C-303. The legislation is necessary but not sufficient to move Canada along the path of developing an early learning and child care system. Bill C-303, the *Early Learning and Child Care Act*, is designed to ensure that any federal money allocated for child care actually gets spent on child care. We also need to substantially increase the funding to child care which, instead, has been cut by the government. Funding along with legislation is pivotal to develop a cross-Canada early learning and child care program. Without proper levels of funding, provinces will be unable to achieve the goals of this legislation.

The OECD report on early childhood policy, *Starting Strong II*, shows that more countries are making early childhood education and care a priority, with greater attention paid to service quality. Canada can join countries that have heeded the OECD’s call for a policy framework and improved monitoring and funding for early learning and care by passing this legislation and developing a funding framework.