

A POLICY BLUEPRINT FOR CANADA'S CHILDREN

by

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A concern for child outcomes prompted Canadian Policy Research Networks to undertake a three-year, multi-staged project, which asked, *What Is the Best Policy Mix for Canada's Children?* This *REFLEXION* provides some answers based on research that examined policy practices, policy thinking, public values, and the outcomes achieved by children in Canada and a number of comparable countries.

From the outset, the project was designed to contribute to a societal strategy to support young children and their parents. As this terrain was mapped, we found that a societal strategy will require the sustained commitment of stakeholders across Canada: parents, families, neighbourhoods, communities, employers, public institutions, and governments. Each must actively foster the three "enabling conditions" identified in this research that, together, lead to good child outcomes. These enabling conditions are adequate income, effective parenting and supportive community environments.

It is not enough, however, to say that everyone has a role to play. Action must be taken in a coordinated manner to ensure that efforts undertaken in one quarter do not work at cross-purposes with actions taken in another. One way to increase coordination is to focus on child outcomes. This can be done through broad-based consultation on goal setting, sustained research to identify and measure outcome indicators, and ongoing public reporting of results to ensure corrective action is taken. One mechanism for coordinating actions, across sectors and jurisdictions, is to focus on the policy goals and instruments that can be used by the public, private and voluntary sectors to support young children and their families. This paper demonstrates how policy instruments can be combined across sectors to achieve policy goals that lead to improved child outcomes.

Highlights

- Our research and dialogue identified three enabling conditions that underpin good child outcomes: adequate income, effective parenting and supportive community environments. By contributing to all three enabling conditions, policies for children and families form an important part of the blueprint for a coherent societal strategy for children.
- Adequate income, preferably earned income, can be assured by recognizing the cost of raising children, significantly reducing the cost of child care for employed parents, and providing additional income support to families with low earned incomes or maintenance payments.
- Effective parenting can be supported through improved paid and unpaid parental leaves, flexible employment hours and schedules, improved access to health and developmental programs as well as community resource centres, and enhanced availability of developmental child care and preschool for both employed and stay-at-home parents.
- Communities can provide supportive environments for children through access to reliable education, health, social, and recreational services, by providing integrated delivery for all of these services, by creating “child friendly” spaces and systems, and by collaborating across sectors to promote better outcomes for all children.
- It is essential to view these action steps as a “package” that will be fully implemented over time. The *entire* package is needed to ensure that the overall policy mix achieves and maintains a correct balance. The blueprint for action in this *REFLEXION* is meant to shape decisions over the next several years as funding can be allocated and as the capacity to provide key services are created.
- Governments remain key contributors by helping to build consensus through democratic practices and including other stakeholders in envisioning and shaping responses to the needs of families and children. Governments can also provide funding to help make things happen. However, it is employers, voluntary agencies, and public institutions, as well as parents in their many roles – as parents, community volunteers, board members, and so forth – that will determine the final outcome of a societal strategy for children and, in so doing, determine the extent to which Canada improves the outcomes achieved by its young children.
- Canada must stay within the bounds of fiscal prudence and there are other important claims on the public purse for tax cuts and other spending changes, as well as for debt reduction. Nonetheless, our extensive analysis of research evidence and dialogue with Canadians also makes it very clear that the time has come for a sustained societal investment in children and their families. Phased implementation of this blueprint for action will be necessary to sustain the current momentum and build the better outcomes we want for Canadian children.

Canadians and their governments pride themselves on their reputation as a caring and just country, whose citizens live well and whose social infrastructure is strong and fair. Each time the United Nations' *Human Development Index* report is issued, we celebrate the high score achieved. Yet, that overall success story hides less positive ones. In particular, we do not hold pride of place when it comes to creating the societal conditions that promote child well-being.

If we are not doing well enough, how can we do better? We argue here that, together, Canadians *can* create a societal strategy for children.

The efforts of all sectors of society will be needed because so many factors must “mix together” to create *enabling conditions* that can contribute to good outcomes in the realm of child well-being and development. Families, neighbourhoods, communities, employers, public institutions and governments all need to take specific actions to foster these enabling conditions and, in so doing, improve the life chances of Canadian children. These separate actions must be taken in a conscious and coordinated way.

How can we increase awareness of the enabling conditions that lead to better child outcomes? The first section of this *REFLEXION* maps the terrain to increase our understanding of this complex issue.

How can we enhance coordinated action to foster these enabling conditions? The second part of this *REFLEXION* concentrates on roles, responsibilities, and coordination. Specifically, by examining the policy goals and instruments that can be used by the public, private and voluntary sectors, it provides a policy blueprint for creating the enabling conditions that can lead to improved child outcomes.¹

Concern for good child outcomes gave rise to the major project, *What Is the Best Policy Mix for Canada's Children?*, undertaken by the Family Network of the Canadian Policy Research Networks (CPRN). A brief description of the *Best Policy Mix for Canada's Children* studies is provided at the end of this *REFLEXION*.

The overall project goal was, and is, to contribute to the development of a societal strategy for

Canada's children.² To get there, and to ground its conclusions in evidence-based research, CPRN assessed the situation of Canadian children and their families, including the values held by Canadians about issues related to parenting. It compared patterns of child outcomes in Canada to those found in other countries. It mapped the policy practices of our governments as well as some in Europe and the United States. It drew conclusions about policy goals and instruments that might move Canada closer to where it wants to be – among those countries doing the best in the world for their children.

I. A Societal Strategy for Children: Mapping the Terrain

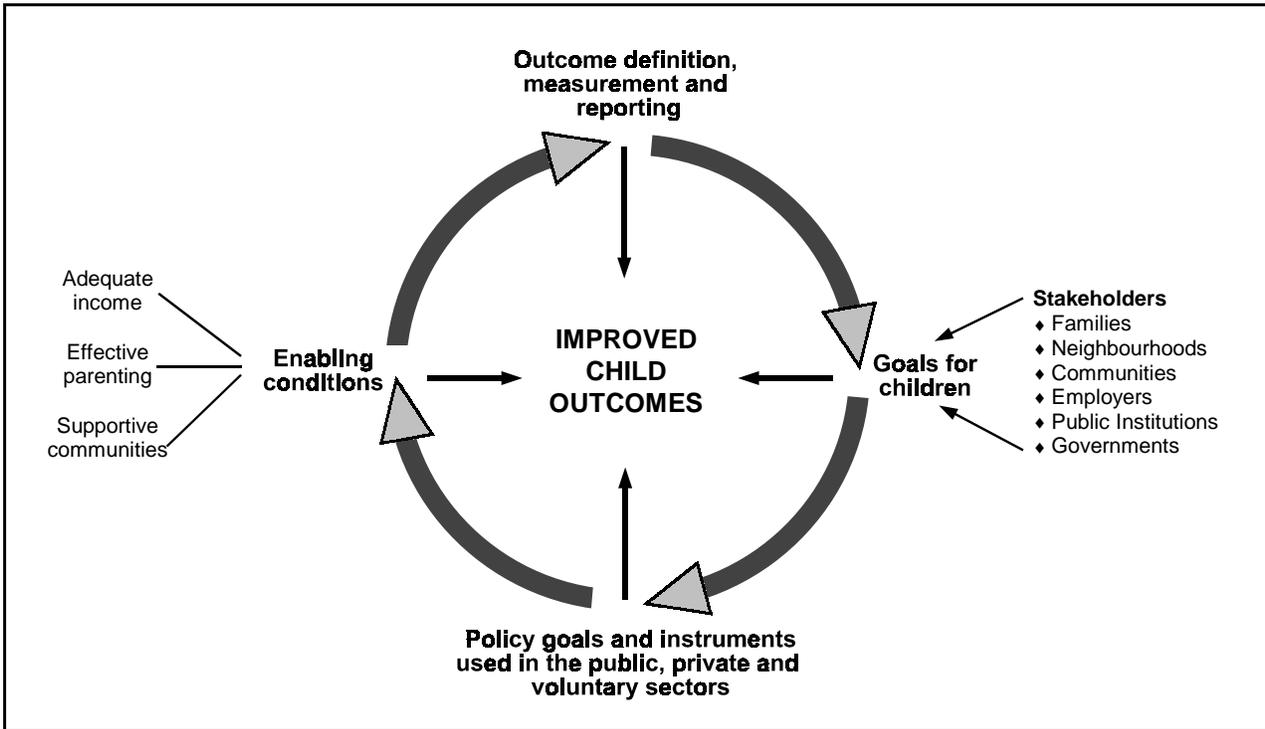
Initially, the successful elaboration of a societal strategy for children requires a common language for discussion and an understanding of the factors affecting their life chances. Accordingly, a premise of this study is that shared goals can be developed, as can a commitment to collaborate in order to achieve them.

A second premise is that arriving at a societal strategy for children is a responsibility that must be shared by parents, families, neighbourhoods, communities, employers, public institutions and governments. This shared responsibility must be accompanied by a commitment to specific actions to achieve shared goals and a willingness to track progress toward their achievement.

A third premise is that creation of a societal strategy for children is no easy task. It is innately difficult because the needs of children cross the traditional policy domains of governments, not fitting neatly and exclusively into existing categories such as justice, education and health policy, labour policy, tax policy, housing policy, and so forth. Child well-being is also affected by policies of employers in the public, private and voluntary sectors. Moreover, outcomes for children are affected by the policies of voluntary agencies, service clubs and so forth that provide programs, services and support for children and families on an occasional or ongoing basis. Thus a good mix of policies for children requires innovative thinking and adjustment of longstanding habits by governments and other



Figure 1
Components of a Societal Strategy for Children



policymakers in the private and voluntary sectors. It requires a new framework as well as cross-jurisdictional learning and collaboration.

Such a strategy will require a major societal commitment as well as a significant investment of money, political will, time and energy on the part of governments, institutions, voluntary organizations, employers, and parents. The costs are not modest, but change can be undertaken, step by step, if we so choose.

Building a Common Language

A societal strategy for children consists of several parts. A number of components can be built in tandem at the outset and some are already under development. For example, Canadians must first set goals for the outcomes we want our children to achieve. Yet, there is no direct link from goals to outcomes. Rather, a number of policies must “mix together” to foster *enabling conditions*, which, as a complete package, can lead to better outcomes for children.

How do we create and strengthen enabling conditions? This complex challenge is shown in Figure 1. We conclude from our analysis of the research that the numerous factors associated with child outcomes cluster into three broad categories to: (1) generate adequate family income, (2) nurture effective parenting practices, and (3) mobilize communities to provide supportive environments for children and their families.

As shown in the diagram, *goals for children* and *enabling conditions* are part of a feedback loop that can contribute to improved child outcomes. Other parts of a societal strategy for children play into this loop. These include policy goals and instruments as well as mechanisms for regularly measuring, monitoring and reporting child outcomes, including the research needed to support these efforts. In turn, widely reported evidence-based findings about child outcomes (and the status of their contributing factors) can stimulate new corrective actions to improve child outcomes on an ongoing basis.

This complex challenge is by no means easily addressed. It requires joint action by a variety of

persons and institutions *outside* the family, as well support *for* the family so it can do its best. All of the stakeholders shown in the diagram can make a difference in the lives of children. In order to coordinate actions among them, we propose a policy blueprint for long-term action. As described in the second part of this *REFLEXION*, this blueprint is designed to show how actions taken in one quarter can reinforce and build upon the actions taken in another. Before we present this analysis, however, we provide some additional background information for understanding some other parts of the map that can lead Canadians to a societal strategy for children.

Goals for Children and Child Outcomes

The National Children's Agenda is engaged in a public consultation process designed to set a vision and goals for Canadian children. The goals will also be based, in part, on new research about child outcomes. The *National Longitudinal Survey of Children and Youth* and other research on the early years is already tracking child outcomes and identifying the many factors associated with them. Although these consultation and research initiatives are being developed simultaneously, they can build on each other's learning and strengths.

They can reinforce each other in setting goals for children, measuring child outcomes, and analyzing the factors that contribute to the outcomes achieved. Together, they can be used to determine what progress is being made and guide researchers in their study of different child outcomes and contributing factors. Consultation on goal setting and consistent reporting of results, arising from the findings of evidence-based outcome research, can also help policymakers set priorities for short-term goals and long-term strategies to support Canadian children and their families.

Some of CPRN's research studies make significant contributions to these initiatives. For example, Tipper and Avard (1999) have identified a great deal of convergence across the different disciplines that are exploring child development.

There is agreement that "good" child outcomes are associated with: (1) the achievement of a spectrum of *stage salient developmental tasks*, (2) the

attainment of *human capital*, meaning the acquisition of knowledge and skills needed to make a productive contribution to the economy, and (3) the demonstration of *social capacity*, meaning the presence of empathy for others that reflects concern for family, friends, community members, society as whole, and the larger environment.

Research on child outcomes is moving from a reliance on *negative outcome indicators* (e.g., infant mortality, low birth weight, teen suicide) toward the identification of a set of *positive outcome goals* for children that emphasize developmental potential and achievement (e.g., normal birth weight, social competence, skill and knowledge acquisition, having a basic sense of trust in the world). Research is also shifting from a focus on mere survival to a focus on well-being. Finally, it is placing less of an emphasis on the preparation for adulthood, or what children will become as contributing members of society, and greater emphasis on the determinants of health and well-being during childhood, a clear recognition of the inherent value of children as citizens.

A set of five *positive* outcome domains emerges and can be applied across the broad stages of child development: infancy and early childhood, childhood, and adolescence. The five positive outcome domains proposed are optimal physical well-being, learning readiness, secure attachments and identity, social engagement and competence, and "smart" risk taking.

While most need little explanation, "smart" risk taking requires some elaboration. Although numerous indicators capture the negative consequences of unhealthy behaviour, there is a dearth of information about health enhancing behaviour and the factors contributing to it. There is some indication, however, that learning how to take reasonable or "smart" risks in childhood and adolescence may be related to future success in the labour market and adult life in general, where risk taking is often rewarded. For example, curiosity in toddlers may build the confidence which leads to the pursuit of adventurous sports and leisure activities in childhood, translates into responsible social behaviour in teens, and ultimately appears as entrepreneurial activity in adults.

As we will see below, the insight about measuring positive outcomes is not yet predominant.



Box 1

Enabling Conditions and Some Factors Affecting Child Outcomes

Multiple Factors Affect Child Outcomes: Experts in child development report in the burgeoning research in this field that we are failing to invest enough in the early years, putting our next generation of young children at risk of school failure and anti-social behaviour. A number of children are likely to be assessed as developmentally “delayed” in terms of motor and social development, school readiness or academic achievement. The children at risk are often those in lone-parent families, at the lower end of the income scale, whose parents’ educational levels are low, and whose parents have weak parenting skills (Lefebvre and Merrigan, 1998). Other researchers have calculated the frequency of impaired social relationships and the presence of one or more behavioural problems in children aged 4 to 11, as well as the number of children aged 6 to 11 who have repeated a grade – across four income levels. When these numbers are aggregated, it can be seen that among children who experience difficulties, 70 percent are living in families with incomes *above* Statistics Canada’s “low income cut off” (LICO) and only 30 percent are living in families with incomes *below* the LICO and, therefore, classified as *poor* or *very poor* (Statistics Canada, 1999).

Adequate Income: Adequate family income is needed to meet the physical needs of children for food, shelter and clothing. Beyond these basic needs, however, adequate income is needed to promote the social development of children by including them in community life, nurturing their talents, and ensuring they can participate with their peers in healthy and stimulating activities. Recent research using data from the NLSCY examined 27 elements of child development and found that “in 80 per cent of the variables examined, the risks of negative child outcomes and the likelihood of poor living conditions were noticeably higher for children living in families with incomes below \$30,000. This was also true for 50 per cent of the variables examined for children living in families with incomes below \$40,000” (Ross and Roberts, 1999, x-ix).

Effective Parenting: Parents struggle to schedule quality time with their children, concerned that without parental nurturing, children may develop behavioural problems or fall behind in school. Many parents squeeze in more time with their children by giving up on other activities related to work, in the community, with their partner and friends, and for themselves. Research based on the NLSCY examined the influences of parental involvement (times per week the parent engages the child in talking, reading, playing, laughing, praising, and doing special things) on behaviour and preschool vocabulary, controlling for socio-economic variables such as family income and parental education. Results indicate that children who experience higher levels of parental involvement have fewer behavioural disorders and exhibit more pro-social behaviour. The effect of parental involvement on these outcomes is greater than the effect of socio-economic status and family structure (Cook and Willms, 1998).

Supportive Community Environments: Neighbourhood affluence, which is associated with greater neighbourhood safety, is beneficial to children. Children living in unsafe neighbourhoods are at greater risk of having lower scores for both cognitive and behavioural competence. Neighbourhood safety is enhanced where communities share values and common expectations. Factors that improve neighbourhood quality for all children include the availability and accessibility of recreational spaces, mother-toddler programs, quality child care, and after-school programs (Kohen, 1998).

Nonetheless, a successful system of outcome measurement that is closely tied to the policy process can serve four key functions. First, it can strengthen the policy design, resource allocation, policy delivery, and policy evaluation processes. Second, it can help address citizen demands for greater government accountability for policy outcomes. Third, it can strengthen Canada’s social union by achieving consistency on pan-Canadian principles of child development. Finally, it can help those working in

partnership across governments, sectors and community agencies focus on key goals for children and take joint action to achieve desired child outcomes.

Enabling Conditions and Child Outcomes

New information about child outcomes provides a snapshot of how children are doing in terms of

physical health and development, behaviour, social relationships, achievement at school, and so forth. What this data cannot say is “why.” Many researchers are, therefore, involved in analyzing the numerous factors or “inputs” that have a strong statistical association with specific child outcomes. These factors include family income, family composition, parenting practices, neighbourhood composition, and many other variables.

Also important is the assessment of family and community assets and deficits. For example, information is needed about the access parents and caregivers have to formal and informal supports, as well as data on whether they use available supports. Data are also needed about the availability of specialized services for disabled children, Aboriginal families, immigrant families, and so forth.

In Canada, the *National Longitudinal Survey of Children and Youth* (NLSCY) is providing a rich resource for this work, which will allow us to track the same children and their families over time. Researchers are beginning to learn which factors change over time, and how. This is leading to a greater understanding of how specific factors contribute to better – or worse – outcomes for Canadian children and their families.

The studies also find that many factors intersect to affect child outcomes. Box 1 provides a very brief summary of some research on child outcomes and the factors contributing to them. For ease of understanding, these factors have been clustered according to what we term the three enabling conditions that contribute to good child outcomes: adequate income, effective parenting, and supportive community environments.

The Situation of Canadian Children and Their Families

Comparisons with other countries help identify where this country’s performance in providing the enabling conditions for successful child outcomes needs improvement if we are going to rise to the top of the class. Comparisons also help us identify the range of policy goals and instruments that are available to stakeholders to create these enabling conditions.

Making such comparisons requires having a notion of which outcomes are desirable. This is where discussions of child outcomes often get muddled. Some research reports specific *outcomes* (e.g., physical, emotional and behavioural achievements or failures, relative to an age-specific peer group). Other research reports on the *factors that contribute to outcome achievement* (e.g., economic status, family composition, the effects of a range of policies). Navigating through this confusion, we can examine a number of these different indicators to determine how Canadian children are doing.

Canada hardly differs from other countries when social and demographic trends are compared (see Table 1). While some countries may diverge on one or more measures, Canada is always near the norm or in the middle of the pack. For example, over two-thirds of women are employed, while three of five mothers in two-parent families and half of all lone mothers are in the labour force. Similarly, our tax rates are neither the highest nor the lowest and Canada is neither the most, nor the least, ambitious in efforts to reduce income inequality.

Such complicated patterns are instructive. They teach that choices about policies are relevant, but there are no simple keys to success. For example, the United States taxes 81 percent of families at only 11 percent of disposable income and also spends very little on social programs. The Netherlands reduces income inequality by spending a lot on social programs while taxing virtually all families at 25 percent. Norway reduces income inequality by spending a lot on social programs while taxing 90 percent of families at a moderate 14 percent. Canada is spending less on reducing income inequality through social transfers than the Netherlands or Norway, while taxing 86 percent of families moderately at 18 percent. Does this mean that Canada is not doing enough?

Canada *does* reduce rates of poverty among children by using income transfers, as shown in Table 2. The data from the early 1990s were clear. When *all* families were considered, there were fewer poor families in Canada than in the United Kingdom and the United States, once income transfers were made and taxes were collected. For *lone-parent* families, the United Kingdom did better than Canada at reducing poverty, but barely, while both countries remained significantly ahead of the



Table 1
Synopsis of International Social Trends, Policies and Child Outcomes

Key: n/a = Information is not available.
X = Relative level of government support. The more Xs, the greater the support.

Social trends and policies	Canada	United States	United Kingdom	Norway	Netherlands
Rate of female labour force participation	68%	70%	66%	72%	57%
Mothers' labour force participation					
• Percent of two-parent families with mothers who are employed	60%	60%	38%	72%	34%
• Percent of lone-mother families with mothers who are employed	50%	61%	28%	78%	19%
Some social transfer income received for children					
• Percent of married couple families receiving transfers	91%	42%	99%	99%	99%
• Percent of lone-mother families receiving transfers	> 99%	90%	> 99%	> 99%	> 99%
Tax rates paid by families with children					
• Percent of families that pay taxes	86%	81%	n/a	90%	> 99%
• Tax rates as a percent of disposable income	18%	11%	n/a	14%	25%
Efforts to reduce income inequality					
• Relative spending on social programs	XX	X	XX	XXX	XXX
• Tax credits for families with children	XX	X	XX	XXX	XXX
Child health outcomes					
• Infant mortality (as a percent of live births)	0.68	0.85	0.62	0.52	0.56
• Low weight births (percent of neonates weighing less than 5.5 pounds)	5.50	7.00	6.40	4.60	n/a
• Average height at age 11 (feet)	4.80	4.90	4.70	4.90	4.90
• Average weight at age 11 (pounds)	90.00	97.70	88.20	89.80	89.00
• Percent of children aged 0-11 with asthma	11.00	n/a	10.10	6.90	n/a
• Percent of children aged 0-11 who had accidents or injuries in previous 12 months	10.20	10.60	n/a	7.90	n/a
Source: Adapted from Phipps (1999, 55-62 and 101-116).					

United States. However, comparison of Canada, the United Kingdom and the United States to the Netherlands and Norway is less heartening. We see that, despite reducing poverty in families, Canada still has a high percent of poor children. While making some families *less poor*, we are by no means eliminating poverty. Further, as Table 1 shows, Norway and the Netherlands have systematically better scores when child health outcomes are measured.

Such concerns about reducing poverty and economic vulnerability, as well as promoting attachment to the labour force, led provincial, territorial and the federal governments to begin work on re-designing child benefits. By 1998, the National Child Benefit (NCB) was in place. It includes the Canada Child Tax Benefit and its supplements, as well as provincial government "reinvestment plans," which are program commitments made in the context of the NCB. We will discuss the NCB in more detail below.

Table 2
Effects of Social Transfers and Taxes on Poor Children¹

Income for households with children aged 0 to 11	Percent of poor children ²				
	Canada	United States	United Kingdom	Norway	Netherlands
All households with children					
• Before taxes, <i>without</i> social transfers	26.3	32.7	30.5	16.3	12.6
• Before taxes, <i>with</i> social transfers	15.4	26.9	17.7	4.7	3.6
• After taxes, <i>with</i> social transfers	16.9	29.8	23.0	6.3	7.1
Lone-mother households with children					
• Before taxes, <i>without</i> social transfers	66.8	68.4	83.5	61.1	81.7
• Before taxes, <i>with</i> social transfers	41.6	57.9	39.0	14.8	17.0
• After taxes, <i>with</i> social transfers	42.5	60.7	46.0	15.7	33.5

1 Data are from the early 1990s.
2 "Poor children" are defined as a percent of all children aged 0 to 11, where *poor* means "family equivalent income" is less than 50 percent of "country equivalent income" according to the population income distribution.
Source: Adapted from Phipps (1999, 98 and 100).

It is also worth noting that these European countries go much further than simply providing income support. They also offer an array of services (such as child care and preschool programs) and supports (such as flexible work arrangements and rights to paid and unpaid leave) that make a difference to families seeking to balance their work and family responsibilities. In other words, these countries are also investing in effective parenting and supportive community environments.

Further comparison, this time of values, helps us understand why different outcomes as well as different policies exist across countries. Reflecting a value held in favour of the work ethic, North American governments offer lower levels of social support as an explicit incentive for parents to work. Yet, ironically, Canada (along with the United States and the United Kingdom) provides fewer and less extensive programs that would actually support working parents. Table 3 illustrates these different approaches to policies for children and families for a selected group of countries.

The European Union has mandated all its member states (except the United Kingdom, which has opted out of the social union) to provide a universal parental leave of at least three months to each

parent. As Table 3 illustrates, however, many countries already surpass this minimal entitlement, with their mixes of paid maternity and parental leave.

Neither paid nor unpaid parental leaves are universally available in North America. Nor are paid maternity leaves available to all mothers to enable them to recover from childbirth and care for their babies. Only some fathers, as well as only some mothers, can take paid parental leave to stay home with their newborns. In addition, taking unpaid leave results in a substantial loss of income and, potentially, being forced to leave paid employment for a time. This is despite the fact that we have known for more than a century that babies thrive better when they are breast fed for extended periods and we know today that good parenting practices require time during which stress is minimized.

As well, in the 15 European Union countries, depending on the country, anywhere from 60 to 99 percent of all children aged 3 to 6 are in publicly funded child care programs. This high rate of participation holds true even among countries where raising children is seen as primarily a *family*, rather than a *social* responsibility. Thus it includes Italy, with 91 percent of young children in publicly funded child care, Spain with 84 percent, West Germany



Table 3
International Approaches to Child and Family Policy

Key: n/a = Information is not available.
 EI = Employment Insurance (Canada).
 None = The country does not have a policy for that criterion.
 X = Limited policies in place.
 XX = Strong policies in place.

Family policy strategies	Canada	United States	United Kingdom	Norway	Netherlands	France	Germany	Sweden
Children are primarily a <i>family</i> responsibility or both a <i>social</i> and a <i>family</i> responsibility ¹	Family	Family	Family	Both	Both	Both	Both	Both
Children aged 3 to 6 in publicly funded child care or school ²	43%	n/a	43%	40-50%	71%	99%	78%; 100%	72%
Paid maternity leave ³	For those eligible, 15 weeks at 55% of EI insured earnings	None	18 weeks paid; additional weeks unpaid	n/a	16 weeks at 100% of earnings	16 weeks at 84% of wages ⁴	14 weeks at 100% of income	Merged into parental leave
Parental leave ⁵	10 weeks at 55% of insured earnings, if EI eligible; unpaid varies by province	12 weeks unpaid (general family leave)	None	42 weeks at 100% or 52 weeks at 80% of earnings	9 to 27 weeks are available but not guaranteed	Flat rate benefit up to 3 years, ⁶ unpaid up to 3 years	Flat rate benefit till child is 3 years old	Up to 18 months, first 12 at 80% of earnings
Family leave ⁷	Short, only in 3 provinces	Unpaid	None	Paid	None	Unpaid	None	Paid
Individual subsidies or tax relief for child care costs ⁸	XX	XX	X	XX	X	XX	X	None
Guarantee for parents to work part-time ⁹	None	None	None	XX	XX	X	X	XX

1 Data are from O'Hara (1998).
 2 Data are from about 1995, depending on the source. Data for Norway are from Phipps (1999). Other European data are from the European Union Network on Child Care (1996). Canadian data are from White (1997) and are *only* for children whose mother is working or studying. Data for the United Kingdom are only for 3- and 4-year-olds since compulsory education begins at age 5. The two entries for Germany reflect the recent unification. The lower number is for the former West Germany, the higher for the former German Democratic Republic.
 3 Data are from Rostgaard and Fridberg (1998).
 4 Data are for a "basic daily wage" and leave increases to 24 weeks for the third child and subsequent children.
 5 Data are from Rostgaard and Fridberg (1998).
 6 Only available to parents with two or more children.
 7 Data are from European Union Network on Child Care (1996).
 8 Data are from O'Hara (1998).
 9 Data are from O'Hara (1998).
 Source: O'Hara (1998), Rostgaard and Fridberg (1998), European Union Network on Child Care (1996), and White (1997).

with 78 percent, and Austria with 75 percent. France, which values *parental choice* in child rearing, has fully 99 percent of its children aged 3 to 6 in the public school system – but Italy’s 91 percent does not lag far behind. Access to publicly funded child care in North America is nowhere near these levels.

The overall conclusion that one might draw from these comparisons of outcomes, as well as from the efforts made to support families with children, is that neither child outcomes nor levels of supports for the three enabling conditions are as high in Canada as they could be.

Our Children’s Future

In polling data and through public dialogue, Canadians are quick to agree on what they *want* for all children. They want them to be safe, secure, well fed, loved, and ready to learn at school and throughout their lives. Canadians would also agree that they want these children to grow up to be honest, hard-working citizens who have the capacity needed to master new technologies, thrive in a knowledge-based society, participate fully in community life, and nurture their own children and grandchildren.

In the year 2000, between 400,000 and 500,000 children will be born across Canada. What these children become depends on the kind of childhood they experience. Based on current research evidence,³ we can say it is likely that:

- A large majority will live in families with both parents in the labour force. When these children are born, however, less than three-quarters of their mothers will have been able to take paid leave in order to spend the first critical months caring for and bonding with the new baby. Barely 10 percent of children under 12, and one in four under 6 with employed mothers, will have access to regulated child care, even when their parents are earning good incomes. Uncounted numbers of school-aged children will spend time on their own as latch-key children, due to a severe shortage of high quality before- and after-school care and holiday care.
- The parents of these children will work longer hours and many young couples will earn less

than their own parents did 20 years ago. Income polarization is increasing between a core group of older, highly skilled workers with good benefits and a group of mostly younger workers with low skills and precarious jobs. The real annual earnings (before taxes and transfers) of young people aged 18 to 24 has declined by 30 percent in the last 15 years. This is likely to have devastating effects on those young families with children born in 2000.

- The “time crunch” parents experience will be severe as they struggle to balance their work and family responsibilities. No matter the joys and rewards, having young children is reported as the number one reason for a worsened relationship in the work-family balance: 40 percent of employed mothers and 25 percent of employed fathers experience high levels of work-family conflict, and half of the parents report difficulty in managing their family time.
- If current trends continue, many children born in 2000 are likely to experience economic vulnerability. Between 1989 and 1996, the total number of poor children in Canada (living in families whose total income before taxes falls below Statistics Canada’s low income cutoff) increased by 60 percent or 564,000 children. The number of poor children living in *two-parent families* increased by 43 percent, while those living in *lone-parent families* increased by 92 percent.
- Children in poor and low-income families will be disadvantaged in multiple ways, such as being at risk from living in neighbourhoods that are unsafe, have fewer resources and supports, and have lower levels of community or social cohesion. Yet, these disadvantages can be partially offset by other strengths such as adequate income and effective parenting. With a combination of good employer policies and supportive neighbourhood programs, for example, parents can spend the quality time with their children that leads to better outcomes.
- While most of the children born in 1999 will probably live with both their parents throughout their childhood, many others are likely to experience life in a variety of different kinds of families as a result of their parents’ changing relationships. Some are apt to live in a lone-parent



family for some years, and from an early age. These children are also likely to live in a blended or step-family at some point during their childhood.

Behind this range of statistical observations is a sociological fact. Canadian families and the children within them are never static, either in their situations or their needs. Marital status, employment status, and the presence of dependent children change quickly, from year to year or even month to month. Some families suddenly become dramatically more vulnerable because of job losses or family breakdown. Others climb out of poverty or into more comfortable lives as parents find work, pool resources with other adults, or gain access to new social benefits. When a new baby is added to the already heavy load of work and home responsibilities, many parents suddenly find themselves struggling to stretch the hours of the day and avoid destructive stress.

These dynamics are not the result of individual and family choices alone. Public policies, whether addressed *directly* to families or affecting them *indirectly* through employment and tax policy, for example, also have a major impact on how families cope when they are threatened by change – and on whether families truly flourish when times are good. The policies of employers in the public, private and voluntary sectors also have a significant impact on how families cope. Personnel policies can ignore families, leaving them to struggle on their own, or they can help families meet their changing and varied needs. Community groups can provide support programs such as home visiting and mother-toddler programs, which support families in their parenting goals.

In the past, the support provided by the state included universal education and health care, as well as some limited recognition of the costs of raising children, which was provided through family allowances and tax exemptions. However, in recent years the help given by most Canadian governments has most often come in the form of support for the poorest families, distributed through social assistance, tax deductions, child benefits, and some subsidies such as those for child care.

Now, however, there is more discussion about the risks of developmental delays and about fostering

parents' labour force attachment. These topics have arisen because we know more about how critical child development is to human, social and economic development. They have also come to the fore because of the specific forces for change experienced in Canada in the past decades, as described below.

Restructured Work Patterns

Income security is no longer generated by employment. Even two-income families may not earn enough to raise a family. There has been a significant polarization of the labour force into high and low earners, which has made it difficult for many workers to avoid or escape from poverty even by working full-time. The average annual income of households in Canada has been stagnant for much of the 1990s (in constant 1997 dollars) and even declined slightly between 1996 and 1997 (Statistics Canada, 1998). Moreover, irregular working hours and uncertainty about employment are creating levels of stress that are harming the health of many adults and interfering with their parenting capacities.

Another dimension of the restructuring of the labour force is the dramatic increase in female labour force participation, including that of mothers (see Table 1). One benefit has been the opportunity for women to experience the economic autonomy and personal satisfaction associated with paid employment. However, this new employment pattern creates pressing needs for non-parental child care and for new ways for parents to reconcile their two major responsibilities: family and work.

Our studies, and a wide range of other research, find that many employees are demanding better and more "family-friendly" policies from employers. Some can "vote with their feet," seeking and taking new jobs where their burdens will be recognized and they will be better supported. Others, however, do not have this option and need more support from employers and governments in the form of regulations, legislation and programs.

Restructured Families

Social and demographic changes such as divorce, remarriage, lone parenthood, and immigration have

created a diversity of family structures not previously seen in Canada. Communities and employers, as well as governments, have been called on to develop programs recognizing that the two-parent family with a stay-at-home parent is becoming much less common than in the past. Parents are now living in sometimes happy, sometimes stressful situations of blended families, lone parenthood, and intact families, sometimes with same sex parents. The needs of such diverse families vary tremendously, both between families and within families at different points in each family's life course.

As policymakers confront the varied needs of families, they have access to a wide, indeed exploding, range of new information about the links between family circumstances, health and child development. These data point to the benefits of investment in the early years through health monitoring as well as extensive health and social services and programs for infants and preschool children.

Changing Policy Paradigms

New social, demographic and economic realities have resulted in new policy approaches. Disappointment with the performance of post-war social policy has led governments to rethink their delivery of social assistance and other benefits. Employability and encouraging the move from welfare to work has become a primary goal in many jurisdictions within and outside of Canada, thereby bringing adjustments to existing policy practices. The design of such programs has effects on whether or not families have income security as well as the "tools" to become truly self-sufficient (e.g., educational upgrading, child care services, low wage supplements).

As Ekos Research Associates Inc. found in its study *Rethinking Government*, Canadians have also changed their views. There is a decline in their belief in "passive income support as a way of addressing social problems." Canadians nonetheless have a "desire for active, humanistic government." Further, government is identified as "the prime agent for achieving societal goals" (1999, v and iii). Therefore, reinvestment issues are increasingly on the table.

Building Better Outcomes for Canada's Children

We have learned during this project that children's needs change over time as they grow and develop. Similarly, we have also learned that families have a spectrum of needs that change as the circumstances of family life alter, due to their own actions or external events. A societal strategy for children must, therefore, include programs and services that are sufficiently rich and varied to meet the real needs of different kinds of families in Canada today.

Yet, time and again, we were told that a good mix of services and programs cannot be simply a smorgasbord from which parents can choose. Echoing the call of citizens to have governments take a strong leadership role, experts believe the desire to accommodate parental choice should not restrict the role of governments. Rather, public funds should be used to ensure equitable access to a range of services and programs that support child development and help parents. Other stakeholders, from employers to volunteer organizations, can supplement these efforts through their own actions.

The model for parental choice that can lead to better outcomes for children is more akin to the holistic balance found in Canada's Food Guide. We need policies to address all the needs of families and their children, so we cannot overindulge on a single item, as healthy as it might be. Balance must be achieved in the whole package. s

II. A Policy Blueprint: Contributions to a Societal Strategy for Children

The roundtables organized for the *Best Policy Mix for Canada's Children* project, as well as its research, teach important lessons about the need to provide a package of policy supports for children and families and to coordinate action across policy domains and sectors. Many discrete steps can be taken to foster the enabling conditions for families that underpin improved child outcomes. Yet, without coordination, individual actions may not be adequate or may work at cross-purposes to steps being



taken by other stakeholders. Positive child outcomes do not exist simply because policies provide parents with supports helping them to balance work and family, reduce stress, and so forth. They work in conjunction with measures for reducing poverty, as well as with supportive community environments.

To foster all three enabling conditions for families, a policy package needs to include services and programs offered to *all* children and families. Additional supports are needed, however, for families *at risk* due to low income, family transitions, because they have children with disabilities, and so forth.

In addition, in the realm of public policy, there are many other domains that have major impacts on child well-being. These include justice, public education and health policy, economic policy, housing policy, and initiatives targeted to groups with special needs, such as children experiencing family transitions, the disabled, immigrants or Aboriginal families. However, to keep our argument that *coordination is possible* in manageable bounds, we limit our discussion to goals and instruments used to support preschool children and families directly.

Our in-depth explorations via research studies of public policies for children, cross-nationally as well as within Canada, revealed important information about their design, implementation and effectiveness. Such policies have emerged for a variety of political, economic and demographic reasons. They serve a medley of goals that range from reducing poverty or fostering gender equality to supporting the transition from welfare to work. Only some countries, however, succeed in developing goals and deploying instruments across the public, private and voluntary sectors that support all three enabling conditions of healthy child development. Jurisdictions that do succeed in providing adequate income, facilitating effective parenting, and fostering supportive community environments effectively nurture children, as demonstrated by a range of measurements of child outcomes and the factors contributing to them.

Many stakeholders – families, neighbourhoods, communities, employers, public institutions, and governments – contribute to these ends. To sketch out how coordinated action by various stakeholders can be undertaken, this second part of our *REFLEXION*

explores a range of policy goals and instruments. These have been traditionally associated with policies for children and families and have been used in various combinations by governments and other stakeholders in Canada in the last few decades. This section considers how these goals and instruments can be effectively developed in the future by the public, private and voluntary sectors so as to encourage the enabling conditions that lead to improved child outcomes.

The first enabling condition has been the focus of much public policy in recent years. Governments have struggled with choices for ensuring that families have adequate income. While earned income is the form preferred by governments and ordinary citizens, social assistance and maintenance payments from non-custodial parents have also been part of the mix. Therefore, in addition to programs to reduce poverty via income transfers, governments have developed programs to promote the transition from welfare to work. Some have also argued that tax policy should pay more attention to the needs of families with dependent children, perhaps by focussing on tax cuts for them or reinstating a tax exemption for dependent children.

One way that families themselves seek to achieve adequate income is through employment, which means that the issue of balancing family life and work responsibilities comes immediately to the fore, for both two-parent and lone-parent families. This raises issues related to the second enabling condition: effective parenting.

There is no single or obvious method to support effective parenting in a time of multiple family styles, a wide range of situations, and new pressures. However, policies of employers and the voluntary sector, as well as of governments, make important contributions to enabling parents to be effective. Employers' actions include making workplaces "family-friendly" through innovative work-life programs, offering flexible hours, improving maternity and parental benefits, and including child care as part of the benefits package available to employees. In their communities, voluntary sector groups can take action by offering programs for parenting and healthy beginnings and by supporting community resource centres that provide a range of child and family services and programs.

These latter actions obviously spill over onto the third enabling condition. Good parenting is easier in supportive communities, where health and developmental resources are available for infants and toddlers, where recreation and cultural programs for young children are accessible, and where children are safe to play and participate in enriching activities. The policy choices of community groups that decide to invest in programs for children and families are central here, as are those of employers who are actively involved in their communities, and governments that deliver programs themselves and promote delivery by others.

Before discussing the range of actions that might be undertaken, it is important to inventory what is being done already. Table 4 presents a catalogue of the actions by governments in the six Canadian provinces studied for the project *What Is the Best Policy Mix for Canada's Children?*

Each province has developed its own package of measures, despite the “imprinting” that comes from historic and often shared-cost federal programs such as the Canada Assistance Plan (CAP). While variation increased when the federal government’s Canada Health and Social Transfer replaced CAP and other funding regimes, it is also true that policy diversity is a Canadian tradition (Boychuk, 1998).

It is much more difficult to provide a tabular presentation of employers’ policies. Nonetheless, recent studies do provide both broad-based survey data and detailed case studies of personnel and other policies. Surveys find that employees want flexibility in work hours, work options and leaves of absence, as well as child care in or near their workplace. In addition, they emphasize the need for “understanding, compassion and sensitivity from employers” (MacBride-King and Bachmann, 1999, 6). Surveys of employers find their response to be “extremely slow.” Estimates are that “compressed work weeks” are available to one-fifth of the labour force, “flex-time” to one-quarter and “teleworking” to one-tenth (Duxbury, Higgins, and Johnson, 1999).

It is also important to note that the direction of causation is not always what one might expect. The usual notion is that family commitments will lead to problems at work, and employers will suffer. However, a recent review of the literature found that “not only is work-to-family interference more prevalent

than family-to-work interference, [but] employees’ working lives are actually undercutting their performance on the job. Demanding jobs and unsupportive workplaces lead to spillover from the job into the workers’ personal lives which, in turn, create or exacerbate problems off the job, such as not spending enough time with one’s children” (Canadian Council on Social Development, 1999, 28-29). The evidence from studies is robust. Employers’ policies can have significant effects in reducing the stress parents feel in balancing family and work responsibilities. In other words, employers have a major and clearly relevant contribution to make toward fostering enabling conditions and building a broader societal strategy for children.

It is even harder, indeed impossible, to provide an overview of the contribution made by community associations and the voluntary sector toward fostering the three enabling conditions. While many studies exist, no summary assessment can be constructed. This absence of data does not mean these stakeholders can be ignored, however, and we certainly consider them in drawing this policy blueprint.

In order to provide some structure to the discussion that follows, Box 2 was constructed by surveying the pronouncements and actions of Canadian policy-makers over the last decades. During this analysis, we discovered that a range of goals for policies for children and families could be identified. All seven

Box 2

Possible Goals for Policies Directed to Children and Families

1. Recognize and support the costs of child rearing for all families.
2. Reduce and prevent poverty and economic vulnerability.
3. Promote gender equality.
4. Increase meaningful parental choice about child care.
5. Promote child development in the early years.
6. Facilitate the transition from welfare to work.
7. Achieve population goals, such as a higher birth rate or eugenic goals.



Table 4
An Overview of Government Programs for Children in Canada, 1999

Current Status of Policy Instruments, Federally and in Six Provinces¹

Programs Recognizing the Costs of Raising Children

- Quebec provides a universal tax credit for dependent children.
- One of the goals of the income tested *Canada Child Tax Benefit* is to “help with the cost of raising children.”

Child Benefits

- The National Child Benefit (NCB) provides the framework for child benefits. It is composed of: (1) the basic Canada Child Tax Benefit, (2) a low-income supplement, and (3) provincial reinvestment commitments.
- Provinces are permitted to deduct the amount of the supplement from the payments made to social assistance recipients so that their incomes remain stable. New Brunswick and Newfoundland have chosen not to do so.
- The federal government provides the basic Canada Child Tax Benefit (CCTB) of \$1,020 per child under 18, plus \$213 per child under 7 if the Child Care Expense Deduction is not claimed (see below). It also pays the National Child Benefit Supplement to low-income families at \$605 for one child and \$1,010 for two children. Both the basic payment and the low-income supplement (and therefore the maximum benefit) are available to families whose incomes are under \$20,921. The low-income supplement disappears at \$25,921, and the basic benefit begins to be reduced at that point. Alberta has its own payment schedule for the CCTB.
- Revenue Canada administers several provincial child benefit programs. In the six provinces studied, they are the BC Family Bonus and BC Earned Income Supplement, the Alberta Family Employment Tax Credit, the Saskatchewan Child Benefit, and the NB Child Tax Benefit. Quebec administers its own Family Allowance.
- Benefits in the form of working income supplements are available in British Columbia, Alberta, Saskatchewan, Quebec and New Brunswick.
- Extended health benefits are provided within parental work programs in British Columbia, Alberta and Saskatchewan.

Tax Deductions to Cover Some of the Costs of Employment

- The federal government provides a Child Care Expense Deduction (CCED) to employed parents. Costs for receipted child care can be deducted up to maximum of \$7,000 for a child under 7 and up to \$4,000 for children aged 7 to 16. In two-parent families, the deduction must be claimed by the parent with the lower income. The CCED can be used for both formal regulated child care or unregulated care for which receipts are issued.
- The Ontario Child Care Tax Credit provides a maximum \$400 deduction per child. It has the same rules about receipts as the CCED.
- Quebec’s child care expense deduction is being phased out for many parents as the province moves towards the flat rate payment of \$5 per day for child care, for which receipts are not provided.

Regulated Child Care Services²

- All provinces provide subsidies, paid to the provider, for low-income parents needing child care. Most require the subsidies to be used for regulated child care, either centre-based or in family day care.

Educational Requirements for Child Care Providers:

- No province requires family day care providers to have advanced training in early childhood education. Their care work is supervised, however, and they are required to have first aid training.
- British Columbia, Alberta, Saskatchewan, Ontario and Quebec all require at least some of the staff in centres to have training in early childhood education.

Curriculum:

- In Quebec day care centres and family day care providers must follow a common provincial curriculum.

Kindergarten:

- Publicly funded kindergarten is available for 5-year-olds. New Brunswick and Quebec provide full-day programs.
- Saskatchewan provides half-day preschool programs for 3- and 4-year-olds in some high risk communities and Quebec does the same for 4-year-olds.
- Following release of *The Early Years Study* in 1999, Ontario made new commitments for junior kindergarten and kindergarten.

Maternity and Parental Leaves (Paid and Unpaid) and Family Leaves

- *Paid* maternity and parental leaves are available for parents covered by Employment Insurance if they meet the eligibility requirements. Birth mothers are entitled to 15 weeks of paid leave, and either parent may take an additional 10 weeks. Benefits are 55 percent of insurable earnings. Recipients earning more than \$48,750 must pay back a portion of the Employment Insurance benefit. Low-income supplements are available for those whose income is below \$20,921, raising the replacement level of lost income. The maximum supplement is \$431 per week. The first two weeks of leave are not covered by these benefits.
- Quebec pays a flat rate “maternity allowance” to mothers earning less than \$55,000. It is intended to partially cover the two weeks not included in the Employment Insurance benefit.
- Employed parents, meeting certain minimal conditions, have a right to *unpaid* maternity leaves (varies between 17 and 18 weeks) and to unpaid parental leaves (of about 12 weeks) in most of the provinces studied. Alberta has no parental leave, while Quebec’s parental leave is 52 weeks.
- Some birth leave for fathers is available: 1 day unpaid paternity leave in Saskatchewan and 5 days unpaid leave in Quebec at the moment of birth or adoption,³ with the first two days paid if the new parent has been employed for two months.
- Unpaid leaves of 5 days per year can be taken for family reasons in British Columbia, Saskatchewan and Quebec.

Table 4 (cont'd)

Current Status of Policy Instruments, Federally and in Six Provinces ¹
<p>Flexible Work Hours and Schedules</p> <ul style="list-style-type: none"> • Employment Insurance now covers part-time workers. Therefore, they may also be eligible for maternity and parental benefits if they have worked enough hours to qualify for them. <p>Programs for Child Well-being and Healthy Development</p> <ul style="list-style-type: none"> • Specialized health, education and developmental services are available across Canada. Access to programs depends on needs (e.g., disabilities) and can vary by location within and between jurisdictions. • Various federal and provincial programs support Aboriginal children and families, including the federal government's First Nations-Inuit Child Care Initiative and the Aboriginal Head Start Program. Provincial programs differ widely in terms of program content, often according to need. • Numerous prevention and early intervention programs are funded federally and provincially, generally directed to "at risk" families. Federal programs include the Child Development Initiative (previously known as the Brighter Futures project), Child Care Visions, the Canada Prenatal Nutrition Program, and the Community Action Program for Children (CAP-C). Individual provincial initiatives are too numerous to list but include New Brunswick's Early Childhood Initiatives, Ontario's Better Beginnings, Better Futures, and a range of programs under larger program banners such as Alberta's Child and Family Services Authorities, Saskatchewan's Action Plan for Children and Quebec's CLSCs. • Universal health care insurance is available across Canada. • Universal public education is available across Canada. • Recreation and related programs are available across Canada, but the extent depends on location and user fees often apply. <p>Community Resource Centres</p> <ul style="list-style-type: none"> • Health and other assessments and community development programs are available through CLSCs in Quebec. The Early Childhood Centres are "community anchors" supporting family day care providers and offering some general services for all parents. • In New Brunswick, 13 federally funded Family Resources Centres target services to low-income families. • Between 1980 and 1996, about 180 Family Resource Centres were created in Ontario, which are used mainly by non-employed parents and informal caregivers. Quality varies by municipality based on community investment and resources. • Proposals for Early Childhood Development and Parenting Centres, with developmental preschool child care as a central component, were made in 1999 in Ontario's <i>Reversing the Real Brain Drain: The Early Years Study Final Report</i>. • Mixed use community-based family resource centres are being implemented by several of Alberta's 18 regional Child and Family Services Authorities to provide integrated information, assessment and referral services for children and families.
<p>1 Provincial programs are indicated only for the six provinces studied during the <i>Best Mix</i> project: British Columbia, Alberta, Saskatchewan, Ontario, Quebec, and New Brunswick.</p> <p>2 Child care data are taken from Childcare Resource and Research Unit (forthcoming), supplemented with additional data on kindergarten from Johnson and Mathien (1998, 9-10).</p> <p>3 In Quebec, if an employee is adopting the child(ren) of his/her spouse, only 2 days of unpaid leave are available.</p> <p>Source: Jenson and Thompson (forthcoming).</p>

goals listed have not necessarily been promoted simultaneously. However, each goal has received significant attention in the past from decision makers in the public, private and voluntary sectors in Canada and most are being actively pursued today.

A comparison of Box 2 to Table 4, and to the overview of policies of other actors, shows that many of the most costly programs for children are already in place, thanks to comprehensive policies that cover health care insurance and public education. Nonetheless, coverage for many public policies for children and families varies within and between jurisdictions, which means that gaps exist. These gaps may be widening in the face of restructured work patterns and restructured families.

Moreover, employers have only begun to take the family-work interface into account and to realize that employees do not and cannot "check their family responsibilities at the door." As well, recently intensified efforts by foundations and other community activists to identify the ingredients of "healthy communities" suggest that few are absolutely certain about how to best mix their own policy goals.

Indeed, it is the existence of such gaps that accounts for the fact that parents as well as policymakers have concluded that the existing recipe for policies toward children and families needs to be adjusted and that a better mix must be found.



By “observing the situation on the ground” as well as listening to the hopes and difficulties parents and their advocates describe in achieving the three enabling conditions, we have constructed the following list of the major gaps in the mix of Canada’s policies toward children and their families:

- Little recognition of the costs that all parents bear when raising children
- Insufficient income support for low- and middle-income families with children, thereby generating a “poverty of opportunity” since many parents cannot meet both the physical and social needs of their children
- Insufficient spaces for parents who require accessible, affordable, regulated and flexible developmental child care services⁴
- Limited rights to maternity, parental and family leaves from employment and insufficient protection of pensions and other benefits while on leave
- Inadequate provision of maternity, parental and family leave benefits
- Few guaranteed provisions for flexible work hours and schedules and other arrangements that would enable parents to balance their work and family responsibilities
- Limited and uneven access to programs for child well-being and healthy development, and
- Insufficient supply of community resource centres that provide integrated programs and services (e.g., information, assessments, referrals and developmental resources) for children, parents and caregivers.

Where do these particular gaps come from? The general answer is the lack of coordination among all the stakeholders and, overall, insufficient investment in income and services. Since this remains a very general answer, it is helpful to look at some specific examples.

Past Policies

Previously, Canadians had a tax exemption for dependent children and universal Family Allowances.

These were designed to address the first policy goal listed in Box 2. By at least partially recognizing the extra costs associated with child rearing incurred by all families with children, Canada was in step with other countries, which were instituting generous family allowance schemes.

However, beginning in the 1970s and accelerating in the 1980s, Canadian policymakers attempted to address high poverty rates while stabilizing levels of spending. To do this, they began to shift money from universal programs such as Family Allowances to benefits such as the Canada Child Tax Benefit, which, with its associated programs, is targeted to lower income families. As a result, by the late 1990s, the second goal (a partial redistribution of income toward poor families, whether employed or not) had trumped the first goal of recognizing that *all* parents, no matter what their income, face higher costs than the childless or those without dependent children.

Other examples can be drawn from the 1970s. Rising rates of female labour force participation generated a number of policy instruments intended to permit women to balance their “dual roles” as labour force participants and mothers of young children. Labour codes were modified to give mothers the right to unpaid maternity leaves, then parents the right to unpaid parental leaves, with some guarantee they could return to their jobs. The Unemployment Insurance regime also began to partially reimburse the lost income of new parents who stayed home with their infants for a few months. Demand for non-parental child care also rose. By 1972, the Child Care Expense Deduction (CCED) was in place as a fiscal measure intended to promote equity between parents who had to pay for child care in order to work and others who had no such work-related expenses.

Yet, there were several ways in which Canadian policy was limited. First, high quality and regulated child care was always in short supply and, in effect, often reserved for low-income parents who were eligible for a subsidy. Ineligible parents had to meet the costs themselves, first by fronting high out-of-pocket expenses, then by paying with after-tax dollars for any gap between actual expenses and the amount allowed by the CCED. Cost was a strong incentive for employed parents to seek less expensive, informal child care, but supply problems were also a factor.

Recent polls find that over two-thirds of respondents agree that “day care is good for children” and three-fifths reject the notion that families’ problems would be solved if mothers “would stay home with their children” (Fine, 1999). Nonetheless, many parents cannot find the high quality child care they want for their children because of an insufficient supply of spaces.

The policies put into place in the 1970s no longer permit meaningful parental choice about child care, the fourth goal listed in Box 2. In addition, because it is almost always mothers who have to make these difficult choices about employment and child care, goal three, promoting gender equality, is being undermined both for the present and the future. Mothers are restricting their job and income options in the present when they withdraw from the labour force, and mortgaging their future job advancement and pension incomes. While many make this choice freely, others find they are forced to choose and would prefer more options. They would like employers to develop personnel policies that allow parents to combine caring for children with a continued relationship to the employer. Better parental leaves, flex-time and part-time work options, or job-sharing protocols are some examples of where employers’ policies could make a difference.

A related example illustrates how another policy gap arose. For decades, Canadians have generally believed that parental child care, especially maternal care, is the highest quality care. As a result, non-parental child care has not been primarily defined as a way to foster child development. While early childhood educators have struggled to represent what they do in that way, in popular terms child care workers have tended to be seen more as custodians or babysitters (where the emphasis is on safety at a reasonable cost) rather than specialists in child development (where the emphasis is on fostering socialization and other skills necessary for school and later life). One result of this thinking is that there is a real shortage of publicly funded child care spaces in Canada, particularly those that provide educational and developmental care.

When countries are ranked according to the number of children in publicly financed and regulated preschool child care, Canada is near the bottom of the list. In most European countries, as we previously described, the vast majority of all

children under 6 receive publicly funded child care, most of which is provided in pre-schools or kindergartens. In contrast, only about one in four Canadian children under 6 whose mother is employed has a space in regulated child care. In other words, the educational and developmental components of non-parental care (the fifth goal in Box 2) has been neglected in Canada. That neglect is now receiving considerable attention. However, developmental child care is not yet adequately integrated into the mix that will be best for Canada’s children.

This brief overview of the way that gaps have arisen as society has evolved, work has been re-structured, and families have changed suggests that the time for a new policy mix for children is at hand. Moreover, as we have stressed here, policy needs to address several goals in a coordinated fashion if it is to produce the enabling conditions that lead to healthy child development. Thus any program, and all policy instruments, must serve and balance multiple end goals.

Recommendations for a New Policy Mix

A long-term blueprint is required to map actions that can be taken in the next 10 years to create a societal strategy for children. We offer our recommendations for this long-term blueprint for moving Canada to the top of the class. Reaching the top will require the sustained commitment of many stakeholders over several years. Implementation of these recommendations will also have financial costs for governments, employers, families and communities and, therefore, will also require considerable political will.

As an organizing framework for presenting these mechanisms, Table 5 maps a number of policy instruments to six of the seven goals (identified in Box 2) that might be met by policies for children and families.⁵ This provides a visual representation of the complexity confronting policymakers who seek to contribute to a societal strategy for children by developing the best policy mix to support children and their parents.

Within the table, cells are marked with a yes if the policy instrument directly helps meet one of the six goals and therefore contributes, either directly or



Table 5
Policy Goals and Instruments

Key: Yes = The policy instrument positively promotes the stated policy goal.
No = The policy instrument does not promote the stated goal (and is either negative or neutral).
* = The effects of the policy instrument depend upon the design of the program.

Policy instruments	Policy Goals					
	Recognizes the costs of child rearing	Reduces poverty	Supports transition from welfare to work	Promotes gender equality	Increases choices for child care	Promotes child development
Universal tax exemptions, tax credits or family allowances	Yes	No	No	No	Yes*	No
Child benefits targeted to low-income families	No	Yes	Yes	No	No	No
Tax deductions to cover some of the costs of employment	Yes	No	Yes	Yes	Yes	No
Unregulated child care services	No	No	Yes	Yes*	Yes	No
Developmental and educational child care services	No*	Yes	Yes	Yes	Yes	Yes
Parental and family leaves	No	No	No	Yes	Yes	Yes
Maternity and parental benefits	Yes	No	No	Yes	Yes	Yes
Flexible work hours and schedules	Yes	No	Yes	Yes*	Yes	No
Programs for child well-being and healthy development	No	Yes	No	No	No	Yes
Community resource centres	No	Yes	No	No	Yes	Yes

indirectly, to generating the three enabling conditions of child development: adequate income, effective parenting and supportive community environments.

Cells marked with a *no* indicate the instrument does not meet the stated policy goal directly. We do not distinguish, however, between instruments that would have a *neutral* effect and those that would have a *negative* effect. Some of these nuances are discussed below. In a few cases, the entry also contains

an asterisk (*) to denote that the effects of the policy instrument depend upon the details of its design. As a result, only some versions will have the described effect. This specificity will also be addressed.

Tax Recognition for Children

As Canada has done in the past, many countries pay family allowances or allow tax exemptions or

credits for all children, whatever their parents' incomes may be. They do this for two reasons. First, raising children is expensive. Parents of young children face extra costs compared to the childless or those whose children are grown. Second, the willingness of adults to raise children contributes to society's well-being.

In Canada, recognition of this universal dimension of family life began to disappear in the 1970s, when targeting of social programs became popular (Myles and Pierson, 1997). Through a set of reforms, governments reallocated funds from family allowances and tax exemptions to programs for low-income children. "Horizontal tax equity" was eroded by this policy shift. Families with children, instead of all taxpayers, were made to pay for improvements in the income of the poor. Further, having and raising a child was, in effect, treated as a "private consumption decision" of adults (such as pet or a car would be), as if parents did not have legal or moral obligations to spend money on their care. However, some of that spending is simply not discretionary (Boessenkool and Davies, 1998).

The current government of Quebec has resisted the move toward targeting, at least in this matter. It provides a universal non-reimbursable *credit for dependent children* compensating all parents for the costs considered necessary to satisfy the essential needs of a child. Another way to recognize the contribution parents make to society would be to reinstate the universal tax exemption for dependent children. In this way, the tax system would ensure horizontal equity between families with and without children. Both of these measures go beyond the goal of programs such as the Canada Child Tax Benefit, which "seeks to help eligible families with the costs of raising children." Instead, they provide much needed "recognition" to *all* families, the first goal listed in Box 2.

This lack of recognition may already have been costly in terms of polarizing divisions among different types of families. In recent months, two-parent families with a stay-at-home parent or one who is working part-time out of the home have loudly complained about their treatment by tax legislation. Their target was the Child Care Expense Deduction, described by its opponents as a "discriminatory" tax advantage given only to families who purchase child care services. Such a reproach fails to acknowledge

what the CCED is – a deduction for a necessary cost of employment.

It is not too far-fetched to imagine, however, that such parents might have reacted less negatively if they felt their own contributions – via their investments of money and time in their own families – were receiving the recognition they deserve. Whereas in the past, such parents would have been acknowledged via a tax exemption or a family allowance, now they are alone in having to absorb all the financial burdens of choosing to have children and caring for them by themselves (Krashinsky and Cleveland, forthcoming).

If the provinces other than Quebec or the federal government were to institute a universal exemption or credit for dependent children, would they achieve other goals as well? The answer is yes. Any measure that puts more money into the hands of parents increases parental choice. By raising disposable income, it changes the incentives for families who wish to provide their own child care. At the same time, having more money means they may be able to choose high quality regulated child care, if spaces are available.

At the present time, as Canadians and their governments consider how and where to cut taxes, it is crucial to pay attention to the fiscal dimensions of the children's agenda. Therefore, *we recommend a universal credit for taxpayers with dependent children* as part of any reallocation of the tax burden.

Income Tested Child Benefits

Selective rather than universal benefits have come to dominate the Canadian social policy regime. Everything from programs for seniors to those for infants are income tested. Between 1960 and 1992, selective benefits rose from 21 to 52 percent of income transfers, with rates of increase accelerating after 1975 (Banting, 1997).

Such selective income transfers helped to put Canada in the "middle of the pack" for reducing poverty, as we saw in Table 2. Yet, as the cross-national comparisons also showed, countries such as Canada and the United States that rely on selective benefits have a poorer record of reducing poverty than do countries pursuing a universal



strategy. The reason is that, in many cases, the targeted benefits are quite stingy. Our cross-national analysis has pinpointed the extent to which policymakers in North America are often concerned about more than cost: they are also fearful the “work ethic” will be undermined (Phipps, 1999; Myles and Pierson, 1997). But unless benefits are generous – that is, paid at a very substantial rate – they will only partly alleviate the situation of the poorest Canadians. They will not lift them out of poverty.

The National Child Benefit emerges from this legacy of using selective benefits. It is an initiative of the federal, provincial and territorial governments “to help low-income families with children.” It has two goals: to fight child poverty and to help families move from welfare to work (Revenue Canada, 1998).

The Canada Child Tax Benefit (CCTB) is an integrated child benefit by which Ottawa provides income support to families, whether their income stems from employment, social assistance or maintenance paid by a non-custodial parent. The CCTB is comprised of several parts, as shown in Table 4. One is a basic benefit of \$1,020 for each child under 18, with a supplement of \$213 for children under 7 (if a parent does not claim the Child Care Expense Deduction).

The second element is the National Child Benefit Supplement for low-income families. It amounts to \$605 for one child and \$1,010 for two children, with an extra \$330 for each additional child above the second. More than 80 percent of families are eligible to receive the *basic* benefit, but the amount they receive is reduced in proportion to their income once their net income exceeds \$25,921. The full Canada Child Tax Benefit – that is, the basic benefit plus the low income supplement – goes only to families whose net income is less than \$20,921. The low-income supplement is reduced until it disappears completely as family income passes the \$25,921 mark.

In addition, the design of the program allows provinces to either deduct the amount of the National Child Benefit Supplement from social assistance payments or tax it. The goal of this provision is to transfer a greater portion of responsibility for income security to the federal government, thereby

freeing up provincial funds for “reinvestment” in new or expanded programs. One result is that new commitments to the Canada Child Tax Benefit program in the last two federal budgets have not increased the income of social assistance recipients, except in New Brunswick and Newfoundland where a reduction of benefits has not been made.

Since some amount of the CCTB goes to the vast majority of families with children, it obviously seeks to do more than reduce poverty. Nonetheless, any federal funds that were added to the CCTB when the pre-existing “Child Tax Benefit” and “Working Income Supplement” were merged have gone overwhelmingly to the National Child Benefit Supplement portion of the CCTB. This, plus the fact that the basic benefit begins to be taxed back for families whose net income classifies them as “poor” (according to Statistics Canada’s low income cutoffs⁶) leads us to treat the CCTB as a “selective benefit targeted to poor Canadians.” Indeed, the federal government describes it as such.

Experts agree that while the Canada Child Tax Benefit is an important new program and might be a useful anti-poverty measure, it will only be truly effective if the amount of the benefit is increased significantly. As it is now, the CCTB does more to signal a philosophical change in how income security is conceptualized rather than signalling a real change in the income situation of families on social assistance who have seen little, if any, improvement.

The level at which the CCTB would truly remove children from social assistance (by replacing *all* provincial social assistance benefits for children with a CCTB and, thereby, preventing provinces from “taking it back”) is estimated to be \$2,500 (Battle, 1998). Therefore, *we recommend that the amount of the Canada Child Tax Benefit be increased significantly.* We also know that the real costs of raising a child are close to \$4,000 per year. Therefore, in the future, further increases in the basic benefit as well as the supplements will be necessary.

This recommendation directly addresses not only the goal of reducing poverty but also that of promoting child development. That is why we argue for a higher basic rate, as well as an increase in the low-income supplement. Such an increase would improve the situation of families who receive a

portion of the basic CCTB. If a higher basic benefit were taxed back at the same rate, parents would end up with more money for their children (assuming that “bracket creep” does not affect their marginal tax rates).

A Stronger Commitment to Developmental Child Care

By “developmental” child care, we mean programs for young children offering nurturing care, physical and intellectual stimulation, school readiness, and the early detection and prevention of problems. This is provided in public schools, whose kindergarten curriculum promotes school readiness and social skills, and in child care centres and family day homes that follow an educationally appropriate curriculum. In contrast, “custodial” forms of child care, which are often unregulated, focus primarily on safety rather than child development.

If the only goal were to maximize “bang for the buck,” informal unregulated care would surpass kindergarten and regulated child care as a policy instrument. Babysitting is cheaper per space. Caregivers have little if any training, participate in no workplace benefit regimes, and do not have major investments in space or equipment.

However, as Table 5 shows, developmental child care does everything that unregulated care does to meet policy goals, with some very important extras. Developmental child care helps fight poverty, by compensating for some of the negative child outcomes correlated with low income, and helps parents enter or remain in the labour force. Stimulating and enriched child care helps promote gender equality. Parents who are confident about the quality of care their children would receive are truly free to choose whether to purchase services or provide care themselves. Parental choice is also increased when all parents can choose options other than unregulated or parental care.

The biggest advantage of developmental child care is its long-term contribution to healthy child development. Experts now agree that stimulating, educationally rich child care should be available for *all* children, not just children “at risk.” Whether or not their parents are employed, children derive benefits from sustained contact with trained early childhood

educators, improve their socialization skills through contact with other children in group settings, and receive preventative health monitoring, which is often part of high quality child care programs.

Canada already has educationally rich child care, but it does not have enough spaces to meet the need. Nor can all parents afford to use it. Therefore, governments and other stakeholders truly interested in improving child outcomes are investing in developmental child care. For example, Quebec’s Early Childhood Centres not only furnish inexpensive child care spaces, they also provide a common preschool curriculum. Saskatchewan has also been innovating, with new investments in infrastructure via operating grants and wage enhancements for early childhood educators. These provinces show that investment is possible, even in times of deficit reduction. Therefore, *we recommend that other provincial and municipal governments, school boards, the voluntary sector and employers all make substantial new commitments to developmental child care, including kindergarten, so all young Canadian children will have access to high quality preschool services.*

One important step in this direction would be to provide full-day kindergarten for 5-year-olds. As more funds become available, full-day junior kindergarten for 4-year-olds could come on line. Another step would be for employers to support developmental preschool programs for their employees’ children. In addition, municipal governments, school boards and voluntary agencies can all contribute through program development and coordinated service provision and delivery.

It is true that developmental child care programs are expensive. Nonetheless, as we saw when comparing Canada to other countries, several of which are substantially poorer, we are definite laggards in this area. Other countries have made the commitment to having well over half, and in many cases close to 100 percent, of their preschool children in educationally appropriate programs. Canada should be able to do as well.

Addressing the Price of Child Care

The Child Care Expense Deduction (CCED) was initiated to compensate parents for the real costs



incurred in purchasing child care services so they can work outside the home. These are comparable to the expenses business people deduct from their tax returns.

This type of tax deduction advances several policy goals. It does something to promote gender equality by enabling both parents to earn more than they must spend on child care when participating in the labour force. It also permits choice about child care options. As long as they obtain receipts, parents may use the CCED for in-home babysitting or nannies, or opt to use out-of-home centre-based care, family day care or babysitters.

However, a child care deduction alone does little to achieve other policy goals directly. In particular, because it only partially covers the costs of *high quality* care, parents have strong incentives to purchase informal, unregulated care such as that provided by a babysitter. Currently, in 9 of the 10 provinces, regulated child care is an expensive option. Parents, therefore, have a financial incentive to choose less expensive unregulated care rather than regulated developmental care.

Nor does the CCED do much to address problems related to deep poverty. In order to claim the CCED, parents first must have taxable income, which many very poor families do not. Second, parents have to pay the up-front costs of several hundred dollars (even sometimes close to \$1,000) per month and “wait till spring” for tax relief. Many simply cannot find that much cash in the family budget and, therefore, are forced to choose a cheaper solution.

It is limits like these that lead those concerned about child care quality to seek other forms of financing. One model is provided by Quebec’s \$5 per day child care places, in which parents pay only \$100 a month and the rest of the real costs of child care are subsidized out of general revenues. Those who cannot afford the \$5 fee are eligible for a low-income subsidy. This attractive and popular program gives *all* parents the opportunity to use services that have substantial educational content, with curriculum set by provincial regulation. The trade-off – and therefore the source of *some* of the money for paying for the system – is that parents can no longer take a tax deduction because subsidized providers are no longer permitted to issue the receipts needed to claim it.

The expense deductions remain available, however, for parents with *other* child care expenses such as summer camps, nannies or babysitters. In other words, parents whose children have other needs, whether age-related or not, still have the flexibility of choice in the type of child care they select. That goal need not be undermined.

With respect to child care, what policy actually needs to address is market failure. Markets simply are not producing enough high quality child care to meet the real demand. Governments do not have to pay the whole cost, but do need to set up an incentive structure that addresses the cost factor. For example, they can create incentives to encourage community organizations, employers, school boards, and parents themselves to establish child care facilities that are both high quality and affordable.

Where parents have access to and use developmental child care programs, including supports for school-aged children such as before- and after-school care and holiday care – which are offered to them free or at low cost, they would no longer need the CCED. A complementary and necessary option, however, is to maintain a child care expense deduction for parents whose children have other needs.

Therefore, *we recommend a two-pronged approach to dealing with the price of child care. One is substantial investment, via subsidies, in developmental centre-based and family day care. This involves subsidizing both infrastructure and operational costs as well as controlling prices to allow parents to find quality care for very low or no cost. For parents who cannot or choose not to have their children participate in these programs, the Child Care Expense Deduction should remain available to them.*

Rethinking this policy instrument provides a clear opportunity for several actors to coordinate their policies to achieve several complementary policy goals. Employees want employers to provide or subsidize child care in or near their workplaces. Community associations of all types have been active in providing developmental child care for many years. Ottawa has the opportunity to funnel some of the approximately \$335 million it “spends” on the CCED in the form of forgone revenue into such incentives to increase low-cost spaces. Both the federal and provincial governments could redirect

the funds they give to individuals as child care subsidies in programs for “welfare to work transition” into subsidies for building and operating flexible child care programs.

Coordinated action of this type would go a fair distance toward financing new, and affordable, developmental child care spaces. These sums could be made available, via intergovernmental negotiations, for establishing a low-cost child care program. However, it is important to note that savings on the CCED would generate only part of the revenue needed to provide a sufficient number of spaces. New investments by provincial and municipal governments would be needed because there is such a backlog of demand from parents seeking reliable child care, as Quebec has discovered.

Improving Parental and Family Leaves, Both Unpaid and Paid

Parents want to care for, bond with, and enjoy their babies. They know as well as the experts that spending extended periods of time with an infant improves outcomes and the factors contributing to them (for example, breast feeding has well-documented preventative health effects and contributes to improving secure attachments and other positive child outcomes). Moreover, women have to recover from the rigors of childbirth. These two abiding needs have prompted creation of maternity leave – available only to birth mothers, as a health measure – and parental leave.

Canada’s policies have not kept up with the times and do not meet the needs of the restructured labour force. First, provincial labour codes provide *unpaid leaves*, but these do not have sufficient guarantees of job protection or address the long-term costs of even a temporary withdrawal from the labour force. Moreover, these leaves are generally short, as Table 4 documents. About three months of maternity leave and two-and-a-half months of parental leave are all that is available. Only Quebec provides the possibility of a year-long leave.

Second, there is practically no provision for leave in Canada to care for sick children and to take time off to meet the family obligations and emergencies that arise during working hours. This gap makes it difficult to balance family and

work responsibilities and increases parental stress about how to do so.

Third, taking leave is very costly for parents. At best, paid leaves in the Employment Insurance (EI) regime replace about half of the parent’s insurable earnings. They also “claw back” benefits from middle-class families, who may find themselves with little salary replacement unless they happen to have a collective agreement or workplace benefits package that supplements the EI benefit. As well, despite being extended to part-time workers in 1997, paid leave provided through EI is not available to the self-employed or others who do not meet program eligibility rules.

In a society supposedly committed to the well-being of families and children, the messages these programs now send are the wrong ones. One message to parents, particularly middle-class ones, is that they must be prepared to take a huge cut in family income as the “trade-off” for choosing to have a child. The message to any parent thinking of taking leave from her or his job is that there are only limited guarantees of getting it back, or of maintaining other workplace benefits during the leave period. The message to those who can only afford the shortest of leaves is that they must be prepared to sacrifice their family life in order to make both ends meet. The message to *all* parents is that they should leave their family responsibilities at home, and that there is no space in the system for family needs.

Why send such messages, when well-designed parental leaves to care for newborns, and family leaves for emergencies, could serve many of the goals listed in Table 5? Therefore, with respect to the right to take unpaid leave, *we recommend that all governments strengthen their regulatory frameworks to provide better protection for parents who wish to take unpaid leave at the time of childbirth or adoption, or for family reasons.*

As well, it is time to do something about the fact that, with respect to *paid* leaves, the provision of benefits through EI means that we do not treat all new mothers the same. Those who are self-employed or outside the EI regime for other reasons are ineligible for these benefits. Studies show that many are back at work within a month of giving birth (Marshall, 1999).



Given the changes in the composition of the labour force and the fact that EI is a program addressing a range of other, quite different ends, it seems increasingly futile to try to meet the needs of new parents through this program in its current form. A number of difficulties would be avoided by simply separating “maternity and parental benefits” from “employment insurance” benefits. Family benefits would no longer have to mimic rules intended to manage the problems of unemployment. Currently, EI is designed to discourage use. Surely we do not want to discourage parenting. Tying leaves to EI makes it very difficult, however, to deliver support for parenting.

A challenge to this separation of benefits comes from the fact that the federal government only has jurisdiction over the EI program through a constitutional amendment. If the benefits were to be separated into distinct programs, intergovernmental negotiations could be used to agree on a new regime. An alternative approach would be to set up a separate compartment with its own eligibility rules within the EI fund, again through federal-provincial negotiation. This would have the further advantage of permitting the diversion of surplus funds in the EI program so maternity and parental leaves and benefits could be enhanced immediately without new charges to employers or workers.

Therefore, *we recommend that maternity and parental benefits are either removed from the Employment Insurance regime and that a separate fund is created for them, or that a separate compartment is created for them within the current program, in either case with an appropriate adjustment to financing arrangements.*

Either reform would make way for different eligibility rules. They could be less stringent than the current rules, designed as they are to meet the goal of limiting claims for periods of unemployment. Another option would be to base eligibility on the amount of income earned, as Quebec’s proposed Parental Insurance program would do. The latter approach, based as it is on income, seems fairer since it provides a better measure of the “risk” involved in the sense that a leave *results in* forgone income.

The second advantage of separating the benefits is that there would no longer be any need to tie

levels of reimbursement for maternity and parental leaves to the Employment Insurance regime. It would be possible to set the level at, for example, 75 percent of income for all parents. At this level, families are not asked to suffer a huge loss in income simply because they are doing something innately human by having a child.

This is also a policy area in which employers and unions could realize their goals of recognizing the costs of child rearing, increasing parental choice about child care, and promoting gender equality. They could do even more to ensure that returning to work and other benefits are well protected by collective agreements and that generous paid maternity, parental and family leaves are part of their benefits packages. Employers in small and non-unionized companies have a particular responsibility here. In addition, family leaves, so much desired by employees, are a real candidate for innovation in personnel policy. Given the silence on this matter in public programs, some well-designed programs in the private sector could become models for change.

Flexible Working Hours and Times

Allowing parents to work part-time is often identified as a solution to the problem of balancing work and family life. Other types of flexible work arrangements are compressed work weeks (full-time work over four days) or flexible schedules that allow parents to adjust their hours to their family’s needs without short-changing their families, their employers or their colleagues.

Numerous studies find that employers lose if they do not recognize their employees’ family needs. Their employees are disgruntled, seek new jobs, take extra time off, and so forth. Studies demonstrate that creating family-friendly work environments does not always require new investments. Establishing supportive work arrangements is a measure that is often either free of cost or actually saves money for employers (Duxbury, Higgins, and Johnson, 1999). Therefore, *we recommend that employers innovate in order to render working hours and other working conditions more sensitive to the fact that many of their employees have family responsibilities.*

Child Well-being and Healthy Development

One of the real benefits of the increasing attention to basic developmental questions – coming in studies about population health, brain development, the National Children’s Agenda and so forth – is that it feeds into ongoing and experimental programs for prenatal, infant and early childhood health and development. The focus of such programs is school readiness and the improvement of basic health indicators such as breast feeding and birth weights.

Ottawa has invested in a number of important joint initiatives with the provinces and makes a range of funding arrangements available to community groups as well as provincial agencies. For example, the Canada Prenatal Nutrition Program provides nutritional supplements to high risk mothers in inner city neighbourhoods. Its goal is to try to improve the chances of children receiving a healthy start in life. The Community Action Program for Children, or CAP-C, provides innovative prevention and early intervention programs for high risk children and their families in selected communities across Canada. The projects are chosen and evaluated by a federal-provincial supervising committee in each province and territory and implemented via community partnerships. One of the key goals is to innovate in the areas of coordinated programming. Substantial funds are already going to these programs and to similar ones targeted to Aboriginal children and families.

For their part, provinces have also been experimenting with health and developmental programs, usually focused on children defined as “at risk.” New Brunswick, for example, has Early Childhood Initiatives, a province-wide, integrated service delivery system for prevention-focused childhood services, targeting “priority” preschool children and their families. Priority children include those from the prenatal stage to five years whose development is at risk due to physical, intellectual or environmental factors (including socio-economic factors). The overall goal of the program is to enhance the development of children before they enter the school system and, thereby, contribute to their school achievement. Ontario has Better Beginnings, Better Futures, which targets families with young children in eight economically disadvantaged communities. In cooperation with voluntary groups in each community,

this program provides home visits, high quality child care and school help. Other provincial programs are offered under larger program banners such as Alberta’s Child and Family Services Authorities, Saskatchewan’s Action Plan for Children and Quebec’s Early Childhood Centres and *Centre local de services communautaires* (CLSC).

Some programs are available to all children. For example, New Brunswick’s Early Childhood Initiatives screens all newborns and all children aged three and a half for developmental problems. It is also subject to rigorous evaluation and assessment for its effects on indicators of health and school readiness. This model is not common, however. More frequently, programs are available only in a few communities, where partners have been found or a particular interest may exist.

The result is that some communities in Canada are blessed with an array of health and wellness services for all children: well-baby clinics, parent resource centres, child care, recreation, nutrition and prenatal care, and so forth. However, there are huge gaps in the availability of such services in the biggest cities, in smaller ones, and in rural and remote areas. Therefore, *we recommend that provinces take the lead in fostering and overseeing a more consistent network of services so that all children have access to the health and developmental monitoring and intervention programs that have been found to have a significant positive effect on child outcomes.*

Community Resource Centres

The problem in providing services for children and families is not only one of “coverage.” There are already many programs and services to support young children and their families in Canada, but there is often little integration or coordination of service delivery, even in communities where programs and services are more readily available. Therefore, services need to be integrated into more coherent networks.

In CPRN dialogues with citizens, and in provincial consultations, parents have cried out for a single point of access, single window, or “one-stop-shop” through which they can find the support they require to meet their families’ needs (Michalski, 1999;



Thompson, 1999). In response to this need for both access to support and integration of service delivery, four of the six provinces studied for the *Best Policy Mix* research either have or are developing what we simply call community resource centres. These centres can be found in New Brunswick, Quebec, Ontario and Alberta (see Table 4).

Although each jurisdiction names them differently, these resource centres are all designed to help families meet their varied needs in a non-stigmatizing, “user-friendly” setting where healthy child development is promoted. Often located in existing community buildings through shared space arrangements (e.g., community schools, public health clinics, community recreation centres, Early Childhood Centres and CLSCs in Quebec, and so forth), resource centres can serve as important community anchors. Parents and caregivers can come to find information about community services and activities, receive health and other assessments, obtain referrals to programs and services, participate in social or developmental programs for children, parents and caregivers, or simply “drop in” to mix, mingle and build support and connections in the community.

With their focus on community health and wellness, these centres can also provide an important venue through which many community stakeholders across the public, private and voluntary sectors can coordinate their actions and efforts to improve the enabling conditions that can lead to better child outcomes. Parents, voluntary agencies, school boards, schools, health centres, employers, unions, and so forth can all use these centres as an anchor from which community needs are identified and local energies are mobilized to meet those needs.

With their focus on child and family health promotion, resource centres can be the site from which prevention and early intervention programs are coordinated or delivered by providers whose work crosses traditional policy domains: health, public health, mental health, education, child development, child welfare, youth justice, housing, recreation, community development, and so forth. This not only increases access to the many supports children and families might need but also increases the integration, or at least coordination, of service delivery functions. In Quebec, for example, CLSCs are community resource centres that offer public health programs and engage in community devel-

opment and outreach activities. In addition, they sometimes house day care centres and have supervisory responsibility for family day care.

Although community resource centres are designed to promote child development, they are also an arm in the fight against poverty. With the exception of New Brunswick’s, which are targeted to low-income families, resource centres are wide-reaching community anchors that provide services to *all* families. As such, they are intended to be non-stigmatizing.

It is widely believed that the presence of a broad-based resource centre in a community increases the likelihood that families will seek out the help they need, when they need it, because going to it does not identify or label them as poor, at risk, or in some way dysfunctional. This increases the chances of early detection of problems and the early intervention needed to maximize child well-being and, ultimately, improve child outcomes. As well, community resource centres help increase the choices parents have about child care, by identifying services and by providing drop-in programs and other developmental supports.

Because of the important advantages for increasing access to information and providing integrated supports and services for children and families, *we recommend that provincial governments take the lead in developing community resource centres by supporting cross-sectoral partnerships that provide integrated, community-based service delivery for children and families.*

Fears about the new costs involved in creating resource centres can be allayed by using service delivery partnerships in which numerous providers share existing space, equipment and human resources. This is being done in Quebec and is being implemented in many regions of Alberta. Successful implementation probably requires more in terms of strong political leadership (in which child focused, integrated, community-based services are advocated) than it does in terms of huge new investments in public infrastructure.

Policy Recommendations: A Recap

By contributing to all three enabling conditions that underpin good child outcomes, policies for

children and families form an important part of the blueprint for a coherent societal strategy for children. As we have seen:

- Adequate income, preferably earned income, can be assured by recognizing the cost of raising children, significantly reducing the cost of child care for employed parents, and providing additional income support to families with low incomes.
- Effective parenting can be supported through improved paid and unpaid parental leaves, flexible employment hours and schedules, improved access to health and developmental programs as well as community resource centres, and enhanced availability of developmental child care and preschool for both employed and stay-at-home parents.
- Communities can provide supportive environments for children through access to reliable education, health, social, and recreational services, by providing integrated delivery for all of these services, by creating “child friendly” spaces and systems, and by collaborating across sectors to promote better outcomes for all children.

All of the stakeholders shown in Figure 1 contribute to a societal strategy for children. Governments, however, remain key contributors by helping to build consensus through democratic practices and including other stakeholders in envisioning and shaping responses to the needs of families and children. Governments can also provide funding to help make things happen. However, it is employers, voluntary agencies and public institutions, as well as parents in their many roles – as parents, community volunteers, board members, and so forth – that will determine the final outcome of a societal strategy for children and, in so doing, determine the extent to which Canada improves the outcomes achieved by its young children.

Next Steps

A key message of this study is that a step in any direction will succeed only if it is taken in conjunction with others. There is no single policy instrument that will satisfy all the goals listed in Box 2. There-

fore, we propose the following action steps for deploying policy instruments that work in combination. It is essential to view these action steps as a “package” that will be fully implemented over time. The *entire* package is needed to ensure that the overall policy mix achieves and maintains a correct balance.

At first glance, these steps may seem overwhelming. As challenging as they really are, the tasks can also be broken down into short-term ones and those to be implemented as more resources become available.

1. Separate maternity and parental benefits from Employment Insurance benefits. Either create a separate insurance fund or create a separate compartment within the EI program. Transfer a large enough portion of EI income to this fund to increase eligibility, lengthen leaves, eliminate the two-week waiting period, and raise benefit levels. Negotiate these changes by using the appropriate intergovernmental institutions.
2. Regulate to improve job protection and pension rights for parents who choose to take unpaid leave. Institute a right to family leave where it does not exist and make it a reasonable length. Educate employers on the benefits of providing supportive family-friendly environments for employees with children.
3. Invest public funds in educationally and developmentally focussed child care infrastructure so that all children can access high quality preschool education. Extend public education to include full-day kindergarten for 5-year-olds. Over time, expand this program to make full-day junior kindergarten available for 4-year-olds. Reduce the costs of developmental child care so it becomes a truly affordable choice for all families. Find partial funding for new child care spaces by eliminating the *Child Care Expense Deduction* for parents who use the new low-cost services. Negotiate a federal-provincial agreement using the mechanisms available in the *Social Union Framework* or other intergovernmental institutions so that Ottawa’s savings on the *Child Care Expense Deduction* are made available to provinces as they spend money on new developmental child care services provided at no or low cost to parents. Increase funding over time



to provide sufficient spaces, at an affordable price, for all of Canada's young children. Encourage community associations, employers and other stakeholders to participate in the provision of child care and anchor these in community resource centres.

4. Provide sufficient support for child care infrastructure so that it can offer flexible hours, part-time services, and otherwise meet the diverse needs of parents for child care. Transfer the funds that now subsidize informal care in "transition to work" programs to enable the expansion of regulated services with flexible hours that provide developmental child care.
5. Reinststate a universal tax credit for dependent children, in recognition of the contribution parents make to society by raising children. This is a simple but vitally important measure that should be part of any tax cut package.
6. Raise the amount of the Canada Child Tax Benefit so it achieves its goal of removing children from social assistance and contributes to the cost of raising children.
7. Encourage a range of stakeholders to develop wellness-based health and developmental services for all children and parents, filling the gaps that now exist. Support the development of community partnerships among stakeholders to collaborate on the provision of integrated services for children and families in community resource centres.

Measuring Progress

How will we know children's life chances are improving? Through outcome measurement and analysis. In the end, any intervention, by governments or others, has to be judged on the difference it makes to child outcomes. We must continue to learn from the experiences we will create with all the changes in policy that have been made or are being contemplated. This requires careful evaluation. Our ability to measure outcomes, and the factors that contribute to them, is only beginning to develop. Although there still is a long way to go, the *National Longitudinal Survey of Children and Youth* stands as an independent source of data, which

can be used by all jurisdictions. It is therefore essential to build a research budget into a societal strategy for children.

Outcome measurement is supported in many different quarters. It is a key feature of the National Children's Agenda and a requirement of the Social Union Framework. It is also becoming recognized in several jurisdictions as the means by which collaboration can be built among the many agencies that play a role in children's lives. An important dimension of this is that the use of outcome measurement will make all stakeholders accountable to *citizens* for improved child outcomes, rather than only having governments accountable to each other.

In concrete terms, how will we know that we are heading in the right direction? Two kinds of evaluation are required: (1) the quantitative and qualitative evaluation of progress made by policies aimed at improving child outcomes; and (2) the quantitative measurement of components of child well-being and healthy development. By the year 2010, for example, Canada must be able to demonstrate that:

- Pan-Canadian goals exist for children and families, which are widely understood and actively supported by governments, public institutions, employers, communities and families.
- Parents are enabled to care for their children because these goals provide adequate income, access to help with parenting, and supportive community environments.
- Families have meaningful choices about how to raise their children and can make what they believe to be the *best* choices, not *forced* choices, for their children and families.
- Public policy recognizes the extra financial burden of raising children.
- Federal-provincial financing relationships for early childhood infrastructure are in place and accepted as sustainable.
- Provinces have increased their early childhood infrastructure, measured by the number of regulated child care spaces available, by the number of community resource centres in place, and by a qualitative assessment of both integration

across sectors and partnerships within these community networks.

- Employers are actively engaged in supporting families with children, as measured by enhancements to parental and family leave programs and increased flexibility for employees to negotiate work hours and schedules.
- The Canada Child Tax Benefit has removed all children from social assistance, is alleviating poverty, and is helping more parents to support their families with earned income.
- Child outcomes are monitored and evaluated through instruments such as the *National Longitudinal Survey of Children and Youth* and other research tools.
- Based on the reporting of child outcomes, corrective actions are taken through policy adjustments in the public, private and voluntary sectors.

These are the ways that in 2010 we would know that Canada had succeeded in creating a societal

strategy for children that provides the best mix of policies for its youngest citizens. Canada would then be on its way to achieving the highest of ratings as a place for children to grow and prosper.

All of this will take time. This blueprint for action is not just about one season of federal and provincial budgets. It is meant to shape decisions over the next several years as funding can be allocated and as the capacity to provide key services is created. Canada must stay within the bounds of fiscal prudence, and we recognize that there are other important claims on the public purse for tax cuts and other spending changes, as well as for debt reduction.

Nonetheless, our extensive analysis of research evidence and dialogue with Canadians also makes it very clear that the time has come for a sustained societal investment in children and their families. Phased implementation of this blueprint will be necessary to sustain the current momentum and build the better outcomes we want for Canadian children.

Notes

- 1 The final report on this research project maps the terrain needed for a societal strategy for children in much greater detail. Entitled *What Is the Best Policy Mix for Canada's Children?*, the report will be published by Canadian Policy Research Networks Inc. of Ottawa.
- 2 The final *Best Mix* report, and this distillation of its findings, focuses on young children. At the outset, the intent was to examine policies aimed at promoting the healthy development of pre-adolescent children and those designed to support and enable parents to maximize their children's development throughout the life course. Early scans of the research on child development and child outcomes indicated that the bulk of information available focussed on children under the age of 12, especially on preschool children. Further, we discovered an emerging trend by governments to set outcome targets for all forms of policy, including policies and programs aimed at *young* children and their parents. Given the available knowledge and recent trends, the parameters of the study were adjusted to concentrate on the policies, values and outcomes most broadly relevant to young children, especially pre-schoolers, and their families.
- 3 The research highlights presented are abstracted from Stroick and Jenson (forthcoming). Original sources include Campaign 2000 (1998), Duxbury, Higgins, and Johnson (1999), MacBride-King and Bachmann (1999), OECD (1998), and the Standing Senate Committee on Social Affairs, Science and Technology (1999).
- 4 By *developmental child care*, we mean programs for young children offering nurturing care, physical and intellectual stimulation, school readiness, and the early detection and prevention of problems.
- 5 We will not analyze the seventh policy goal shown in Box 2, *population goals*, for two reasons. First, with the exception of Quebec at some times in its history, promoting population growth by encouraging a higher birth rate has not been a significant policy goal in Canada. This country has always tended to rely on immigration to achieve population growth. In its 1997 reform of family policy, Quebec eliminated birth



bonuses, which had been the major instrument used to *try* to stop the declining birth rate. Second, all policy instruments are blunt, or at best indirect, when it comes to promoting population goals. Neither Quebec nor France, which has been the European country most consistently concerned about its birth rate, has been able to find the single or even a few instruments that affect individual families' decisions about if or when to have children. The general conclusion seems to be that adults will choose to

have children when they feel they can provide for them. Thus meeting the other six policy goals is more likely to have an effect on the birth rate, and all the instruments listed in Table 5 could be characterized as having an indirect effect on this seventh policy goal.

- 6 Statistics Canada classifies a family as "poor" when annual family income is between 75 to 100 percent of the low income cutoff, that is, from \$23,303 to \$31,071 (Statistics Canada, 1999).

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The Best Policy Mix for Canada's Children Studies

The Canadian Policy Research Networks (CPRN) multi-year project, *What Is the Best Policy Mix for Canada's Children?*, is comprised of several component studies. These focus on policy practices, policy thinking, public values, and the outcomes achieved by children in Canada and a number of comparable countries. Highlights are summarized below.

The discussion paper, "Values and Preferences for the 'Best Policy Mix' for Canadian Children," triangulates public opinion polling data dating back 20 years, with data gathered through choice deliberation exercises conducted by CPRN – in focus groups, at roundtable meetings, and with community groups across Canada. The polling questions that were examined related to social policy affecting families and children. The findings were compared with data collected at deliberative discussion groups in which public values about children and families were explored. This combination of data sources provides a previously unavailable and greater depth of understanding about the values Canadians hold about family issues: mothers' labour force participation, child care, and the kinds of policy and workplace supports needed by families with children. The findings show that Canadians support a high public investment in children – by governments, parents and employers.

The discussion paper, "Building Better Outcomes for Canada's Children," provides a synopsis of emerging trends in the measurement of child outcomes. It illustrates how different disciplines – economics, psychology, sociology, and the health sciences – all share common concerns about children and their well-being. By bridging the gaps across disciplines and sectors, this research provides a new language for supporting children so they develop their assets and reach their potential, instead of focussing only on deficits or failures. It also points to how developmental achievements in early childhood are foundations that are built upon throughout childhood and adolescence, which lead to success in adult life in the home and the workplace, and which serve as a foundation for enhancing civic life in Canadian communities – now and into the future.

Child outcomes are again a focus in the discussion paper "Moving Forward on Child and Family

Policy: Governance and Accountability Issues." Governments in Canada are instituting a "focus on results" and becoming more interested in measuring policy performance. Several jurisdictions are using indicators of child and family well-being or "outcomes" as part of this performance measurement process. Provinces are also increasing the transparency of the policy design and delivery process and some have changed their governance structures to integrate or coordinate services for children and families across government departments and ministries. Taken together, this enables *all* stakeholders to coordinate their actions around shared goals and objectives for children. This is especially important for voluntary sector agencies that deliver many programs and services at the community level. Efforts by government to manage interdependence – across governments and across sectors of society – suggest that Canada is inching closer to the creation of a broad-based societal strategy to support children and their families.

Comparative Family Policy: Eight Countries' Stories was released in January 1999 and generated tremendous interest in the press across Canada. By examining the public values and policy strategies supporting families in Canada, the United States, and six European countries, this report highlights the dilemma that families everywhere face: parents need and want to work to support their families, yet they also believe that young children suffer when their parents cannot spend needed time with them when they are young. Different countries respond with different policies, which either help or hinder families who are struggling to balance their work and family life by providing adequate income, nurture and care for their children. Canada is near the bottom of the pack in providing supportive family policies to help parents with this challenge.

The study *An International Comparison of Policies and Outcomes for Young Children* adds a new dimension to international comparative research on family policy. Released in March 1999, this paper uses available microdata sets in an original way to compare values, policies and the outcomes achieved by children in Canada, the United States, the United Kingdom, Norway and the Netherlands.

Data on child outcomes – measured by economic, health and behavioural indicators – show that a strong social safety net that provides a wide variety of policy choices for families is associated with better outcomes for children. On all of the indicators measured, Norway leads the pack. An important element of success is a “mix” of policies that empower parents to choose options for work, family leave, and non-parental child care to address the spectrum of needs they face throughout their life course and act in the best interests of their children and families at any given time.

Provincial differences in child outcomes across Canada are examined in the discussion paper “Outcomes for Young Children in Canada: Are There Provincial Differences?” While some differences do exist, neither outcome achievements nor gaps can be directly attributed to different approaches to provincial family policy. More refined data are needed before policy initiatives can be developed based on provincial differences in child outcomes. This may be a promising area of study for future research.

A detailed review of Canadian family policy is presented in CPRN’s study *Comparative Family Policy: Six Provincial Stories*. This research examines the family policy strategies that have been employed by the federal government and six Canadian provinces over time and provides a comparative inventory of policies across the provinces under review. It also illustrates the magnitude of the many and varied changes that are taking place in the ways that families with children are being helped or hindered by the policies governments establish.

Across Canada, governments are providing income support to families with children through child tax benefits, family allowances, and income supplements. The new institutional actors on the Canadian family policy scene are ministries of finance. Although they are often responsible for new income related program design, they seem to be leaving experts on child development “out of the loop” and thus losing

valuable input about the impacts and long-term consequences of new policy strategies and decisions. This appears to be working at cross-purposes with other policymakers who are giving more attention to the developmental needs of children, particularly in the preschool years.

This research has also shown that the needs of middle-income parents in dual-earner families are not being considered, much less addressed through policy. Further, few policies are aimed directly at school-aged children apart from public education, which, itself, is being threatened by funding cuts and other pressures on the system. This study is already having a profound impact on the Canadian family policy discourse and has generated significant interest among policymakers, academics, and the advocacy community.

The final *Best Mix* component report, “Tax Fairness for One-Earner and Two-Earner Families: An Examination of the Issues,” demonstrates that the current Canadian income tax system does not discriminate against stay-at-home parents in favour of parents who enter the paid labour force. Instead, it shows that the non-taxation of household production is a tax advantage for stay-at-home parents, which makes labour force activity less attractive. The Child Care Expense Deduction partially corrects for the horizontal tax inequity between families in which one parent stays at home versus those in which the parent enters the labour force. This deduction permits employed parents to deduct a necessary *work-related expense* from income before tax rates are applied. This paper has provided much needed clarity on a policy that is often misunderstood.

The results of all of CPRN’s research on policies for young children and their families have been analyzed as a whole. This analysis is the basis for the conclusions about a “best policy mix” for Canada’s young children presented in CPRN’s forthcoming detailed study, *What Is the Best Policy Mix for Canada’s Children?*, and in this *REFLEXION*, which distills its findings.



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The mission of the Canadian Policy Research Networks is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians in order to help build a more just, prosperous, and caring society. Its programs involve intergovernmental collaboration, and interdisciplinary research. It is a nonprofit research organization coordinated from Ottawa, operating three Networks of policymakers and researchers, which span the country. The Family Network is directed by Jane Jenson in Montreal. The Work Network is directed by Graham Lowe in Edmonton. And the Health Network is directed by Sholom Glouberman in Toronto. To learn more about the Networks, fax G. Lacelle at 613-567-7640, E-mail glacelle@cprn.org or consult our Home Page at <http://www.cprn.org>.

CPRN's Family Network

The Family Network is dedicated to advancing public debate on a full range of policy issues that have an impact on Canadian families of all types. Its research on the family ranges from public values about children and families to broader concerns of social cohesion within communities and society as a whole. Since family life is nested in so many social and physical environments, research in the Family Network spans the traditional policy domains of health, education, social services, employment, economics, and so forth, as applied to family members from infants to the elderly. The goal of all of this research is to contribute to CPRN's mission to help make Canada a more just, prosperous and caring society.