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## **Standing Committee on the Status of Women**

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**EVIDENCE**

**Monday, October 24, 2005**

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**Chair**

**Mrs. Susan Kadis**

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## Standing Committee on the Status of Women

Monday, October 24, 2005

• (1535)

[English]

**The Chair (Mrs. Susan Kadis (Thornhill, Lib.)):** Good afternoon.

I think we'll bring the meeting to order. I'm sure people will be coming along as we go.

It's my pleasure to welcome the committee to our meeting today. Today we are going to resume our discussions and our hearings from witnesses on the subject of parental benefits for self-employed workers, which we left off in our last meetings.

I'm looking forward to input from our guests today. From the Child Care Human Resources Sector Council, we have with us Diana Carter, executive director, who I believe will lead with the opening remarks, and Jamie Kass, board member.

Just to familiarize you with the process here, let me explain that we have the opening statement and then a seven-minute initial round, including questions and answers. Then we go to five minutes; please keep that in mind.

Thank you. Please proceed.

**Ms. Diana Carter (Executive Director, Child Care Human Resources Sector Council):** Good afternoon.

Thank you very much for inviting us to come and present this afternoon. We're delighted to be here.

My and Jamie's expertise is really our knowledge with regard to the child care workforce as opposed to our knowledge with regard to EI and parental leave, so that would be an opening point.

My understanding is you'd like me to present.

**The Chair:** Yes; you have up to ten minutes.

**Ms. Diana Carter:** Okay.

**The Chair:** Thank you.

**Ms. Diana Carter:** As I mentioned, we are here representing the Child Care Human Resources Sector Council. It's a not-for-profit organization funded by Human Resources and Skills Development Canada.

We're a new organization. Sector councils have been in place for a number of years, but the child care sector council is the first from the social sector.

The focus of our work is to move forward on human resource issues affecting the more than 300,000 people who make up

Canada's child care workforce. Of those child care providers, 96% are women and over half of them are self-employed, so it's an excellent fit for this hearing.

There is a research framework on which we're basing our comments. We'll focus on two documents; actually, one is going around. I'll leave them with you. This is *Making Family Child Care Work: Strategies for Improving the Working Conditions of Family Childcare Providers*. It's actually a project that was funded by Status of Women Canada. This report was made available in January of this year; it is available on the Status of Women website, but we'll certainly leave this copy with you. There are a limited number printed.

The other document we're going to be referring to is the child care sector study. This report was completed in November 2004. You have that if you got the little folders with our materials. There's a CD containing the full report if you need it, in both French and English, but there are hard copies here if anybody would like them.

For our presentation today we're focusing on family child care providers, who make up the vast majority of self-employed child care workers. In Canada, family child care is the most common type of child care service used for children five and under, and that's indicated in our sector study. Family child care providers care for children in the provider's own home and are generally considered to be self-employed.

Our remarks will be based on two studies: the one I've mentioned, *Making Family Child Care Work: Strategies for Improving the Working Conditions of Family Childcare Providers*, which is the study sponsored by Status of Women Canada, and also *Working for Change: Canada's Child Care Workforce*, a study sponsored by Human Resources and Skills Development Canada.

In both instances our research focused on providers in regulated care; however, it is safe to say that the real and pressing need for maternity and parental benefits expressed by child care providers in the regulated sector is felt just as strongly by providers in the unregulated sector.

Our position is that we strongly support the extension of maternity and parental benefits to self-employed child care providers; however, it is important to understand the working conditions of family child care providers in Canada in order to determine the most effective approach to doing so.

Many self-employed women are not high income earners. Family child care providers are a good example of this. They have very low annual incomes. Most simply, they cannot afford to pay both the employee's and the employer's contribution to a parental insurance program—as they already do, for example, for the CPP or the QPP. In this sense, family child care is a typical female field of low-income self-employment.

I'm going to hand over to my colleague, Jamie Kass, who will give you information that is a little bit more technical.

Thank you.

**Ms. Jamie Kass (Board Member, Canadian Union of Postal Workers (Child Care Programs), Child Care Human Resources Sector Council):** As a general rule, we wanted to give you a picture of the family child care workforce. These are primarily women who care for children in their own homes, so in the provider's home.

As a general rule, regulated child care providers work about a 56-hour week, of which 47 hours are dedicated to the care of children and 9 hours to the preparation of children's activities and meals. Family child care is a complex job that combines not just the care but the education of young children, communication with parents and other professionals, and in fact small-business management.

Working conditions are characterized by long hours, often without contact with other adults, an absence of breaks and a lack of outside support. As the crucial link between quality early childhood care and positive outcomes for children later in life has become clearer, in the regulated sector more and more requirements in terms of professional training and safety in educational programming have been important to the providers.

Research has shown us that better working conditions and compensation are related to a higher quality of care. We've had clear evidence in fact in the research that they're linked.

Currently there are over 180,000 family child care providers offering child care in their own homes in Canada. In fact, the average annual income for a home-based child care provider in the year 2000 was just \$15,600, and that's before business deductions—meals and snacks for the children, toys and equipment and so on—which significantly decrease that already low salary.

This is why, although we are convinced that there is crucial need for maternity and parental benefits for providers, we think the committee should be aware that there is an important issue here around how these benefits will be delivered to low-income workers like providers. Studies show that the main reasons cited by providers for offering child care in their own home is the desire to stay at home in order to care for their own children. Over 60% of regulated providers are less than 40 years old; 87% have children at home; and more than 58% have children younger than six years of age. Thus, family child care providers are more likely than other women to want to complete their family and have a particular interest in access to maternity and parental benefits.

At the present time, though, like many self-employed women, a family child care provider who decides to have a child often has to return to work within a month after giving birth. We understand that Dr. Karen Hughes testified to this in May. She's a professor at the University of Alberta. At the same time, as we are sure you can

readily appreciate, many new mothers find caring for their new child and continuing to provide care for four or five small children a bit overwhelming. However, providers are particularly vulnerable financially after the birth of a second child, given their low incomes and lack of parental benefits. Contingency funds are often a luxury they can't afford. Further, it's important to consider that many of these women may have contributed to EI through other employment prior to entering the family child care sector and now cannot receive those benefits at the very moment that they need them the most.

So we believe that women workers should have the choice to stop working during the first months of their child's life, even though they're self-employed. Making family child care providers eligible for maternity and parental benefits under the EI Act is an important way of making sure that this is possible. Further, the *Making Family Child Care Work* study suggested that sickness benefits under EI would be a natural step to making self-employed workers, like providers, less vulnerable in today's economy.

● (1540)

We recommend that the government extend parental and maternity provisions through EI to self-employed workers. We also recommend, however, that providers themselves not have to finance these benefits without any outside help. Providers should be able to access these benefits by making the same contribution as employees do now. We note that for categories of self-employed workers currently included within the scope of the act—fishers, hairdressers, drivers, temp agency personnel—this is the case: self-employed workers only pay the employee's contribution to the fund, not the employer's.

Finally, given that the family child care provider's income is so low—about \$15,000 a year—the current benefit rate of 55% is simply too low to provide a meaningful benefit to most providers. We would recommend that the current rate be raised; otherwise, many caregivers would not be able to care for their newborn and remain on leave for the full 52 weeks, since the payments of EI benefits for maternity and parental leave, at the current 55% of contribution, are too low to live on.

Thank you.

● (1545)

**The Chair:** Thank you very much for your presentation.

We'll go to Ms. Smith.

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Thank you very much, Jamie, for your presentation.

I would appreciate a copy. I understand we have a copy here, but only an English version, so I'm hoping we can get it translated.

Just to clarify what you've said, to extend these maternity benefits, you're basically saying do it through the EI process. Could you expand on that a little bit, please?

**Ms. Jamie Kass:** We just think that at this point the EI for parental and maternity fits for this group of workers. There are other self-employed workers who are covered, as we explained. We think this is a group of very low-income women who should have access, as self-employed women, to benefits. The real problem comes because they're so low-paid they can't afford to pay both the employer and the employee contributions.

**Mrs. Joy Smith:** Thank you.

Sometimes self-employed workers have other workers with them, so they pay benefits through their home-based business, but a lot of them don't. For the ones who don't, how could we fund this through EI? Do you have any ideas about that?

**Ms. Jamie Kass:** There are a couple of provinces—both Ontario and Alberta, and there's some limited home family child care in New Brunswick—where there's an agency model. Providers are still considered self-employed, but there's an agency that goes out to monitor and support the provider.

In that case, they could be deemed not the employer but the agency to make the contributions, though in the end it would have to come from provincial government funding anyway. But in most of the provinces, providers are individually licensed by the provincial government, so there wouldn't be a clear way to do it except to put more public funding into it.

**Mrs. Joy Smith:** We know it's a provincial jurisdiction. What you're saying is it would be helpful for us at this level to be encouraging our provincial counterparts to...?

**Ms. Jamie Kass:** No, EI is a federal—

**Mrs. Joy Smith:** Yes, I understand that, but you're talking about the agency.

**Ms. Jamie Kass:** —jurisdiction, so it would have to be federally regulated.

**Mrs. Joy Smith:** This is where I don't get the connection. I'm not sure where these agencies come from. Do they come provincially or federally?

**Ms. Jamie Kass:** Yes, it's the way that child care is regulated in the provinces.

**Mrs. Joy Smith:** They come provincially?

**Ms. Jamie Kass:** Yes.

**Mrs. Joy Smith:** And EI is federal, so we would have to do it, instead of through EI, in a different way, perhaps.

**Ms. Jamie Kass:** I think you'd look at covering the people through EI, then having some kind of fund to tie to it so the providers would not have to pay the employer part of the benefits—so what they were paying was no more than employees would pay under EI now.

**The Chair:** Thank you.

Madame Gagnon.

[Translation]

**Ms. Christiane Gagnon (Québec, BQ):** In Quebec, self-employed workers are required to make contributions. The Minister of Human Resources Development said he was prepared to take a look at this system. I'd like to know, in view of your study, what your interest is in this system of mandatory contributions. Will your field study cause you to suggest this route to the Minister?

[English]

**Ms. Jamie Kass:** Can you talk a bit more about how they're doing it in Quebec?

• (1550)

[Translation]

**Ms. Christiane Gagnon:** Self-employed workers should be required to make contributions. Have you analysed what happens in Quebec compared to what is proposed in the federal context? What are you going to suggest? There are various views, concerning benefits. The insurable level, the duration of benefits and the level of contributions are not the same. Will you examine what goes on in Quebec?

I haven't read your study. I've just been assigned this file. In your analysis, have you had any indications that an extension of the amount insurable or of the obligation to contribute for self-employed workers would be necessary? They say Quebec is more generous in this regard. After accumulating \$2,000 in income, one becomes eligible. The insurable amount is high, namely \$52,000. In your study, you suggest an alignment with the federal government's parental leave, don't you?

[English]

**Ms. Diana Carter:** I'm not sure we specifically address that recommendation in the study. This is a very specific area of discussion currently at this table, whereas the study is more general. I think the sector council would support the concept of federal funding for this benefit, as long as it was done equitably and did not interfere with provincial jurisdiction. But the mechanism for doing it is not really our expertise.

[Translation]

**Ms. Christiane Gagnon:** In your study, you analysed the needs of self-employed workers, who expressed their views concerning parental leave and maternity leave. Some of the people surveyed in a study conducted in Quebec stated they hadn't used all their parental leave because the amounts allowed were too low. They returned to the labour market very quickly. Have you observed the same phenomenon in the field? It underlies certain recommendations.

By basing yourself on your study, do you think you can make us a few suggestions concerning the extension of parental leave? I'm not talking here about trespassing on provincial jurisdictions, but just the content of your recommendations. Are you suggesting the program should be broadened, made more accessible, that self-employed workers should receive better assistance and that we look at the shortcomings of what is being proposed? People are talking about benefits of some 55 per cent and a lower insurable level. There are also waiting periods. This would involve offering better support for self-employed workers, particularly women. As you said earlier, these people's income is not very high. So the quality of financial support would have to be good.

[English]

**Ms. Jamie Kass:** That's why we are suggesting we support mandatory benefits for self-employed women, particularly for low-paid women. We know there has to be a limit on how much they can pay, because they can't afford it. So we would certainly support lowering the number of hours people need to qualify for EI. But we would also support raising the amount they could take from 55% of earnings.

A lot of family child care providers go back to work caring for other people's children after a month on maternity leave because they can't afford to go without any income at all. So it's a huge issue. You know, it's 98% women who provide family child care. They're often doing it because they want to stay home with their own children. If they then have a period of time when they have one child, they have other children in their home. And then they become pregnant and have another leave, they can't afford to stay off from that leave. So certainly they're going back to work caring for other people's children too soon. So anything that would help them sustain being off the job for a period of time, we would support.

• (1555)

**The Chair:** Thank you.

We'll move on to Ms. Torsney.

**Hon. Paddy Torsney (Burlington, Lib.):** I'm interested in this whole area because I'm thinking about who are your home-based people. A lot of them are going to be in rural environments. They close up shop for six months, or even two months, and the pattern is created where if my kid is there and I'm sending my children over to Ms. Demers now because you're on maternity leave, well, I'm going to get used to Ms. Demers, and I'm not going to come back. So I would think there are other business issues around this, and I'm wondering if the flip isn't better. Wouldn't it be better that I was able to have access to some kind of replacement worker in my own business or some kind of supplement toward an employee for that period of time, rather than taking maternity leave or parental leave, then giving my clients an opportunity to experience some other business? And I'm also thinking about a rural environment where there aren't going to be that many options. So it's not a question for this hamlet of individuals to ship their kids to another hamlet, if I'm the only one who's able to provide parental leave.

So as I was thinking through that process, I was thinking how many kids does each of the home people have? And I wondered if you really do have some children yourself, not client children.... If you do have the breakdown on who all these individuals are, do they

generally have one child, or two children, or five children, and they're bringing in some extra children to supplement? Because \$15,000, I mean, it goes from about \$10,000 in Newfoundland—under \$10,000 as an average full-time earning—so that's not a full-time wage. It's supplementing the family at best, so that money is important. I'm trying to figure out how it would work in terms of how they would reorganize themselves during the period they were taking benefits, which is probably why they're only taking a month, if at all.

**Ms. Diana Carter:** It's a complex thing. I think if the idea of EI parental leave is to provide income to the caregiver so they cannot work for that period of time and—

**Hon. Paddy Torsney:** Not get paid—they're still working.

**Ms. Diana Carter:** Absolutely. I would agree with that. But it's so they would continue to have an income and be able to be home with their newborn.

Now, if they were to get a substitute person to work in their home to continue to care for the five children, then presumably there would be some income generated by doing that, which would cover the costs. But I think you raised a really critical point, which is why many.... It's not easy to find somebody to come into your home for a three- or four-month period to do that job, given the low amount of money you're earning from providing that service. It's not easy to do that.

**Hon. Paddy Torsney:** I think it would actually be easier to find someone to come in on a two- to three-month contract at my business, where I had four or five kids, than the opposite, which would be for the parents of those four or five kids to find some other parent to give care. I'm wondering if we have a more in-depth analysis about who these individuals are and how these businesses run, because I know from my friends' experience that if your child's caregiver has sick leave or something, you find a new location and you don't go back. In some of the rural parts of the country, there just aren't other options. It would be easier to find somebody I could supervise who could work on a part-time basis, or someone on a full-time basis for a short term, than to set up a whole new child care. I've got the room already designated, I've already got all the toys here, and I've already spent a lot of money on very low earnings to provide my business; as a business owner, I don't want you going down the street to the Crowder house, because you're not coming back once she sets up. I would think that if you could hire someone out of some special kind of program for a short term, it would be better than paying into a system that might help you with income replacement when you have a child, but it won't help your business; it could destroy your business by sending your kids down the street or into the next hamlet.

•(1600)

**Ms. Jamie Kass:** I think it's symptomatic of the low pay in terms of its being very much a low-wage, female ghetto in terms of the people. Increasing the public funding to child care and making it a job with a liveable wage is one way of addressing it.

We have people from rural communities on our council, and rural child care is a complex issue. Not that many people actually want to do family child care, because the income that comes from doing it is so low. In some of the provinces you can hire people; in other provinces, you can't hire people.

I think it would be very difficult to have a new baby and also have someone employed in your home who is looking after other people's children. It's very complex, but I don't think what you're suggesting would work very well either, because it's when you have a new baby that you need the space in your own home. I think there is a period of time when they would welcome being without other people's children in their home.

**Hon. Paddy Torsney:** I guess I'm back to my original question.

**The Chair:** You have 30 seconds.

**Hon. Paddy Torsney:** Yes. Do we have more information on these home-based businesses, and can we get access to it? How many children are they, on average, caring for? Where are the kids coming from? How many children of their own do they have? While I agree with the concept that you want to have time with your own baby, I imagine that if you're a child care provider, you're way ahead of a brand new mom with a brand-new baby in terms of caring for children. I'd like to see the facts, rather than speculate.

**Ms. Jamie Kass:** The University of Toronto's child care research and resource unit probably has the best information on the numbers of child care providers, how many spaces there are out there, what it looks like in the rural communities, and that kind of thing.

**The Chair:** Thank you.

Ms. Crowder is next.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Thank you for your presentation. I have a couple of comments and then a question.

I went back to the presentation Human Resources and Skills Development Canada did for us last June. You've highlighted some of this, but I want to talk about it specifically because of some of the issues you raised.

One of the things that has been a challenge for women qualifying for maternity benefits is that despite the unemployment in their area they need an across-the-board 600 hours to qualify. I don't want you to answer this question right away, but are there incidences of part-time self-employment in this field? The 600 hours is a barrier to women qualifying, and it's a barrier in high-unemployment areas. That's one point.

The second point is—and I'm not sure how women would be impacted in child care by this—that overall the percentage of women who are actually eligible has dropped quite radically since 1994. In 1994, 49% of women were receiving what was then UI, and by 2001 it was 33%, so there's been a radical decline in the number of women

who are actually able to qualify, because of their being in non-standard employment.

The third piece I wanted to bring up—and you touched on it—I would suspect is not really clear. I have a report the steelworkers did called *It's a Balancing Act: A Steelworker's Guide to Negotiating the Balance of Work and Family Responsibilities*. They specifically talk about the fact that even of women who can actually qualify for maternity and parental leave, in 2001 25% of all mothers with benefits were back to work within eight months. I know you talked about self-employed women not even having that option.

The other questions I had with this in this context.... Just having self-employed women who are already in low-wage employment come into a system that's already not working for women.... I wonder whether you could talk more specifically about the changes you see as needing to be made to make it more equitable for these women. You talked about raising the rate, but are there other things?

The second piece is, are you suggesting it would be mandatory, so that there would be no option to be in or out? Either you would be in, and that would be the requirement for all workers....

The third piece is, what specifically do you see would need to happen in order to have this change in the legislation? We've been talking about this for years. Why haven't we done something about it? What is the element that needs to happen?

•(1605)

**Ms. Diana Carter:** Those are a lot of complex questions, so I'll try to address a couple. I would think the points we're making with regard to child care providers would be just as applicable to many self-employed women who would like to have the opportunity of having parental benefits. My understanding is that many self-employed women are not high wage earners. There certainly are those who are earning well, but many are not. I think this is not just specific to child care providers, but we are here talking about child care providers.

That would be one comment. Jamie, would there be other things you would want to add?

**Ms. Jamie Kass:** I think part of the problem is that the sector council, as a council, doesn't have a position on a lot of these pieces, so it's hard for us to come with specifics in terms of some of the stuff you're referring to.

In terms of whether it should be mandatory to participate, my experience is that when it isn't mandatory, women will choose not to participate, because they feel they can't afford it; if we're bringing in something under EI, we should ensure that it's coming in where people can afford to participate and will welcome participation.

When we did a number of focus groups during this study, looking at women in the regulated child care system, what we heard from family child care providers in the regulated system was that they wanted to have access to parental and maternity benefits, so it became one of the recommendations. Also, they were self-employed women; by and large, family child care providers are. That was something we heard from them—and sickness benefits. They wanted to be able to access EI for sickness, and for maternity and parental leave.

In terms of people not staying off, it certainly seems that the coverage.... For a while we saw women not taking part in staying off for maternity and parental leave. Then, in the last little while, I think an increasing number of people have been staying off. You would have better access to some of that data, but I think there are some statistics about the usage of EI in the sector study, the *Working for Change* study.

A lot of the child care workforce, the early childhood educators, are not paid high incomes. Do they stay off for the full year? We didn't look at the data on whether early childhood educators working in a centre-based child care are staying off for their full amount of leave. Certainly we hear more and more about their need for child care.

In terms of raising the number of hours that people need to qualify, we would, I think, support having that limit lowered.

• (1610)

**Ms. Jean Crowder:** Do I have time?

**The Chair:** You have 30 seconds.

**Ms. Jean Crowder:** I just want to make a comment. It's just a comment on willingness to pay premiums. A March 2005 HRSDC survey did note that 80% were willing to pay premiums, so people were willing to pay premiums in order to receive the benefit.

**Ms. Diana Carter:** I would add just one comment. When you're just talking about parental benefits and you're talking about options, there's obviously going to be a demographic way in which that plays out. Women who are in their 20s and 30s will sign up, and women in their 40s and 50s maybe won't be as likely to, so even though we are looking just at parental benefits here, sometimes you need to look at the issue within the broader context of benefits as a whole.

**The Chair:** Ms. Smith.

**Mrs. Joy Smith:** This is indeed a very complex issue, and a very important one. Can either one of you tell me if any data are available as to how much it would cost an EI system to take on this additional responsibility?

**Ms. Jamie Kass:** I would say we'd leave that up to you too. You probably have access to better researchers than we do, in terms of the cost of doing it. I would imagine it's something you're looking at.

**Mrs. Joy Smith:** The second question is—

[Translation]

**Ms. Christiane Gagnon:** In Quebec, the costs have been estimated at \$1 billion.

[English]

**Mrs. Joy Smith:** Thank you.

What proportion of self-employed workers currently benefit from private insurance coverage, such as health insurance? Has any study been done on that aspect?

**Ms. Diana Carter:** I don't think we could come up with any firm statistics, because as a sector council we're looking at the broad issues of the workforce, not specific issues of EI. Some women who are in relationships might be covered through their partners' plans, so that may be one way, but judging by the incomes of these women, I would say most people are not in a position to have coverage if they are self-supporting or if their partner doesn't have benefits.

**Mrs. Joy Smith:** There are two questions here. First, sometimes I notice that around the table we talk about child care workers, then we talk about day care workers, and then we talk about early childhood educators. Now, having been a teacher for 22 years in the public school system, I can tell you that early childhood is one of the most important places. It requires a lot of education—about Piaget, or whatever system is used by the school system—to understand the developmental stages that small children go through. It seems to me that when children are in day care, it's just a golden opportunity to use some of those early childhood education initiatives that are so important to the reading, writing, and well-being of the little ones when they come to day care.

Has there been any concerted effort to see at what level day care workers have an opportunity to be provided with this kind of information to assist them at the day care or child care centre?

**Ms. Diana Carter:** Training is a very critical piece of the focus of the council. Child care is a relatively new field. In fact, it's so new that the terminologies “child care” and “early learning and education” are both used. It's not a profession that's really named its profession, per se.

So this is a really important area of focus. However, the interesting thing to say is that our sector study shows that if you look at the average education of child care workers as a whole versus the population as a whole, child care workers are better educated than the population as a whole.

• (1615)

**Ms. Jamie Kass:** The average training, for I think about 60% of the workforce, is a two-year diploma. In our *Working for Change* document you'll find a lot in terms of training. We've been looking at the whole issue of training. Certainly it's a fairly well-educated workforce that does consider its responsibility and role in the care and education of young children through play-based learning to be quite important.

**The Chair:** You have more time, if you have more questions.

**Mrs. Joy Smith:** I do, yes, thank you.



I know that our experience with day care was an extremely positive one. The day care workers who took care of our children at some point were extremely well versed. With the initiatives we're talking about here, including maternity and parental insurance and things like that, are you aware at this time of any groups of self-employed workers within day care organizations, other than you people presenting here today—and it's been a wonderful presentation—who have organized themselves to buy into a private maternity and parental insurance plan?

**Ms. Diana Carter:** I think you raise a good point. Family child care providers, by the very nature of their jobs, are quite isolated from other workers. So while there are some endeavours by family child care workers to develop professionally, through meetings and so on, there's very little time and resources to organize in terms of some of the things you're suggesting—for instance, in terms of organizing a benefits package. I'm certainly not aware of any.

**Mrs. Joy Smith:** Do I have more time?

**The Chair:** Yes.

**Mrs. Joy Smith:** That's not a suggestion but a question, just to see what's out there, to see what can be provided for and what is needed.

Some self-employed workers would prefer private insurance coverage to mandatory participation in a public program such as EI. So what would be the advantage for self-employed workers of participation in the maternity and parental benefits program under EI versus private insurance, which self-employed workers could purchase? Do you have any ideas about that?

**Ms. Diana Carter:** I think the main point is access. What we're proposing is that there be a public system put in place that is subsidized, because without that subsidy, very few self-employed child care providers would be in a position to afford either public or private.

**Mrs. Joy Smith:** How many more minutes?

**The Chair:** None, actually.

We'll move on to Ms. Torsney.

**Hon. Paddy Torsney:** As I listen to this description...and again, I'm looking at page 4 of your small summary. In terms of home-based ECE and the assistance, \$14,916 is their average annual income, but that includes the assistance, not just the home-based operators.

I'll let you look at that.

You mentioned these agencies, and it strikes me.... It's not that the parental benefits aren't important, because they are. They're absolutely important, and that's why we support them across the board. But in terms of the first order of business, for people providing in-home child care, I really think the employees in a larger-based centre are quite different from the home-based ones. If I'm operating a home-based child care and I have kids, it's a completely separate issue than if I were employed by a company. What I'm concerned about is that they don't have high income, but their income is probably critical to their family.

So paying into benefits—I'm trying to imagine how this would work—is one thing, but probably more important would be things like disability insurance or deals on liability insurance in terms of the

house they're operating. They're already getting some tax benefits from running a business out of their house. I'd like to see if we can get some breakdown on exactly what benefits a home-based business would be entitled to.

It's disability insurance that I think they would need for income replacement. I think there would probably be a lot of interest in the access to health care benefits and life insurance benefits as a group, with a group's ability to purchase things. If you talk to a lot of self-employed people, they don't have income replacement insurance, because it's quite expensive. I imagine that some of those supplements could be more important to a lot of these individuals than the parental leave. The parental leave is usually more important because you want to be back at home with your child, which you already would be if you're running a home-based business.

As well, the hours issue isn't really an issue. You're already working as many hours because you've been running a business for all these weeks. It's the people who go back on a part-time basis who usually have more difficulty getting access to parental leave on the second child, or in the first case.

I'm really thinking that we need to separate out, in terms of the workers in the child care industry, those who are employees and those who are running businesses. The ones who are running businesses are completely different. I'm wondering how we can tease that out. The U of T study is one that you pointed to, but are there other sources of information that we need to look at to get a better picture of who these people are?

• (1620)

**Ms. Jamie Kass:** When we did the study through Status of Women, we did a number of focus groups with providers. We can look up some of the pieces; it wasn't published, but we actually have some of the reports from it. What we heard is that they wanted maternity and parental leave with sickness benefits under EI. They wanted pension plans—there was a huge concern about pension plans—and they wanted other benefits. Replacement is huge, disability cost is huge, as is extended health care, but again, those plans are very difficult to buy, which means public health care for this group of workers becomes even more important.

So those were all issues. Did we hear about maternity and parental benefits from them? Yes, we did.

**Hon. Paddy Torsney:** Probably from the younger ones.

**Ms. Jamie Kass:** Yes, but you see, a lot of them are caring for their own kids. We have the age breakdown in the sector study. When you break it down by age, you see that often they're of child-bearing age.

**Hon. Paddy Torsney:** Because it solves two problems at once: it brings in some income, plus it provides them with child care for their own children.

**Ms. Jamie Kass:** I agree with you completely. They are a group of people, women, who are doing this because they need the income. They're not doing it just because they love kids.

**Hon. Paddy Torsney:** Hopefully, they're not mutually exclusive.

**Ms. Jamie Kass:** Exactly. They really do need the income in the family home. Some of them will leave family child care and go to work in group child care programs, or they're working in group child care, and they might go back to work in family child care when they're having their own kids.

**The Chair:** Thank you. To let you know, could you wrap it up to go to the next speaker, unless you're finished.

**Hon. Paddy Torsney:** In terms of the committee's work, I think we need some more breakdown on these individuals and what some of the other benefits are. Perhaps we could even provide some questions on the Internet we could ask your members to get them to participate if you're doing a broadcast. I think this sector needs a lot more understanding, and I think they are providing children. I'm so pleased to hear Ms. Smith support what Ken Dryden has been working to do right across the country, in terms of supporting early learning, and making sure our kids are as productive as they can be and as ready to learn when they get to school. It's a really important piece of what we're doing.

**The Chair:** Thank you.

We're moving onto Madam Demers.

[*Translation*]

**Ms. Nicole Demers (Laval, BQ):** Thank you, Madam Chair. Thank you, ladies, for being here this afternoon.

Like my colleague, I find this to be a very complex file and I'm aware of this. I know how important it is for us to have responsible people care for our children when we must work outside. But, like Ms. Torsney, I wonder whether this is the ideal solution for these workers. Have you thought about doing like the workers and craftspeople in Nunavut? They couldn't receive employment insurance when they were sick because they didn't contribute to it, being self-employed workers. They set up a cooperative that provided them with services and insurances much more generous than the benefits paid by employment insurance to self-employed workers who don't earn much. I don't know how the workers in other areas would react if some workers were regarded as a group apart and received a higher percentage of employment insurance when they were pregnant or they wanted to take care of their children. At home, it's 52 weeks, and I think employment insurance only offers 35 weeks. It's also 52 weeks?

It's a very complex issue, and we need more data to come to decisions that are fair for everyone. It's not easy. I congratulate you on the work you're doing. It must be hard to gather all workers together when they're in separate houses. Do these women mind one, two or three children? If they were in a cooperative, the children of one could go to the other's, and they could spell each other off. But that worries me too: changing spaces too frequently can harm children's growth.

Have you thought about any other types of group insurance to help these women?

• (1625)

[*English*]

**Ms. Diana Carter:** My understanding about how employment insurance works, particularly with regard to parental benefits, is that it takes the cost of those parental benefits and it spreads it across the entire population.

With family child care providers, they are largely women of childbearing age who are staying home to care for children while they have their own children. That is the profile. We know there's a very high probability that they will need to draw on these benefits, which means that if they purchase a self-funding system, they're going to have to cover the entire cost through the cost of the insurance. It's self-defeating when you look at what the intention of parental benefits is through the employment insurance system, which is to take the cost of raising children and having children across the entire population. In the case of family child care providers, those women are the ones who are at home having children, so they're not only going to have to fund the insurance, they're going to have to fund the insurance company to administer it.

That would be my concern, although I'm sure I've oversimplified it to a certain extent.

With that regard, in response to the points that Ms. Torsney was raising, it's the same thing with regard to other benefits. This is a high-risk profession. Your chances of being exposed to sickness, to having long-term disability because you're hauling heavy children around, are great. Therefore, to self-insure, even when you do it as a group, it means your costs are still going to be very high.

This is an impoverished sector or part of the workforce, yet largely women who would need to be drawing upon these benefits. They would also be required to pay in under the current system even if they were to be covered by EI. With the amount of money they earn, I think we have to rethink this.

The labour market's needs are changing. Presumably, that's one of the reasons why we're looking today at this issue. We need to be really creative about encouraging and enabling people to participate in the workforce at the same time they're having children, and we have to do that differently.

• (1630)

[*Translation*]

**Ms. Nicole Demers:** I'm glad you said that, Ms. Carter.

Would you also include all women earning the minimum income? The fact is that it's not just the women who work in day care that earn low incomes. There are also those who work with old people, in restaurants, etc. All these women earn very low wages, less than \$15,000 a year, and they pay contributions. Also, when they become pregnant, they receive too little in relation to what they need to survive. They therefore have to return to work earlier.

Would you suggest that the entire system be reviewed so that all women who need to take maternity leave can finally receive decent benefits?

[English]

**The Chair:** We've run out of time, actually. If you can give a very brief answer, we'll then go on to the next speaker.

Thank you.

**Ms. Diana Carter:** I'm probably stepping outside my area of expertise, but I'm a woman, and, yes, I do think being a parent is an important role. Many people who would benefit from these types of benefits are not eligible for them right now.

**The Chair:** Thank you.

We'll now move on to—

[Translation]

**Ms. Christiane Gagnon:** I'd like to add a clarification about the \$1 billion I mentioned.

[English]

**The Chair:** Okay, just very briefly, yes.

[Translation]

**Ms. Christiane Gagnon:** This isn't a question.

A while ago, I talked about \$1 billion. This is the cost for the entire parental, maternity and adoption leave program. That's what it costs in Quebec. The share of self-employed women workers is estimated at \$45 million. They say that 13 per cent of self-employed women workers could benefit from it. I don't know; I'd have to check. However, it doesn't cost \$1 billion in insurance for self-employed workers on maternity leave, because that would really be very expensive.

[English]

**The Chair:** Thank you for the clarification.

Ms. Crowder.

**Ms. Jean Crowder:** I just have a brief comment and a brief question. I look back at "A snapshot of the child care workforce", and it says:

Average annual full-time income ...

- Centre-based ECEs and assistants: \$21,519
- Home-based ECEs and assistants: \$14,916

It seems unfathomable to me that we would actually ask those workers to self-fund anything on those wages. I just don't see how it would happen.

The question I have for you is whether you have looked at any other models. Again, I'm coming back to the HRSDC approach. They suggest that there are a couple of things that need to happen, and that we need to actually look at some other international models and at the Quebec model because it's already in existence.

The British approach for the self-employed says that people are excluded from unemployment compensation but can receive maternity and sickness benefits. The way I read this, it's not a broad-based unemployment insurance system, it's just for those, so I just wondered if you'd comment on that.

The other thing they had in there was that coverage is compulsory, but those under low earning thresholds can apply for exemption—that seems right—and premiums paid are earnings-related. So it

seems like there are some other ideas out there, and I just wondered if you had seen any other international models.

**Ms. Jamie Kass:** We've seen lots of other international models of child care, but in terms of parental and maternity benefits, it's just not our area of expertise.

Those sound like some interesting things. Obviously, looking at some of the European countries would be an important piece for this.

**Ms. Jean Crowder:** Yes, it seems that if there is a general interest in it, then we really need to go out and look at some other models and get some of the more technical expertise around some of these issues that have come up. If there are particular issues other than those you've flagged today for us to pay attention to, it would be helpful to hear of those at some point.

Thank you.

**Ms. Jamie Kass:** I just think the most important thing is to look at different models, just to recognize that for low-income women it's a particularly difficult piece. Some self-employed people are high-income earners and can afford to make the payments. What we want to underscore to you today is that whatever you look at, the model needs to be respectful of low-income workers.

• (1635)

**Ms. Jean Crowder:** That's a good point, and I think it's a really important one, because a significant amount of women who are self-employed are low-income earners.

Thank you.

**The Chair:** Thank you.

Mr. Powers is willing to relinquish the floor briefly to Ms. Smith, as she has to leave.

Thank you, Mr. Powers. We'll come back to you.

**Mrs. Joy Smith:** Thank you. I'm sorry, but I have another meeting to get to.

What we've talked about today is the plight of the day care workers—and my apologies, but I just have to clear the record. I am not in support at all of what has been brought forward by the Liberal government, and Ms. Torsney put that in mind. What I'm in support of is the day care workers, the wonderful work they've done, and the fact that they are underpaid.

We do need to be taking a look at what is happening in the day care sector. It's a very important component. This is where we have to take the politics out of it and really look at what we have for the children. We have to look at the models and we have to look at what's happening in this country.

When you presented today on the very low pay that day care workers get and the plight that women are in when they don't have the parental benefits, I thought it was very productive overall because of the kinds of questions that came forward: What are the opportunities for private health care? Because there has to be a buy-in, what are the opportunities for provincial funding? How important is the buy-in from the provinces to make this happen? It seems to me that the buy-in from the provinces is something we need to be concentrating on as well.

Could you make a comment on that?

**Ms. Jamie Kass:** We're in a time of huge change. A new child care plan has been introduced, and I think seven provinces have signed on to the agreements. There's huge change going on out there. Our sector council has been looking at all the issues related to human resources, so we're looking at training, we're looking at standards, we're looking at qualifications and how we work to increase those qualifications and the training available. We're looking at income and pensions and the kinds of working conditions that exist. And we're working with the provinces to bring in systems that will benefit children and the people who have the responsibility for their care and education.

So I think there's a lot of provincial buy-in right now in terms of making some significant changes in terms of the system.

**Mrs. Joy Smith:** It sounds as if you're doing the whole thing, like the day cares we have all across our country, plus at-home day cares, and all these different types. Am I correct that you're looking at the whole gamut, and not just one small sector?

**Ms. Jamie Kass:** Yes, we're looking at an integrated system of early learning and child care.

**Mrs. Joy Smith:** Good. Thank you.

**The Chair:** Thank you very much.

Mr. Powers.

**Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.):** Thank you very much for coming.

Very early—not in your presentation but at the start of our dialogue on the parental benefits and that—I came to the mind that a cookie-cutter approach would not do. I think your presentation today has very clearly indicated that in working toward a solution, we're going to have to look at sectors and some of the challenges within those sectors. I certainly agree with Ms. Torsney that we should equally look at the other benefits, not the income in addition to the income replacement, but those other things such as dental care, major health care, insurance replacement, disability—all those particular things that need to be in place.

I'm going to come back to you, Ms. Kass, with regard to a reference you made about some rates or remuneration. You referred to 55% recovery. My recollection in the Quebec model is there are combinations of maternity, paternity, and parental benefits that may go up to something like 55 weeks at a 55% rate. Then I think you can do another one with 43 weeks of maternity, paternity, and parental benefits at 75% of the rate. I know we did an evaluation of that to determine the payouts, and they were virtually the same when all was said and done on that.

Can you expand upon your comments that 55% of \$15,000 is not a lot of money? Have you gone into any further thoughts on that, other than 100%?

• (1640)

**Ms. Jamie Kass:** That's about where I'm moving.

We haven't. I think the new Quebec system is relevant to look at. Looking at a certain period of time at a higher rate and some choices there might be worth while. Again, our organization has been looking more at child care than maternity or parental leave. So to

some extent there are experts out there on these issues, and it adds to the discussion.

We're just now looking at what Quebec is bringing in starting January 1. I think it will be interesting to see how it's used. They have a provision where fathers have to take part of the time, and if they don't it can't be used by the mother, as an encouragement to have men take parental leave. I think that's something the European countries have been looking at, and certainly bears really looking at. So there are parts of that we think are important.

We are just really underscoring that 55% of \$15,000 is very little.

**Mr. Russ Powers:** Are your specific recommendations for your sector highlighted in your reports?

**Ms. Diana Carter:** Our reports were written for other purposes than this specific discussion, so they have recommendations that are much broader, based around the working conditions, wages, and salaries of the workforce as a whole. While home child care providers are clearly paid much less, the sector as a whole is paid less, so our recommendations are broader in scope. Also, a large part of the workforce is employed, so that's a different situation as well.

The answer is we don't have more in-depth recommendations in this regard, bearing in mind we are a new sector council less than two years old, and we are still getting research and positions under our feet.

**Mr. Russ Powers:** Would it be possible for you to précis a response on this particular—

**Ms. Jamie Kass:** We have our presentation written out and we're going to make sure you get a copy of it. It will give you that. And in the blue book, there's a specific recommendation on parental maternity leave and on regulated family child care. We made three specific recommendations, and those you will be receiving.

**Mr. Russ Powers:** I would respectfully request that perhaps a summary of what you want could be provided to us after the fact, so that it can be provided in the two official languages for us.

**Ms. Jamie Kass:** Thank you, sir.

**Ms. Diana Carter:** I would just maybe make one further comment with regard to that. Again, my understanding of the EI system is that 55% is based on your wage. Your wage varies depending on what part of the country you live in, which province or territory, and it's based on the assumption that it's a living wage. Clearly, \$15,000 in anybody's books is not a living wage.

Even though there may be some regional variations, that number itself is not a helpful number. If you're looking for a formula, maybe that means looking at what would be a living wage in the different provinces and territories and regions of Canada. That would be the basis for that formula, as opposed to 55% or even 65%. It's looking at what would enable people to take maternity leave and live.

• (1645)

**The Chair:** Thank you.

Are there any other questions for our witnesses?

Yes, Ms. Torsney.

**Hon. Paddy Torsney:** It's probably in the report that everyone kept referring to from the federal government, but in regular EI we top up up to 80% if you're low-income. Do we do that on parental leave too? I can't remember.

Can you find out about that? For low-income people the rate is much better than that, so if these people are running the homes and are the sole income for their family, then it would be different.

The other thing is whether we have the information on the tax implications of running a day care in your house. You can write off certain parts of your home. If we have some idea of what the spaces are, then that helps a little bit in terms of income—although it's not a lot of income.

Just give us whatever details we can get, because I'm in support of doing something. I'm just wondering about priorities across the majority of the individuals who are delivering home-based day care. Is this the best way to support their work? And I would be interested in whether the home-based day care providers are as educated as the ones who are working in day care provision.

**Ms. Jamie Kass:** That information's available in this study. It's not as high as that.

**Hon. Paddy Torsney:** Right, because a lot of them would be people who are choosing to run a business to help others in the neighbourhood, but also because they can provide their own income while they're parenting their own children. They're just a different profile of the self-employed worker.

**Ms. Jamie Kass:** And different provinces have different regulations. Again, home child care in the regulated sector is easier to study than home child care in the unregulated sector, because it's really difficult to find the people who are doing it.

Again, in Quebec, when they brought in a new child care program, it really—

**Hon. Paddy Torsney:** Added a lot of people to regulation.

**Ms. Jamie Kass:** Exactly, and it limited the number of people who are actually in the unregulated system now.

**Hon. Paddy Torsney:** Actually, in terms of training and things that are important, it's probably better to get everybody out there. When I think of some of the situations that some kids are in, I'm not sure it's that helpful.

**The Chair:** But lots are doing a very good job.

Thank you.

Are there any further questions for the witnesses? No?

I'd just like to ask you one myself. You mentioned or referred to experts at times. If you have any additional names that you would be willing to supply to the committee, that would be greatly appreciated. As well, we will be sending out, in both languages, the original briefing and the opening statement.

I want to thank you very much, Ms. Carter and Ms. Kass, for a very informative and very important, pertinent topic that we're studying. We appreciate your time, and I thank you for coming today.

To the committee, I just want to let you know that the witness for Wednesday had to cancel suddenly. What we'll do instead on Wednesday is discuss a tentative work plan that will take us from now to December. That will include agenda items that have been proposed already by the committee at the previous meeting, such as government responses to all four of our committee reports that we've tabled, and a follow-up on the Sisters in Spirit funding issue, which is very important. As well, we will be resuming our study on parental benefits for self-employed workers.

For the next meeting, you'll receive a document tomorrow with a tentative schedule of what I've discussed. As well, for next week's meeting on Wednesday, we'll have a list of witnesses. If you have other potential witnesses whose names you can forward to us, that would be appreciated.

Yes, Madame Demers.

[*Translation*]

**Ms. Nicole Demers:** Madam Chair, I'd very much like it, if it were possible, if we could look at the issue of breast implants. We took some time for this at the Standing Committee on Health. In my opinion, it's a problem that concerns all Canadian women. So I'd very much like us to spend some time on it.

**Ms. Christiane Gagnon:** Was the list of witnesses that you requested a while ago connected with the study of parental leave for self-employed workers? Do you want to have a list of witnesses?

[*English*]

**The Chair:** Just before we adjourn, we can discuss this option on Wednesday, Madame Demers.

Thank you very much.

The meeting is adjourned.





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