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What is This?
Gambling on the market: The role of for-profit provision in early childhood education and care

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Abstract
Since 1997 there has been an unprecedented expansion of the childcare for-profit market in the UK. The repercussions of this for understanding of 'quality' and definitions of good practice for early education and care have barely been explored. But in the current economic recession the market is now beginning to shrink, and there is considerable turnover of nursery places. The built-in instability of the for-profit market serves to highlight its problematic nature and difficulties of relying on it as a vehicle for delivering government policies. This article explores the economic rationales for and the limitations of a market approach to early education and care services. It considers the direct and indirect research evidence about the functioning of such a market. It argues that any conceptualization of early childhood services in the UK now has to take account of the growth of the for-profit childcare market and the economic rationales of the marketplace.

Keywords
early education and childcare, for-profit provision, private market

Introduction
In order to set the scene I will provide a very brief overview of early education and care services in the UK, showing broad trends in developments. However, my main intention is to profile the private childcare and education market in the UK, and consider the economic rationales – many of them unfamiliar to an ECEC audience – that govern the expansion and contraction of the market. I present some data about the reach and scope of the private market, and consider the issues which affect its operation – information flows, regulation and competitiveness. Finally, I examine some of the inherent difficulties of relying on a market framework to provide ECEC services: social value, quality, and volatility. This article is part of a multi-disciplinary series of seminars and discussions at the International Centre for the Study of the Mixed Market Economy, which I co-direct with Eva Lloyd.
Background

In the UK, government has invested heavily in the private sector, as part of its public sector reform agenda. This process began in the Thatcher era but has accelerated since 1997, when a Labour government was elected nationally. Government has encouraged private finance initiatives (PFIs) to provide capital for new projects in health and education. It has withdrawn from the direct provision of services in many aspects of social welfare. Instead it has encouraged business entrepreneurs, or social enterprise organizations to deliver services on a business model, part-funded and regulated by the state. For example, the health service, education, social housing and other social care services have become part-privatized in this way (Ball, 2007; Himmelweit and Land, 2007; Pollock, 2005). This reliance on the private sector is likely to increase still further under the new Conservative-Liberal Democrat coalition government that took office in May 2010. Although the UK has more firmly endorsed a market approach than many other countries, welfare state reform and modernization is a phenomenon that is occurring throughout the developed world.

Policies since 1997 have actively promoted the expansion of early education and care provision (of all kinds). As in other areas of state services, across the UK, government has moved rapidly away from the concept of public provision of early education and care. Previously, in urban areas in particular, local authorities funded and provided services. Local authority social service departments provided council day nurseries for children deemed to be at risk. Early education was provided in maintained nursery schools and nursery classes. However, provision was always uneven. In rural areas, most of the provision was part-time and provided by voluntary organizations such as playgroups. Very little of this provision, urban or rural, catered for working mothers. Expanding provision, of any kind, care or education, has opened up the question of auspices – who should provide new places? Increasingly it has been assumed – across the UK – that the market has a significant or even central role to play.

The rationales for expansion of early education and childcare services have been threefold. First, in contradistinction from earlier policies, since 1997, Labour government policy was to encourage mothers to work. Equal opportunities and recognizing women’s entitlements in the workplace have been a driver for this policy, partly prompted by European legislation. It was also predicted that mothers’ earnings would lift children out of poverty and enable single mothers in particular to contribute to tax revenues rather than remain in receipt of benefits. Since there was a dearth of childcare places for working mothers, the question of expansion was urgent, and the government view was that this was best handled through the market. A system of demand-led funding was introduced, giving tax credits to parents to enable them to seek and purchase their own childcare (Cabinet Office, 2002). The government gambled that these tax credit incentives would stimulate the private market to meet the new demand.

Rationales for the expansion of nursery education have been developed separately and until relatively recently, without reference to childcare. The driver in this case was to improve educational outcomes. Policies to promote nursery education for all three- and four-year-olds were adopted. Again there were insufficient places. Some new places were created within the maintained sector, but other places, especially in rural areas, were created by funding existing private and voluntary sector providers who could meet the standards to offer nursery education places. Unlike childcare places, they were funded directly on a per capita basis. As discussed below, this solution has not been wholeheartedly welcomed by the private sector because the per capita rate was deemed to be too low.

A further rationale for the provision of services has arisen through an explicit welfare agenda. In England the 1989 Children’s Act made provision for children in need, although the definitions
of children in need were vague and open ended and raised various problems of boundary main-
tenance – exactly which children were in need and what should be provided for them? Because
of some spectacular failures in this welfare system, and the death of young children in shocking
circumstances, the welfare agenda was revised. A government paper Every Child Matters, was
issued in England with a particular emphasis on ‘keeping children safe’. This paper was incor-
porated into the Children Act of 2004. There is a renewed obligation on local authorities to
safeguard vulnerable children, although definitions of vulnerability – and solutions to it – remain
very variable (Speight et al., 2010). If there is very little suitable local authority provision, the
question then arises about whether the private sector can undertake such safeguarding, what pot
they should be paid from, and how they should be monitored (Burke, 2008).

Governments across the UK have also been concerned to promote multi-professional working
and have set up a number of initiatives, mostly short-lived, to try to cross the boundaries between
early education, welfare for vulnerable children and childcare for working parents. The best known
of these is the Sure Start programme in England. Politicians have made extravagant claims that the
programme would reduce child poverty and transform neighbourhoods. One eminent critic,
Michael Rutter, has described these claims as well-meaning but misguided; the goals of the pro-
gramme were too diffuse, and the processes were too vague. The evidence gathered so far suggests
that despite substantial expenditure, the programme has had little effect (Rutter, 2007).

In trying to stimulate the private sector, the Labour government was not concerned about the
details of auspices, that is who owns and runs the services and on what basis, whether they are for-
profit, voluntary or social enterprise co-operatives or community nurseries. The private market in
the UK consists mainly of small traders and businesses, which have emerged for instance, from
former playgroup or childminder settings. As Myers comments:

The actual behaviour of profit-seeking and non-profit organizations may be similar. Many ‘non-profit’
organizations operate as if they were profit-making, seeking new markets and trying to operate in a
cost-effective way. A not-for-profit educational organization often charges fees and may earn profits, but
may (be required to) distribute or disguise those profits in the form of higher salaries or by reinvesting
them in the organization . . . (2000: 8)

In England for example, other than maintained nursery education, the main distinction between
providers in the Regulatory Framework for the Early Years Foundation Stage is between ‘domestic
settings’ and ‘non-domestic settings’ irrespective of whether the provision is for-profit or provided
by a voluntary organization or under any other kind of auspices (Penn, 2009). The Childcare Act
of 2006 specified that local authorities would only be providers of last resort in setting up any new
services other than maintained nursery education. Instead their job was ‘Childcare Market
Management’, that is to find ways of stimulating the local market through various business,
training and informational activities and start-up grants (Penn, 2007). However, as the rest of this
article suggests, there may good reasons for separating and highlighting the for-profit sector in
early education and care, and considering the limitations of the sector as a vehicle for implementing
government policies.

Labour government policies did not produce the expected outcomes in early childhood educa-
tion and care and the reliance on the for-profit sector in particular, may be one of the reasons why
not. Given the good intentions and increased expenditure of the Labour government, this policy
failure is a matter of real concern. Even before the recession there was not a significant overall
increase in the numbers of single parents or low income mothers at work and child poverty has
not fallen (Penn, 2009). There have also been serious concerns about the standards of for-profit provision and outcomes for children (Mathers et al., 2007). There is some evidence that parents are reluctant to use nursery education if it is provided outside of the maintained sector, in for-profit provision, especially if they have to top it up (Dickens et al., 2005; La Valle et al., 2007). The Ofsted (2008) report for England suggests social stratification has taken place – the poorest provision is in the poorest areas, the best provision in the wealthier areas.

**Private sector early education and childcare: Market characteristics**

The most comprehensive information about the reach and scope of the for-profit early education and care sector is itself produced by a market research company, Laing and Buisson. Their annual publication *Children’s Nurseries: UK Market Report* reviews the evidence about the capacity, costs and profitability of the sector, and regulatory frameworks into which it must fit. On the basis of this evidence, the reports speculate on market futures and make economic forecasts about future trends. The reports are aimed primarily at an investment audience, those who are considering buying into early childhood education and care as a profitable business. The reports are available at a price, currently £695 per copy, available directly from the company.

*Children’s Nurseries: UK Market Reports* offer an economic analysis which relies on classical economic theory of the market, on the precepts of rational choice, competition, supply and demand to explain the behaviour and responses of commercial organizations within the early education and childcare sector. Everything is commodified (or given a price). The report analyses and predicts what purchasers (parents) will pay for the commodity of childcare, how profitable financial investment in nursery businesses, especially corporate nursery business, is likely to be, given financial trends; and how government regulatory frameworks are likely to restrict or reshape the market. Over the last three years the reports have paid particular attention to the impact of the recession on market trends. The UK market report is the source of the information given below in this section, unless otherwise stated.

In describing the market, Laing and Buisson use the generic term ‘children’s nurseries’ to cover the range of provision that is available, whether offering outside of the school sector, whether childcare or nursery education or any other form of service. They distinguish between corporate for-profit (ownership of five or more businesses) and small traders (usually single businesses), and between for-profit and voluntary provision.

**Market size and fluctuations**

Between 2002 and 2008 there was a 70 percent increase in the for-profit market. For the calendar year 2009, the market was valued at £5.3 billion. The largest proportion is the children’s daycare market, worth £3.9 billion. The next largest segment is childminding, worth around £945 million. The remaining segment, playgroups and other part-time places is worth approximately £470 million.

The childcare market in the UK provides approximately 1.1 million places for children under five. This is broken down as follows:

- 663,000 in children’s daycare nurseries (60%)
- 260,000 in children’s part-day care facilities (nursery education places) (23.5%)
- 180,000 places with childminders (16.5%)
Nearly 70 percent of these places are operated by for-profit businesses, which covers limited companies and small traders. Approximately 23 percent of places are non-profit operated by charities, social enterprises and community groups. The remaining 8 percent are provided by the public sector, mainly local authorities.

The recession has led to contraction in the market, especially amongst small traders, but there is also considerable fluctuation amongst large companies. Of the top 20 companies, all but one is corporately owned, the majority by off-shore equity companies. These 20 companies account for 8.2 percent of the market. They have frequently changed hands – with all the accompanying restructuring that is involved – as investment priorities shift (Penn, 2009). For example the UK nursery chain Busy Bees, offering over 1000 places, was owned by the Australian conglomerate ABC Learning. When ABC collapsed in 2008 (see below) Busy Bees was sold on to a Singapore based company, Knowledge Universe, whose owner Michael Milken was known on Wall Street as ‘Junk Bond King’. He has served time in prison for ‘securities and reporting violations’ but was originally indicted on charges of ‘racketeering and fraud’. The BUPA chain Teddies, was sold in 2009 to the American chain, Bright Horizons.

Smaller companies also change hands. One property dealer specializing in nurseries, Redwoods Dowling, currently has 407 nurseries on its books up for sale (up from 200 last year) (www.redwoodsdk.com). For smaller companies, sale and leaseback schemes are available, that is forgoing property ownership to keep the nursery as a viable income-generating business. There is a substantial secondary industry in vouchers, equipment, IT and managerial support and training.

There are estimated to be 0.92 million children under five (a quarter of the total) using this provision. Occupancy rates are around 86 percent for daycare nurseries, but 91 percent for part-time nursery places. In 2007 demand increased, but in 2008 and 2009, demand fell again. The Ofsted (2010) report for England records that 34,228 places were lost in 2009, but that there were 22,781 new places created – an overall loss of 11,000 places, or approximately 840 nurseries. One of the responses to the market downturn appears to have been that in 2008 fees increased, by 4.9 percent and in 2009 by a further 5.1 percent (Daycare Trust, 2010). This was much higher than the current rate of inflation.

**Nursery funding**

The average annual spending per child for a day nursery place is estimated at £5770 for the UK. This cost is paid primarily by parents. Overall, parents pay approximately 41 percent of the total costs (Kazimirski et al., 2008). This figure is higher than in any other OECD country except Ireland (OECD, 2009). Approximately 18 percent of the costs are met through working tax credits, and 13 percent from free entitlement places for two-, three- and four-year-olds in childcare settings. A report from the Daycare Trust (2009) breaks down those costs further, and estimates government expenditure of £9 billion in England alone would be necessary if government targets on training and employment of staff were to be met. However, it recommends that this money where possible goes to the maintained nursery education sector through supply side rather than demand side funding – through per capita funding to the service rather than through the tax credit system, since this is more likely to ensure that the money will be spent directly on the service rather than siphoned off in profits.

There is a continual stream of complaints from owners who provide part-time places that the nursery education subsidy does not adequately compensate them, and the figure should be raised (Federation of Small Businesses, 2009; Gaunt, 2009). In one local authority for example,
providers formed a cartel, to insist that the authority pay more than the government rate, or else they will not offer any nursery education places (Gaunt, 2009).

In response to these private sector demands, the Labour government in England introduced (and then withdrew) ‘a single funding formula’ which offered a standard per capita amount per child, whether the child attended maintained or private nursery education. The rationale for the increase in the formula put forward by the private sector was to create ‘a level playing field’. They argued that as maintained nursery education has considerable in-built financial advantages (for instance premises and janitorial services) the per capita allowance for nursery education for for-profit and non-public sector nurseries should be raised, and the per capita allowance of public sector nursery education should be correspondingly lowered (DCSF, 2009). The single funding formula proposal accepted the private sector argument that assumed that local authority nursery education can and should operate on essentially the same basis as private operators, who employ mainly nursery nurses or non-teachers. The education sector by contrast has employed fully qualified teachers paid at national rates of pay, and a range of ancillary services.

Generally staff pay in the private sector is low, barely above the minimum wage. In 2008 nursery nurses were paid an average of £6.65 per hour (less for nursery assistants) and managers were paid £8.82 per hour (Daycare Trust, 2009). For-profit nurseries necessarily regard such costs as infringing on profits, and are concerned to keep them as low as possible to maximize profits. However, as the Daycare Trust analysis points out, government targets for levels of training for staff, and numbers of trained staff required, are unrealizable without considerable further investment in the sector to pay for the training of staff, and for their employment costs once trained.

Information flows

In classical economics, successful markets depend on unimpeded information flows. Consumers need information to know what they are purchasing, and to be able to choose between competitors. However, as the Nobel prize-winning economist, Joseph Stiglitz pointed out in a series of books and papers, most markets are imperfect in this respect (http://www2.gsb.columbia.edu/faculty/jstiglitz/papers.cfm). In the field of early childhood education and care, parents are consumers in the sense that they choose the provision on behalf of their children, but not in the sense that they experience it. Their information about the provision may be partial and limited, and their children are not in a position to report back. Two recent and comprehensive reviews of the economic literature on early childhood education and care, carried out for the Canadian government suggest that giving parents information about quality is not straightforward, and is only a relatively minor factor in the purchase of childcare. Parental views about quality often differ with those of professionals. Generally, the higher the fees, the less likely mothers are to use childcare, but this is tempered by geographical availability and family circumstances such as numbers of children (Childcare Human Resources Sector Council, 2009a, 2009b).

From a market perspective, knowledge and information are themselves market commodities. The price of £695 in order to access knowledge about the children’s nurseries market is a steep one, even although the report relies to an extent on public information, for instance Ofsted Reports and government commissioned surveys, in order to reach its conclusions. This is in marked contrast to the previous government’s admirable approach to making all the research evidence it has commissioned available on its DCSF website. The market view of intellectual property is stated succinctly by this major childcare provider:
Why give away techniques and confidential information which have taken time, energy and a great deal of expense to develop? In a competitive environment this intellectual property or pool of trade secrets represents one of the most important assets a company owns . . . this is exactly what the government is expecting the best nurseries to do in an effort to raise standards . . . Both the private and the maintained sector will be expecting to spend time sharing best practice with other nurseries even if they are competitors . . . this is neither fair nor reasonable. (Bentley, 2008)

The difficulty of access to information under business confidentiality clauses is a well known phenomenon of private finance initiatives and of privatization more generally (Pollock, 2005). Business confidentiality in the field of private nurseries necessarily limits mutual co-operation and learning.

**Market regulation**

It is widely accepted, even by the most ardent pro-market economists that the market requires some degree of regulation and standardization in order to function and to control ‘unfair competition’. International rules about competition and monopolies, about standards of accounting, safeguarding of copyright and rules for data protection are generally welcomed and observed. Companies in breach of these regulations face heavy fines or penalties by national and international bodies. But most other forms of regulation, in various degrees are seen to restrict competitiveness and to affect the profitability of individual businesses.

Regulatory frameworks apply mainly to OECD (rich) countries. Multi-national companies try to relocate their production to regions of the world where regulation (and taxation) are lighter. Even childcare is not exempt from these trends; the childcare itself cannot be relocated but the management of it can be, as the examples of the Busy Bee and Teddies chains indicate. A majority of corporate childcare companies are owned by offshore equity companies, which from their tax havens can restructure childcare businesses to maximize profits and minimize external costs. For these reasons, it is argued, regulatory controls need to be international as well as national.

The European Union has introduced mandatory legislation in a range of areas in order to try to ensure that firms within the EU compete fairly for business, and one country does not gain an advantage by operating outside of the rules. The EU is now considering extending regulatory legislation to cover childcare, and has commissioned research to investigate regulatory controls in member states. The work undertaken will include exploration of regulatory frameworks of childcare within Europe; the distribution of responsibilities at central/regional or local level; the auspices or modalities of service delivery, that is who actually provides the service; the relationship between public authorities and service providers including commissioning, monitoring, etc.; and the modes of funding. Preliminary results suggest that the UK stands out as exceptional within Europe. It has gone further down the road of marketization of childcare than almost any other country outside of North America but paradoxically has more centralized and extensive regulatory controls than do most other countries. In England, for example, The Statutory Framework for the Early Years Foundation Stage (EYFS) is (comparatively speaking) very concerned with health and safety and permits little leeway or innovation to those wishing to build new nurseries, deploy staff imaginatively, or experiment with curricula activities, indoors or outside. Where there is a very diverse market in early years provision, as in the UK, regulation is necessary to mitigate bad practice and preserve an illusion of fairness.⁴
Paradoxically in market terms, it is competition that drives up quality, and regulation which depresses it. Nurseries compete with one another for customers, and ‘quality’ in a market sense is a sales technique. A growing number of nursery businesses view quality accreditation as a specialized service which adds value to their business. For this reason they operate an internal programme or a third party accreditation to distinguish them from competitors (Laing and Buisson, 2009). Nursery businesses then do not share the view that regulation is necessary to curb bad practice. They are keen to limit the impact of ‘red tape’ if it affects their costs and profits, and lobby on that account. For example, there is no requirement in EYFS for businesses to provide outside space for children, even although this would be unthinkable in the maintained nursery education sector. This has resulted in private nurseries, especially under-capitalized small providers, being able to lower their costs by locating their businesses in shop fronts, industrial units, church halls, and terrace houses – all a common sight in urban areas in the UK. Regulation, however tight in some respects, has to acknowledge the reality of the market place, and cannot set the bar too high.

**Market competitiveness**

Market failure is integral to a market approach. Successful businesses compete and expand; unsuccessful businesses fail and close. Unlike public services which are intended to provide a consistent service whatever the vagaries of the market or vulnerabilities of the clientele, the private market responds primarily to profit and loss. Government in the UK, more so than many other European governments, has tried to introduce this approach, in varying degrees, to all public services including health and education. They use the argument that the private sector is more economically efficient and provides more flexible and responsive services (Ball, 2007; HM Treasury, 2002; Penn, 2008; Pollock, 2005). But what happens when there is a recession, and the economic climate is harsh?

One strategy for struggling nurseries is to raise fees (as noted above, fees rose nearly 10% over 2008/09). Another is to be stringent about the payment of parent fees, for instance demanding fees monthly in advance, or networking with other nurseries to identify bad payers. An article by Rawstrone (2009), ‘Tough on non-payers’, reports on the attitudes of nursery owners in a time of financial downturn. Parents who failed to meet the nursery fees were described as ‘a major threat to sustainability’ by nursery owners. In this scenario, a nursery place is no more than a commodity bought by the parent, and if the commodity is unaffordable it cannot be provided. Any caring or moral obligation towards the child is beyond the scope of the nursery. As one owner put it:

> If someone has not paid for food in a supermarket then they are not allowed to take the food, if they fail to pay for petrol then the garage holds the car, but we obviously can’t stop parents from taking their children! (Rawstrone, 2009)

The parent is regarded as irresponsible or feckless, finding trivial excuses for not paying, rather than being desperate or in need of support. This approach goes against all the precepts of government policy on children’s centres in England for example, for whom parental support, especially in poor areas, amounts to a prime directive.

The repercussions of market failure on a grand scale are exemplified by the collapse of the Australian market giant ABC Learning, owing debts of over one billion Australian (AS) dollars. ABC Learning was at one time the biggest corporate company in the world. It owned a British chain (Busy Bees) and had many collateral enterprises in many countries. Its collapse has led to accusations of loose accounting and money laundering (Brennan and Newberry, 2009). ABC had
too large a share of the market (it provided more than 30% of all Australian childcare places) to be allowed to fail but, as with failing banks, unravelling the financial circumstances has been very expensive to taxpayers. The Australian government spent over AS 100 million in supporting ABC until other buyers could be found. Public indignation over the collapse of the chain was so great that the government-appointed receivers have now sold on ABC to a non-profit welfare based consortium (Penn, 2010).

**Does the early education and childcare market work?**

The arguments against taking an economic approach to childcare – and other services – cut little ice with the UK Labour government, for whom a pro-market stance was a *sine qua non*. Such arguments are likely to have even less impact on the current Conservative-Liberal Democrat coalition government.

Economic theory itself though, is undergoing revision, partly because of the severity of the current recession, but also because leading economists and political thinkers are beginning to ask radical questions about the application of economic theory. Michael Sandel (2009), a leading political scientist, argues that the last 20 years have been characterized by ‘market triumphalism’. Market precepts have expanded into spheres where they have not previously operated – such as education – thereby undermining traditional social norms and values such as citizenship, social justice and social inclusion, and treating as irrelevant personal values and attributes such as sharing, caring, loving, intellectual curiosity, honesty, moral obligation or duty, etc. Because human skills, capacities and capabilities are undervalued or disregarded in standard economics, in this sense the market is inefficient rather than efficient, and biased rather than value-free (Sandel, 2009).

Sandel’s critique is increasingly widely shared. A report from the New Economics Foundation (Lawler et al., 2009) uses some of the principles and valuation techniques of social return on investment analysis to quantify the social, environmental and economic value made by certain groups. Unlike bankers or accountants, whose activities may detract from the social return on the economy, childcare workers create a social value of between £7 and £9.50 of value for every £1 of pay. That is, they can be said to contribute to social cohesion of society, and this contribution can be costed.

For the last 25 years neo-liberal governments like those in the UK and USA, have strongly favoured a market model and discounted public services. But at the very least, public services are intended to provide a safety net for the most vulnerable; at best, they underpin citizenship, social justice and social inclusion. Such services are places where – potentially – everyone can meet on equal terms, rich and poor, strong and vulnerable, alike. These goals underwrite the provision of early childhood care and education in all Nordic countries for example. The for-profit childcare market has no such altruistic aims. Individuals may provide a decent and well-organized service – but only providing it does not make a financial loss. The ethics of the for-profit sector warrant more scrutiny (Sumison, 2006). Children do not figure at all in the Laing and Buisson Children’s Nurseries UK Market Reports, since their development or well-being is of little direct interest to investors calculating profit and loss.

At the same time as the government has underwritten the expansion of the private market, there have been theoretical developments in the field of ECEC in terms of children’s needs and capacities. One of the issues increasingly raised is that of continuity of experience as children move from home and from one kind of provision to another. A recent major international research programme has been commissioned by the Bernard Van Leer Foundation on the topic of ‘Transitions’ (Bernard Van Leer Foundation, 2009). The UNICEF Innocenti Centre (2008) and UNCRC (2002) have also
considered the importance of continuity of care and education for young children. Yet the market is inherently unstable, as providers expand in anticipation of profit or contract in order to avoid loss, and as parents shop around to make their ‘choice’. The purpose of for-profit provision is to generate profit. It may or may not offer a good service, although the for-profit sector in general raises formidable problems of quality. The balance sheet is the primary consideration rather than, for example, the well-being of poor or vulnerable children.

In general, then, it is possible to argue that reliance on the for-profit sector in the field of early childhood education and care is problematic. In the case of the UK where the for-profit sector has been the main vehicle for implementing government policy, it is particularly problematic. For-profit care is volatile, dependent on local markets for uptake of places, expensive for parents, and frequently of poor quality. There is substantial evidence to suggest it does not offer parents increased choice, nor does it provide more flexible provision, although it removes the burden of doing so from the government. Generally, this issue of marketized childcare has been ignored in the early years literature in the UK. Yet at any one time a quarter of all young children in the UK attend such provision; more children still are likely to have experienced it at some point in their lives. The childcare market sector warrants more focused attention. In line with current economic critiques, I would suggest new strategies for monitoring and analysing its impact and evaluating its contribution to the well-being of young children, and to the wider social good.

Notes
1. Domestic powers have been devolved to locally elected governments in Scotland, Wales and Northern Ireland. However, the trends reported here are broadly similar in all of them. This article identifies specific government level initiatives in England. But unless otherwise stated, the comments refer to the UK as a whole.
2. The agenda for market research is set by those commissioning the research. Market research firms successfully bid for and execute government and other research across a wide spectrum of services but unless specified by the commissioning body, they would not necessarily meet academic standards of peer review. On the other hand, the accuracy of the information and the reliability of the predictions is a key to market success.
3. This and a number of other references in the article are taken from the weekly magazine Nursery World. Whilst not an academic publication, this is the only source that offers comprehensive coverage of the private market.
4. The author is currently involved in this study, which should be published in 2011.

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