

INVEST MORE IN CHILDREN

Submission to the Federal Pre-Budget 2012 Consultation

First Call: BC Child and Youth Advocacy Coalition

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EXECUTIVE SUMMARY

First Call: BC Child and Youth Advocacy Coalition is a coalition of provincial and regional organizations, individuals and local community networks who share the belief that children and youth should have “first call” on our nation’s resources. Our 90 partner organizations are committed to the achieving the following **4 Keys to Success** for BC’s children and youth:

- A strong commitment to early childhood development
- Support in transitions from childhood to youth to adulthood
- Increased economic equality
- Safe and caring communities

Our coalition is pleased to respond to the Finance Committee’s invitation for advice on how to achieve sustained economic recovery, as investments in children’s healthy growth and development form the foundation of any society’s social and economic sustainability.

Similarly, we are pleased to share our recommendations to the Committee for budget measures that will help ensure shared prosperity and a high standard of living for all.

This submission makes three recommendations for the Committee’s consideration with regards to the preparation of the 2012 federal budget:

1. Place a high priority on increasing Canada’s annual investments in early childhood care and learning from our current 0.25% of GDP to the recommended UNICEF benchmark of 1% of GDP.
2. Focus spending and re-design federal tax policy with the aim of reversing the growth of income inequality in Canada.
3. Submit all budget decisions to the scrutiny of a child impact assessment, especially for impacts on members of particularly vulnerable groups such as Aboriginal children, children with disabilities, recent immigrant children and children in lone-parent female-led families, in order to ensure that we do no harm.

Accomplishing the first two broad policy objectives, supporting early childhood development and reducing income inequality, is fundamental to creating a healthier, more sustainable path of social and economic development for our country. The third recommendation provides a process with little or no cost that will reduce the risk for negative unintended consequences.

Our future depends on the ability of today’s young people to achieve their fullest potential, and we know living in poverty or going without crucial early childhood supports undermines that potential.

HUMAN CAPITAL INVESTMENTS MUST START EARLY

Canada's public expenditures on early childhood services are extremely low in comparison to other OECD countries.¹ Yet we know from extensive research on human development that "the early years represent the unique window in the human lifecourse during which citizens' physical, socio-emotional and cognitive potential are especially malleable to the positive effects of nurturing environments and strategic human capital investments."²

As a report prepared for the BC Business Council by the Human Early Learning Partnership at the University of British Columbia noted, "(...) governments, businesses, bankers and citizens have ten times as much reason to worry today about the early child vulnerability debt as we have reason to worry about the fiscal debt."³

Canada's failure to properly support young children and their families through more effective social policy, such as more generous and inclusive parental leave, adequate income supports for those in need and universal access to quality early care and learning for all young children, is resulting in high rates of vulnerability in children. This vulnerability translates into weakened educational outcomes, health inequities and long-term loss of productive potential. This is a recipe for unsustainability and rising social costs.

Developing the full potential of every child in Canada is a good economic investment, in the context of an aging population, as well as the right thing to do.
Canadian Coalition for the Rights of Children

If we are truly interested in increasing productivity and ensuring the next generation is equipped to compete in an international knowledge-based economy, the starting place is increasing Canada's public investments in early child development and education.

SHARED PROSPERITY FOR ALL

Inequality between the rich and poor in Canada has grown more than in any OECD country during the last decade, with the exception of Germany.⁴ The recent commentary by the Conference Board of Canada provides additional evidence that the economic benefits in the good times over the past 15 years have not been shared equitably, producing an increasingly divided society.⁵ High child and family poverty rates, increasing housing insecurity and food

¹ UNICEF Innocenti Research Centre, 2008. *Early Childhood Services in the OECD Countries*. www.unicef.ca/portal/Secure/Community/502/WCM/HELP/take_action/Advocacy/iwp2008%2001final%20Bennet.pdf

² Human Early Learning Partnership, 2009. *15 by 15: A Comprehensive Policy Framework for Early Human Capital Investment in BC*. www.earlylearning.ubc.ca/for-you/business

³ Ibid.

⁴ Organisation for Economic Co-operation and Development, 2008. *Growing Unequal? Income Distribution and Poverty in OECD Countries*. www.oecd.org/document/4/0,3343,en_2649_33933_41460917_1_1_1_1,00.html

⁵ Conference Board of Canada, 2011. *Hot Topic: Canada Inequality*. www.conferenceboard.ca/hcp/hot-topics/caninequality.aspx

bank use for families with children, and a rising tide of working parents raising children in poverty are all indicators of the urgent need for action to reduce inequities through thoughtful public spending and public policy.

The 2012 federal budget must reflect the will of Parliament as expressed in the unanimous House of Commons resolution in November 2009 to *develop an immediate plan to eliminate poverty in Canada for all* by addressing the serious and avoidable inequities that have been allowed to develop in the health and well-being of Canadians.

To ensure economic growth and prosperity in a knowledge economy requires a well-educated workforce. Investments making early childhood education and care available to *all* families are fundamental to increasing the availability of skilled workers and ensuring that increasing prosperity is equitably shared among all sectors of our society.

We also draw your attention to the cost of not dealing with the social and economic deficit caused by continuing high rates of child and family poverty. Recent studies estimate the cost of poverty to be between \$8.1 and \$9.2 billion in British Columbia alone.⁶ Nationally, the costs of lost revenue and remedial expenditures are even higher.⁷

“The annual cost of child or intergenerational poverty is very high. If child poverty were eliminated, the extra income tax revenues nationally would be between \$3.1 billion and \$3.8 billion (...)”

The Cost of Poverty, An Analysis of the Economic Cost of Poverty in Ontario, 2008

BEST INTERESTS OF THE CHILD

We remind the Committee that Canada is a signatory to the UN Convention on the Rights of the Child and has therefore committed to make the best interests of the child a primary consideration in our legislative, judicial and administrative decision-making.⁸

We urge Government to make sure that attempts to reduce government spending for whatever reason do not adversely affect the well-being of children. In practice this requires the application of a **child impact assessment** to Government’s budget decision-making process, with particular attention to vulnerable populations of children who are already underserved, living in poverty or otherwise disadvantaged.

We are looking for the 2012 federal budget to demonstrate the wisdom of long-term thinking which judges every tax and program spending measure from the view of its impact on the well-

⁶ Canadian Centre for Policy Alternatives, 2011. *The Cost of Poverty in BC*. www.policyalternatives.ca/costofpovertybc

⁷ Ontario Association of Food Banks, 2008. *The Cost of Poverty*. www.oafb.ca/assets/pdfs/CostofPoverty.pdf

⁸ United Nations Convention on the Rights of the Child. Article 3. <http://www2.ohchr.org/english/law/crc.htm>

being of Canada's youngest and most vulnerable children and families and places child and youth rights at the top of the priority list.

RECOMMENDATIONS

First Call recommends to the Committee that the 2012 federal budget:

- 1. Place a high priority on increasing Canada's annual investments in early childhood care and learning from our current 0.25% of GDP to the recommended UNICEF benchmark of 1% of GDP.**
- 2. Focus spending and re-design federal tax policy with the aim of reversing the growth of income inequality in Canada.**
- 3. Submit all budget decisions to the scrutiny of a child impact assessment, especially for impacts on members of particularly vulnerable groups such as Aboriginal children, children with disabilities, recent immigrant children and children in lone-parent female-led families, in order to ensure that we do no harm.**

CONCLUSION

Accomplishing the first two broad policy objectives, supporting early childhood development and reducing income inequality, is fundamental to creating a healthier, more sustainable path of social and economic development for our country. The third recommendation provides a process with little or no cost that will reduce the risk for negative unintended consequences.

The obsession with tax cuts as the best solution no matter what the problem has differentially benefited those at the high end of the income scale and has gutted the ability of government to respond to collective social needs. This translates in practice into a violation of children's rights to adequate care and education if they happen to live in low income families or fall into another vulnerable group. Necessary services are rationed, wait lists are long, and families struggle individually to make up these deficits in support.

The current situation highlights the lack of political will at the leadership level to champion children's best interests, and give them the priority they deserve. However, the cost of political inaction is steep. Our future depends on the ability of today's young people to achieve their fullest potential, and we know living in poverty or going without crucial early childhood supports undermines that potential.