

Reaction to the Campaign 2000 paper

Income Inequality through the Lens of Families with Children in Canada

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Summary:

The writer feels that though child poverty can be addressed mainly and most easily by money to children or those who raise them, the paper by Campaign 2000 recommends an inefficient and very costly approach that would in the end benefit mainly one lifestyle only. She recommends instead a more universal funding solution not targeted to lifestyle but to children.

The problem

It is agreed that child poverty is a problem.

-14.5% of children in Canada in 2010 lived in poverty

-38% of food bank users are children

-25% of First Nations children live in poverty

It is agreed that housing is a problem for the poor.

It is agreed that salary is often a problem for the poor.

-1/3 of children in poverty live in a family with at least one full -time
earner

The goal

It is agreed that the goal is to not have children living in poverty, to ensure that every child has enough financial support to thrive and feel financially secure.

The promise

It is recognized that Canada has work to do to achieve that goal and that it has been a goal for some time.

-In 1989 all MPs in the House of Commons resolved to end child poverty

-In 2009 a resolution was passed to 'develop an immediate plan' to eliminate
poverty in Canada for all

The hurdles

It is admitted that things are not really improving despite the efforts planned or taken.

In 1989 the child poverty rate was 13.7% while in 2010 it was 14.5%

(the ways to define poverty have shifted over the years and low income,

market basket and other definitions reach slightly different tallies but
the trend is still there - we have not solved the problem of child poverty)

So we have to look at the solutions being proposed by Campaign 2000. Do they differ from early proposals that clearly have not worked?

Terms:

When we look at 'child poverty' we should define our terms. A child is someone under age 18, but technically we know that many young adults are in university or college an unable yet to be financially self sufficient, so the term 'child' may need to be modernized. Some European nations extend family allowance for instance to 20 year olds who are still in post secondary education.

When we look at the term 'poverty' however, we should notice something else. A child is alive and has many needs, not just money. In fact on the Maslow scale of human needs we see the basics of food, sleep, breathing, then safety, health, then friendship, love and belonging, then self-esteem and respect and finally at the top of the scale- self-actualization and creativity. "Poverty" may actually be experienced at any of those levels, as a gap in getting the need met. Put more basically children are at risk of two types of poverty- financial and emotional. The Campaign 2000 study aims to end financial poverty. That is a great goal. But it must not put children at greater risk of the other types of poverty while it does it. It should not for instance ensure a child has money but there is nobody around who loves the child for children need to feel loved as vital need crucial to their survival. A 1980 study by the Senate called Child at Risk found that children to thrive need two things- care by the same person for the first three years of their life (for stability) and that that care be by someone who loves the child.

How to address child poverty

There are three options for government about how to eliminate poverty and let's focus on the financial poverty aspect for now as does Campaign 2000.

-help nobody

-help everybody

-help only some

To help nobody sounds cruel but in the US there are for instance very few social programs. The help given is that the public is in theory only required to pay low taxes and then they will help themselves. This basic principle has appeal to people with a strong independent streak who mistrust government and do not want anyone to tell them how to live. However appealing this theory is, there have always been after it, those who fall through the cracks and who can't provide for themselves. They lose their jobs, they are sick, the bank forecloses. Without a social safety net some do not thrive. So it seems appropriate to have a social safety net and Canada has opted that way for universal health care for instance.

In countries that do not provide much of a government funded social safety net though, there is not necessarily heartlessness. There is the assumption that the rich will on their own help the poor. The theory is that if giving to charity is made attractive, the poor will still be OK. However this system also does not always seem to work. The 'trickle down' theory that the wealthy magnanimously will use some of their excess to give to the poor is not proven true in all circumstance, despite the Bill Gates philanthropy of a few exceptions.

So we in Canada have not chosen option a - to help nobody.

To help everybody seems fairest under human rights principles. Our human rights charters nationally and internationally endorse 'equal benefit under the law' and certainly playing favorites between children at the start of life seems particularly unfair. Every child is of equal value.

Campaign 2000 is arguing for universality actually in its words but those must be examined very closely for the effect would be far from universal. They recommend

"building a public system of high quality early childhood education and

childcare services that are affordable and available to ALL children 0-12 years."

Is this universal? Does every child get equal benefit under such a plan? Years ago the campaign slogan of many daycare activists actually was for '*universal* daycare' and this is the same goal. Not every child would use daycare, they admit. So they are asking simply for universal 'access' to it..

-This solution would only end up funding children who use daycare. It has no equal benefit plan for those who don't use daycare. So it in fact is not universal.

-To fund universal 'access' creates a cart before the horse funding oddity. They are suggesting we build enough daycare spots for every child in the nation just in case the child may want it. So they are apparently suggesting we taxpayers take the risk of creating spaces that will not be used, funding care where the child is not, instead of funding care wherever the child is.

-In health care funding, we do have a universal program in Canada with everyone having equal 'access' to it. However it is also assumed that Canadians share a similar risk of needing it, at similar risk of injury, serious illness and sudden need of the service so that is why we are willing to all help fund it through our taxes. We are magnanimous to ensure the chronically ill are treated even if we right now are not in that category but we also are going to ourselves benefit from the system personally at some point. The same statement cannot be made about 'universal access' to daycare. Many families cannot use daycare (live rurally, have a very sick, handicapped or high needs child the daycare will not accept, work odd shifts when the daycare is not open, have special dietary or culture needs

The daycare does not support). Many families do not want to use daycare (many polls including by the Vanier Institute on the Family have found that parents have a wide range of childcare preferences). Parents may use sitters, nannies, grandparents, dad at home, mom at home, parents in tag-team, \ parent at home -based office, telecommuting or taking the child to paid work, or part-time nursery or full time daycare. Parents already use the range, want the range and the Campaign 2000 plan that is in theory 'universal' only benefits one group- the daycare group. So it claims to be universal but funding wise clearly is not.

A truly universal program would be one or several of the following

- universal birth benefit as in Australia
- universal maternity benefit not based on paid work of parent but on existence of child
- universal funding per child unconditional on where the child is (Oddly Campaign 2000 even wants to ELIMINATE the universal child benefit and roll it into an income tested benefit)
- universal family allowance (Canada eliminated that in the 1990s)
- universal dependent child deduction (Canada eliminated that in the 1990s)

So we must look then at what Campaign 2000 is suggesting for it is a benefit, but not universal. It is a targeted benefit to some people only.

To help only some people not others is the choice of some theorists for a few reasons:

-it is too costly to help everyone so we only help those who are in greatest need

This is a logical approach in tight economic times. The \

Criterion of help would be income.

-it is not fair to help those who don't need money. This argument is more

philosophical and judgmental and assumes that the rich will take

care of themselves and that the help is done not as recognition

of the work of childrearing or costs always incurred for any child,

but that the help is actually charity/ pity / a handout. It is a different

attitude to giving the help.

Campaign 2000 seems to have this attitude, and says "about one third

Of children in wealthy families become wealthy adults"

Campaign 2000 is suggesting a targeted benefit for those in need

-It suggests the National Child Benefit be increased but not uniformly.

Right now its maximum of \$1405 per child is reduced based

On household income.

The child benefit supplement of \$2177 is for the poor only

The current maximum combined benefit is \$3485

Campaign 2000 would like to roll together those with the fitness credit

and universal child benefit (\$1200) into one benefit so that for

the poor the new maximum benefit would be \$5400.

Let's look at that suggestion. First, it is not for all families, only for those of "Low income

families'. But it is based on household income, not income of the caregiver of the child. This subtle distinction makes a difference. The act of taking care of a child is valued when done by a daycare worker as vital work, with pay and benefits, and parents can deduct costs of the daycare to reduce their own tax. However parents who don't use the daycare do not get that recognition that their care of a child is useful work and they don't get the right to deduct any costs to reduce tax. The result is that the child benefit is cut back very swiftly for the single income family. If this benefit were tied to individual income of the lower or nonearning spouse, it would be a larger benefit. Basing it on household income makes it smaller, and does not give any status to the care of a child unless that child is in daycare.

Second, the current amounts available to low income families for help can be \$4782 per child so the increased benefit Campaign 2000 is suggesting even to the poor, is very small.

What one might notice however is the more dramatic funding shift that Campaign 2000 is suggesting to target some people not others. That is the recommendation that

"federal spending on affordable early childhood education and care services
should reach at least 1% of the GDP by the end of ten years?"

This annual cost is astounding. The current GDP is \$1.736 trillion so what Campaign 2000 is recommending is that each year Canada spend \$17.36 BILLION dollars on daycare! Each year! The current census pegs the number of children age 14 and under at 5,607,345. That amount of money for those children is \$3472 each. However since not all children are in daycare, the actual benefit for would be diametrically unequal.

Stats Canada tells us that in 2002 of children under age 5 years, 54% were in nonparental care (and not even all of that would be daycare. Since over age 5 even fewer are in daycare or after school care. It would be generous to assume an average benefit to half the nation's kids. If we assume that half the children actually use daycare then, the ones who do not would get zero while those who do would get \$6944. It is interesting that the Campaign 2000 paper expresses dismay at an income gap but suggests this huge benefits gap.

How big is that \$17.46 billion? That's a lot of money. In fact it is more than the entire federal deficit right now. It would dig us a double hole for the one we are already in. Right now the government budget, outlined on the Scotiabank Fiscal Pulse website 2013-14 has a goal to just get out of the first hole.

However, Canada's net
debt to GDP is stabilizing
and the measures
underway should at least
trim the federal deficit to
less than 1% of GDP within
two years.

But the amount of the suggestion is not the only problem, huge though that is. The other problem is the choice of who to target for this benefit. Clearly Campaign 2000 wants all taxpayers to pay, and for the daycares to be funded through the tax system so there is very low direct cost to parents. But who then is getting the money? It's the daycares directly and the parents who use them.

The daycares directly would get funding 'per space' as they currently do,

And this funding itself is open to question since it funds a chair

Toys, a staff member and all services even if the child is not there.

If the child is sick and can't attend, the taxpayer still funds the empty

Chair.

Daycare staff gets paid at increasing often nowadays unionized rates, are

Able to go on strike, get benefits, and promotions to administrative

Positions, attend conferences and see taking care of children as a career

Choice. Parents however who take time from earning to be with a child

Get no pay, no benefits, no pension, no sick pay, cannot claim any
Cost of feeding or tending the child as deductions and actually have
To forego income and take from savings to take care of a child.

Daycare lobby groups also have in the past been funded by tax dollars

With the claim that they are an essential service and that 'educating'
The public is a function they provide.

Parents who use daycare get the benefit of a safe place for the child, heavily

Subsidized by the taxpayer just to set it up. Then they also get the

Right to deduct some of their out of pocket expenses.

The ones who do not benefit from the Campaign 2000 proposal are all those who do not work at
or use a daycare. This means

- parents who use a sitter, nanny, grandparent or other family based care
- parents whose children have grown
- parents of handicapped children, rural children, highly allergic or
chronically ill children, children whose parents work odd shifts or
do weekend travel for which no daycare is desirable or convenient or available

Who does benefit, given that there is NO condition on the income of the family, is the rich who
use daycare, as well as the middle class and poor. In fact the Campaign 2000 proposal that
claims to not have enough money to benefit all, is making sure to benefit the rich unconditionally
in the bulk of its funding proposal. Wealthy users of daycare are included, families in poverty
who do not use daycare are excluded. Therefore the condition Campaign 2000 is placing on the
conditional benefit is not income at all. It is lifestyle. Campaign 2000 is simply rewarding one
style of care only, and it is daycare.

That particular focus on what group to preferentially fund is highly questionable. It does not have the fairness ring of universal benefit for all children. It does not have the sympathetic ring of fairness of helping out those most in financial need. It is in fact just a bias in favor of a lifestyle.

Why then would Campaign 2000 have this bias, to want to not just enable daycare but to favor it and to make sure the 17.3 billion do NOT go to anyone outside daycare?

One might speculate looking at their document and rationale.

They seem to think that

- women need to earn money
- they must enable women to earn
- the income gap is clear proof that the poor need to earn more
- childcare is a way to free up women to earn
- only 3rd party daycare is an acceptable way to tend a child

The problem with that rationale is that if there is poverty and if there is an income gap between rich and poor, maybe the answer is for the poor to get more money by valuing what they are already doing. Maybe the problem has been that the current situation is not recognizing the costs they incur, the fact their income spreads over several dependents, and maybe the distress and household debt are proof that those who don't use daycare are really struggling under the bias.

It is possible to argue even that the big push for the past 30 years for daycare has been part of the problem, a key reason we still have child poverty, and that what we should have done is not lopsided the benefit in the first place. Favoring daycare over care at home or with relatives has created and exacerbated poverty. It was unfair and here we see the result.

It is ironic to see any group argue that care of children matters (in daycare) but that it does not matter (if done at home), that it has value (early education, literacy,) and that it has no value (increased environmental damage, weaker democracy) Surely there is a logic gap in these claims. Surely kids can learn to read at home or at the daycare and surely mental illness and other bogeymen cited as 'negative impacts of income inequality' are not uniquely solved by daycare.

Sadly the Campaign 2000 report leaps to some questionable assumptions in its pursuit of favoring one lifestyle over another- use of daycare. It makes allusions to limited access to physical activity as if that is cured by daycare, or poor educational attainment as if that is cured by daycare. In fact let us remember that

-childcare is the care of a child. All locations where a child is being taken care of are 'childcare ' locations. Daycares have no monopoly on the term and should have no monopoly on the money.

-those who have two cars are likely to drive more than those who have one. Those who have no car likely take the bus and subway, walk or bike more and physical exercise might actually be greater for the low income strata. It is to be admitted that not all exercise happens in paid venues for sports or gyms.

-Daycare does not necessarily provide more outings than do other care styles. It is rare for daycare groups to go to the zoo or museums and for them this is a huge well planned outing, arranged weeks in advance. For kids in care of a sitter, grandparent, parent, such outings can be much more easily arranged logistically. The expression 'stay at home 'mother has for some time needed adjustment as one car company ad noted a few years ago. Most mothers or fathers in the home take their kids on active outings at least once a day so daycare is not the only or even superior way to ensure physical exercise.

-early education happens wherever a child is because children are always watching, taking in information and learning. Daycares may claim to help young children learn and doubtless do, but they have no monopoly on this task and kids in the home or with play friends also are learning the vital socialization and sharing skills a daycare offers. Since small children have unique growth rates and interests, optimal teaching of crawling, walking, using a spoon, counting, even reading, is done one on one. We still have to bathe babies one at a time as the saying goes and the daycare again cannot claim it is the best at developing a child. It is one option of many and not always even the optimal one.

So the Campaign 2000 may assume favoring daycare is kind to children but it is not. It excludes many other very good care and education locations.

Campaign 2000 may then be making the case that women 'need to' earn'. This is a two pronged argument.

- that women need the money
- that women need to use their academic and career skills

Those arguments are consistent with women's rights activism to make sure women can be all they want. The problem with arguing daycare gets them there is that it is not a necessary condition, only a sufficient condition. Many other roads would get women to the goal of being all they want.

- some women want to earn but from home while with the kids
- some women want to earn, but school hours only
- some women want to earn but telecommuting from another office

- some women want to earn but in tag-team with the spouse so one or the other of them is always with the kids
- some women want to earn but like having grandparent care or care by trusted other relative or friend
- some women want to earn but are prepared to put their careers on hold for a few years to be home with the kids.

So many women do have the goal of earning but daycare is not the only way to attain it. To fund only daycare then deprives women of the very 'choice' that women's rights is supposed to celebrate.

In addition, some women choose and prefer to be home with the kids and not have a paid career. This is more common for women who have many children but also happens with parents of the handicapped, the gifted, those with chronic illness. A study by the Make Mothers Matter International did a multi-nation European survey finding that many women actually do prefer to be home with their young children though many were not able to do so because of labor or tax policy. Well if we have identified a dream of women and an obstacle, surely the women's movement exists to help overcome the obstacle and reach the dream. Daycare does not help women spend more time with the kids. Daycare only helps them cope with their obstacle and give up on the dream. Surely we can do more for women. If they have a right to pursue any career, that has to include being a homemaker, in order to be logically consistent. Not all women want that but some do. Let them. Do not deprive them of equal recognition, status, government benefit either way.

Campaign 2000 may then be arguing that for some women, daycare is essential because of their marital situation. It focuses in particular on single mothers, outlining for instance its goal that the enhanced child benefit of \$5400 'coupled with full-time work at \$11 per hour, would enable a lone parent with one child to lift her family out of poverty'. The problem with that solution is that it does not address what the woman wants or what the child wants. What if they want to be together and what if, in the absence of a second parent regularly around, they in particular want the reassurance of each other's presence? Why is it assumed that lone parents have no rights to even consider being home with the child, or using flex-time paid job

arrangements or family -based care ? If we really believe in women's rights surely we also must acknowledge that a mother, single or married, has equal rights to a full range of career options. To deny those to single parents is simply unfair. If we had money flowing to every child, not to the daycare option directly but to the parent directly, all women would have more options. That would be consistent with the Convention on the Rights of the child (the child has the right to the presence of the parent wherever possible) (the parent has the right to raise the child with the language, culture and values the parent espouses). It would also be consistent with women's rights to do what they want in career dreams. The recent Make Mothers Matter International survey also found that single mothers have the same dreams married mothers do. They want the same range of care options, not just one.

Campaign 2000 is using some glowing terms to gloss over the fact it is actually asking for preferential treatment for some over others. The Supreme Court *M v H* decision ruled that laws based on discrimination against lifestyle are unfair.

It is misleading for Campaign 2000 to claim that its suggestion is for 'early education' or 'childcare', terms which sound inclusive and universally good, when in fact the money flows only to one style. It is misleading for Campaign 2000 to say that its childcare program is an essential public service. It is far from akin to health care in that regard. There is not a wide range of personal lifestyle opinions about how to fix a broken leg. For raising kids, yes.

It is not necessary to argue against women having paid jobs or earning, against daycare or early education. Those are not the issues. The issues are that women at home also already have jobs, tending kids, just like a daycare worker has a job. It is only necessary to point out that it is the funding only of one lifestyle that is weakening democracy and that parents at home or telecommuting are as good as parents who earn away from home and use daycare. The claim is not for superiority but for equality.

And the Campaign 2000 paper above all advocates for inequality. It argues blatantly and expensively for preferring one role for women, and one way to raise children. And that make the proposal unfair, and unwise

A better answer

I am in favor of universal benefit for children. I believe in the case made for each child being of equal value and of equal benefit under the law. The rich child and the poor child are equal, which means we do need to also fund the rich child, because that child's diaper and the poor child's diaper both have to be changed by someone. The tasks of childrearing are not that different across the social classes for meeting the basic human need Maslow outlines. If a man or woman takes from paid work to tend a child, the adult is doing vital work period, regardless of what income someone else around them has and they should not be seen as dependant or useless.

The tax system should be adjusted. The Campaign 2000 paper suggests tax fairness but I would recommend that that goal be attained by *income splitting* as a tax option. Campaign 2000 seems to want to remove that suggestion and insists on individual taxation. I feel that those who share income, who have to spread their earnings over others, already are sharing and it is only fair to tax them recognizing that. To allow income splitting would significantly level the playing field between equally earning households. Right now the higher tax on some earning lifestyles is over 40% .

There should be a *universal birth benefit*, a universal maternity benefit and these should go to every single child, period. There should be no paid employment conditions.

There should be *universal funding per child to age 18*, that flows with the child. If we can afford the Campaign 2000 promise of \$3472 per child to have a daycare space' just in case' waiting, why not send that money more efficiently to each child? We could have at even lower cost a universal per child benefit of \$2500 - \$3000 per year and not have one cent wasted in an empty daycare space not used because the child was sick or did not want to use daycare. Let the money flow with the child and there is an end - to child poverty!

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