

Big box babysitting: Corporate child care is not the solution ^[1]

Author: Dallaire, Jody

Source: Straight Goods

Format: Article

Publication Date: 30 May 2011

EXCERPTS

Big business is setting up shop in the delivery of early learning and child care services in Canada. It used to be that examples of child care conglomerates could only be found abroad. Not anymore.

Currently there are a number of Canadian-based child care chains. One of them is even publicly traded on the Toronto Stock Venture Exchange (TSX-Venture). Edleun Group Inc. (Education Learning Universe) began trading on the stock exchange in May 2010.

Edleun Group states that it plans to "strategically pursue" the acquisition and development of child care centre across Canada, with the goal of owning 10 percent of the Canadian child care "market" within 6 years. This would represent approximately 900 child care centres. According to Edleun's web site, they currently operate 22 centres (almost all of them in Alberta) and 23 additional centres are under construction.

Is corporate child care a bad thing?

Let's just say that it does not have a good track record. Case in point is Australia's experience with ABC Learning. ABC Learning, prior to its dramatic collapse and the ongoing lawsuits, was a publicly traded child care company listed on the Australia Stock Exchange (ASX). ABC Learning grew from operating a single centre in 1998, to owning 25 percent of Australia's child care "market" in 2009, when it filed for receivership and was delisted from the stock exchange. The company owned and operated 1,200 child care centres in Australia and New Zealand, as well as approximately 1,000 centres in the USA and 11 in Canada.

Prior to ABC Learning going belly-up, Australia's experience with corporate child care was far from rosy. Let's examine the government policies that allowed this to happen.

In the 1990s, the Australian government decided to liberalize its subsidy structure, so that both the non-profit and private sector child care providers could benefit from them. At the time, the government anticipated that its approach to child care, allowing for increased private investment, would decrease government expenditure. It also believed that fee subsidies would ensure affordability for parents, and that provincial regulation would ensure quality.

This is not what happened.

Rather than decrease government investment, the government saw its costs increase over the years as it needed to continually increase fee subsidies as child care fees skyrocketed once ABC gained a large market share. In some cases, parent fees reached \$2,000 per month. Outside of urban areas and affluent communities, child care remained a rare commodity. The company also pressured the government to lower quality standards to improve its bottom line. Even with 40 percent of its revenue coming from the Australian government, ABC Learning failed as a good model for delivering child care.

In New Brunswick, like in most Canadian provinces, our child care policies are very similar to the policies adopted in Australia in the 1990s. We provide parental fee subsidies and wage enhancement grants to both for-profit and non-profit child care providers. We do not yet have a strategy to grow non-profit and public programs to meet our child care needs. Most importantly, we do not limit expansion of services to the non-profit and public sectors.

Countries that do child care well, namely where services are widely available, affordable, inclusive and of high quality, have policies that provide for services that are publicly funded and publicly managed. They are also operated on a non-profit or public basis. None of the countries that treat child care as a private business have a track record of equitable access to high quality programs.

Already Canada has a dismal international record on early learning and child care.. We cannot afford any costly mistakes. UNICEF, Save the Children and the Organization for Economic Cooperation and Development (OECD), all give Canada extremely poor rankings in terms of meeting suggested standards for child care services. All of these organizations have published reports which place Canada last among developed countries.

When New Brunswick decided to publicly fund kindergarten services, we did not allow for the private sector to own a percentage of the kindergarten market. We decided to invest all of our public funds into our children and not into profits.

In 2008, the provincial government said no to a group proposing to build child care centres and lease them back to the government or to other operators in exchange for government guarantees on their lease payments. More recently, the provincial government decided to bring early learning and child care services under the Department of Education. The department is now called the department of Education

and Early Childhood Development.

I applaud the government on both of these decisions. They indicate a commitment to publicly funding early learning and child care services. These actions are not enough to protect us from a corporate take-over, nevertheless.

In 2010, the New Brunswick government adopted the Early Learning and Childcare Act. It should be modified in order to give the government the power to keep big box child care companies out of New Brunswick. The private day cares that already exist could keep operating but expansion should be limited to the non-profit and public sectors.

...

- reprinted from Straight Goods

Region: New Brunswick ^[2]

Tags: quality ^[3]

child development ^[4]

funding ^[5]

privatization ^[6]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/11/06/big-box-babysitting-corporate-child-care-not-solution>
Links

[1] <https://childcarecanada.org/documents/child-care-news/11/06/big-box-babysitting-corporate-child-care-not-solution> [2]

<https://childcarecanada.org/taxonomy/term/7854> [3] <https://childcarecanada.org/category/tags/quality> [4] <https://childcarecanada.org/category/tags/child-development> [5] <https://childcarecanada.org/category/tags/funding> [6] <https://childcarecanada.org/category/tags/privatization>