Remarks to the Standing Committee on Social Affairs, Science and Technology

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Thank you for the opportunity to present.

I would like to focus my remarks on section 7 (1) a of the proposed legislation and urge the committee to consider strengthening the language around the public and non-profit provision of child care.

As it appears, the legislation would not provide stakeholders with legal recourse to challenge the growth and dominance of commercial child care. Major concessions have already made by provinces under the child agreements, allowing the expansion of for-profit delivery using federal funds.

You have probably been told that there should not be differential treatment between operators since provinces monitor profit margins, and child care facilities all operate under the same rules.

The child care agreements have shifted that terrain. Governments will fund 80 per cent of child care operations, and in some cases, a majority portion of their capital acquisitions. Facilities will be publicly financed but remain privately owned. If provinces did publicly manage their service systems it would be one thing, but it is operators who decide who to serve, where to locate, to downsize or close (and walk away with the real estate) – decisions of major community concern – will be made without community consideration.

Since as many child care centres close as open most years, this is not a hypothetical concern. 'Flip my centre' is a real profit-boosting strategy. As are corporate takeovers. While much is made of supporting women entrepreneurs, national and international evidence shows that as public funding increases, so does the procurement of smaller daycare operations by corporate chains.

A hedge fund-owned by the Ontario Teachers' pension fund is now the largest corporate child care provider in Canada, in addition to being publicly traded in 10 countries. The field is so lucrative that Canadian brokerage firms now deal exclusively in buying and selling child care facilities.

Investors in early learning are more buyers than builders. Financiers shy away from developing new centres particularly in areas where the need is greatest. Large corporations gobble up small operators and child care chains with no discernable increase in service.

A 2022 analysis by the UCL Social Research Institute in the UK tracked the growth in corporate child care alongside increases in public child care funding. The UK which had a market that looked very much like ours does today, within 10 years became dominated by corporate chains.

Citizens, not investors, should shape the services they rely on. Leaving the care of small children to the marketplace is an abdication of the state's responsibility. From long-term care, group homes, children in care, private schooling, etc. regulating the market to act with care inevitably fails. The energy governments dispense developing, monitoring, and enforcing regulations, is never enough.

The biggest companies also accrue the biggest fines for dangerous care conditions.

As corporate influence grows, so does its sway over governments.

Provinces are required under the agreements to track for-profit provision but not the reach of corporate care. The longer we ignore these developments, the more entrenched corporate care becomes. Once in place, its structures are hard to pry apart and make transparent.

I urge you to legislate real controls to limit profiteering off young children The for-profit business model just doesn't work for the kind of early learning and child care system Canada is supposedly striving to build.