executive summary

This paper examines some of the trends and statistics that impact families and marriage in Québec in such areas as the economy, taxation, government programs and policies (including the provincial daycare program), as well as fertility, marriage, divorce and cohabitation rates. Québec is breaking new ground in family and social policy, and challenging traditional notions of marriage and family life—sometimes for good and, more often, in ways that are problematic.

The Institute of Marriage and Family Canada (IMFC) monitors statistics pertaining to marriage and family across the country as part of its work to strengthen Canadian families. Québec represents a perfect starting point, given its unique character and the desire among some academics, activists and government officials in the rest of Canada to emulate Québec’s family policy framework—most particularly the provincial daycare program. This is not advisable.

There are real reasons to be concerned about the sustainability of the rather ambitious Québec welfare state. Without substantial fiscal restructuring, the province may not be able to afford to maintain the extensive social benefits it currently offers families. Furthermore, without the re-creation of a marriage culture in Québec, should government benefits be curtailed due to budget restrictions, families will find it harder to recover.

Below is a brief synopsis of some of the more striking positive and worrisome trends.

positive trends

Québec’s fertility rate is increasing: In 2004, Québec’s fertility rate was 1.48 increasing to 1.74 in 2008. Canada’s fertility rate in 2004 was 1.53 increasing to 1.68 in 2008.

Québec’s education outcomes are relatively good compared to those of other provinces (though this is changing as seen in more recent reports).
Québec weathered the recent recession better than other provinces: Québec’s economy is currently doing well. Unemployment has fallen from a 9% peak in 2009 to 7.3% in May 2011 and wages are rising. Forecasts indicate that GDP should grow by 3.5% this year.

Worrisome trends

Tax rates are high: A single income family with two children between the ages of six and 17 earning $60,000 a year will have a tax bill of $15,437 in Québec—compared to $12,429 in Ontario and $11,193 in Alberta. The difference becomes even more pronounced for a similar family making $80,000—which would have to pay $23,164 in Québec, compared to $19,055 in Ontario and $17,593 in Alberta.

Marriage rates are low: Canada’s marriage rate (the number of marriages per 1000 people) was 4.4 in 2008, as compared to 2.9 in Québec.

Cohabitation rates are high relative to other provinces and countries: For example, in Canada, 18.4% of all couples living together are not married compared to 34.6% of Québec couples.

Québécers are increasingly dependent on government to raise their children: The creation of a provincial daycare system created a spike in children who are in institutional daycare from just above 10% in 1994 to over 50% in 2006.

A “demographic winter” is coming: Québec is ageing more quickly than other Canadian provinces. Estimates show that by 2031, each Québec dependent will be supported by only 1.6 people in the active age group (between 15 and 64).
A Québec family portrait

by PAUL MALVERN, ANDREA MROZEK AND CATHERINE BENESCH

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Introduction

This report seeks to create a family portrait of Québec, using the most up-to-date social statistics, and compare that province’s experience with that of the rest of Canada. The goal is to provide a balanced view of families in Québec.

We describe what is being done and what the outcomes have been. It is our hope that by doing so we will provide valuable information to families in Québec as well as those policy makers, advocates and ordinary citizens outside that province who may be tempted to introduce variants of Québec’s unique family policies in their own jurisdictions.

The first section of this report looks at how programs are funded—a vitally important topic, given that money lies at the heart of any nation’s social programs. Provincial finances also concern individual families, as any province’s financial affairs will inevitably impact personal family finances as well. Furthermore, research shows finances are a key family concern. Subsequent sections examine Québec’s approach to family policy, fertility, education, daycare quality and labour.

Building Québec’s welfare state – the historical background

Starting with the Quiet Revolution in the 1960s, Québec has embarked on a radical experiment in social and economic transformation, which has changed the face and character of that province forever. In just half a century, Québec has gone from a traditional, religiously-
oriented society with an economy largely reliant on agriculture and natural resource extraction, to a modern, secular, social-democratic state modeled upon Western European lines with a highly diversified and increasingly high-tech economy.

Changing the very soul of a province is not an easy task, since not everyone can be expected to welcome the creation of such a “brave new world.” So early on, Québec reformers concluded that, if they were to succeed, they would need a powerful institution capable of driving their agenda. The result was the creation of a large and highly-interventionist state that reaches into all aspects of society and impacts virtually all aspects of economic and personal life.1

From the beginning, this state has sought to change the way Québécois live, work and think—by promoting greater equality and inclusion and by imposing an uncompromising secularism (that at times has smacked of intolerance toward religion and traditional modes of living).

With this in mind, Québec has often led the way in redistributing wealth and developing highly innovative—and often highly intrusive—social policies aimed at providing greater income support for the less fortunate and assisting those facing special challenges.

Sometimes this has involved direct intervention in family life through the introduction of big budget programs—such as the province’s heavily subsidized daycare system, which has garnered high praise from politicians, academics and activists keen to duplicate this program in their own jurisdictions.

But while the reformist goals of successive Québec governments have been ambitious, the limited financial resources at their disposal have hampered their efforts at times. The reality is that such initiatives are not free—nor are they cheap. The money to pay for such largesse has to come from somewhere—which no doubt explains why Québec’s tax rates and debt levels remain stubbornly high and why successive Québec governments have found themselves frequently at loggerheads with the Government of Canada over transfer payments. If this experiment in social engineering is ever to unravel, the cause will almost certainly involve economic and fiscal woes flowing from the constant need to refill the provincial government’s coffers, combined with the same low fertility levels experienced by most Canadian jurisdictions.

Economic and tax issues: Funding the system

Ever since the start of the Quiet Revolution, money has lain at the heart of Québec’s great social, political and cultural experiment—since funding a modern welfare state is a costly business and large-scale social programs come with an extremely large price tag. So it should come as no surprise that finding the money needed to drive these ambitious initiatives has been a major preoccupation of successive Québec governments—a fact noted by historian Claude Bélanger, who, speaking of the early days in the 1960s comments that, “in a short six years, Québec went from being the least taxed and the least indebted of the Canadian provinces to have the highest taxes and debt.” 2

This legacy of soaring taxes and growing public debt continues to this very day. And the problems it creates for policy makers grow worse with every passing year, as noted by Conference Board of Canada economists, Marie-Christine Bernard and Sabrina Browarski, who comment that: “[a]mong the Canadian provinces, Québec is arguably in the most precarious fiscal situation.” 3 In support of this

2. Ibid.
3. Ibid.
claim, they point out that “[t]he provincial net debt now stands at $129 billion—equal to 43% of provincial GDP. (Two decades ago, Québec’s net debt-to-GDP ratio was only 22%).”

Faced with this growing fiscal crisis, successive Québec governments have looked constantly for more and better revenue sources. The result has been one of the most onerous tax regimes in the country, a soaring public debt that threatens to bring the province to the brink of financial collapse, and an on-going war with the Government of Canada over transfers of wealth from federal to provincial coffers.

The Québec tax system

For most Québécois life can be a taxing affair, given the myriad of taxes that assail them on a daily basis— income taxes, consumption taxes, gasoline taxes, and payroll taxes, to name just a few.

It’s not just the wide array of taxes they face daily: the taxation rates imposed are often much higher than in other provinces. The Conference Board of Canada recently observed that “households in Québec already face the highest tax burden among the provinces, as measured by provincial personal income and retail sales tax remittances. In 2008, Québécois paid over $3,700 per capita in taxes—15% more than Ontarians, who face the second-highest tax burden nationally, and 56% more than Albertans (who do not pay a provincial sales tax).”

Certainly, that’s true of sales taxes. Currently, the effective sales tax rate for Québécois is 13.5% compared to 5% for Alberta (which pays only GST), 12% for B.C. and 13% for Ontario residents—a disparity that will become even more apparent in 2012 when Québec’s effective sales rate rises to 14.5%.

For many—especially those in middle and upper income ranges—a similarly high tax burden is seen on the income tax side of things.

Even so, for people with low incomes, Québec’s highly redistributive tax system is a blessing rather than a curse since it represents a major source of income for them. It is interesting to note that because of the highly progressive nature of the Québec tax system, as many as 40% of Québécois do not actually pay any income tax.

But while low income Québécois may be delighted by the redistributive nature of Québec’s tax system, the same cannot be said for those in the middle and upper income ranges. Inter-provincial comparisons of taxation for 2010 reveals just how much greater the additional burden facing middle class Québec families can be. For example, a single-income family with two children between the ages of six and 17 earning $60,000 a year will have a tax bill of $15,437 in Québec—compared to $12,429 in Ontario and $11,193 in Alberta. The difference becomes even more pronounced for a similar family making $80,000—which would have to
pay $23,164 in Québec, compared to $19,055 in Ontario and $17,593 in Alberta.\(^\text{10}\)

**Transfer payments: Robbing Peter to pay Pierre**

### Comparing the 2010 tax burden in different provinces

<table>
<thead>
<tr>
<th>Annual Salary</th>
<th>Québec</th>
<th>Ontario</th>
<th>Alberta</th>
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<tbody>
<tr>
<td>$60,000</td>
<td>$15,437</td>
<td>$12,429</td>
<td>$11,193</td>
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<tr>
<td>$80,000</td>
<td>$23,164</td>
<td>$19,055</td>
<td>$17,593</td>
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As high as taxes are in Québec, they would likely be even higher if not for the large transfer payments that province receives annually from the Government of Canada.

For example, in 2011-12, the Government of Québec will receive $17.4 billion in transfer payments out of a total $58.4 billion for all of the provinces and territories. The Canada Health Transfer, the Canada Social Transfer, and equalization payments represent the bulk of the transfers and have grown in size and importance over time.\(^\text{11}\) Such transfer payments have grown in size and importance over time as seen by the fact that next year’s transfers to Québec represent an increase of $5.3 billion from 2005-06, when they accounted for about 26% of the Québec government’s revenues.\(^\text{12}\)

In 2006, such transfers came to about $2,240 per capita in Québec—compared to $1,870 in Ontario. During the same period, Ottawa saw a mere 19% of its revenues come from Québec, compared to 41.5% from Ontario.\(^\text{13}\) “So Québec gains more in transfers and pays less in taxes,”\(^\text{14}\) explain economists François Vaillancourt and Mathieu Laberge. The question then becomes what would happen to Québec if a double-dip recession or prolonged period of economic distress causes the federal government to take a less accommodating stance toward that province.

Nor is this the end of it. For Québec also benefits from significant investments in targeted areas such as labour market training and hospital wait time reduction—as well as support to Québec through a series of trust funds and infrastructure programs.

So we’re talking serious money here, which has made a significant difference in the lives of many Québécois—as underlined again by Vaillancourt and Laberge. They note that “Québec’s disposable income per capita is higher than it would be if Québec were to finance its present social spending without equalization payments and other transfers received from the federal government.”\(^\text{15}\) The authors go on to insist that “[w]ithout equalization, Québec would need to impose higher personal income and payroll taxes, among other measures needed to raise revenues.”\(^\text{16}\)

**Québec’s growing public debt**

Just how big is Québec’s public debt? That depends on whom you speak to and how they calculate it. Québec’s Ministère des Finances placed the province’s gross debt as of March 31, 2010 at some $161.6 billion—or about

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12. Ibid.
14. Ibid.
15. Ibid.
16. Ibid.
53.5% of GDP. The province’s auditor general begs to differ, claiming that the figure is actually larger. “If we also take into account debt that is self-financed by state-owned businesses and the debt supported by municipal sectors and universities, Québec’s debt would have stretched to $218.6B as of March 31, 2009, or 72.3% of the province’s GDP.”

The well respected Desjardins Group places an even higher estimate on the debt-to-GDP ratio. Using the methodology developed by the OECD to compare the gross public debt of various countries, it found Québec to have the fifth highest gross public debt-to-GDP ratio in the world—at an eyepopping 94%. Québec was surpassed only by Japan, Italy, Greece and Iceland. Canada as a whole placed thirteenth at 69.7%. This is not a good showing, but clearly better than that of Québec.

All of which suggests that all is not well in the financing side of the Québec social safety net—and considerable work lies ahead if they are to maintain the comprehensive suite of programs built up lovingly over the last four decades.

Now let’s have a look at how family policy is framed and how it impacts Québécois’ lives.

**Family policy overview**

The Québec government has focused on family policy in a manner unlike other provinces—with policy initiatives falling into two broad periods—the first from the late 1980s to 1997 and the second from 1997 until today. 1997 marked the creation of the provincial daycare program, which heralded a new era in Québec family policy.

**The initial phase: Pre-1997**

Prior to 1997, Québec directed financial assistance to families in three main ways. The first approach involved the direct payment of money to parents for each child they brought into the world - $500 for the first child paid at birth, $1000 for the second and $8000 for the third and subsequent children. The second way of assisting families was through a family allowance for all children under 18. And the third approach involved

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18. Ibid.
20. Ibid.
22. Ibid.
an allowance for children under six. These programs were universal, meaning they were for every child, regardless of parental income—in sharp contrast to family policy reforms, which moved Québec toward more targeted family policies, one major exception being the decision to make daycare universal.

Other benefits introduced during this period involved:

- Non-refundable tax credits for dependent children valued at $2,600 for the first child and $2,400 for the second;
- Targeted income tax reduction for families and a targeted working income supplement;
- Additional monies to help pay for child care targeted at those in most of assistance; and
- Refundable tax credits to compensate parents for childcare expenses (a 75% reimbursement for low-income families, and 26.4% for families whose income exceeded $48,000).

In 1995, total provincial family benefits amounted to $2.6 billion annually. And when federal contributions were taken into account, it meant that the Québec government spent almost $4 billion on family policy in 1995 (prior to the daycare program).

1997 and beyond

In 1997, the Québec government changed direction. The government implemented a new Integrated Child Allowance (ICA) that replaced benefits such as the basic family allowance and refundable tax credits for childcare. The new ICA was targeted at helping low income families and the end result was that monies formerly given to all parents decreased by about $295 million.

To compensate for the reduction in benefits given directly to families, the Québec government increased provision of educational services and daycare. What this meant was that families who did not choose to use public daycare provision saw no benefits in the reform. As a result, these reforms created a spike in daycare use. (The graph on page 14 shows the dramatic change in parents’ childcare choices.)

Indeed, one of the intents of the policy may have been to ensure more parents entered the paid labour force:

“The new policy explicitly pursues the objective of increasing the financial incentive to work and encourages labour market participation by offering more accessible child-care services, both through the number of places available and the cost to parents.”

There were concerns with the introduction of the ICA, namely that many families, particularly those in an income bracket between $25,000 and $40,000 were in a
The addition of parental insurance in 2006

Québec family policy made another notable addition in 2006 - the Québec Parental Insurance Plan (QPIP). It replaced the federal government’s maternity, parental and adoption benefit programs. This plan allows for parental benefits to be shared between two parents at the same time, and allows for three or five weeks of maternity benefits, depending on the plan chosen. Maximum insurable earnings were $64,000 in 2011.

While this program has much to commend it, one major problem involves the high cost of funding it—the QPIP has recorded a deficit four years running. In 2010 alone, that shortfall was about $126 million. Initial cost estimates were $1.08 million, with the expectation that 70% of the premiums would be reimbursed to Québec workers through a rebate on their employment insurance. However, the value of the federal rebate was a mere 53% of the total cost of the $1.707 million.

Noting the higher costs of this new program, Blakes, a renowned Canadian business law firm, observes that, “Both Québec resident workers and their employers will pay more for parental leave.” In support of this, the author quotes the Québec Ministry of Employment and Social Solidarity as saying that “an employee earning $30,000 a year will see his or her annual contribution for parental leave rise $23, from $102 to $125. Additionally, the employee’s employer will see a $33 rise in the annual contribution for that same employee, namely from $142 to $175.”

Examining the impact of Québec family policy

Fertility

An important element in family policy in Québec between the mid-to-late 80s and 1997 was a desire to increase fertility. “The fall in birth rates is a sign of a people in decline,” said Liberal Finance Minister Gérard-D. Lévesque.

Indeed, Québec’s fertility rate has increased in recent years. However, this increase has not been commensurate with the money spent to achieve this goal, particularly when compared with other provinces, whose fertility rates have also increased without the same government programs. Nor is it entirely clear that the increase in fertility can be attributed to these programs. For example, part of this increase may be due to the recent influx of immigrants from North Africa and other Muslim countries where higher birth rates are more common.
Still successive Québec governments have tried to increase the birthrate. For example, the Québec government introduced the Allowance for Newborn Children in 1988, which encouraged Québécois to have larger families by offering higher amounts of money for subsequent children after a first. This allowance program was canceled in 1997. 43 Québec's fertility rate has gone up and down at different points in the past some 25 years. 1985, prior to the introduction of the allowance for newborns in 1988, marked an uptick in the fertility rate. 44 By 1990 fertility was again on the decline, only to begin climbing again in 2000. 45 The institution of the new parental leave system in 2006 seems to have marked an uptick in fertility once again. Still, the province's overall fertility rate remains below the replacement level (which is 2.1) making media reports of a “baby boom,” into an exaggeration. 46

Indeed, in national comparison, Québec's fertility rate is roughly in the middle. (see chart). However, it remains true that Québec's fertility rate has moved from below the national average to above since 2004—and in 2008 and 2009, Québec births grew to become 30.6% of all Canadian births. 47

Québec was in the news for more than just the reported “baby boom”; in 2010 the province became the first jurisdiction in North America to fund in vitro fertilization treatments to the tune of $35 million a year. Costs are expected to increase to $63 million in four years. 49

<table>
<thead>
<tr>
<th>fertility rate</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<td>1.59</td>
<td>1.66</td>
<td>1.68</td>
</tr>
<tr>
<td>NEWFOUNDLAND &amp; LABRADOR</td>
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<td>1.34</td>
<td>1.38</td>
<td>1.46</td>
<td>1.58</td>
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<tr>
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<tr>
<td>NOVA SCOTIA</td>
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<tr>
<td>NEW BRUNSWICK</td>
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<tr>
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<td>2.84</td>
<td>2.97</td>
<td>2.98</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 48

43. Ibid.
45. Ibid.
Whether or not Québec’s family policy increased fertility remains a hot topic. A 2003 study, which examined family policy between 1988 and 1997, concluded that money for children after the first two did provide incentive to have more. Such a conclusion is supported by economist, Kevin Milligan, who estimates that Québec family policies between 1989 and 1996 accounted for the birth of 93,068 more children. Milligan reports that “the Allowance for Newborn Children cost about $1.4 billion over the 1989-1996 period...for a pro-natalist policy, however, this response may not be strong enough to justify public expenditure.” He estimates that Québec paid approximately $15,000 for each child “who would not have been born in the absence of the program.”

There are always more factors associated with increases and decreases in fertility than family policy undertaken by the government—the immigration rate as previously mentioned, for one. However, if government policy does influence fertility, there will always be the question of cost and whether the cost validates the outcome. For some, $15,000 for each additional child may be a bargain, if we consider the contributions one person can make over the course of a lifetime. Furthermore, some may laud policies which take a pro-natalist approach, thereby increasing family size.

Abortion

Within a discussion of fertility and demographics, it is clear that high abortion rates decrease the fertility rate of any province.

Québec’s abortion rate is higher than the rest of Canada. The national average in 2005 was 13.7 per 1000 women of all ages; in that year Québec recorded 18.3 abortions per 1000 women. In 2005, slightly more than one in four pregnancies were aborted in Québec compared to approximately one in five pregnancies in the rest of Canada. 2005 is the most recent year for which comparative statistics between Quebec and Canada can be found. However, Québec government reports for 2009 show 29.9 abortions for every 100 births; 17.3 abortions for every 1000 women aged 15-44.

Abortion remains highly controversial in the political arena, to put it mildly. This is as true in Québec as elsewhere, if not more so. For example, in 2009 when Québec’s Health Minister Yves Bolduc wanted to legislate the same standards for all out-patient medical clinics in the province, including abortion clinics, there was a backlash. Abortion clinics threatened to close and the minister retreated.


52. Ibid.


56. Data from Statistics Canada, with calculations by authors. Pregnancy outcomes by province or territory of residence. Retrieved from http://www40.statcan.ca/l01/cst01/hith64a-eng.htm

On the other hand, if $15,000 is spent for what is actually a small increase, not even bringing fertility to replacement levels, this may be perceived as a failure and not worth the expense in the first place. Incentives, after all, can only go so far toward increasing births (Russia is desperately offering free appliances to families to encourage more children.54)

Ideally, a healthy society would leave families to make free choices regarding family size, uninfluenced by government—either by financial pay outs or by diminished income due to high tax rates.

Daycare quality

The $7-a-day government-run province-wide daycare is a focal point of family policy in Québec. For some activists and academics, this widely-publicized and acclaimed system provides a model for the rest of Canada. In 2004, the OECD Directorate for Education proclaimed Canada’s early learning strategy was inadequate with the exception of “[t]he advance made by Québec, which has launched one of the most ambitious early education and care policies in North America.”59 (They made this proclamation without visiting Québec.) The result of this has been undue attention placed on Québec’s model as a positive example for the rest of Canada.

So is Québec’s daycare system an example or an experiment? Some studies would suggest Québec’s system is more the latter—even though the results are not yet fully in. This is particularly true of the level of quality being realized—a key element in any daycare program. For many of the positive outcomes associated with provincial daycare plans—be it an improved economy or greater readiness to learn on the part of a child entering grade one—are entirely dependent on the care being of high quality. Some studies suggest that government-run daycare actually generates an economic return on investment. And one expert, economist Pierre Fortin, claims Québec’s provincial daycare plan pays for itself.60

Whether one buys the math behind these claims—which is far from certain—the fact remains that universal, government-financed daycare makes sense only when the level of care is high. Therefore, with regards to Québec, the only province to have a provincial daycare plan, some questions remain, such as:

• Is the level of care high in Québec’s program?
• And are the outcomes commensurate with the costs borne by taxpayers?

Sadly, early evidence provided by Québec’s government suggests the benefits do not justify the costs—as seen in the 2004 report, Grandir en qualité, published by the Institut de la statistique du Québec, which showed that the quality of child care was poor.61

60. At time of publication, Mr. Fortin’s report was not yet publicly available for review. However, he gave a presentation on his research, which was picked by the media. Monsebraaten, L. (2011, June 22). Québec’s child-care scheme pays for itself, economist. The Toronto Star. Retrieved from http://www.parentcentral.ca/parent/article/1012855
In December 2005, another study, this time from the Institute for Research on Public Policy, claimed 61% of daycares were of minimal quality and not meeting learning needs; 12% were inadequate—meaning they were worse than minimal quality—and 27% were of good or higher quality.62

And a study published in 2005 by economists Michael Baker, Jonathan Gruber and Kevin Milligan found that the Québec daycare system doesn’t provide the promised outcomes.63 While the intent of the study was not to assess daycare quality in Québec directly, the authors found that the outcomes do not reflect a success story. The authors comment that “children were worse off in the years following the introduction of the universal childcare program.”64 They continued: “We studied a wide range of measures of child well-being, from anxiety and hyperactivity to social and motor skills. For almost every measure, we find that the increased use of childcare was associated with a decrease in their well-being relative to other children.”65

Perhaps more telling was a 2011 paper by economists, Pierre Lefebvre, Philip Merrigan and Francis Roy-Desrosiers, which shows that the daycare system does not improve learning outcomes for children. “Our evidence does not reveal positive effects of the policy on cognitive development for both 4- and 5-year olds,” the authors write.66 Lefebvre was quoted in the press at the time of the report’s release, as saying “There is a serious quality problem. I would go as far as to say that daycare quality is very low, both in terms of educators’ formation and in terms of the quality of interactions between educators and children.”67

One impact of this universal daycare system is that more children in Québec are in care for longer periods of time. A Statistics Canada report shows that in 1994/95, prior

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65. Ibid.


to the creation of the system, 57% of Québec children in daycare centres were there full-time (30 or more hours a week). By 2002/03, that statistic increased to 76%.68 This may present a reason for concern as other research indicates that the length of time in care below the age of one can have negative effects on attachment, regardless of the quality of care.69 Most Québec children are not in full-time care under the age of one. Still, for some children even older than one, 30 or more hours in institutional care per week will create stress and attachment problems.70 Whether or not Québec children are spending more time in care, the fact remains that the new system created a spike in the number of children seen in institutional daycare. The chart above shows how centre-based care rapidly became the popular option after the creation of the government system—a significant change in how Québécois care for their children.

All of which suggests that Québec's universal daycare system has been less successful in delivering high quality

Continued on page 17

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69. “Some of the findings suggested that long hours of care for children under the age of one year can have a negative effect on the quality of infant-parent attachment (Belsky and Rovine 1988).” From Japel, C., Tremblay, R., Côté, S. (2005, December).
Working in Québec

With few exceptions over several years, the labour force participation rate is lower in Québec than the in rest of Canada. At the same time, there has been an influx of women into the labour force, particularly into the public sector. An increase in the labour force participation of women followed the 1997 introduction of universal daycare in Québec. And while family policy is frequently accredited with this increase, it is not entirely clear that this trend was not already under way prior to the establishment of those family policies.

Labour force participation rates

While labour force participation rates for men and women in Québec tended to hover below the national average, both before and after 1997, the gap for women began to narrow significantly and eventually disappeared altogether in the mid-2000s. At the same time, labour force participation for men in Québec, relative to Western Canada and Ontario, remains relatively low.

According to data from the Québec government, women’s participation in the workplace has steadily increased over the last two decades. In the two decades between 1989 and 2009, “women’s share of employment grew from 42.9% to 48.2%.”

### Participation rates by province

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At the same time as women’s labour force participation increased, the labour force participation rate for men sank to an all-time low of 69.8% in 2009, down
5.3 percentage points from twenty years earlier. Over the same time span, the participation rate of women increased 7.2 percentage points, rising to 60.9%.75

While the introduction of universal daycare in Québec coincides with the increasing participation of women—particularly mothers, as outlined above—it is not easy to directly link the two. For example, in 1995 in Québec, the participation rate for women 24 to 54 with children under 6 was 65.3%. In 2005, this demographic had a participation rate of 77.9%, - an increase of 19.3 percentage points. Compare this with New Brunswick: in 1995, the labour force participation rate was 63.5%, and in 2005, it grew to 78%. This represents a 22.8 percentage point increase.76 New Brunswick did not create a provincial daycare program, and yet experienced an increase in women’s labour force participation larger than the increase seen in Québec.77

The graph below shows how the labour force participation rates of women were increasing across Canada, though Québec was always at a lower rate. The creation of the daycare program in 1997 appears to have closed the gap with the rest of Canada, though it was moving in that direction nonetheless.78

Where are the workers?

In 1997, 368,400 women in Québec worked for the public sector. In 2010 that number was 518,900, a 40% increase. Private sector employment for the same period increased amongst women by 29.5%. In short, as the number of working women in Québec has increased, more of them have joined the public sector. This is also true in Ontario during the same period, where female public sector employees increased by 49.6%.

As for Québec men, between 1997 and 2010 their ranks in the public sector increased by only 7%; in the private sector their numbers increased by 21.3%.79
care than is claimed by advocates. And it may have serious unintended outcomes that other jurisdictions might wish to avoid.

**Education outcomes**

While Québec has enjoyed relatively good educational outcomes in the past, it is not clear that this advantage will continue to be true in the future—as seen by recent comparative research reports showing that Alberta, British Columbia and Ontario are outperforming Québec. 80

In 1997, the year the provincial daycare program was introduced, francophone Québécois (anglophone Québécois were scored separately) performed slightly better in mathematics and writing than those in the rest of Canada, in both the 13 and 16-year-old categories. 81

For 2006, Human Resources and Skills Development Canada reports “only Québec performed significantly better than the Canadian average, with 15-year-old students obtaining an average mathematics score of 540, compared with the Canadian average of 527.” 82

These higher scores carried over to the PCAP 2007 test, which assessed 13-year-olds in reading, math and science. The summary report indicates “[t]he mean scores for students in Québec is significantly higher than that of Canadian students overall while the mean scores for students in Ontario is not significantly different.” 83

The Society for Quality Education, an Ontario-based group dedicated to improving education outcomes, examined possible explanations for this prior success: In the past, Québec had a clear, objectives-focused curriculum. The trend of “child-centred teaching” hadn’t taken hold in French Québec. 84

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77. Ibid.


79. Statistics Canada data with calculations by authors.


82. Human Resources and Skills Development Canada. Indicators of well-being in Canada. Retrieved from [http://www4.hrsdc.gc.ca/3ndic_1t_4r@-eng.jsp?id=82](http://www4.hrsdc.gc.ca/3ndic_1t_4r@-eng.jsp?id=82)


Profile: Carole Cardinal

By Catherine Benesch

Carole Cardinal says she “may be on the fence for a lot of things.”

Unlike most Québécois of her generation, the mother of five didn’t grow up Catholic, and now attends a multicultural evangelical Protestant church in Québec City. She’s from a francophone family but went to English schools in her home province. And even though her university studies were in French—the institution she attended was located in predominately English-speaking Ottawa.

While she may straddle the French-English fence, she has strong convictions when it comes to protecting family values and parental choice in education.

For more than a decade she’s worked for the Home School Legal Defence Association of Canada (HSLDA), helping parents who choose to teach their children at home. The association represents more than 550 families in Québec, usually with two or three children per family. But because of issues with school boards, Cardinal says “a lot of parents decide to stay under the radar.” That makes it hard to know exactly how many homeschoolers there are in Québec.

Much of her work for the HSLDA involves negotiating with school boards to reach satisfactory educational arrangements when disagreements come up over evaluation procedures.

“Officials think homeschooling is reproducing the public school curriculum at home, which it isn’t,” Cardinal says. “Home education takes many varied forms and can differ from one family to the next. School board evaluation procedures must take this into account.”

While homeschooling is becoming more common in other parts of Canada, particularly Alberta and Ontario, this education style is countercultural in Québec. One significant difference is that the public system, beginning with daycare, puts a lot of emphasis on children learning by working on peer-orientated projects.

In stark contrast, homeschoolers work independently or sometimes in what Cardinal calls a “bus-stop approach”—all the school-age family members learn about the same topic at the same time, but work on different assignments depending on their grades and skill levels.

This is one method Cardinal says she and her husband, who are both certified teachers, have used to educate their five children at home. It seems to be working well—their two oldest children were independently evaluated for their academic standings, and went on to complete post-secondary education. For her family, Cardinal says homeschooling has created stronger dynamics and helped her children learn how to relate to a spectrum of people in the community.

Her work with the HSLDA has taken her across Canada to meet families, some of which are new to the idea of home education. Compared with other provinces, she says what strikes her about Québec is the high level of interest fathers show in the lives of their children; at the home school association meetings in Québec, she says there might be 40 couples present. In other province at comparable meetings, she says it’s common to see about 35 moms and maybe 5 couples.

Why the family-focus in Québec? From what she’s observed, Cardinal speculates today’s young parents are making it a priority to build closeness in their families because it’s something many did not have when they were growing up.

It’s a pursuit complicated by the fact that it’s common for both parents to be in the workforce full-time. Family time is often in short supply.

“[But] when they’re with their kids, they’re there 100% - they...
Today, Malkin Dare, President of the Society for Quality Education, says, “some of the factors that we identified 15 years ago as being responsible for Québec’s outlier status are no longer as strong - in particular, child-centred teaching may have become more dominant and the curriculum is now considerably weaker.”

In a 2005 study of science curricula across the country, Québec received a middling grade of “B,” and the authors comment that Québec appears to be moving away from a formerly strong approach in teaching science.

### High school dropout rates

While high school dropout rates may not be representative of school quality, it is interesting to note that Québec’s dropout rate is the highest in the country. Between 2007 and 2010, 11.7% of Québec high school students dropped out. Manitoba was second at 11.5%, followed by Alberta, at 10.3%.

More young men than young women drop out of school across Canada. A troubling trend highlights that “the prevalence of males dropping out is much higher in Québec where in 2004-2005 seven in 10 dropouts were young men,” write economists Pierre Lefebvre and Philip Merrigan in a 2009 paper. “Moreover, the gender gap in dropout rates is larger in Québec than the average rate for all the Canadian provinces: 13 to 15 percentage points depending on years in Québec versus 5.5 in the rest of Canada.”

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85. Personal communication with Malkin Dare, August 4, 2011.
Marriage is the foundational relationship for family stability; family stability is foundational to social and economic stability, which are very much linked.  
For this reason, tracking marital trends is important. Decreasing marriage rates may portend greater troubles in the economy and in communities, as witnessed most recently in Britain.

There is arguably no other social dataset where Québec is more distinct within Canada than in the area of marriage and relationships. Québec, in fact, distinguishes itself for having higher rates of cohabitation, not only as compared with Canada, but with the rest of the world.

Canada’s marriage rate (the number of marriages per 1000 people) was 4.4 in 2008, as compared to 2.9 in Québec.

The most recent census (2006) shows that 34.6 percent of Québec couples live common-law; in the other provinces and territories, only 13.4 percent do.

The Statistics Canada table on the left highlights Québec’s high cohabitation rate in international comparison.

Statistics Canada reports that married couples make up 54.5% of families in Québec, as compared with the national average of 68.6%.

Also, the number of families is increasing in Québec at a slower rate than the Canadian average.
“Between 2001 and 2006, the number of census families increased 5.1% in Québec, lower than the national average (+6.3%),” the most recent census reports.

Québec’s cohabitation rate in international comparison

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<th>Countries</th>
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<th>Reference year</th>
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<td>2005</td>
</tr>
<tr>
<td>FINLAND</td>
<td>23.9</td>
<td>2006</td>
</tr>
<tr>
<td>NEW ZEALAND</td>
<td>23.7</td>
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<td>DENMARK</td>
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<td>ICELAND</td>
<td>19.9</td>
<td>2006</td>
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<tr>
<td>CANADA</td>
<td>18.4</td>
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</tr>
<tr>
<td>QUÉBEC</td>
<td>34.6</td>
<td>2006</td>
</tr>
<tr>
<td>OTHER PROVINCES &amp; TERRITORIES</td>
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<tr>
<td>UNITED KINGDOM</td>
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<td>2006</td>
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<tr>
<td>IRELAND</td>
<td>14.1</td>
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</tr>
</tbody>
</table>

Source: Statistics Canada, Census 2006


Alberta and Ontario were at the top for an increase in families between 2001 and 2006. The Maritimes and Saskatchewan were at the bottom.

The results of cohabitation: Lone parenting and non-marital childbirths

Marriage improves adult lives. However, relationship forms take on greater significance when we consider children because research shows children fare best on a host of outcomes when raised by their own married parents. Cohabitation is less stable than marriage, and results in family breakdown more often.

For this reason it is troubling that common law families are so prevalent in Québec at 28.8% of all families. In Canada as a whole, only 15.5% of families are common law; by comparison, in Ontario common law families make up only 10.3%.

Lone parenting

Roughly 16.6% of families in Québec are headed by a lone parent, compared to 15.9% in Canada. In Québec, 19.4% of children under the age of 14 live in lone parent families, as compared with 18.3% for the Canadian average.

Only 45.9% of children under age 14 are living with two married parents in Québec, the lowest percentage with the exception of Nunavut. The Canadian average for children under 14 living with two married parents is 65.7%.

Non-marital childbearing

The most recent statistics from the Government of Québec show that in 2010, 63.1% of children in Québec were born outside of marriage. Again, given the stability that marriage proffers, and the improved outcomes associated with it, there is real reason to be concerned about this
“Cohabitation is less stable than marriage, and results in family breakdown more often. For this reason it is troubling that common law families are so prevalent in Québec at 28.8% of all families”

statistic given that more than half of Québec's children are born to parents who are not married.

Other scholars observe how this compares with Canada as a whole. “In the early 1980s, approximately one birth in six occurred outside marriage in Canada (Marcil-Gratton, 1998). By 2000, nearly one child in three was born to an unmarried mother (Statistics Canada, 2003b). These figures roughly compare to those observed in the United States (Cherlin, 2004), but increasingly differ from the situation experienced in Québec, where nearly 60% of all registered births in 2000 were to unmarried mothers (Duchesne, 2003).”

Same sex marriage

While the percentage remains very low across Canada, Québec has the highest percentage of same sex couples (including both married and common-law) at 0.8% of all couples. British Columbia has the next highest percentage at 0.7% of couples. The Canadian percent of couples who are of the same sex whether married or common-law is 0.6.

In 2006, Québec's 13,700 same-sex couples counted for 30.2% of all same-sex couples in Canada.

Divorce

Over the past decade, Québec stands out as the province with the highest divorce rate. While it is a myth that one in two marriages end in divorce in Canada, this is true of Québec. Using the most recent Statistics Canada data published in 2008, the risk of divorce in Canada (by the 30th wedding anniversary) was 37.9% in 2004. In Québec for the same year, this rose to 48.4%, meaning very close to half of all marriages there do end in divorce.

The Québec story: Short term gain/long term pain?

An examination of economic and social trends in Québec reveals a province that is doing reasonably well in the short run but which faces serious longer term challenges.

The economy

Take, for example, some of the economic trends.

In spite of the headwinds created by high taxes and the need to finance a ballooning public debt, the Québec
economy is currently doing extremely well—at least in the short term. Indeed, the ability of Québec’s economy to survive and thrive in an increasingly risky world financial system must surely be a Canadian success story of recent years, especially given that the province’s job creation and economic growth were only mildly dented by the “Great Recession” of 2009. And even better times are on the horizon if we are to believe a recent study by the Desjardin Group that foresees Québec’s GDP growing by 3.5% this year—a respectable performance given the global economic backdrop.  

Employment and workers’ wages also continue to power ahead—with some 150,000 jobs having been added since the trough of the recession, which more than makes up for the 62,700 jobs lost during the recession. As a result, Québec has seen a slow but steady decline in its unemployment rate—which has fallen from the 9% peak seen in the summer of 2009 to 7.3% in May 2011. Forecasts suggest this could drop below 7% by the end of 2011, with even lower levels likely in 2012. Along with rising employment, wages increased by 4% in the first quarter of 2011 over the same period in 2010.

Particularly noteworthy is the greater resilience of the Québec economy during the recent serious downturn than its long-time rival, Ontario, which in 2009 saw a drop in GDP of 3.6% (compared to a mere 0.3% drop in Québec) and a decline in employment of 2.5% (compared to a decline of just 0.8% in Québec during the same period). 

Sadly, the longer-term picture is not so optimistic—a number of troubling issues could seriously impact the health of Québec’s economy, compromising the sustainability of its social programs and the economic wellbeing of its citizens.

“The most recent statistics from the Government of Québec show that in 2010, 63.1% of children in Québec were born outside of marriage”

One such problem area is Québec’s dependence on transfer payments from the federal government to maintain its standard of living, as outlined earlier in the paper.

And of even greater concern for Québec government officials is the possibility of an ever-growing public debt occurring at the very same time the working population begins to decline. A “demographic winter,” when it does arrive, will clearly impact Québec more than most other parts of the country since Québec’s population is ageing the fastest. It is estimated that by 2031, each Québec dependent will be supported by only 1.6 people in the active age group (the cohort between 15 and 64) whereas in 1985, each dependent was supported by 2.3 in the active population. All of this spells serious trouble for the sustainability of the Québec welfare state.

The good news is that the Québec government has already anticipated such a possibility and is hard at work trying to get in front of developments. The province’s 2010 and 2011 budgets contained measures aimed at reining in the province’s ballooning deficits and returning its finances to something approaching fiscal sanity.

The 2010 budget provided the opening salvo in this war
on fiscal imbalances with announcements aimed at getting Québec's fiscal house in order by 2013-2014. These included a number of tax increases, most notably:

- A 2% increase in the sales tax over two years—the first increase took place on January 1, 2010.
- A 1% per year increase in fuel taxes until 2014.
- And changes to the province's mining royalty regime.

These tax hikes were accompanied by measures aimed at reining in government spending to realize some $5.2 billion in savings by fiscal year 2013-2014.\(^{114}\)

And to show the government means business, the 2011 budget ratcheted up the fiscal pain even more with the addition of yet other measures aimed at raising revenues and cutting costs.

One important new initiative is a six-year funding framework for the province's heavily subsidized universities. While providing $850 million in additional annual funds by fiscal year 2016-2017, the burden of education costs will shift more onto students and business by hiking students' fees and instituting a matching grant of up to $40 million per year for year-over-year increases in private donations.\(^{115}\)

Most importantly, the 2011 Budget contains measures designed to address the threat to Québec's welfare state likely to occur when large numbers of baby-boomers retire and begin collecting pensions and drawing more heavily on the health care system. These include:

- A 0.15% annual increase in the Québec Pension Plan contribution rate over six years to help pay for rising pension costs,

- Measures that encourage workers to stay in the workforce after the age of 65 and penalize those who take early retirement, and

- The announcement of plans to create a new voluntary retirement savings plan to encourage greater saving for retirement.\(^{116}\)

While such fiscal prudence is laudable, the success of the province's plans is anything but certain; many things that can go wrong along the way. One of the most obvious is the possibility that economic growth may not be as robust as officials anticipate, in light of shaky financial markets, the sovereign debt crisis in Europe, and anemic job numbers coming out of the U.S. Nor is it clear how much impact austerity measures contained in the 2010 and 2011 budgets will have on the provincial economy. And should the U.S. slip back into recession—a real possibility in the minds of some economists—all bets are off.

But most troubling of all is the question of whether the Québec government can actually make this work. After all, change is never easy. And that is doubly true when change involves belt-tightening, especially among a population that has grown accustomed to ever-greater government largesse. Nor is it clear if the targets contained in the two budgets are realistic or achievable—a good example being the 5% cap on annual health care spending increases over the next five years. For many such a target seems unrealistic, given that the province's health care spending has averaged 6 to 7% over the last 10 years. It is not clear how the Québec government proposes to rein in such spending once the province's rapidly ageing baby boomers begin to retire and make ever greater demands on the health care system.

Even so, the really heavy lifting will come when the

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\(^{115}\) Ibid., p. 1.

\(^{116}\) Ibid., p. 2.
province’s demographic chickens come home to roost with a vengeance. Fewer and fewer workers (and taxpayers) will find themselves supporting an ever-growing population of older Québécois, increasingly dependent on the State for their well-being. When that day dawns, the problems facing Québec over the next five years will seem like child’s play.

The situation facing Québec society and families

In some ways, Québec’s family portrait is not all that different from the rest of Canada. Other provinces suffer low fertility (remember, only Nunavut, Northwest Territories and Saskatchewan just barely, have a replacement fertility rate) alongside the burgeoning cost of new social programs. Other provinces see widespread family breakdown, high divorce rates and a growth in single parent households. And the largest social program of all—health care—knows no provincial boundary and will become more and more costly as Canada’s population ages. Not surprisingly, demographics remain a troubling question in Québec as they are in the rest of the country.

Québec is, however, further down this road than the rest of Canada.

Take marriage in Québec, for example. The growth and acceptance of co-habitation as a substitute, high divorce rates and high rates of children who are born without a mom and dad is problematic, both for individuals and the society as a whole. As a whole, research shows that living together is a less stable bond than marriage. So Québec is less able to draw on the strength of married parent families. This trend has gone so far in Québec that in some cases, cohabiting unions imitate marriage; they are once again more stable. While this remains an area for further research, we know from a growing body of social science research that children fare best when raised by their own married parents.

Education is another area of concern. Here Québec once held an advantage over other Canadian provinces, according to national studies. Recently, however, this advantage is slipping. Furthermore, there some signs of intolerance to alternate ideas in education. In 2008 the Québec Government introduced a mandatory religion and ethics course, which conflicts with some parents’ faith. Parents are petitioning for the right to exempt their children, and the case is currently before the Supreme Court of Canada.117

In a few short years, the daycare program has become a matter of entitlement, and it would be difficult to undo the program at this point. That said, there are ways to ensure that parents have control over where they send their children. Province-wide standards and regulation could continue to govern daycares while at the same time, parents could receive money in their pockets to choose where to place their children, be it in a daycare centre or with family. Either way, the quality of Québec daycare must rise if there are to be any benefits for children associated with the program at all.

There has been an increase in the number of babies born

in Québec, but in spite of efforts to increase the fertility rate, Québec’s remains below replacement, and average in comparison with other Canadian provinces. A growing population is necessary if social programs are to continue, so this low fertility rate remains a going concern. An astoundingly high abortion rate combined with stubbornly low fertility rates remains a longer term cultural question that Québécois will need to address. Given these conditions, public funding for in vitro fertilization treatments becomes another expenditure with little benefit to the province.

In short, there are real reasons to be concerned about the sustainability of family programs as they currently run in Québec. Without substantial fiscal restructuring, the province may not be able to afford to maintain the extensive social benefits it currently offers families. And without a strong marriage culture, any cutbacks in this area are likely to hit Québécois hard. Strong families provide a very good social safety net; where families fail it is very difficult to overcome the resulting deficits. While cohabiting families do not constitute a failure, they are a relationship of a different calibre from marriage and public policy in Québec and across Canada would do well to take note of this.

Indeed, the Government of Québec would be well advised to pay attention to Québec’s marriage deficit and begin attempting to reintroduce marriage as a cultural norm to avoid the possibility of instability in family life, particularly if government programs should cease or be curtailed due to tightening budgets. This would mark a 180 degree turn around in Québec’s current approach to family life, and would be a long term effort, involving non-governmental organizations and religious groups—a broader cultural effort.

Still, as we hear through the voice of Carole Cardinal, there are many Québécois who love their province and are committed to bringing about positive change. Parents are more committed to raising their children well within the constructs of the province. This is a huge positive, since it is individuals within families who have the power to create lasting change in communities. It has been said that no policy win is eternal, no defeat everlasting, and such is also the case for Québec.
About the authors

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