Why have provinces not adopted more robust child care programs?

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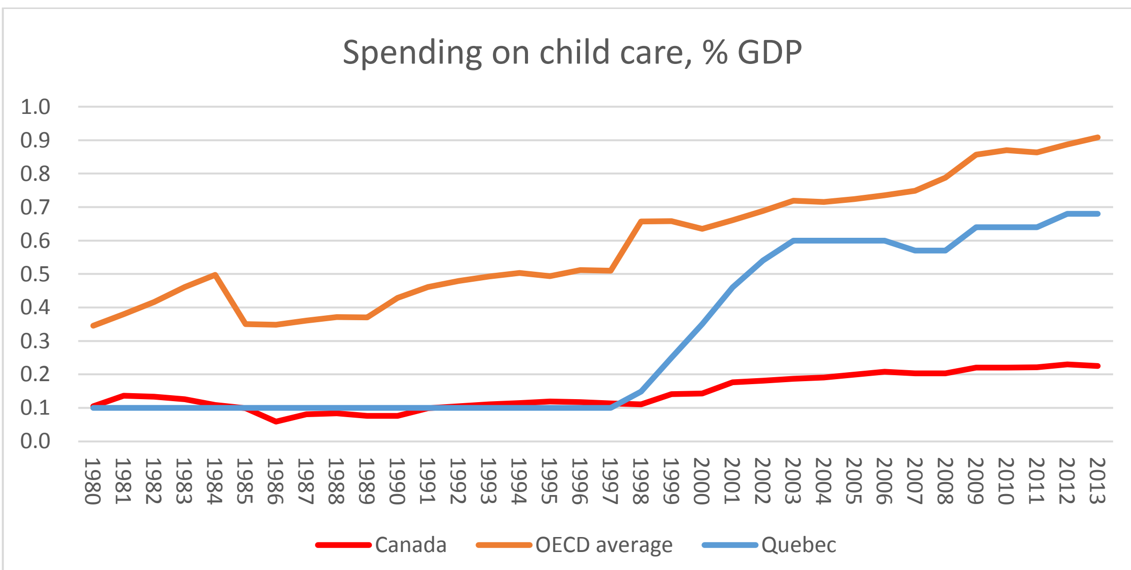
Abstract: Compared to other advanced democracies, Canada is a laggard when it comes to investing in child care. Current research has mainly focused on accounting for the *federal* government's failure to put in place an ambitious child care program (White, 2014; Collier, 2010; Jenson, Mahon and Phillips, 2003; Mahon and Phillips, 2002; Friendly, 2001;). Strangely, very little work has sought to explain why *provinces* outside Quebec have failed to put in place such a program. Some authors have compared Quebec with Ontario or British Columbia (Haddow, 2015; Mahon, 2013; Collier, 2001), but a systematic account of provinces' child care policy remains to be produced. This paper aims to fill that gap. Based on an exhaustive literature review, a comparative analysis of Canadian provinces' political dynamic and interviews conducted in Quebec, this paper argues that a combination of three factors – all present only in Quebec - help explain Quebec's exceptionalism with respect to child care: (i) A left-of-center party ready to act as a 'protagonist' initiating a major child care reform; (ii) a party system characterized by the absence of a right-wing party ready to act as an 'antagonist' rolling back a progressive reform; and (iii) a shared understanding among parties and civil society associations that child care is an exclusive provincial responsibility. Without this shared understanding, cash-stripped provincial government suffering from vertical fiscal imbalance aren't likely to invest in child care programs.

The Puzzle: Canada and Quebec from a comparative perspective.

Child care policy is one of the pillars of the "social investment turn" taken in the 1990s and 2000s by advanced welfare states. Social investment aims to shift public expenditures away from passive social policies, such as unemployment insurance and pensions, toward active social policies, such as work-family conciliation policies and training (Hemerijck, 2013; Bonoli, 2013). Active social policies tend to be defined loosely in terms of three characteristics. First, active social policies address the "new" risks associated with women's entry into the workforce and post-industrialization (e.g. single parenting, obsolete skills) — in contrast to the "old" risks of male breadwinner industrial economies (e.g. illness, old age, and unemployment). Second, active social policies are viewed as springboards and favour instruments fostering human capital and employability, such as vocational training and education, whereas passive social policies are viewed as safety nets and use policy instruments such as income replacement. Third, active social policies seek to (re)integrate the non-employed into the labour market, thus functionally differing from the "passive" social policies of the post-war era, which chiefly sought to protect workers from excessive reliance on the market (Esping-Andersen, 1985).

As shown in figure 1, public expenditures in ECEC increased substantially over the last three decades, from an average of 0.3 % of GDP in 1980 to 0.9% in 2013 across OECD countries. Despite an emerging international consensus concerning the benefits of childcare investment on human capital development and women labour market participation (OECD 2017), as well as widespread public demand for more public investment (White and Friendly 2012), Canada didn't join the bandwagon and remained a laggard in terms of childcare spending. In contrast, the Quebec government invested in an ambitious childcare program in 1997, which now puts Quebec spending relatively close to the OECD average. From this broad comparative perspective, Quebec's trajectory is standard,[1] while the Rest of Canada's low investment path is a puzzle.

Figure 1.

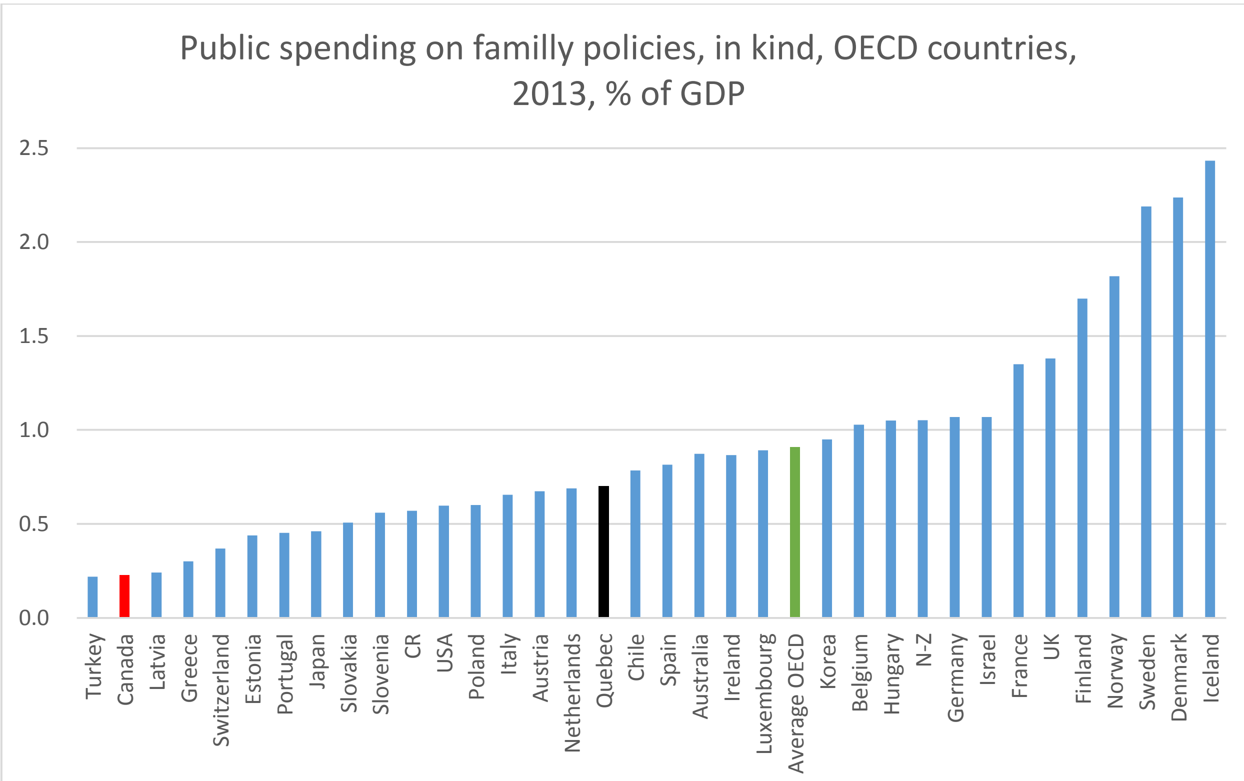


In fact, as shown in figure 2, public spending on childcare services in Canada (0.2 percent of GDP) is now the lowest of all OECD countries[2], tied with Turkey and Latvia. Other Anglo-American democracies, the most comparable states to Canada from an institutional and political standpoint, spend considerably more than Canada on child care. Indeed, the UK spends 1.4

[1] The OECD comparative data does not exist for Quebec. To calculate child care spending in proportion of GDP, we used Friendly et al. (2018) data on provincial child care expenditures. Using another method, Pierre Fortin (2018) shows similar levels of child care spending in Quebec as a proportion of GDP.
[2] Measured as family benefits in kind, which is the comparative measure for child care spending used by the OECD.

percent of its GDP on child care services and Australia 0.8 percent. Even in the US, such spending stands at 0.6 percent of GDP.

Figure 2.



It is even more puzzling to consider that Canada spends relatively generously on other types of family policies like cash transfers and parental leave. Cash transfers to families in Canada represent about 1% of GDP, which is close to the OECD average of 1.2% of GDP. In recent years, Canada filled the gap with other advanced economies in terms of parental leave spending. In fact, total spending on family policy including all tax credits, cash and in-kind benefits is higher in Canada than the OECD average (Daly and Ferragina 2017)[3]. Thus, it is childcare spending in particular, not overall family policy, which is exceptionally underdeveloped in Canadian provinces outside Quebec.

Why is public childcare funding so low in Canada? Canadian researchers have taken this puzzle seriously. A number of papers have sought to explain why Canada remains such a laggard in the area of child care (White, 2014; Mahon and Phillips, 2002; Collier, 2010). Yet, these

[3] Godbout and St-Cerny (2008) analysis of family policy in Quebec suggests that it is even more generous overall and comparable to the generosity of Nordic countries.

papers focus on the *federal government's* failure to implement a national child-care program. This focus on the federal government strikes us as surprising. Isn't early childhood education and child care a *provincial* jurisdiction? In this paper, we address the Canadian child care puzzle from a provincial perspective, and ask: why have *provinces* outside Quebec not developed ambitious public child care programs?

We argue that three conditions make provincial investments in child care more likely and that these conditions have so far only been met in Quebec: (i) a left-wing government willing to initiate an ambitious child care reform; (ii) a party system that excludes a right-wing party strong enough to lead a government; (iii) a shared understanding among the parties and civil society organizations that child care is a provincial responsibility.

To develop our argument, the rest of the paper is divided into three sections. The first section presents interprovincial differences in childcare investment to show that there are important interprovincial variations in childcare programs, but that the main disparity is between Quebec and the rest of Canada.

The second section presents our main argument concerning partisanship: it shows that the presence of a center-left party in government is a necessary condition for significant public child care investments. However, such an investment is unlikely to be politically robust if a right-wing party forms the following government. Hence, the polarization of the party system on the left-right (state intervention vs. free-market) divide matters. In this regard, the Quebec party system is unique because the dominant political cleavage has traditionally been the sovereigntist-federalist divide. In contrast to other provinces' conservative parties, the Quebec Liberal Party is rather centrist and did not roll back the child care investment made by the Parti Quebecois' 1997 after coming to power in 2003. The second section presents a quick overview of each province's political situation to show that they either lack a credible center-left party (in Atlantic Provinces) or have a strongly competitive right-wing party.

The third section presents an argument that has not been discussed by the child care literature in Canada. While we agree that the decentralized nature of Canadian federalism prevented the federal government to enact a national childcare program, we argue that the structure of Canadian fiscal federalism, notably vertical fiscal imbalance between provinces and the federal government, diminishes provinces' incentives to invest in child care. Since the mid 1990s, provincial governments had to deal with considerably lower federal transfers combined with rising health care costs, reducing their fiscal room to maneuver to invest in child care. However, these fiscal barriers can be overcome if pro-child care interest groups and progressive political parties believe that child care is a provincial responsibility and push the provincial government to act without waiting for the federal government's help. Once again, these conditions have only been met in Quebec, where pro-child care interest groups have concentrated their lobbying efforts on the provincial government and political parties and bureaucrats jealously protect provincial jurisdictions. This argument helps to explain both Quebec's exceptionalism and the rest of Canada's exceptionalism relative to other OECD countries concerning child care investments.

Section 1. Quebec as a Canadian outlier: Difference between provinces

Until the middle of the 1990, per child public expenditures on child care were not different in Quebec compared to other provinces. For example, in 1992, the percentage of children with a regulated child care spot was lower in Quebec (9.2%) than in the rest of the country (11.5%) (Friendly et al. 2015, 138). It is only after the implementation of the Parti Québécois' family policy under the Bouchard government in 1997 that Quebec started to follow a distinct path from the rest of the country. As illustrated in Figure 3, child care public expenditures per child in Quebec rose sharply in the late 1990s and early 2000s, increasing from \$716 in 1998 to \$3,954 in 2003, by the end of the PQ government's tenure. Since then, Quebec's child care investment increased only incrementally. The other important spending increase, in 2009, is related to the Charest government's decision to raise tax credits for parents using private child-care providers.

In contrast, child care investments in other provinces increased slowly over the same period and stagnated since 2008 to reach only 23% of average per child investment made by the Quebec government. Consider this: according to 2015-2016 data published by the Toronto-based Childcare Resource and Research Unit, Quebec's annual child care subsidies (\$2,559 billion) top those of all other provinces and territories combined (\$2,037 billion). Public expenditure per child is almost three times higher in Quebec than in the second most generous province, Manitoba (Friendly et al. 2018, p. 168).

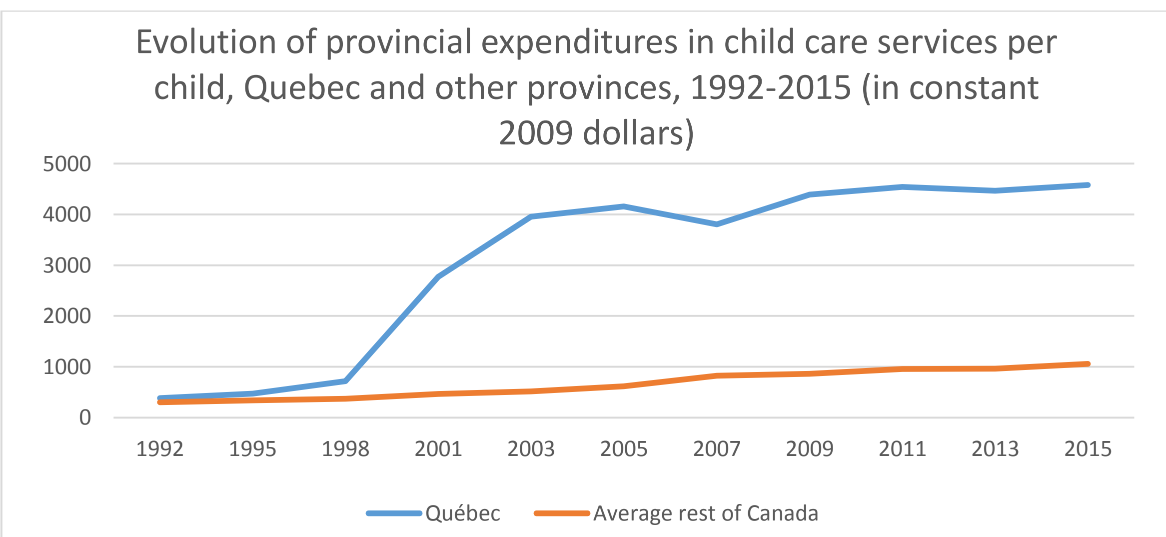


Table 1 displays more detailed data on Canadian provinces (Friendly et al. 2018). This data clarify that Quebec is really distinct on two specific dimensions: public funding and user fees. On other dimensions, such as the share of for-profit child care providers, Quebec is not an outlier.

Table 1. Provincial comparison of child care services 2015-2016.

	Public expenditure per child 0-5 years (2009$)	Median monthly fees[1] ($)	Child care use (% of parents)	Percent of regulated child care spaces that are for profit (%)
Newfoundland	1354	1 085	47	72
Prince-Edward-Island	1 366	738	48	59
Nova Scotia	792	902	46	55
New-Brunswick	902	864	52	62
Québec	4 583	179	58	20
Ontario	1 208	1 235[2]	43	22
Manitoba	1 610	651	34	5
Saskatchewan	719	850 (Saskatoon)	47	2
Alberta	751	969[3]	40	58
British Columbia	824	1 179[4]	45	56

Sources : Statistics Canada (2014) for child care use. Other data are from Friendly et al. (2018)
[1] For infants (less than 2 years old). Differences of fees for toddlers (2-4 years old) are not significant.
[2] Average of main Ontario cities.
[3] Average of Edmonton and Calgary.
[4] Average of Vancouver, Richmond, Burnaby and Surrey.

Public investment and parents' fees are intrinsically related. Quebec parents spend less on child care: daily user fees in regulated family-based installations, early childhood centers and subsidized private-sector child care were, until 2015, limited to $7. In 2016, monthly user fees for 0 to 2 year-old infants were estimated at $168 in Montreal, $1,292 in Vancouver, and $1,758 in Toronto (MacDonald and Friendly, 2017). In fact, user fees in Canada-outside-Quebec are among the highest of OECD countries (OECD, 2017). Low fees in Quebec also contribute to a higher use of child care, Quebec being the only province with a child care use significantly higher than the Canadian average.

However, Canada-outside-Quebec is not a homogeneous place. Provinces outside Quebec do not share the same child-care system. A more neoliberal model prevails in Alberta and Newfoundland and Labrador, where public expenditures are low, user fees high, access to regulated child care spaces more limited, and for-profit providers dominate the market. In contrast, provinces such as Manitoba and Prince Edward Island have adopted a comparatively more 'social liberal' or 'inclusive liberal' model (McGrane, 2014; Mahon, 2009; Prentice, 2004). Yet, these differences appear weaker than those between Quebec and all the other provinces.

Section 2. Power resource : center-left and polarized party systems

According to power resource theory, the formation of several successive Left governments constitute a necessary condition for the development of a social democratic welfare state (Huber & Stephens, 2001; Korpi, 2006; Brady, 2009). Research, moreover, shows that Left governments constitute a quasi-necessary condition for substantially increasing child care public spending (Bonoli, 2013; Bonoli & Reber, 2010; Gingrich & Ansell, 2015). We also know that the electoral clientele of centre-left parties is increasingly composed of sociocultural workers inclined to be favorable to public funding of child care services (Gingrich & Hausermann, 2015). Finally, Collier (2006) suggests that, in general, the left is closer to feminist groups, which incentivizes it to invest in child care.

In the Canadian case, we argue that the presence of a left-wing government is a necessary but insufficient condition for the implementation of an ambitious child care reform. The mobilization of feminist interest groups and a weak left-right polarization within the party system are two other crucial factors conditioning the impact of left governments on child care spending. These latter conditions were only present in Quebec.

Indeed, it is a left-of-center government, led by the Parti Québécois (PQ), which initiated Quebec's child-care reform in 1997. Such a reform would have been nearly impossible under a government led by the Liberal Party of Quebec (PLQ) (Haddow, 2015; Arsenault, 2018). However, since the main cleavage within Quebec's party system concerns the national question rather than redistribution, the distance between the PQ and the PLQ on the left-right axis is relatively small; since the 1970s, the PQ has been a left-right sovereigntist coalition while the PLQ has been a left-right federalist coalition (Pelletier, 2012).

This weak left-right polarization is one of the factors explaining Quebec's exceptionalism in the area of child care. Other provincial party systems including a powerful left-wing (NDP) party tend to be more polarized on the left-right axis, including conservative parties (or the liberal party, in the case of British Columbia) strongly opposed to massive public investments in child care. In contrast, the PLQ is relatively centrist and so the level of public investment in child care has not decreased under Liberal governments in Quebec (Friendly et al., 2018) – although the PLQ does tend to favour private sector child care providers, whereas the PQ tends to favour social economy sector child care providers (i.e. the centres de la petite enfance, CPE) (Arsenault, 2018). In no other province do we find such a party system characterized by the alternation of a left-of-center party capable of bold progressive social innovations and a party centrist enough to maintain those innovations.

The PLQ also faced few incentives to dismantle Quebec's publicly funded child care network given its massive popularity. The PQ's child care reform strongly benefitted the middle class (and even the upper middle class), which helped to draw broad popular support. The Quebec case supports the literature on policy feedback: when a social policy is implemented, stakeholders benefitting from it can defend it, should it be jeopardized by the election of a more right-wing government (Campbell, 2003; Pierson, 1993). Such a universal program benefiting large segment of the population is more likely to be widely popular and fewer citizens favour retrenchment (Jordan 2014). Following the election of Jean Charest's government in 2003, unions and community groups formed a 'vigilance network' to oppose any 'neoliberal threats', including in the area of child care (Boismenu, Dufour and St-Martin, 2004). Nowadays, no political party, even the more right-wing Coalition Avenir Québec proposes to dismantle the public child care program.

The comparison with British Columbia is particularly interesting. BC's party system is characterized by a strong left-right polarization. The NDP has been in power for almost the totality of the 1990s and some steps forward were made with respect to child care, especially under Ujjal Dosanjh's government (Collier, 2016); in 2000, the option of instituting universal Quebec-style $7 child care was even envisaged (Mickleburg, 2000). In June of 2001, the Liberals were elected and the new premier, Gordon Campbell, immediately clarified that he had no interest in such a bold child care reform and even slashed child care public funding by 25 per cent between 2001 and 2005 (Prentice 2004, p. 204; Kershaw, 2004; Collier, 2001).

The current NDP government of John Horgan promises to put child care back on the agenda. The main promise so far, however, has been relatively modest: to invest one billion dollars over three years. Moreover, most of these new sums – 630 million dollars - would be channelled to existing child care providers in order to lower parents' user fees (Government of British Columbia 2018, p. 25). In Quebec, in contrast, the 1997 reform chiefly sought to create new places. Moreover, according to our calculations based on the data provided by Friendly *et al*. (2015) for the 2013-2014 year, public child care spending per child in BC should reach $2,000 once Horgan's reform will be complete; in contrast, public child care spending per child in Quebec is currently around 4500% (both in 2009 dollars).

Let us recall that the 1997 Quebec reform involved a five-fold increase in public spending. Moreover, Quebec's reform did not rest on federal investments, whereas BC's current reform is taking place in a context where the federal government has committed to invest $136 million in child care per year. Also, given the strong left-right polarization within BC's party system, the reform might be cancelled by a future liberal government.

The situation in Ontario in the 1990s is somewhat similar to that in BC. Significant investments had been made by a minority NDP-backed liberal government between 1985 and 1987 and then under Bob Rae's NDP government between 1990 and 1995 (Collier, 2006). The following progressive-conservative government, however, led by Mike Harris (1995-2003), made major social spending cuts and ceded the responsibility for child care to municipalities (Haddow, 2015).

In 2017 and 2018, the liberal Kathleen Wynne government proposed a major child-care reform (Monsebraaten, 2017) aiming to offer free and universal child care to all pre-kindergarten children aged 2 and half years old or older, as of September of 2020 (Government of Ontario 2018, p. 21). This priority reflects the values of the left wing of the party and the mobilization of feminist groups. The party system in Ontario, however, is highly polarized and we can safely assume that a progressive-conservative government –likely to form the next government after the June 2018 elections - would respect its promise to cancel these investments, while privileging tax credits for families (Ontario Progressive Conservatives, 2017). The current situation in Ontario thus strongly reminds that of BC in the early 2000s.

The situation in Alberta is simpler. The progressive-conservatives were in power between 1971 and 2015, and their dominant neoliberal ideology clearly hindered the expansion of the welfare state, including in the area of child care (Hayden, 1997; White, 1997). The investments of the current NDP government since 2015 remain relatively modest – admittedly in a context of tight public finances (Thomson, 2017). Rachel Notley's government announced a 10-million dollar investment in a pilot project seeking to create 1,300 places at $25 per day.

The case of Manitoba illustrates how it does not suffice to have Left governments to implement a bold child care reform. Over the past decades, the NDP has been in power more often in Manitoba than the PQ in Quebec, and the Manitoba NDP has traditionally been more willing to expand the welfare state than the province's progressive conservatives (Prentice, 2004). Manitoba is, after Quebec, the province spending the most per capita on child care. Significant investments were made under neo-democrat governments, in power between 1999 and 2015; public spending on child care per child increased from $654 in 1996 to $1,513 in 2009 (Friendly et al, 2015; see also Turgeon, 2010). Spending per child has nonetheless stagnated since 2009 and child care has not been a major issue in the 2016 provincial elections (Prentice, 2016).

The case of Saskatchewan also illustrates that successive NDP governments do not necessarily lead to major child care reforms. It is the Canadian Province where the NDP has been the longest in power, ruling the province *inter alia* between 1991 and 2007; yet, its child care network is not more developed than elsewhere in the country. We note, however, that our model cannot really explain why Manitoba spends more than Saskatchewan on child care – other variables are at play and further research is needed on Saskatchewan, in particular.

Research on the Atlantic Provinces insists less on the role of parties in accounting for child-care policy. In an important study, McGrane (2014) concludes that party systems simply did not matter in the region. Hence, Newfoundland-and-Labrador has a neoliberal child care system, Prince Edward Island has a 'liberal inclusive' model, New Brunswick and Nova Scotia have hybrid systems, and yet all four provinces have a very similar party system characterized by the alternation of a moderate liberal party and a moderate progressive-conservative party (Bickerton, 2007). In these systems, left-right polarization is weak and there are no left-wing parties. In the history of Atlantic Canada, there has only been one NDP government – in Nova Scotia between 2009 and 2013.

In short, the level of left-right polarization combined with the strength of left-wing parties matters in accounting for a province's level of child-care spending. Quebec's situation seems unique in the Canadian context, having had a relatively powerful left-of-center party (PQ) and a weakly polarized party system. The situation is clearly different in BC and Ontario (where polarization is high) and Alberta and Atlantic Canada (traditionally lacking a left-wing party). Also, Quebec assumes that child care is a strictly provincial jurisdiction, in stark contrast to other provinces, including Manitoba and Saskatchewan.

Section 3. Civil society, fiscal federalism and provincial responsibilities.

The lack of spending in Canadian provinces outside Quebec is a policy puzzle that cannot only be explained by the polarization of the party system since almost all other OECD countries with polarized party systems have implemented more ambitious child care programs. The division of power in Canadian federalism, or more precisely, the provincial responsibility over child care, has been singled out by Canadian researchers as a major obstacle to the development of ambitious child care policies (Prentice, 2001; Mahon and Collier, 2010; Mahon and Brennan, 2013). Federalism increases the number of veto points that can be used by political actors to stop federal social policy initiatives (Banting, 1987). Negotiating agreements with provinces with different interests and priorities for a national child-care initiative is a tremendous challenge for the federal government. According to this argument, if the Canadian state was unitary or if child care services were a federal responsibility, the federal government could act unilaterally and implement a national child-care program, without having to convince recalcitrant provinces (Mahon and Collier, 2010).

However, from a provincial perspective, it is the federal government, or more precisely, the structure of Canadian fiscal federalism, which is acting as a barrier on the provinces' capacity to implement their own child-care agenda. Indeed, federal child care tax credits penalize provinces opting for low fees childcare, conditional federal transfers encourage targeted rather than universal child care programs and vertical fiscal imbalance reduces provinces' fiscal room to maneuver to invest in child care. Hence, we argue that the structure of Canadian fiscal federalism does not give provinces the means of their ambitions. As mentioned above, Quebec is different from other provinces in interpreting child care as an exclusive provincial jurisdiction. This nationalist interpretation of the division of labour made possible the leadership to go forward with a child-care reform without the contribution of the federal government.

3.1. Fiscal Federalism

The federal government's child-care tax credit penalizes low fees child care services (Séguin et al. 2002, 123 note 8). Because child care fees are much lower in Quebec than in other provinces, Quebec families receive less in child care tax credits from the federal government than a typical family in any other province (Godbout and St-Cerny 2008, 185). For 2008 only, Quebec's child care fees led to 43 million$ in savings for the federal government (Fortin, Godbout and St-Cerny 2013). This inequity is resented by many political actors in Quebec, including the former premier Jean Charest, a committed federalist (Arsenault 2016, 149). Hence, the federal government implicitly discourages provinces to invest in an ambitious program that would reduce child care fees for parents. However, additional research is necessary to verify whether these tax credits are playing a significant role in provincial government decision-making.

Secondly, the Canada Assistance Plan (CAP), the main social policy transfer framework of the federal government from 1966 to 1996, was allocating funding for child care, but only under the condition that provincial child care programs target poor families. Therefore, this program was discouraging provinces to implement universal child care services (Vaillancourt and Thériault 2006). The recent announcement of the Liberal government to transfer $ 7.5 billion to provinces over 11 years fit within this residualist perspective, since transfers are intended for programs reaching low-income families in priority. Also, this federal investment remains modest in comparison to provincial expenditures: the initial investment of $1.2 billion for the first 3 years represents only between 8% and 9 % of annual provincial expenditures in child care services.

Transfer programs succeeding to the CAP - the Canada health and social transfer (1996-2003) and the Canada Social Transfer (since 2004) - became considerably less generous, even though the federal government dropped the conditions of low income targeting. To deal with recurrent budget deficits and with the impact on public finances of the early 1990s economic crisis, the federal government implemented massive cuts to social transfers to provinces. Federal transfers to other levels of governments dropped from 3.6% of GDP in 1993-1994 to 2.3% in 1997-1998 (Canada 2017). The federal government also decided to bundle the CAP together with health care transfers from 1996 to 2004. Thus, programs funded under the CAP, like child care, were in direct competition with established popular universal programs, like health care, whose cost grow quicker than the rest of the economy. Since the 1980s, it is only from 2006 to 2016 that the federal health transfer increased more (6%) than the average growth of health care costs (5.6% from 1985-2015). Hence, health care costs have risen on average from 28% to 44% of provincial program expenditures. The growing costs of such a popular and robust program like health can crowd out other types of expenditures, especially new social investments like child care.

These cuts in transfers amplified a situation of vertical fiscal imbalance: the Canadian federation involves very decentralized spending responsibilities (only 33% of expenditures are made by the federal government), while the federal government retain 44% of revenues (OECD 2018b). Hence, provinces are dependent on transfers from the federal government. According to certain analysts, this vertical fiscal imbalance diminishes provinces' capacity to implement social programs (Séguin et al. 2002). After paying for health care and education (67% of provincial budgets on average in 2015), provinces do not have much resources left to spend on social investment policies like child care. It takes strong political will to overcome these fiscal challenges and redirect spending or increase revenues to fund new policies like child care.

3.2. Overcoming fiscal challenges; conceptions of federalism

To overcome these fiscal incentives, political parties and civil society actors need to be convinced that child care is a provincial responsibility - otherwise they might prefer to wait for the federal government to implement a national program. For many outside Quebec, the federal government can legitimately act as the main actor in social policy, even when they fall within provincial jurisdiction (DiGiacomo and Flumian 2010). The English-Canadian left often advocates for the federal government to significantly increase its contribution to child care funding (Mahon and Philipps 2002; Vickers 2010). For example, the Child Care Advocacy Association of Canada (CCAAC), a pan-Canadian organization founded in 1982, promotes improvements of child care services but concentrates its action on the federal government. For Morna Ballantyne, its director, this focus on the federal government is reasonable since it is "impossible to expect provinces, territories and Indigenous communities to fix this cross-Canada problem on their own" (CCAAC 2017).

This argument builds on two assumptions: Ottawa has the financial resources to fund child care services and the spending should be directly implemented by Ottawa. In contrast, in Quebec, many argue that the federal government should not impinge on provincial jurisdictions like child care services (Vaillancourt and Thériault 2006). Those who denounce vertical fiscal imbalance accept the assumption of the CCAAC according to which Ottawa has the main financial resources but reject the second assumption; that Ottawa has the legitimacy to spend directly within areas of provincial jurisdiction. According to this argument, Ottawa should increase its level of transfers to provinces with the least conditionality as possible, in order to give them the means of their ambition.

More than in other provinces, there is a strong belief in Quebec that child care is an area of exclusive provincial jurisdiction. A distinct conception of the nation is at play. Béland and Lecours (2008) argue that nationalists are trying to create a congruence between the social community, materialized by social policies, and the national community. Indeed, nationalist parties use social protection to build a national solidarity, to foster a nationalist coalition and put forward a distinct social project for Quebec which differs from what other provinces are doing in terms of social protection (Chapados 2008). This different social project is then used as an example of the distinctiveness of the nation. Hence, the conception of a province's place in intergovernmental relation has a crucial impact on its social policy choices. According to Chapados's (2008) comparative study between Canada and Spain, autonomist provinces (or regions) privilege a social intervention logic that is in rupture with the central governments' priorities, while non-autonomist provinces adopt more often a collaborative approach that is not be departing from the priorities established by the central government. In Quebec, even the Liberal Party of Quebec (especially so in the 1980/90s) proposed social policies affirming the distinctive character of the province. This finding echoes Fafard et al.'s (2010) argument: Quebec bureaucrats prioritize a strict division of labour between the province and the federal government and jealously protect provincial jurisdictions, while bureaucrats in other provinces are willing to adopt a more collaborative approach with the federal government, even if it involves encroaching on provincial jurisdictions.

We find proofs of this difference between Quebec and other provinces also when analyzing the role of interest groups. According to Coleman (1995) Quebec interest groups have structured themselves to influence the Quebec state and contrary to their Canadian partners, have been less eager to direct their advocacy efforts towards the federal government. In almost all other provinces outside Quebec, provincial associations of child care service promotion advocate simultaneously for an expansion of public investment in child care both at the provincial and federal levels (Mahon 2013; Turgeon 2010). They pursue the objective of a pan-Canadian child care service both for ideological and strategical reasons. A national child-care program can be used as a tool of nation-building, like the health care system. Strategically, the federal government is in a better fiscal situation which makes it an attractive partner for child care investments (Turgeon 2010). However, groups focusing their actions on Ottawa have long been funded by the federal government and have been taken by surprise when Ottawa decided to cut social policy funding and decentralize it towards the provinces in the 1990s (Mahon and Philipps 2002).

In contrast, Quebec child care advocacy associations concentrate their efforts at the provincial level (Mahon 2003; Tougas 2001). For example, the Fédération des Femmes du Québec demands provincial public investment in child care since 1965 in the name of women's emancipation (Jenson and Thompson 1999; Jensen, Mahon and Philipps 2003). The importance of women's organizations mobilization in Quebec has been regularly highlighted by the literature (Arsenault 2018; Haddow 2015; Jenson 2001; Mahon 2013). For most of Quebec interest groups, a "national" child care program is a program implemented by the Quebec government and the National Assembly. In contrast, for feminist and left-leaning groups in other provinces, a national program involves a federal, pan-Canadian initiative (Mahon and Collier 2010; Mahon 2013). In general, feminist groups focus much on the provincial welfare state while Canadian feminist focus on the federal welfare state (Vickers 2010).

However, it would be false to pretend that English-Canadian feminist organizations have concentrated their mobilization efforts only on the federal government. Their relative capacity to influence provincial government is also an important variable to explain provinces' child care policy trajectory (Collier 2006). For example, the presence of a well-organized feminist movement in British-Columbia has played an essential role to influence the New Democratic government of Ujjal Dosanjh to invest in child care at the end of its mandate. Until then, the feminist movement was more divided and unable to influence the NDP government that was in power since 1991 but did not implement child care investments until 2001.

In contrast, in Manitoba and Saskatchewan, the feminist movement does not seem to have been able to influence New Democratic governments to invest in child care. In Saskatchewan, Martin (2001, p. 175) insists that sexism accounted for this inaction in the 1970s – as it probably did elsewhere. The most likely explanation for this inaction until now, however, is that the Saskatchewan's NDP does not view child care as a strictly provincial responsibility, and so it is constantly waiting for leadership from the federal government. This strategy has not been fruitful so far, given the federal government's lack of leadership and contested legitimacy to act in this policy area (at least from a Quebec perspective). In the Manitoba case, it seems again that activists and policy-maker believe that Manitoba is a "have-not" province and that accordingly, a federal contribution would be essential for a massive expansion of child care services (Prentice 2004). However, in terms of GDP per capita, Manitoba is not poorer than Quebec; but in Quebec, unlike in Manitoba, child care is viewed as an exclusively provincial jurisdiction.

A similar phenomenon can be observed with trade unions. The Canadian Union of Public Employees is present in all Canadian provinces and could in theory choose to lobby provincial governments. Instead, it also focused its mobilization efforts on a pan-Canadian federal child-care program (Gestwicki and Bertrand 2012, 262). In contrast, the Confédération des Syndicats Nationaux (CSN), one of the main unions in Quebec, focuses its mobilization effort on the provincial government, while it could also try to influence the federal government.

We argue that it is the provincial orientation of interest groups, not the particular structure of interest group mediation on public policy (like neo-corporatism) that has been a decisive factor for the 1997 Quebec child care investment. Certainly, the family policy has been announced at the *Sommet sur l'économie et l'emploi* of 1996 where unions, community groups and government representative were participating. However, interviews conducted by Gabriel Arsenault (2018) demonstrate that the policy was not discussed much during the Summit: it is not an example of corporatist decision making between union-employers and the state agreeing to common goals. In fact, the policy was designed by bureaucrats close to prime minister Bouchard between the *Conférence sur le devenir économique et social du Québec* of March 1996 and the *Sommet sur l'économie et l'emploi* of October 1996. The concept of *Centre de la petite enfance* had already been elaborated years earlier and promoted by the main non-profit child care association, *Concertation interrégionale des garderies du Québec* (Arsenault 2018).

In brief, a distinct conception of federalism inspired by nationalism has played a crucial role to explain why the Bouchard government, and following governments, invested in an ambitious child care program. This conception of federalism centered on strong provincial autonomy is shared by many interest groups who had an impact on the government's policy choices. The Quebec case shows that the obstacle of vertical fiscal imbalance and tight fiscal constraints is not entirely insurmountable. Child care was implemented during a period of budget restraint when the government's main fiscal goal was to eliminate public deficits. Quebec's government budget has been particularly hit by the 1990s recession and federal transfers cuts, reaching a deficit of almost 14% of total expenditures in 1994-1995 (Canada 2017). The Quebec government implemented a large-scale and successful fiscal consolidation to eliminate the deficit by raising taxes and cut passive social policy transfers. However, it implemented generous social investment, notably in child care, but also in parental leave, after the fiscal consolidation was achieved. It is very unlikely that such a fiscal consolidation would have led to bold social investment policies if pro-child care interest groups and unions were not actively advocating for the provincial government to step up.

While the federal government has difficulty to implement a national child-care programme, because of the decentralization of spending responsibilities, there is not necessarily a shared vision between political parties and interest groups of other provinces that provincial governments should implement a child-care program without the help of the federal government. This can certainly help to explain why Quebec has been the only province to implement child care investments similar to other OECD countries, while Canada in general remains a laggard in terms of child-care spending.

4. Conclusion

From a broad comparative perspective, Canada-outside-Quebec underinvests in the area of child care. The literature so far has sought to explain why the federal government has failed to implement a bold child care reform; we ask why *provincial* governments outside Quebec have failed to do so. Our paper stresses three main factors. First, we highlight that vertical fiscal imbalance represents a major obstacle to child care policy development for all provincial governments. To help provinces investing in child care, the federal government could increase its transfers to provinces or lower federal taxes in order to provide more room for additional revenues to the provinces. The recent Canada health transfer deal involving transfers significantly below the growing cost of health care will only involve that health care will represent an ever-growing share of provincial government budgets, making investments in other areas of state spending, such as child care, more difficult.

We then argue that two 'key ingredients' were absent in all provinces outside Quebec: (i) a party system that included a left-wing party able to innovate, a centrist party ready to maintain that innovation and excluded a right-wing party from government; (ii) a general understanding that child care is an exclusively provincial jurisdiction, which leads to the expectation that leadership in this area must come from the provincial government.

Our analysis does not suggest that a bold child care reform cannot take place in another province. Party systems are evolving everywhere, and it is possible that Quebec exceptionalism in child care might not last. Political leadership would certainly be possible in this area. However, from a broad comparative perspective, the 'ROC' exceptionalism with respect to child care has now been ongoing for over twenty years, which suggests that it is underpinned by robust structural and institutional factors. Case studies of individual provinces are required to fully flesh out these factors, but this paper makes the first attempt at identifying the main ones. In the case of Quebec in particular, as the importance of the cleavage around the "national question" is gradually fading over time, it will be interesting to analyze if the Quebec party system polarizes around a more typical left/right division and if there will be increasing ideological differences between parties on some issues, notably child care. Can Quebec's distinct social model, underpinned by a particular party system, survive a party system change?

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