

# A bad bargain for us all: Why the market doesn't deliver child care that works for Canadian children and families <sup>[1]</sup>

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Do child care markets “work”? Market failure, “compromised” and “peculiar” markets


Peter Moss, an influential international ECEC and family policy expert, described a child care market approach as “provision... delivered [so that] consumers shop for and purchase services on offer from a variety of competing suppliers”. He observed that this model is “increasingly dominant, spreading from the English-speaking liberal market economies into Continental Europe and beyond” (Moss, 2008: 6), a trend also described by Mahon, Anttonen, Bergqvist, Brennan and Hobson (2012). In a book on child care markets cross-nationally, British child care analyst Helen Penn asked a key question: “is a child care market a reliable and equitable way of delivering child care?” (Lloyd & Penn, 2012: 6) while New Zealander Linda Mitchell called the market approach the “Achilles heel” in the attempt to build a high quality early childhood system in her country (2012).

The question: Do child care markets work? has been considered repeatedly by child care researchers. Canadian economists Gordon Cleveland and Michael Krashinsky, observing that parents do not have all the information needed to make child care decisions, said “providing additional funds to parents does not solve all the market failures...markets only work well if purchasers can effectively monitor the output they are purchasing and reward firms which produce the highest quality at the lowest price. As with medical care, long-term care and education, it is difficult for consumers to make these judgments about the early education of young children” (Cleveland & Krashinsky, 2004:3).

US researcher Lynne Kagan and colleagues noted that child care should be understood to be a “compromised market”, “characterized by low entry requirements for workers, low wages...imperfect consumer knowledge, and limited protections” (Kagan, Kauerz, & Tarrant, 2008) while UK experts Ball and Vincent term child care a “peculiar market”. In their 2005 work, Ball and Vincent identified multiple aspects of child care markets that they suggest don't work as they are supposed to. They observed:

- Child care is a practical market, not a theoretical one;
- Service shortages and parents' lack of information mean that “consumer sovereignty” is absent, with parents a “captive audience”;
- It's a highly gendered market, both on the supply side (the workforce) and the consumer side (mothers);

The child care market is diverse and segmented (with a large unregulated child care ‘grey market’ including in-child's-own- home care) and multiple types of private and public providers that are associated with class divisions and hierarchies (Ball and Vincent, 2005).

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|  <a href="#">OP31-A-bad-bargain-for-us-all.pdf</a> <sup>[2]</sup> | 336.33 KB |

Tags: market <sup>[3]</sup>

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[1] <https://childcarecanada.org/publications/occasional-paper-series/19/05/bad-bargain-us-all-why-market-doesn%E2%80%99t-deliver-child-care> [2]

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