

## Why child care markets don't work for anyone

### What is a child care market?

Child Care markets are the consequence of governments taking limited interest in, or influence on, how child care is set up, maintained and delivered.

In a child care market, parents who need early learning and child care services assume the role of consumers and are required to “shop” for services offered by a variety of competing suppliers.

There is limited planning with respect to where, when or what type of child care services are provided.

Child care providers rely on parent fees for survival.

### What does Canada's child care market look like?

- Regulated child care (outside of Quebec) receives limited direct public funding; parents pay most or all of the cost; some parents receive financial assistance from governments to cover their fees through parent fee subsidies and/or tax credits.
- Setting up, maintaining and managing regulated child care is mostly a private responsibility. It is mostly up to volunteer boards (parents or community organizations) and business owners to develop programs. When and where services are developed is often hit-and-miss.
- Poorer quality for-profit child care has been growing rapidly.
- Large commercial child care firms are seizing the opportunity of increased public funding for child care, and increased demand, to set up shop in Canada and/or expand their operations
- Many families are forced to resort to unregulated child care because regulated spaces are scarce and unaffordable.

### Relying on the market affects every aspect of early learning and child care policy

Accessibility and equity:

- access is limited overall and is also uneven due to hit-and-miss service development and heavy reliance on parent fees to maintain and operate services.

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Quality:

- Improving program quality is impossible without increasing parent fees, which are already unaffordable for almost all families.

**In many countries, child care is a public service like kindergarten, not a market commodity**

In countries such as Finland, Sweden, France and northern Italy, for example, where early childhood education and child care is much more accessible, affordable and of more reliable quality than Canada’s, it is not only publicly-managed and publicly-funded but is often publicly-operated. In these countries, access to child care and whether it is affordable and high quality is not determined by market forces.

Research and analyses by groups such as UNICEF and the OECD show that countries that provide accessible, affordable, high quality child care are not those that rely on markets to deliver child care. Countries that rely on markets rather than treating child care as a public service are much more likely to be ranked lower in international studies and benchmark ratings. Canadian early childhood education and child care has been rated as among the lowest in wealthy countries.

**The views behind pro-market vs. public good**

The pro-market view...	The public good view...
<ul style="list-style-type: none"> <li>- The role of the state should be minimal.</li> <li>- Regulation is an imposition on business and the market.</li> <li>- Entrepreneurs are good at providing child care based on their accurate reading of demand.</li> <li>- Individual choice of parent-consumers is not only paramount but is derived from their role as consumers.</li> </ul>	<ul style="list-style-type: none"> <li>- There is a priority on communal obligations and social citizenship.</li> <li>- It is not appropriate to consider public goods such as health care and child care as profit-making opportunities.</li> <li>- A state role is necessary to guarantee that services will be accessible and high quality and that options will be available to meet a variety of individual needs.</li> <li>- Individual choice for parents is important but so is equity.</li> </ul>

**Do child care markets “work”?**

Researchers have examined the question “do child care markets work?” Canadian researchers point out that one reason child care markets don’t “work” (that is, provide the quality child care that parents and children need at a price they can afford) is that parents lack the necessary information to make an informed choice. Others note that a child care market “should be understood to be a compromised



market, characterized by low entry requirements for workers, low wages...imperfect consumer knowledge and limited protections". British experts argue that child care is a "peculiar market". This term is used to mean that a child care market doesn't work as markets are supposed to— "social, moral and emotional components"— "love, trust, kisses and cuddles"—put "a price on things beyond price".

### **Fundamental questions**

The issue of whether child care is provided through a market model or as a public good raises a number of fundamental philosophical and practical questions. Is child care a public service or a private responsibility? Is Canadian child care funded in the right way? Does relying on parents, volunteers and entrepreneurs to develop child care "work"? Should there be more public management? Is it acceptable to consign child care to market forces but not public education, especially as younger children can be considered more vulnerable? Is it ethical to treat child care as a market commodity?

