A Benefit/Cost Analysis of Smart Family Policy for Gender Equality:
In Celebration of the 40th Anniversary of the Royal Commission on the Status of Women in Canada

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Prepared for the Canadian Political Science Association Annual Meetings
Montreal, Quebec
June 1, 2010
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The Royal Commission on the Status of Women in Canada (Bird et al. 1970), chaired by Florence Bird, evolved from, and reinforced, a historical period in which there was mainstream political appetite to explore cultural, policy, political and other systemic constraints on women’s citizenship. The Commission did not rely on a discourse that constructs gender equality primarily as an instrumental goal. Rather, the Terms of Reference established by the federal government stated explicitly that there is “a duty to ensure for women equal opportunities with men” (Bird et al. 1970, xi). The Government of Canada thus created discursive space for the Commissioners and others to frame gender equality as an inherently valuable goal – one that is important, regardless of costs or benefits.

Canadians do not reside today in a similar political or cultural context. An extensive literature documents the shift in citizenship regime witnessed across Canada, and in other Anglo-liberal states, as a result of the influence of neoliberalism (eg. Brodie 1995; Philipps 1996; Brodie 1996; Bakker 1996; Armstrong 1997; Evans and Wekerle 1997; Laycock 2002; Workman 1996). In the 1980s, governments emphasized renewed interest in individual responsibility, self-reliance and a less interventionist government as elected officials confronted a pattern of budget deficits that had exploded the debt-to-GDP ratio. The resulting political discourse tended to obscure structural inequalities, and discount groups that protested them. The latter were increasingly characterized as “special interests” on the grounds that they rejected a narrow definition of equality that would see “all citizens... equally subject to the same laws, rules and benefits” regardless of the different circumstances that characterize their socioeconomic positions (Laycock 2002 10-11). Jenson and Phillips (1996, 124) document the influence of this redefinition of special interest on political practices in Canada. They report that both the Mulroney and Chrétien federal governments engaged in a “full-scale assault on the legitimacy and credibility of advocacy groups” under the guise “that the only legitimate representational form is a direct link between individuals and their MPs.”

As the federal government balanced its budget more rapidly than it expected, the late 1990s provided a fiscal context in which it was more challenging for proponents of a circumscribed state to discount counter-arguments proposing renewed or new social investments. Jenson and co-authors (Jenson 2006; Jenson and Saint-Martin 2003; Dobrowolsky and Jenson 2004) have documented the ensuing transformation of state logic in Canada and abroad, along with its diverging policy implications among OECD countries. Dubbed the “LEGO” model because the new logic shares assumptions with the toy-building block company, Jenson shows that governments increasingly target children as the primary point of focus for social investment. Common to the policy reform is a lifecourse framework that is informed by enriched appreciation for human development in the early years and the influence this developmental period wields over adult well-being and success. One implication is that the goal of ensuring an equal start for the next generation of citizens has built considerable momentum, sometimes eclipsing the post-Second World War focus on mediating adult misfortunes in the present. Although there is ongoing debate about how far-removed LEGO-times are from the preceding decade of neoliberal thinking (eg. Bezanson and Luxton 2006), there is no doubt that the last decade in Canada and other countries witnessed increased government interest in a child-centred social-investment strategy (see also Lewis 2006; Lister 2006; Esping-Andersen 2002).

The child-centred logic is not one aligned closely with the UN Convention on the Rights of the Child. In the edited anthology *Children, Changing Families and Welfare States*, Lewis (2006) casts doubt on the extent to which the contemporary focus on children embraces the welfare of children *per se* as a central matter of
concern, observing, instead, that it is concerned disproportionately with the adult economic actors they will become. As she (Lewis 2006, 12) argues, “both the ‘scarcity’ of children due to the fall in the birth rate, and increased recognition of the need for a highly educated workforce in the ‘knowledge economy’ have moved children up the policy agenda, but in relation more to children’s future role as citizen workers than to the welfare of the child qua child.”

Beyond their instrumental value, children also represent a convenient rhetorical focus for politicians acting in a context shaped by more than a decade of neoliberal emphasis on individual responsibility. As dependents, children are not self-reliant. Their difficulties reflect the difficulties of adults. While some may wish to hold the adults in children’s lives personally accountable, children themselves appear far more deserving of public support when in need. Any unequal positions they occupy do not represent choices of their own making. Thus, the child-centred logic in Canada creates political space to re-invest public funds without undermining the broader logic of personal responsibility around which state social spending was limited for much of the 1980s and 1990s in Anglo-liberal countries. In keeping with this logic, the federal government introduced the Canada Child Tax Benefit (CCTB) to alleviate child poverty as part of a National Children’s Agenda, but did so in collaboration with the provinces to create a National Child Benefit Supplement System that provided no net financial gain to households in many provinces when parents draw on social assistance (Dobrowolsky and Jenson 2004, 171).

Dobrowolsky and Jenson (2004, 155) rightly observe that the shift in discursive focus motivated by LEGO logic has “fundamental implications for both the coalition-building practices of social movement organizations and the substance of their claims making for citizenship rights and participation.” Central among these implications in Canada is that “there has been a displacement of claims making in the name of women, and a strengthening of claims for children, especially poor children. Those advocating in the name of women find themselves increasingly excluded or find themselves compelled to use the language of children’s needs” (ibid.). Although equality seeking groups that advocate for poverty reduction for lone mothers, or child care services, can find common cause with a broader constituency focused on child development, the goal of gender equality is insufficiently acknowledged by human and brain development thinkers who are among the leaders championing a Children’s Agenda in Canada (McCain and Mustard 1999; McCain, Mustard, and Shankar 2007; Keating and Hertzman 1999). When the value of gender equality is conceded in the current context, it is often depicted in instrumental terms because it is fiscally prudent to make work pay for low-income women (Teghtsoonian 1997), and/or to invest in the early human capital accumulation of children through early learning services.

Given the current cultural and political milieu, it is timely to pay homage to the Report of the Royal Commission on the Status of Women on the occasion of its 40th anniversary. We celebrate its achievement, and the political culture to which it contributed, by proposing in the first section of the article a gender equality platform that builds on a number of the family policy reforms the Commissioners recommended. Since the ensuing four decades have witnessed only modest change in the gender division of caregiving, our proposals add concrete policy recommendations to address this issue in ways that are consistent with the fundamental principles articulated by the Commissioners at the Report’s introduction, but for which they did not identify concrete policy suggestions in 1970. The policy platform is guided by Kershaw’s (2005) previous recommendations for Canada articulated in Carefair. These are consistent with policy reforms recommended recently by Gornick and Meyers (2008) in their contributions to the Real Utopia project, as well as feminist literature guided more generally by the universal caregiver recommendations of Fraser (1994; 1997). The vision guiding the policy recommendations thus starts with an explicit acknowledgement that gender equality is inherently valuable, and that policy design details must
reflect this commitment as a matter of social justice. We supplement the proposed policy reforms with cost estimates for their implementation in each Canadian province.

While the article is nostalgic for the political culture that gave voice to the Royal Commission on the Status of Women, we develop gender equality policy recommendations with full appreciation for the discursive and cultural constraints of the contemporary period. The latter sections of the article therefore marshal evidence in support of the reform proposals, including a detailed benefit/cost analysis. This analysis engages directly with the centrality of the child in social investment discourse, and the economic returns attainable by supporting adults today to enjoy greater work/family balance, as well as enriching the future stock of human capital by improving child development now. Providing benefit/cost evidence is a strategic decision. Its inclusion does not discount the intrinsic value of gender equality that motivates the policy reforms. Nor does our focus on the adult citizens that children will become negate their rights to being children today, as articulated in the UN Convention on the Rights of the Child to which Canada is a signatory. Rather, the benefit/cost focus signals the strategy of appropriating discourse from sectors that are more likely to be heard politically today in order to garner attention for policy reforms required for gender equality. In this case, our benefit/cost analysis was initially published in a report commissioned by the Business Council of British Columbia (Kershaw et al. 2009), which invited us to calculate the cost of early child vulnerability. We accepted the invitation in recognition that it provided an opportunity to engage non-traditional stakeholders in advocacy for smart family policy change that will promote child well-being and gender equality. Given the business audience, we framed the analysis in terms of business interests, human capital and returns on investment.

A careful merger of gender equality and child development considerations is not simply a matter of good strategy, however. It also represents good research, and good policy. Presently, 28 percent of Canadian children begin the formal school system vulnerable. By vulnerable, we do not mean that children ought to be the next Einstein or Mozart by age five. Rather, kindergarten teachers are using the Early Development Instrument (EDI) to evaluate children according to very age-appropriate benchmarks: do children come to school appropriately dressed, nourished and rested; able to hold a pencil, climb stairs and use the washroom independently; able to follow instructions and get along with peers (demonstrating that they can moderate their physical and relational aggression); know at least 10 letters of the alphabet; and write simple words. These are the sort of age-appropriate benchmarks with which more than a quarter of Canadian children are struggling.

Why is there such a high rate of child vulnerability across the country? Part of the answer, we have argued, is that Canadians do not invest sufficiently in the family policy required to promote gender equality (Kershaw and Anderson 2009). A 2008 report Card from UNICEF (2008) ranks Canada last (with Ireland) for investments in family policy that supports caregiving for children. Sweden, Norway and Finland, by contrast, are ranked at the top. The World Economic Forum in turn ranks the latter countries as the top three in terms of promoting gender equality, whereas Canada now ranks 31st, down from 13th several years ago (Hausmann, Tyson, and Zahidi 2008).

In full recognition that child development discourse has crowded out the space available to champion women’s citizenship in Canada, the above association between family policy and gender equality rankings reveals there is no inherent tension between the two policy foci. Instead, as Gornick and Meyers (2008, 314) argue in proposing their dual-earner/dual-caregiver Real Utopia, the alleged tradeoffs among gender equality, family time, and child well-being are not inevitable. The problem is that our shared social interests in raising healthy children while
promoting women’s full equality with men are at odds with contemporary workplace practices and social policies that have failed to respond to changing social and economic realities… A dual-earner/dual-caregiver society supports equal opportunities for men and women in employment, equal contributions from mothers and fathers at home, and high-quality care for children provided both by parents and by well-qualified and well compensated nonparental caregivers.

We are not sanguine about the risks inherent in the decision to appropriate alternate social investment discourses to argue for gender equality side-by-side with child development. It is a strategy rife with potential pitfalls which risk reinforcing the very cultural assumptions that our policy recommendations ideally aim to transcend. But framing matters for the success of any policy advocacy. Given the current political climate, we aim to demonstrate below that a policy reform proposal which starts with the inherent value of gender equality can also be strategically framed in child development, human capital and return on investment discourse such that the recommendations become appealing to a broader constituency required for policy change. This is imperative when one proposes, as we do, a $22 billion annual investment in smart family policy for gender equality (and justice for children, economic growth, and population health).

**Time, Resources and Community Services: A Tripartite Focus for Gender Equality**

There has been considerable progress toward gender equality in Canada since the publication of the Royal Commission’s report. Its recommendations regarding divorce and access to birth control now, happily, seem anachronistic, with the exception of abortion. The Report recommendations regarding maternity leave have been implemented in the unemployment insurance system for decades, as is a longer period of parental leave that the Commissioners did not envision at the time they published their findings. Pay equity and employment equity, albeit imperfectly implemented, especially for domestic workers (Fudge 1997), are also well-accepted throughout the labour market, with protection from section 15 of the Canadian Charter of Rights and Freedoms.

It is little surprise that considerable progress has been made in regards to issues like pay and employment equity. Such measures invite women to be evaluated according to norms by which men have long been assessed. They do not ask that men change their behavior, or that society reconsider its valuation metrics. Rather, as recognized by Pateman (1989, 197) and Fraser (1994), pay and employment equity, on their own, align with an androcentric vision of gender equality committed to universalizing the male breadwinner model to all citizens (see also Lewis 2001; Lewis and Giullari 2005).

But such measures represent only part of what Florence Bird and her co-Commissioners proposed for Canada. A range of other political insights and policy declarations called more generally for men and society to change, in keeping with the guiding principle that “the care of children is a responsibility to be shared by the mother, the father and society. Unless this shared responsibility is acknowledged and assumed, women cannot be accorded true equality” (Bird et al. 1970, xii). Recommendations 115 through 120 therefore propose the implementation and public funding of child care services. Yet Canadian society has assumed very little of this extra responsibility for child care in the decades since, outside of Quebec; and we are now the international laggard in this policy area (UNICEF 2008; OECD 2006). Similarly, recommendations 128, 131 and 135 all emphasize the need for society to support mothers living apart from male spouses and relatives to access sufficient income support and resources. But, again, Canada continues to rank near the very bottom of affluent countries in implementing policy that would make this vision a reality (Kershaw 2007). Finally, absent from the Report of the Royal Commission on the Status of
Women in Canada are any specific recommendations that ask, or oblige, men to assume equal responsibility for child care with women. In fact, the Commission’s recommendation to implement modestly remunerated maternity leave (followed by a gender-neutral parental leave) in combination with the gender earnings gap has largely reinforced women’s primary responsibility for early child care (Marshall 2003), which international data confirm has deleterious implications for occupational segregation and pay inequity in the labour market (Mandel and Semyonov 2005).

It is in regards to these lacunae that we propose family policy reform to promote gender equality, and build on the vision initiated by the Bird Commission. The reform package we identify recognizes that, although children grow up in unique families which provide a primary source of influence, care and education, all parents and guardians have three overarching needs: time to care personally; resources to sustain themselves and their children; and services in their communities that support mothers and fathers to care for and educate their children; train for, find and maintain employment; and achieve work/life balance. Our time, resources and community services framework reflects the policy logic in the Carefair vision of citizenship developed for Canada (Kershaw 2005), and is advanced simultaneously by Lewis and Giullari (2005, 97). Gornick and Meyers (2003; 2008) reinforce the focus on time and services in their development of the dual-earner/dual-caregiver vision, while Misra et al. (2007) show that countries which best approximate the dual-earner/dual-caregiver vision raise women out of poverty more than countries that follow alternate family policy models.

The focus on time, resources and services also responds to feminist comparative welfare state scholarship which encourages researchers to focus on three fundamental goals: (i) the just commodification of women, (ii) the obligation of men to shoulder a fair share of domestic caregiving; and (iii) access to autonomous households. The first has its origins in Orloff’s (1993) now seminal discussion about the comparative analysis of gender relations and welfare states from nearly two decades ago. Whereas Esping-Andersen (1990) organized his now commonplace regime typology around the concept of decommodification by which states enable citizens to sustain themselves without selling their labour in the market, Orloff (1993) argued that comparative scholarship must also attend to the practices of commodification required to challenge socio-cultural factors that presuppose women should specialize in unpaid caregiving at the expense of employment (see also O’Connor 1993; Langan and Ostner 1991). In the years since, the commodification of women has been the feminist theme appropriated most enthusiastically into the broader literature, primarily because of its important instrumental value. In documenting the evolution of the “adult worker citizen” as a normative ideal, Lewis and co-authors (Lewis 2006; Lewis, Campbell, and Huerta 2008; Lewis and Giullari 2005) show that increasing female employment is applauded in the literature because it promotes economic growth and competition, and helps to diminish the budgetary risks created by aging populations and the growing dependency ratio (eg. Esping-Andersen 2002).

The commodification of women, however, raises a key question about the informal care work culturally aligned with women’s domestic production: Who will perform it as mothers maintain stronger labour market ties? In much of the literature, the instrumental value ascribed to female labour supply is matched by an instrumental interest in commodifying, and thus defamilializing, child and other dependent care. For example, One key element of Esping-Andersen’s (1999, 179) argument is that child care services are employment multipliers. Double-earner households and employed lone parents are time squeezed, and desire services to decrease this pressure. Services like child care therefore accelerate demand for other services in restaurant, cleaning and related industries. Esping-Andersen supplements this argument with a strong third way social investment strategy to promote early child development and prevent problems from arising, rather rely on remedial strategies in adulthood (Esping-Andersen 2002).
Absent from much of the commodification/defamilialization discussion, however, is a second key feminist insight: that caregiving is a valuable personal activity of citizenship. Care is without question a site of discrimination for diverse groups of women because the activity is not equally shared with men, nor across classes, ethnocultural groups or citizens versus residents without landed immigrant status. Formally commodifying some care is therefore important for gender equality. But essential to feminism is a fundamental ambivalence to caregiving. Care is not just a site of discrimination; it is also enormously important social reproductive work, and a potential site of immense satisfaction. Feminists thus argue that men must shoulder a fair share of caregiving both to promote women’s equality, and to have equal opportunity to find fulfillment through care (Kershaw 2005). Indeed, the redistribution of care within the family sphere is increasingly identified as the lynchpin in a gender egalitarian agenda (eg. Fraser 1994; Lister 2003; Gornick and Meyers 2003, 2008; Mandel and Semyonov 2005, 965; Misra, Moller, and Budig 2007, 822; Brighouse and Wright 2008).

This theme is generally ignored in the broader literature about welfare states. As Orloff (2009) observes in her review article, “in most discussions of welfare states and care, men are simply absent (but see Kershaw (2006))—their capacity to take up employment and their lack of serious care responsibilities are assumed” (see also Hobson, Duvander, and Halldén 2006). Accordingly, next to no effort is made to measure the manner in which states engage men as caregiving citizens, despite the fact that Esping-Andersen (2002, 70) concedes that “if we want more gender equality our policies may have to concentrate on men’s behavior.” Such measurement is even rare in feminist scholarship, although Gornick and Meyers (2008) and Finch (2006) provide important exceptions, and a nascent fatherhood regime literature is developing (eg. Gregory and Milner 2008; Hobson 2002).

At present, then, the gender division of care continues to be occluded in the comparative literature, and often overlooked by policy-makers. One implication is that work-life reconciliation policies disproportionately target mothers, and reinforce statistical discrimination for women. Mandel and Semyonov (2005, 950) provide compelling evidence that some reconciliation policies, especially maternity/parental leave, may enable women to retain stronger links with the labour force and increase their economic independence, but simultaneously “limit [women’s] occupational opportunities and earnings capacity” so long as fathers do not use the policies as much as mothers.

In addition to discounting the value of personal caregiving, another shortcoming of the defamilialization debate in the mainstream literature is its disregard for the relations of dominance and dependence to which the concept referred when first coined by Ruth Lister (1994). In an article that is astute enough to recognize that some familialization can be “positive,” Piotr Michon (2008, 35) nevertheless defines defamilialization “as the degree to which households’ welfare and caring responsibilities are relaxed—either via welfare state provision or via market provision.” His focus, following Esping-Andersen (1999; 2002), is on relieving families of responsibility for care. By contrast, Lister defines defamilialization (1994, 37 emphasis added) as “the degree to which individuals can uphold a socially acceptable standard of living independently of family relationships, either through paid work or social security provision.” At issue in this original conception is the balance of power between men and women, between dependents and non-dependents. Defamilialization was thus initially intended to convey an analytic theme similar to that developed by Orloff (1993) regarding citizens’, and especially women’s, “capacity to form and maintain an autonomous household” apart from male adult family members and spouses. Our emphasis on time and services in combination with resources therefore engages directly with the relations of dependence Lister and Orloff intended feminist scholars to address.
Finally, our three-part framework about time, community services and resources reflects a strong appreciation for the Colonial history of Canada. Residential schools robbed Aboriginal parents of the time to care personally for their children; and they robbed communities of the opportunity to support families in culturally appropriate ways. Simultaneously, by disrupting provisioning practices, the Reserve system constrained many families’ and communities’ access to income and other resources. A just remedy for this legacy of systemic discrimination requires a policy framework that prioritizes restoring and renovating what was previously undermined: family time; family resources; and culturally appropriate, community-driven supports and services. We are informed by this experience of Aboriginal peoples in developing the family policy recommendations below.

**Six Smart Family Policy Reforms for Gender Equality**

Guided by the time, resources and community services framework, we argue that smart family policy for gender equality requires the following six policy changes (Kershaw et al. 2009).

**Time:**
- **Build on maternity and parental leave** to enrich the benefit value, and to extend the total duration from 12 to 18 months, reserving the additional months for fathers.
- **Build on existing employment standards** to support mothers and fathers with children over 18 months to work full-time for pay, but redefine “full-time” to accommodate shorter annual working hour norms without exacerbating gender inequalities in the labour market.

**Resources**
- **Build on income support policies** to mitigate poverty among families with children, including the gendered dynamics that disproportionately erode the financial security of lone mothers.

**Services**
- **Build on pregnancy, maternal health and parenting supports** to ensure monthly developmental monitoring opportunities for children from birth through age 18 months, as their parents are on leave.
- **Build on early education and care services** to provide a seamless transition for families as the parental leave period ends in order make quality services for children age 19 months to kindergarten affordable and available on a full- or part-time basis, as parents choose.
- **Build on the work of local Early Child Development (ECD) coalitions** in community planning to adapt federal and provincial policy frameworks to local realities in order to enhance program coordination between all regional services that support families with children from birth to age six.

Our recommendations reflect a life course perspective, which acknowledges that the relative need for time, resources and community services will vary through different stages of children’s lives, as well as between families and across neighbourhoods and communities. We therefore propose policies that support mothers, fathers and children when the latter are under 18 months, as well as policies that adapt to the evolving needs of parents and their children as the latter mature from 19 months to five years, and eventually into the formal school system.

**Some Policy Gaps are Larger than Others:**
The starting place from which to build is not the same for all of the required policy innovations. Some have more history or momentum in Canada than others. Notably, international report cards show that Canada lags behind almost all other developed economies in terms of investment in early learning and child care services (UNICEF 2008; OECD 2006). Our poverty rates for families with children, including lone mothers, are also high by international standards (Kershaw 2007). Leave policy, in turn, is mid-ranked, in part because the federal government innovated with parental leave at the beginning of the decade, although most fathers still find relatively little time to care personally for newborns and infants. After the leave period, there are competing labour market forces at play in Canada: in general, per capita hours are declining (Hall 1999; Sheridan, Sunter, and Diverty 1996), in part because industry and firms require a ‘just-in-time’ workforce; but employment standards revisions over the last decade have created new opportunities to extend hours for core employees working in industries like high tech. In terms of near success stories, Canada is close to meeting important international benchmarks for health care in support of pregnancy and early childhood (i.e. low-birth-weight; immunization), while Canadian provinces have been building Family Resource Program and infrastructure to provide non-medical care opportunities for parents to interact with developmental professionals in Strong Start, Best Start or Kids First programs, etc. Finally, with support from provincial governments and the United Way Success by Six program, Early Child Development coalitions have evolved in many communities. If adequately resourced, these have potential to support local planning and coordination at municipal and regional levels, which will become more important as the proposed policy innovations are introduced by senior levels of government.

Since the building blocks for policy innovation are not evenly dispersed, we focus in this paper on the policy areas for which Canada is furthest behind by international standards, and which thus require attention most urgently when governments think about implementing reforms. Three family policy foundations for gender equality still require a public investment that is an order of magnitude greater than the others: early childhood education and care services; parental leave, matched by reform to employment standards to redefine full-time paid work; and income support policies. Readers interested in the other policy proposals can consult Kershaw et al. (2009)

**Recommendation 1:** With funding support from the federal government, Canadian provinces should build on early childhood education and care (ECEC) services to provide:

- Universal (but not mandatory) access to quality ECEC services, including children with extra support needs; and
- Seamless transitions from parental leave into ECEC services, and from ECEC services into elementary school.

Child care services are integral to the just commodification of women, in addition to pay and employment equity. The Royal Commission recognized that such services represent enabling supports with which women can access the paid labour force on equal terms with men, especially as the latter remain slow to shoulder a fair share of responsibility for early child rearing (Ravanera, Beaujot, and Liu 2009). As already discussed, recommendations 115 through 120 in the Commission’s report outline the building blocks for a pan-Canadian system of services.

In addition to justly commodifying women, research suggests that child care services work indirectly to transform the gender division of labour. For instance, there is a direct correlation between mothers’ full time participation in the labour market and paternal contribution to child rearing, as demonstrated by two nationally representative longitudinal studies in the US (Pleck 1997; Yeung et al. 2001). Coltrane (1996;
2004) enriches this quantitative data with qualitative evidence showing that father involvement is more likely as mothers are better educated, increase their paid work hours, and earn more. Data from the Canadian General Social Survey on Time Use confirm a similar pattern in Canada (Ravanera, Beaujot, and Liu 2009). Ravanera et al. (2009, 335), for example, find evidence that greater access to child care services in Quebec promotes more egalitarian sharing of unpaid work among couples in the province compared to other Canadian jurisdictions, which have considerably less affordable access to non-parental child care services.

Recent international report cards reveal Canada is dead last among affluent countries when it comes to funding an early learning and care system (UNICEF 2008). Canada spends about one-quarter of a percent of GDP, whereas some Scandinavian countries spend closer to two percentage points (OECD 2006). Although the European Union average is 0.7% of GDP, the UNICEF (2008) report argues even this level of investment is too low, calling on all countries to allocate one percent of GDP to early learning and care services for children under age 6. Our funding recommendation for child care services is guided by this UNICEF benchmark.

For the just commodification of women, availability and affordability are critical dimensions of any early learning and care system. In order to ensure children enjoy the childhood they justly deserve, the quality of and inclusiveness of any non-familial child care must be central considerations. We are guided by these considerations in arguing that a system of early learning and care which provides seamless transitions from parental leave through to formal school entry must include the following:

- Given the importance of affordable parent fees for gender equality, the model assumes that, on average, parents contribute 20% of the total system costs in parent fees, as per the recommendation (#116) of the Royal Commission. The parent contribution could be organized on a sliding scale, flat fee as in Quebec, or other basis. For example, some jurisdictions provide a free portion of the day to all children that need or want to participate in ECEC programs, charging parent fees for the extended hours they require.

- Given the importance of trained, reasonably remunerated staff for achieving the service quality required to generate child development gains, the model assumes a professionally-trained workforce and increases compensation in all regulated ECEC programs substantially beyond the current average for early childhood educators in BC, where wages are relatively strong by national standards.

- Given the importance of low child:staff ratios for achieving the service quality required to generate child development gains, the model assumes that all regulated ECEC programs limit ratios to no higher than 4:1 for infants and toddlers, and 8:1 for children age three to five.

- Given the importance of social, physical and cultural inclusion for achieving developmental gains among vulnerable children identified by early screening initiatives, we follow advice from national experts in assuming that approximately 10% of spaces in BC’s ECEC system will cost twice the typical space. This added cost will be necessary to reduce barriers to participation and to allow targeted additional supports as needed, within a universal approach.

The estimated net incremental annual operating cost of a universal, quality ECEC system for Canadian families with children aged 18 months to five years is $10.5 billion. We calculate the cost of a model starting for children age 18 months so that there are no material gaps in supporting parents to care and earn after parental leave expires. The system for which we provide a cost estimate privileges parental choice, and is not presumed to be mandatory. To this end, the service estimate includes part-time and full
employment-day programs in licensed family homes, centres and schools, along with parent drop-in programs. While experience in other jurisdictions shows that parents choose to use ECEC programs when they are accessible and affordable, we do not assume full uptake. The model estimates that 85% to 90% of children aged two to five access ECEC services at least 16 hours each week (with 50% using services full-time), along with 68% of children aged 18 months to 2 years.

In Canada, an increase of $10.5 billion in ECEC funding would bring the total public investment to $15.6 billion, which is within the range of UNICEF's 1% of GDP recommendation (Government of Canada 2010, Table 2.1). This is the level of investment required to approximate the Royal Commission's vision of child care for preschool age children. The cost per space for a child age three to five years is roughly $9,400 for a typical space in a full-employment-day, full-year program. This is comparable to the cost per pupil (inclusive of some special needs costs) in BC's public education system ($8,078 – 2008/09) which does not operate all year (Government of British Columbia 2009d). Our budget estimates also fit within the range of estimates used by several US experts, which suggest that high quality ECEC services for children aged three to six, with child:staff ratios at or less than 10:1, cost between US$6,000 and US$10,000 annually (Bennett 2008). While our proposed $10.5 billion annual budget increase would represent an extraordinary investment by Canadian standards, the cumulative annual ECEC budget would still be just over half of the Danish expenditure level (2% of GDP) and considerably below the 1.75% of GDP expenditure in Norway and Sweden.

Recommendation 2: Build on maternity and parental leave, by working with the federal government to:
- increase total duration to 18 months,
- improve coverage,
- improve benefit levels, and
- reserve the additional months for fathers, with exceptions for lone mothers and lesbian couples.

Labour supply matters for gender equality, household economic security, and for economic growth. But the gender equality lens we bring urges that we balance labour supply initiatives with a healthy appreciation for the value of personal caregiving (see also Gornick and Meyer (2008)). The opportunity for all citizens to achieve work-life balance is therefore a key objective in a society that values caregiving as part of its commitment to gender equality. In support of this goal, maternity and parental leave benefits are critical time enablers during life course stages when personal caregiving demands are acute. Although the Royal Commission recommended 18 weeks of paid maternity leave, it focused primarily on the role that such benefits could play in minimizing women’s discrimination in, or termination from, the labour market while pregnant.

This focus fails to embrace the more transformative potential of leave benefits to challenge many men's tendency to free-ride off the caregiving of diverse groups of women, because evidence now shows that leave policies can be instrumental in shifting the division of caregiving labour between women and men (Tanaka and Waldfogel 2007; Whitehouse, Diamond, and Baird 2007; O'Brien, Brandth, and Kvande 2007; Fox 2009; Gregory and Milner 2008). As Whitehouse et al. (2007, 387) report, “Although cross-national comparisons have consistently documented highly gendered patterns of parental leave usage, it is also apparent that fathers’ use of leave is influenced by the type of policy provisions in place. Marked increase in take-up rates have been documented following reservation of a component of leave for fathers’ sole use, and it is apparent that usage varies considerably across countries in a manner consistent with differences
in policy frameworks.” Data from the US (Nepomnyaschy and Waldfogel 2007), UK (Tanaka and Waldfogel 2007), Canada (Baker 1997) and Sweden (Haas and Hwang 2008) in turn provide evidence that men who take advantage of parental leave tend to spend more time childrearing beyond the leave period, even after controlling for a range of father, mother and child characteristics.

In 1993, Norway led the way in innovating with paternity leave by reserving four benefit weeks exclusively for fathers. If a father does not make use of this time, it cannot be transferred to the mother and is deducted from the overall benefit. The Swedish government followed suit in 1995, reserving thirty days of leave for fathers. These daddy quotas proved more popular than expected, with 89% of eligible Norwegian fathers taking leave by 2003, and 80% now use the leave time in Sweden. Experts attribute the relative success of these schemes to its ‘use it or lose it’ requirement, which reduces negotiations with employers and spouses (O’Brien, Brandth, and Kvande 2007; Fox 2009). The reserved daddy leave period has since been increased to six weeks in Norway, and two months in Sweden.

Data suggest that a similar policy design-feature is influencing behavior among fathers in Canada. Quebec, unlike any other province, now reserves three to five weeks of leave time as a father’s quota. This change was implemented as part of a broader suite of reforms in that province which also raised the maximum leave benefit value to 75% of $62,000 annual insurable earnings, and invited the self-employed to pay into the system (Government of Quebec 2009). In the first year of implementation of these policy reforms, the parental leave take up rate for fathers was 56% in Quebec compared with 11% in the rest of Canada (Ravanera, Beaujot, and Liu 2009, 323).

In the light of this evidence, we argue all other provinces in Canada should work with Ottawa to adapt the leave benefit system along the lines with which Quebec is experimenting, while ensuring that Quebec receives its per capita share of any additional investment from the federal government. Given the gender earnings gap, attracting fathers to take leave will require that we increase benefit levels. In order to make it more financially feasible for leave uptake by the person who statistically speaking is more often the higher earner, the benefit value should rise toward 80% of around $60,000 in insurable income, up from the present maximum value of 55% of about $42,000. Such benefit levels may require that the leave system be run apart from EI. The latter change would lay the ground for leave benefits to become available to those who are self-employed, and to accommodate a greater proportion of part-time employees (Kershaw 2006).

The combination of leave, taxation, and other social policy in Denmark, Sweden, Germany and the Netherlands mean heterosexual couples enjoy more disposable income in those countries if the couple shares a year of leave than if a lower earner, often the mother because of the gender earnings gap, withdraws from employment for an entire year (Kershaw 2010). However, these financial incentives have so far not transformed the gender division of care. With a two month daddy quota, Morgan (2008, 407) reports that Swedish dads use the highest percentage of leave days among fathers in OECD countries; but their leave time represents just one-fifth of the total leave taken by parents in that country (see also (Olson 2002)). Haas and Hwang (2008, 100-101) therefore conclude that “Swedish parental leave may not yet go far enough to significantly reduce gender differences in taking leave and later gender differences in childcare responsibility and engagement... Further changes in legislation, including increasing the amount of paid parental leave that is a non-transferable right of fathers, may eventually help to convince couples and employers to presume that fathers as well as mothers have the right to combine employment with parenthood.” Gornick and Meyers (2008) and Brighouse and Wright (2008) concur, recommending, as we do, that six months of time be reserved exclusively for fathers in heterosexual couples. We recommend
extending parental leave to 18 months, with the additional 6 months reserved for fathers, in order to address the concern that time for fathers may come at the expense of time for mothers and WHO recommendations about breastfeeding.

In thinking about how to structure leave policy to subvert male neglect of care duties and aspirations, Brighouse and Wright (2008) propose a provocative policy design that merits further consideration: namely, that the amount of leave available to mothers should be contingent on the amount of leave taken by fathers. Following a maternity leave period that recognizes the physicality of pregnancy and birthing, Brighouse and Wright argue that parental leave systems should make leave available to mothers equal to the amount of leave that fathers take, up to a maximum of six months each. In their view, since the obstacles to strong gender egalitarianism in the division of caregiving reflect deeply internalized gendered identities, “policies designed to get men to do more caregiving may be needed, and such policies may require imposing significant constraints on women’s choices as well” (Brighouse and Wright 2008, 370).

Similarly, in search for policy reforms that will alter symbolic norms in addition to financial incentives, Kershaw (2006) has proposed linking caregiving leave with entitlement for Canada and Quebec public pensions (C/QPP), in common with the Royal Commission’s recommendation (#2) that these pension plans “be amended so that the spouse who remains at home can participate.” Kershaw’s proposal is that every month of maternity or parental leave that someone takes should reduce by four months the total amount of (self)-employment that one must perform to qualify without penalty for benefits under the C/QPP plans. If such a system were implemented, a parent who takes six months of leave following the birth of a child would qualify without penalty for C/QPP two years earlier than he or she would in the absence of taking this leave, at age 63 rather than 65. Alternatively, following the leave period, should the person continue in employment until 65, s/he would enjoy a 12% increase to her public pension compared to the status quo. This increase would partially address the pension penalty that primary caregivers have historically encountered as a result of weaker labor force attachment. Moreover, by linking public pension entitlement to participation in maternity and parental leave programs, policy makers would overtly signal that caregiving counts as critical civic work performance along side labor force participation when the public determines eligibility for its paramount social citizenship benefit. A connection between parental leave and pensions would thus advance at the level of symbolic politics the idea that caregiving should count for masculine (not just feminine) ideals of work performance. At the very least, caregiving would become a contribution that the state would privilege relative to employment at a rate of one-to-four while the citizen is on a care leave, with the implication that employers should endeavour to accommodate more male participation in this mode of social (re)production, particularly during certain life course stages.

In estimating the pan-Canadian cost of the leave policy reforms, we consider it an open question whether maternity and parental leave should be linked with future pension entitlement, and/or whether coupled women’s eligibility for parental leave should be contingent on the time their partners use. Recognizing that the current leave benefit system costs the federal government $3 billion annually, the changes we propose would cost about $4.5 billion more per year because our reforms would more than double the maximum benefit value and extend the leave duration by 50%, expanding family time to care in the critical early months of a child’s life. The latter change has been proposed by the Human Resources and Social Development Canada Ministerial Advisory Committee (2007), and would ensure a seamless system of support for families with young children who can transition from parental leave into early learning and care services, as we describe above.
Recommendation 3: Build on existing employment standards to:

- support both mothers and fathers with children over 18 months to work full-time hours for pay; but
- redefine “full-time” to accommodate shorter annual working hour norms without exacerbating gender inequalities in the labour market.

Following a leave period of 18 months, six of which must be taken by dads (when present), our family policy recommendations assume that parents will rely primarily on the labour market for household provisioning. Not only is the just commodification of women (and men) a feminist goal, but the National Council of Welfare in Canada reports that dual-earner households are the best insurance policy against poverty. According to the Council (National Council of Welfare 2002, Table 8.3), the percentage of poor Canadian husband-wife households with children under six would triple in the absence of maternal earnings. Esping-Anderson (2002, Table 2.8) reports a similar finding for many OECD countries.

In full recognition of the importance of labour market time for gender equality and poverty reduction, our feminist and human development perspectives also provide strong reason to reconsider weekly, annual and life course norms regarding full-time employment. The US Bureau of Labour Statistics (2009, chart 5) show that employees in Austria, Italy, Japan, the US, Australia and Canada labour between 1740 and 1840 hours per year on average, compared to 1420 to1430 in the Netherlands, Norway and Germany, and 1550 to 1660 in France, Spain, Belgium, Denmark, Sweden and the UK. Such variation in what is perceived to be normal attachment to the labour market means dramatic cross-national differences in the time available for citizens, including men, to care personally. Countries like the Netherlands, Norway and Germany are now better poised to facilitate men and women to both work full-time hours, but according to employment standards that redefine full-time in the light of constraints faced by citizens who synchronize earning and caring. It is also worth noting that the US Bureau of Statistics (2009, chart 4) documents that the average employee in Norway and the Netherlands is more productive per hour worked than the average American and Canadian employee (and Germany also reports higher productivity per hour worked than does Canada).

Since current practices in Canada were set largely in an era where one-earner couples were the cultural ideal, we recommend that federal and provincial governments in Canada consider the public and private savings from reduced work-life conflict, as well as any additional employment, that can be achieved as part of rethinking employment standards to accommodate shorter full-time expectations. As recommended by Kershaw (2005) and Gornick and Meyers (2008), employment standards revisions should permit individuals to labour 30 to 35 hours per week (averaged over a year), while remaining a core member of a team, firm or industry. Since ECEC services will induce substantial increases in maternal labour force participation, the Canadian economy will benefit from growth in total labour supply. Revisions to employment standards will in turn facilitate a more equitable distribution of paid work hours between men and women, as well as across income-groups, in order to support all individuals to synchronize their earning and caring responsibilities and aspirations. Our proposal to shorten the definition of full-time employment while encouraging policy to attract all citizens to labour full-time hours is superior to the Royal Commission (Bird et al. 1970) recommendation (#28) for governments to explore the place of part-time work to reconcile earning and caring, primarily among women. Decades of experimentation with part-time work across OECD countries reveal it risks occupational segregation, mommy tracks, and statistical discrimination, all of which subvert gender equality in the labour market.
The recommendation to revise employment standards legislation differs from the other recommendations we make in this article because it does not require a new or enriched social program. That said, proposed revisions to employment standards aim to generate alternate incentives for employers. Alternate incentives will reduce costs for firms when their human resource strategies deploy workers to labour in the 35-hour range per week, as opposed to the 40-hour range. There are a myriad ways that such incentives may be created, and further dialogue is necessary with legislators and the business community to determine optimal strategies. Possibilities include modifications to the way that over-time, Employment Insurance and/or Canada Public Pension premiums are administered. Since shorter employment hours in Canada currently risk fewer, if any, fringe benefits or social protections for workers, policies designed to normalize reduced full-time hours should be accompanied by measures that mitigate this trend.

Although attracting firms to hire labour for shorter full-time hours has the potential to impose costs directly on employers, existing evidence suggests these costs are relatively modest. A reduction in full-time work hours, as experimented with in France and Germany, was motivated primarily by a desire to increase total employment. Based on a review of the worksharing literature, Kershaw (2005, chapter 8) observes that such policy strategies did not prove a solution to unemployment because shorter full-time hours per employee associated with higher productivity, and thus mitigated substantially the demand for additional labour. Since we do not recommend redistributing paid work time to generate employment gains, the existing evidence that the redistribution will not exacerbate unemployment is the more important finding for governments. That said, careful monitoring of economic outcomes will be necessary to ensure that the productivity gains anticipated by worksharing research compensate for costs incurred by firms to reorganize the incentives around which they organize human resources and training.

Recommendation 4: Build on income support policies to reduce poverty, by
- Raising welfare benefits for parents;
- Addressing wage pressures with enhanced family/in work tax credits, or raise minimum wage levels;
- Making early education and care services affordable to facilitate labour supply

Although Canada has achieved impressive success at reducing poverty rates among seniors since 1980, Statistics Canada data reveal that the rates of poverty for couples with children in BC has doubled in that time, while the rate for lone mothers has waxed and waned, but still remains nearly four times that of couples with children (Health Officers Council of BC 2008). Access to autonomous households with resource levels above the poverty line is thus severely curtailed in Canada for lone mothers. Our poverty rates must be compared to those reported in other countries like Sweden, Norway, Finland and Denmark, all of which report that fewer than five percent of families with children fall below the poverty line (Kershaw 2007).

To address poverty, the Royal Commission (Bird et al. 1970, recommendation #135) proposed “a guaranteed annual income be paid by the federal government to the heads of all one-parent families with dependent children;” and that governments of the provinces, territories, and municipalities make every effort to integrate the unmarried mother… into the life of the community, by making sure that she (a) is not discriminated against in respect of employment and housing, (b) receives help with child care if necessary, and (c) has access to counseling to help her with emotional, social and economic problems” (ibid., recommendation 128).
As per these recommendations, we recognize that part of the solution to insufficient income for some families with children will be higher social assistance benefit values. The National Council of Welfare (2008) shows that welfare benefit levels for single British Columbians meet just 30% of the low-income-cutoff, and that the rate for couples with two children is just 49 percent of the cutoff. Among lone mothers with preschool age children, their disposable income in 2008 hovered around $400 (Canadian currency) per month with which to cover food, transportation and other non-shelter and basic medical necessities, even after including federal family benefits (Kershaw 2010). This value, controlling for currency exchange and purchasing power parities, is less than half of the funds available to comparable lone-mother families in the UK and Australia; and just over a quarter of the funds to which comparable Norwegian mothers are entitled. Only similar families in the US, Slovak Republic, Czech Republic, Spain and Italy have lower benefit levels than those reported in the Canadian jurisdiction among a group of 20 affluent OECD countries for which comparable policy data are available (Bradshaw 2007; Kershaw 2007, 2010). The welfare poor in Canada thus suffer considerably higher rates of food insecurity than even the working poor, and suffer the lowest frequency of daily fruit and vegetable consumption among the working-age (Fortin 2008).

BC and other Canadian provinces maintain low welfare payments out of concern that overly-generous benefits risk producing a “welfare wall”: economic incentives that induce people to opt for welfare, over work. It is worth noting, however, that countries which enjoy higher rates of labour force participation among lone mothers than in BC include countries like Norway and Denmark where social policy replaces what lone mothers would earn if making half-average employment income in the labour market – the equivalent of nearly $11/hour in BC (Kershaw 2007). Such comparisons give reason to re-consider what really generates welfare walls. For instance, longitudinal, semi-structured, qualitative interviews with lone-mothers receiving income assistance in BC reveal that very low benefit values leave many mothers with little time to upgrade skills and pursue employment opportunities because they are struggling full-time to piece together food and other material resources for their family from a patchwork of uncoordinated systems like foodbanks, school breakfast programs, charities, and neighbourhood centres – all without affordable access to transportation (Pulkingham, Fuller, and Kershaw 2009).

Given that social assistance levels in BC, in combination with federal tax credits available to those out of work, equal only half of the benefit available to comparable families with children in the UK and Australia, we recommend a 50% increase to the support and shelter allowances for parents with children in order to narrow this gap. Since families with children represent 29% of the caseload of British Columbians receiving Temporary Assistance, and 20% of the recipients of Disability Assistance, we estimate that the annual cost of this policy change to be $365 million. The pan-Canadian cost is estimated at $2.8 billion.

Beyond substantially raising income assistance benefit levels, it is imperative to recognize that forty percent of poor children in Canada reside with at least one adult who works full-time full-year (First Call: BC Child and Youth Advocacy Coalition, SPARC BC, and Campaign 2000 2008). Labour force participation is a critical source of financial resources, which is precisely why feminists argue for the just commodification of women. In other words, reducing poverty is a labour market issue as much as it is a social policy issue. The more the labour market generates wage floors which are sufficient to lift adults with children out of poverty when they perform at least 30 hours of employment per week, the less expensive it will be for the state to reduce poverty rates, provided the wage floors do not compromise demand for labour. Conversely, when wage floors permit working poverty even among families in which one adult labours full-time, as we witness in many Canadian provinces, then governments concerned about poverty confront the need to supplement earnings.
The current working poverty rate invites questions about minimum wage levels, especially in BC which has the lowest minimum wage in the country. Such questions typically polarize political debates in Canada, garnering favour with labour but generating angst within the business sector. At the population level, some are concerned that increasing the minimum wage risks generating higher unemployment, although the evidence in BC provides reason to be cautious about this interpretation (Goldberg and Green 1999).

Family policy represents a partial solution to this problem. Many suggest that minimum wage legislation is too blunt an instrument, raising wages for teens, etc. who do not have the same financial responsibilities. Family policy offers a two-prong approach to (a) target income sources directly to citizens for whom we have found it difficult to minimize poverty over the last 25 years, and (b) provide enabling conditions that facilitate labour market attachment without eroding take-home pay.

Canada has a long history of pursuing the first approach, as the Royal Commission also recognized when proposing to supplement family allowance with an additional annual taxable cash allowance (Bird et al. 1970, recommendation 131). Family allowances were introduced in Canada in large part to moderate wage pressures during the economic growth following World War II (Ursel 1992). In place of the family allowance, today we have various fragmented tax measures at the federal level, including the Canada Child Tax Benefit and the National Child Benefit Supplement. Three additional programs have been added since 2006: the Universal Child Care Benefit (UCCB), the Working Income Tax Credit, and another federal Child Tax Credit. At the provincial level, there are also the BC Family Bonus and the BC Earned Income Benefit which serve similar purposes, and related legislation in other provinces. While this list shows that there are a lot of individual policy mechanisms that deliver support to Canadian families, the cumulative value is not up to the task of supporting families with children generally, nor ensuring that those who work full-time enjoy income-levels that bring their families above low-income-cut-offs. Indeed those measures that existed before 2006 left British Columbians with a benefit package that ranks it 14th out of 16 countries for which there are comparable data (Kershaw 2007). The tax measures introduced since 2006 increase the benefit package value somewhat, but not enough to shift BC’s ranking above position 13.

In grappling with this issue in BC, we anticipate that in-work tax credits for low-income workers will need to rise significantly to supplement employment enabling supports like ECEC services. The National Child Benefit Supplement delivers a targeted in work benefit of roughly $2,000 per year per child to families with annual incomes below $21,287 (Kershaw 2007). It would cost roughly $3.5 billion annually to double this earnings supplement across Canada, although the same funding could also be used to support families with young children under age six disproportionately, or to extend the Rental Assistance Programs that have emerged in many provinces. In combination with the enrichment of the income assistance system above, the total annual incremental cost of building on income supports to reduce child and family poverty will add $6.24 billion to current federal, provincial and territorial spending.

Whereas we have a strong tradition of using cash-based family policy to address the wage debate, Canadians do not have much experience using service-based family policy to enable labour supply because we have few full-employment-day child care and early learning services. The resulting incentive effects for labour supply are adverse. A one-earner, two-parent family with a toddler contemplating full-time work for the second parent confronts significant disincentives in BC. A gross wage of $11/hour results in a net wage of just over $5. Taxes, EI and CPP premiums partly contribute to the reduction. But cumulatively they do not reduce the net wage on par with the reduction caused by child care services alone, even after the family deducts child care costs from the income on which they owe provincial and federal taxes.
Accordingly, as Quebec phased-in its universal child care system, that province witnessed maternal employment gains that well out-paced all other provinces (Lefebvre and Merrigan 2008; Baker, Gruber, and Milligan 2008). International evidence reported by Misra et al. (2007) in turn indicates that the countries that best support coupled and lone mothers to synchronize earning and caring are those that achieve the lowest poverty rates for single moms (see also Sainsbury (1996, chapter 4) and Esping-Andersen (2002, 36-29)). In support of this goal, the $10.5 billion investment in early learning and care services we recommend above will accelerate labour supply among lone mothers across Canada, thereby enhancing the public investments in welfare and wage supplements for low-income parents with wages they earn personally.

**Benefit/Cost Analysis**

Table 1 estimates the costs of the six recommendations for each of the 10 provinces (Territorial estimates are ongoing). The pan-Canadian price tag is just under $22 billion annually. Although substantial, the investment would be very modest compared to total federal/provincial spending on health care, estimated to be $170 billion annually (Keon 2009). It is also less than half the combined annual federal investment in elderly benefits ($32 billion in 2007/08) (Government of Canada 2008, 13) and RPP/RRSPs ($28 billion in 2009) (Government of Canada 2008, 19).

Table 1 about here.

The benefits of this investment have been calculated for a report commissioned by the Business Council of British Columbia. We summarize them below, and encourage readers interested in the benefit calculation details to consult the full report (Kershaw et al. 2009). We divide them in two categories: benefits that arise for adults in the near term; and benefits that arise later because we give children the best developmental start possible.

**Returns for Adults Soon: Increased Maternal Labour Supply**

Kershaw (2005) reports that extensive historical, policy and theoretical literatures reveal that child care responsibilities structure labour market opportunities for women very differently than for men cross-nationally. Econometric studies attempt to quantify the negative influence that child care costs exert on female labour supply. Powell (1997) and Cleveland et al. (1996) use Canadian data to show that rising costs of child care services reduce the probability that mothers will either engage in paid work or purchase care arrangements, with the result that care work is shifted to unpaid and/or unregulated settings.

Our recommendations for full-employment-day, full-year early learning and care options for children age 18 months to five years respond accordingly to facilitate the just commodification of women. This just commodification will in turn generate short-term annual returns to the public purse from additional labour supply, which can be calculated in the light of economic analyses of the impact of the Quebec child care system on maternal labour market participation. Although data show that the quality of child care services in Quebec is open to critique, economic studies by Lefebvre and Merrigan (2008) and Baker, Gruber and Milligan (2005; 2006; 2008) show that the investment now accounts for an increase in mothers’ labour supply in that province which dramatically outpaces the rest of Canada. Labour supply gains have been particularly strong among women with less education, and the positive labour supply gains increase over time. By applying the findings from these two econometric studies, along with those of economists Cleveland and Krashinsky (1998), we can anticipate the extent to which Canadian parents will influence
maternal employment, and the resulting impacts for public revenue. The increased availability of child care will increase labour force participation of mothers by 8 percentage points: a 7 percentage point increase in full time and a 1 percentage point increase in part time employment. This is multiplied by the average earnings reported for women employed full-time full-year from the 2006 census, yielding private gains of $3.5 billion. The private gains are in turn multiplied by the marginal tax rate of 46.9% (authors calculation using the Public Use Microdata File from the 2001 Census (Catalogue no.: 95M0016XCB)) to generate projected returns to Canadian taxpayers of $1.6 billion per year. This projection is conservative insofar as we attribute labour supply effects to a fully implemented system in Canada that is based on labour supply elasticities identified in Quebec while the province still reports frequent child care space shortages.

Over time, the value of increased maternal labour supply grows as mothers benefit from more opportunities for promotion, pay raises, and higher pension entitlements. Olivetti (2006) quantifies this value by examining the costs of maternal exits from the labour market. She finds that an additional year of work experience increases earnings by about 4%. Thus, mothers who get an additional year of experience in year one of our benefit-cost analysis increase their earnings thereafter by 4% in years two and later. Conservatively assuming that the remaining working life of mothers is 30 years, the impacts are fully phased in by year 31 at which point the private benefits of increased maternal employment are $8.9 billion per year (before discounting).

Work-Life Balance Savings

Work-life balance is a key objective of the smart family policy reforms, which goes hand in hand with redistributing caregiving and employment labour between women and men. The proposal to enrich leave benefits and extend the duration of maternity and parental leave to 18 months per pregnancy subsidizes time for mothers and fathers both to care during the human life course stage when childrearing demands are especially time-consuming, and when quality, alternative non-parental care arrangements are most expensive to deliver. The leave benefit proposal is supplemented by our additional recommendation to rethink annual and/or weekly employment standards to accommodate shorter full-time norms for individuals, in the range of 30-35 hours per week averaged over a year.

Chris Higgins, Linda Duxbury and colleagues have studied extensively the public and private costs that flow from work-life imbalance in a series of studies for the Public Health Agency of Canada. They conclude that work-life imbalance costs provincial health care systems in Canada $14.1 billion annually because role overload and work-life interferences result in additional, otherwise unnecessary, physician visits, inpatient hospital stays and visits to emergency departments (Higgins, Duxbury, and Johnson 2004). Their national data enable us to project public savings due to annual reductions in public health expenditures that will result from the additional work-life balance to which our proposals will contribute.

We extrapolate from their data very cautiously. $4.85 billion of the total $14.1 billion cost that Higgins and Duxbury estimate is incurred by caregivers who endure the strain associated with elder care and/or care for a disabled child apart from child care for children without extra support needs. Although this group would indeed benefit from the income and community supports and reduced annual and/or weekly “full-time” employment norms we propose, we eliminate them from our cost savings projections for BC in order to be conservative in our estimates. Of the remaining $9.25 billion in costs, Higgins and Duxbury observe that 56% of the sample of employees on which they base their calculations had weekly child or elder care responsibilities, or both. At most, then, only about half of the $9.25 billion in national costs will be affected by the family policies we propose to promote work life balance over the life course and annually. To be
conservative, we assume that just half of this half (i.e. $2.3 billion) of the costs imposed by work-life conflict will be recouped as a result of the smart family policy reforms.

In addition to these public benefits, Higgins and Duxbury (2008) also calculate the economic costs incurred by businesses because of the worker absenteeism to which work-life conflict gives rise. Their estimate of the national value of this otherwise unnecessary expense to business ranges from $6 to $10 billion annually. Using the same formulae described above for calculating the public savings to health care, we project that Canadian businesses can expect to save $1.5 billion annually as a result of the reduced absenteeism to which the 15 by 15 policy proposals will contribute.

Synchronizing gender equality and child development goals in smart family policy reform

There remain a range of short-term benefits for which we have yet to calculate specific figures which will result from supporting adult caregivers today more effectively, including the savings that come from reducing poverty, productivity gains beyond decreasing absenteeism, and reductions to the cost of private sector health care insurance premiums because employees will make fewer work-family stress-related claims. Still, the $7.3 billion in yearly short-term returns ($3.5 from labour supply gains, $2.3 from health care savings, $1.5 in reduced absenteeism) that we have so far calculated are modest by comparison to the $22 billion annual price tag required to reform family policy to promote gender equality.

The return on investment is amplified most dramatically, we argue, if we ensure that the gender equality goals of family policy reform go hand in hand with commitments to improve child development. Since we are interested in the economics of child development, the discourse we use below echoes the third way social investment or LEGO logic which Jenson and colleagues (Jenson 2006; Jenson and Saint-Martin 2003) analyze. However, a discourse that acknowledges the link between early human development and the citizen contributions children will eventually make as adults does not deny the right children have to a just and full childhood today. The smart family policy recommendations we make contribute importantly to this vision by ensuring children have considerably less risk of growing up poor, with time-stretched fathers and mothers who are unable to access quality, nurturing programs and community settings.

Economic benefits from reducing early vulnerability to enrich human capital

The key to a society’s long-term economic success lies in its ability to optimize human development; its ability to promote “A State of Minds,” to borrow a phrase from economist Tom Courchene (2001) who recommends a human capital future for Canadians. Since globalization requires countries with developed economies to compete with less expensive labour available in other regions, our governments must compensate by generating labour that will thrive in technological-based information and knowledge industries. Thus, countries with developed economies need more than “all hands on deck” to exploit resource advantages; they also need all “heads”: healthy, well-educated, innovative, and productively-employed adults with strong social and intercultural competencies.

The link between human development and human capital provides Canadians with much reason to pause, because population-level data in our country reveal that citizens now entering our formal school system endure a level of developmental vulnerability that too few in our country acknowledge. Teacher evaluations of students in almost all kindergarten classes in British Columbia, Saskatchewan and Manitoba reveal that 28% of children start school vulnerable, as measured by one or more of the five scales of the Early
Development Instrument (EDI): physical health, social competence, emotional maturity, language and cognitive development, and/or general knowledge and communication skills in the majority language and culture (Janus and Offord 2007). These BC-, Saskatchewan- and Manitoba-wide findings are consistent with vulnerability levels reported for select regions in Ontario, the Maritime Provinces, Alberta and the city of Montreal where comparable data are available. Such levels of vulnerability at school entry are at least five times higher than the rates of biological vulnerability which are detectable in the postnatal period (Kendall 2003). The vulnerability rate by kindergarten is a canary in the coal mine predicting the future quality of our country’s labor supply. It signals that we are now tolerating an unnecessary “brain drain” (McCain and Mustard 1999) that will dramatically deplete our future stock of human capital because the physical, social/emotional and cognitive development of our youngest citizens will influence the quality of their labour market participation later in life.

BC data confirm that population vulnerability on one or more of any of the five EDI scales predicts less school success and more criminal activity at the population level. We know this, because building on EDI data for the population of kindergarten children, Kershaw et al. (2009) follow individuals as they progress through the school system to reach grade four, when children write standardized Foundations Skills Assessment (FSA) tests. These anonymized, person-specific trajectories from kindergarten to grade four can then be linked with population-level data for children in grade four for whom we have FSA data, and who have since gone on to write standardized exams in grade seven. The latter trajectories can in turn be connected to population-level information about children who have worked their way from grade seven through to high school graduation and/or the criminal justice system. Kershaw et al. make these linkages using regression analysis to identify the characteristics of grade seven students that predict high school graduation/criminal activity. They use the coefficients from this model to construct a composite index of academic achievement that is a weighted average of their characteristics in grade seven. They then repeat the analysis for the cohorts that we can follow from grade four to seven, and from kindergarten to grade four. The cohorts are linked based on the values of the composite indices.

The result is a synthetic population-level cohort that simulates how vulnerability rates at kindergarten influence rates of high school completion, grade success and criminal activity in the light of actual trajectories traveled by real population-wide cohorts of British Columbian children. The simulation provides important insights. Not all children who start out behind their classmates end up behind, and not all children who start out ahead continue to thrive. Life events, parents, teachers, friends, schools and communities can all affect children’s progress after kindergarten.

But the analysis also shows that a strong start in kindergarten goes a long way towards diverting the population from criminal activity, ensuring a successful completion of high school without delaying a year or more, and with grades that render one eligible to attend university and other post-secondary institutions. Specifically, reducing vulnerability from 29% (the rate in BC) to 10% is projected to reduce crime in the province by one-third, generating benefits for government coffers across the country that equal $37.3 billion (net present value) within the first decade of investment. The same reduction in child vulnerability will also accelerate on-time graduation rates, and increase the cohort achieving university-eligible grades rises by more than one-third, from 41.5% to 55.6% (Kershaw et al. 2009). Research about population trajectories in Ontario support these findings (Yau 2009).

A substantial economic literature makes clear that improving the population’s school achievement by reducing early vulnerability to 10% will yield substantial long-term economic gains for private individuals, businesses and the economy in general, as well as for governments specifically. Research by Hanushek
is particularly insightful about the economic gains generated for jurisdictions by population-level school achievement. He and colleagues (Hanushek et al. 2008; Hanushek and Woessman 2008) use international test score data for children age nine to fifteen to analyze the relationship between population-level cognitive skills and per capita GDP growth across countries. Their analyses show that jurisdictions which report higher average test scores in school also enjoy far higher growth rates.

Specifically, if one country’s test-score performance was 0.5 standard deviations higher than another country during the 1960s, the first country’s growth rate was, on average, 0.63 of one percentage point higher annually over the following 40-year period than the growth rate in the second country. Hanushek and colleagues find that higher cognitive skills accelerate GDP by this value even after controlling for the security of a country’s property rights, its openness to international trade, fertility patterns and geography (Hanushek et al. 2008; Hanushek and Woessman 2008). While an additional 0.63 of a percentage point of GDP growth per year may not sound like much, and the figure is indeed a conservative projection relative to other estimates of the economic growth generated by increased human capital (e.g. Teulings and van Rens 2008), over time this additional growth functions like compound interest to multiply GDP to a degree rivaled by few, if any, other economic stimulus strategies.

The question is: how do we produce a half standard deviation improvement in school achievement among the population of children age nine to fifteen? The synthetic cohort data in BC provide part of the answer. A reduction in early vulnerability from 29% to 10% for the population entering kindergarten will yield slightly more than the half standard deviation improvement in cognitive skills on which Hanushek and colleagues focus during the middle school years. The remaining part of the answer comes from the family policy literature. The $22 billion price tag is the additional investment required per year to reduce vulnerability rates at school entry from 29% to 10% over 10 years, and to sustain vulnerability at this low level. A meta-analysis of the hundreds of studies which examine how early childhood education and care services influence child development by Barnett (2008), including the review of available randomized control studies, affirms that our ECEC service recommendation alone will reduce the majority of this early vulnerability gap.

Empowered by dramatic reductions in their vulnerability (down to 10%), a population of kindergarten children will enjoy a more stimulating childhood, one they deserve. As these children eventually complete high school, and enter the labour market, their improved human capital will begin to strengthen the quality of the total labour supply, slowly at first because they will represent a small portion of the available labour; but with each passing year, the initial cohort will be followed by successive labour cohorts who were also less vulnerable in their early years. Applying Hanushek’s research to forecast the influence of reduced vulnerability on GDP growth, Canadians can conservatively anticipate an increase in GDP of 20% over the working lives of the very first cohort of children to benefit from smart family policy.

The net present value of a 20% increase in GDP over this period is massive; and can be calculated in the light of existing growth projections. In the absence of any change to early vulnerability levels, the federal government forecasts GDP growth of 2.84% per year between 2010 and 2015 (Government of Canada 2010, Table 2.1). Predicting that the aging population will dampen economic growth, the office of the federal Parliamentary Budget Officer (Askari et al. 2010, 10-13) projects considerably lower rates of growth than the federal government thereafter: 1.7% per year until 2030; and 1.4% annually until 2070. To be conservative, we work with the latter’s estimates, phasing-in the influence of additional human capital on the Parliamentary Officer’s baseline projections. In the light of Hanushek’s findings, we calculate that the net present value of reducing early vulnerability down to 10% of children is equal to $2.2 trillion. In other words, Canadians would need to invest $2.2 trillion today for 60 years at a rate of 3.5% interest in order to
grow the economy 20% over that period, even after covering the social investment costs required to pay for smart family policy. This enormous dollar figure signals that the early vulnerability debt is nearly four times greater than the total debt load carried by the Government of Canada (Government of Canada 2010, Table 4.2.3). The benefit to cost ratio over that period is nearly 4/1. The additional public revenue collected from this 400% societal return on investment is so large that it is sufficient to pay down provincial and federal cumulative debts by the retirement age of children who are currently in kindergarten. The implication is clear: governments, businesses, bankers and citizens have far more reason to worry now about the early child vulnerability debt as we have reason to worry about the fiscal debt.

But we don’t. Despite mounting evidence which attests to the influence of early experience on brain development (Commission on the Social Determinants of Health 2008), and the salubrious effect of smart family policy for gender equality and human capital, Canada still resists acting on this knowledge. The result is, as seen above, that the OECD (2006) and UNICEF (2008) both rank Canada last in international evaluations of family policy and country support for early child development among rich Western countries, and the World Economic Forum (Hausmann, Tyson, and Zahidi 2008) does not rank Canada within the top 30 countries when it comes to promoting gender equality.

These poor rankings impose social injustices on our nation’s children, condemning members of the next generation to unequal starting points over which they have no control, and compromising the childhood they deserve regardless of its economic value over the medium- and long-term. But just as the social justice argument for gender equality proposed by the Royal Commission on the Status of Women in 1970 did not win the day around Treasury Boards and Departments of Finance, so the social justice argument has not proven decisive to Canadian public policy when it comes to investing adequately in child development. This article aims to make clear the relationship between gender equality, child development and human capital in the expectation that an economic argument may prove more powerful at the decisive venues of government officials, and their key influencers. Research about gender equality and the early stages of population-health make clear that our society requires a paradigm shift in how we think about strong economies: we will promote stronger long-term economic growth only if we implement smart family policy now that promotes gender equality and reduces early vulnerability to below 10%.

Endnotes


McCain, Margaret Norrie, and Fraser Mustard. 1999. Early Years Study: Reversing the Real Brain Drain. Toronto: Canadian Institute for Advanced Research.


OECD. 2006. Starting Strong II: Early Childhood Education and Care. Place Published: OECD. [http://www.oecd.org/document/63/0,3343,en_2649_39263231_37416703_1_1_1_1,00.html](http://www.oecd.org/document/63/0,3343,en_2649_39263231_37416703_1_1_1_1,00.html) (accessed January 15, 2010).


### Table 1: The Cost of a Pan-Canadian Smart Family Policy Framework, by Province*

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Per capita %</th>
<th>Maternity/Parental Leave</th>
<th>Income Supports</th>
<th>Time and Resources 49% of Investment</th>
<th>Community Supports 51% of Investment</th>
<th>Total Additional Investment</th>
<th>Total as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nfld/Lab</td>
<td>1.52%</td>
<td>68</td>
<td>95</td>
<td>11</td>
<td>262</td>
<td>436</td>
<td>1.39%</td>
</tr>
<tr>
<td>PEI</td>
<td>0.42%</td>
<td>19</td>
<td>26</td>
<td>3</td>
<td>37</td>
<td>85</td>
<td>1.80%</td>
</tr>
<tr>
<td>NS</td>
<td>2.82%</td>
<td>127</td>
<td>176</td>
<td>20</td>
<td>244</td>
<td>567</td>
<td>1.66%</td>
</tr>
<tr>
<td>NB</td>
<td>2.24%</td>
<td>101</td>
<td>140</td>
<td>16</td>
<td>186</td>
<td>443</td>
<td>1.62%</td>
</tr>
<tr>
<td>Quebec</td>
<td>23.28%</td>
<td>1,048</td>
<td>1,453</td>
<td>168</td>
<td>1,209</td>
<td>3,878*</td>
<td>1.29%</td>
</tr>
<tr>
<td>Ontario</td>
<td>38.82%</td>
<td>1,747</td>
<td>2,423</td>
<td>281</td>
<td>3,828</td>
<td>8,279</td>
<td>1.41%</td>
</tr>
<tr>
<td>Manitoba</td>
<td>3.62%</td>
<td>163</td>
<td>226</td>
<td>26</td>
<td>333</td>
<td>748</td>
<td>1.47%</td>
</tr>
<tr>
<td>Sask</td>
<td>3.06%</td>
<td>138</td>
<td>191</td>
<td>22</td>
<td>532</td>
<td>883</td>
<td>1.37%</td>
</tr>
<tr>
<td>Alberta</td>
<td>10.76%</td>
<td>484</td>
<td>671</td>
<td>78</td>
<td>1,727</td>
<td>2,960</td>
<td>1.02%</td>
</tr>
<tr>
<td>BC</td>
<td>13.14%</td>
<td>591</td>
<td>820</td>
<td>95</td>
<td>1,554</td>
<td>3,060</td>
<td>1.54%</td>
</tr>
<tr>
<td>Yukon/NWT/Nun</td>
<td>0.34%</td>
<td>15</td>
<td>21</td>
<td>2</td>
<td>60</td>
<td>98</td>
<td>1.11%</td>
</tr>
<tr>
<td><strong>Total Pan-Canadian</strong></td>
<td><strong>100%</strong></td>
<td><strong>$4,501</strong></td>
<td><strong>$6,242</strong></td>
<td><strong>$723</strong></td>
<td><strong>$10,471</strong></td>
<td><strong>$21,937</strong></td>
<td><strong>1.37%</strong></td>
</tr>
</tbody>
</table>

*Per capita extrapolation from British Columbia cost projections in Kershaw, Anderson, Hertzman and Warburton (9). Minor rounding differences may occur.

*The Quebec estimates for ECEC services are lower per capita because that province has already invested a greater share of GDP in this area. While Quebec is also further ahead in terms of leave and income support policy, our estimates project combined federal/provincial expenditures at a level that does not penalize Quebec for innovating before other provinces.