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Diederik Vancoppenolle and Bram Verschuere
Public Policy and Administration published online 10 February 2011
DOI: 10.1177/0952076710384904

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Failure in Service Delivery by Public-Private Networks: The Case of Flemish Childcare

Diederik Vancoppenolle
University College Ghent, Belgium

Bram Verschuere
University College Ghent, Belgium

Abstract
The involvement of private actors (non-profit and/or for-profit) in public service provision has a lot of consequences and implications not only for users and service providers, but also for government. This article explores the consequences for the relations within public-private service provision networks, by focusing on the governance regime of childcare in Flanders. Our case analysis clearly shows that public-private service provision networks may threaten the transparency of the service provision field for users, and challenge the role of the oversight authority, often requiring a two-level steering of the service provision field: a direct steering of individual service providers and the network and/or market steering of the whole service provision field (in a community or region). Governance regimes comprising service providers of different sectors may complicate this kind of network steering, as there seem to exist at least six relationships within such networks. Furthermore, we noticed that service providers may face conflicting (public) accountabilities.

Keywords
accountability, contracting out, implementation, networks, outsourcing, service delivery

DOI: 10.1177/0952076710384904
Diederik Vancoppenolle, University College Ghent, Voskenslaan 270, Ghent 9000 Belgium. [email: diederik.vancoppenolle@hogent.be]
Public service delivery is increasingly organized via networks in which public organizations work together in close cooperation with non-governmental actors, which may be non-profit or for-profit. The New Public Management (NPM)-driven belief that service provision by non-governmental actors may be more efficient, effective, and customer-oriented compared to public service provision by governmental actors has intensified this trend. The trend towards ‘marketisation’, in which public service provision is brought into a competitive market, or the contracting-out of public services to private organizations has been well documented (for an overview see Pollitt and Bouckaert, 2000). Less debated, but equally relevant and with a long tradition in many countries, is the involvement of private non-profit actors in public service provision (Brandsen and Pestoff, 2006; Pestoff, 2006; Prentice, 2006; Salamon in Anheier, 2006; Defourny and Pestoff 2008).

The involvement of private actors in public service provision has a lot of consequences and implications for the actors and stakeholders involved: the users or clients of the service provision, the service providing organizations, and the government as a regulator and director of the public service provision network (Ouchi, 1991; Heinrich and Lynn, 2000). For users, the presence of private actors besides public service providers enhances their freedom of choice, but may also threaten the transparency and the accessibility of the service delivery network. For service providers, their autonomy with regards to the price, quality and accessibility of the services is challenged by the fact that public and private service providers have to operate in the same field, whether independently, in a co-operative or in a competitive relationship. For government, developing relationships with (a network of) private non-profit and for-profit organizations requires other instruments and capacities compared to steering public services (Verhoest et al., 2003; Loffler, 2009). Hierarchical steering and control become less relevant, because private organizations have a certain degree of independence vis-à-vis the government. Moreover, whenever private actors of different types and kinds offer the same services, the oversight authority is also challenged to guard the transparency of the network of service providers, and to direct and/or regulate the relations between the service providers and between the service providers and the users. In such public-private service provision networks, we often observe that oversight authorities use more market- and network-type systems to coordinate the service delivery, instead of more hierarchical systems (Bradach and Eccles, 1991; Ouchi, 1991).

In this article we discuss the number and kind of relations that have to be installed between the different actors in public-private service provision networks. We explore to what extent a public-private service provision network, which is characterized by a variety of actors which develop multiple interrelationships, may lead to failures in the delivery of public services.

We start by conceptually discussing the many relationships that evolve whenever public and private actors are involved in a public service delivery network. Conceptually and theoretically, the fact that a service delivery network is
characterized by many different actors may yield negative effects on the quality and effectiveness of the services delivered. We then present our case study, the organization of childcare in Flanders, Belgium. Firstly, we present the organization of the service provision network. Secondly, we critically analyze some major failures observed in the childcare service provision. We then question to what extent these disadvantages are related to dysfunctional or inadequate relations in public-private networks. We conclude with a summary of our empirical findings, raising issues for further debate about the challenges of the involvement of public and private actors in service delivery which go beyond our single case.

Public-Private Service Delivery Networks with Many Actors

The complexity of a service delivery network is largely dependent on the number and kind of service provision organizations. But the complexity is also determined by the amount, the kind and the content of the relations between the major actors in this public-private service delivery network: oversight authority, service providers and users. In our opinion, one can discern at least six possible relationships between the actors involved (see Figure 1).

The way these relations are set up, and are functioning, is important. The quality of these relationships determines the performance of the public policy and service delivery, as we discuss in the following paragraphs.

The Relation Between Individual Service Providers and Users

First, we may question how individual service providers can be accountable, vis-à-vis the users/clients, for their service provision. The key stake for the

![Potential relationships in public-private service provision networks](https://example.com/image.png)

**Figure 1** Potential relationships in public-private service provision networks
users of the service provision (or their representatives) is to have sufficient access
to services of good quality, at a reasonable cost. In many instances, however, users
of service provision have few opportunities to hold the organization accountable.
There is no such thing as a formal hierarchical relationship between ‘boss’ and
‘subordinate’ in a horizontal accountability regime (Schillemans, 2007). This
means that, in terms of Leat (1988, in Anheier, 2006), accountability is at most
‘explanatory’ and ‘responsive’, by which the organization explains and gives
account to the clients or the users for what they are doing (explanatory account-
ability), or by which the organization takes into account the views of the clients
after having consulted these clients in one way or another (responsive account-
ability). There is also, in normal circumstances, no room for sanctioning in the
relationship between organization and client. The only options that users have are
to complain to the organization or the oversight authority, or to quit the service
provider in question. Neither strategy is without risk, as both may hamper the good
relationship between service provider and client, especially for relational goods
(Van de Donk, 2008). Or the client may end up without service provision. This is
especially risky in a field where the demand for services is larger than the supply.

In public-private service provision networks however, other accountability
problems may arise as the characteristics of the horizontal relation may differ
between different kinds of service providers. Public, non-profit and commercial
organizations may all have, to a certain extent, different bottom lines (Eikenberry
and Kluver, 2004). We might for example expect that commercial service pro-
viders will be driven by a profit motive, besides their motivation to deliver good
service to clients. This may result, for instance, in a higher selectivity in their
admission policies. It may be the case that commercial providers deliberately aim
for clients with a certain level of financial status, and that underprivileged parts of
society will be underrepresented in commercial welfare organizations and better
represented in subsidised organizations. By contrast, public and private non-profit
organizations will not be inclined primarily to make profits, as a result of the non-
distribution constraint. In terms of accountability towards clients, we can expect
that non-profit and public providers will pay less attention to the demands of the
shareholders of their organizations in terms of making financial surplus, com-
pared to commercial organizations. We also might expect that public service
providers will pay more attention to the stakes of the government.

**The Relation Between an Individual Service Provider and the Oversight Authority**

Next to the relation between service provider and user, we can also question how
individual public service providers can be steered and held accountable by
the regulatory authorities. The key stake for the oversight authorities is,
besides the quality of service provision, the compliance of the service provider
with the requirements of the policy framework. This is all the more so in an
environment that is heavily regulated, and subsidised by governmental means. Oversight authorities that subsidise service providers hold service providers accountable for the correct provision of services by the organization, with attention to regulations that apply in the sector. Here, we can expect a difference in accountability between those organizations that are heavily subsidised and those that are less subsidised. In return for subsidies, the oversight authorities will expect compliance with the governmental policy in terms of quality of service provision and accessibility to the service for citizens. We therefore might expect public and subsidised non-profit service providers to place greater focus than commercial service providers on the demands of the oversight authorities.

The Mutual Relations Between Service Providers

In complex service delivery networks in which a lot of organizations of different size and kinds exist, the interrelationships between the service providers do matter. The number and kind of these relationships will depend on the size and the nature of the demand for the supply of public services, on the relative distribution of the service provision among the different actors, on the kind of public services and on the regulations of the government. When the demand is large enough for all service providers and when clients use services of different organizations, cooperation between service providers of public, non-profit and commercial can be expected. But relations between service providers may also be competitive, for instance when the size of the demand is small or whenever service providers are competing for a specific group of users. Although a certain amount of competition may foster the efficiency and the quality of the public service, too much competition may threaten the effectiveness of the public policy.

The Relation Between the Network of Service Providers and the User

In public-private service provision networks, (potential) users face a complex field with a lot of service provision organizations of different kinds. Hence, it is not always easy for potential users to be able to find their way in this complexity. The question is often how and where to find the appropriate service provision in a heterogeneous field. In such a situation, the cooperation between the different service providers will to a large extent determine the transparency of the service provision. Moreover, whenever a user needs a service that has to be produced by more than one service provider alone, the user will be highly dependent on the cooperation between service providers. For these reasons, it is important to discern a relationship between the network of service providers and the users, where the quality of cooperation in the field of service providers will partly determine the quality of the service, as perceived by the user. Especially in a field where access to services is not always easy (e.g. because the demand exceeds the
supply), and where service providers are not homogenous (e.g. in terms of cost for the user and criteria for access), a better cooperation between different service providers may increase the transparency of the field for the users.

The Relation Between the Oversight Authority and the Network of Service Providers

It is not only important that oversight authorities monitor the quality of service provided by individual service providers. Equally important is the role of the oversight authority with regard to the service provision network in order to enhance the transparency of the network, and to guarantee that the necessary cooperation between different service providers is realised. The oversight authority is then a pivotal actor in the public-private service provision network, and must realize the effective ‘governance’ of this network (see Loffler, 2009). Therefore, it is important to know how the regulatory authorities can foster, via the issuing of policy and regulations, (a) the accessibility of the services for the clients in a rather complex field with a low degree of transparency for the users, and (b) the quality of the services delivered by the service providers. To a certain extent, the oversight authorities have a role in fostering the accountability of the network of service providers towards the users. In their role as network manager, oversight authorities may apply coordination regimes that make individual service providers work together in a more intense way. Typically, in public-private service provision networks, hierarchical coordination is (necessarily) replaced by more market and network oriented types of co-ordination (Bradach and Eccles, 1991; Ouchi, 1991). In market and/or network systems, oversight authorities regulate, steer and co-ordinate, and act as network managers, instead of being hierarchical ‘principals’ of policy-implementing ‘agents’. Hence, government (or its regulatory agencies) has a stake in an effective and well-functioning network or market of service providers. This stake may be direct – economies of scale, or effective and efficient use of governmental means via cooperation or competition between service providers – or indirect – transparency for clients.

The Relation Between the Oversight Authority and the User

A final relation exists between the oversight authorities and the citizen/clients of the service provision. Although the oversight agency is not delivering any service by itself, it often will be considered as the responsible authority by users who are not aware of the administrative details of the service provision network. Users will expect that an oversight authority may solve service delivery problems, by intervening in the activities of private actors or by redrawing the structures and rules of the service provision network. Users may see the oversight authority as a neutral partner. This relationship can be characterised by several mechanisms and instruments that illustrate the responsiveness of the oversight agency towards the
citizen/client of the public service. Through annual reports, for example, oversight authorities may inform clients about their activities. Another instrument is the installation of a complaint procedure, in which government is willing to address complaints and to give feedback about interventions, or to compensate for undesired outcomes or for faults that were made under their responsibility. The strongest form of accountability of government towards its citizens is to guarantee the protection of basic rights or to guarantee the existence of basic public service delivery. In many policy fields, basic rights for citizens are defined by (constitutional) law, such as the right for education, decent living conditions and public safety. Such basic rights imply that government is responsible for sufficient and qualitative service provision in all these fields, such as the organization of an educational system, the organization of a welfare system that guarantees decent living conditions for every citizen, and the organization of a police and army force to guarantee and enforce safety in society. This can be pursued by own governmental service provision (e.g. army and police), or by service provision by third parties that is subsidised and regulated by government or its agencies (e.g. the welfare system in many Western countries). A system of basic rights or basic services strengthens the position of the user, as he or she can claim service provision as a legally defined right (Verschuere, 2006). This implies that users can directly hold accountable the oversight authority for not fulfilling their basic needs.

The Organization of Flemish Childcare

Having sketched conceptually how different actors in a public-private service delivery network may interact, and what consequences these interactions may have for the stakeholders, we now turn to our case study. We first discuss the complex field of Flemish childcare.

A Heterogenous Field of Service Providers

Childcare policy belongs to the authority of the Flemish minister for welfare, assisted by the public agency Kind en Gezin. Kind en Gezin does not deliver any childcare service itself; it only regulates, subsidises and controls childcare services organized by private organizations or local governments. It offers information about the service provision landscape and the childcare providers to parents, but it does not give any guidance to parents who are searching a place in care for their children. The childcare service provision landscape in Flanders is heterogeneous, as it covers organizations of different types and labels.

Firstly, there is the difference between recognised and subsidised childcare providers on the one hand, and supervised but not subsidised childcare providers on the other hand. The first receive governmental subsidies for their personnel
and for equipment, while the latter have to finance their personnel cost and other expenditures (equipment like beds, furniture and toys) with their own means. The difference between subsidised and supervised care providers does matter for children and parents, as it may lead to differences in quality, because supervised care providers are less heavily regulated by government with regard to the qualifications of their personnel. Also the parental fee may vary between service providers of different types. Supervised childcare providers are free to determine the parental fees, while recognised childcare providers are obliged to calculate an individual parental contribution that depends on the taxable income of the parents. Finally, there may also be differences concerning accessibility, because supervised childcare providers can determine their own admission criteria, while recognised childcare providers are legally bound to several admission rules of the childcare. Table 1 shows that in 2007 about two-thirds of the childcare supply was delivered by recognised and subsidised childcare providers, while 36 per cent of the providers was supervised but not subsidised.

Secondly, there is a difference between residential care on the one hand, and familiar type care in the house of the care provider on the other hand. Most places (54 per cent) are of the familiar care type, often organised by subsidised family care services.

Thirdly, there is a variety of societal sectors involved in childcare delivery in Flanders. Childcare can be provided by either local government, by private non-profit organizations (often embedded in religious or ideological networks), or by private for-profit organizations (commercial initiatives). The childcare field in Flanders is a typical example of co-management of public service provision between different sectors (Brandsen and Pestoff, 2006). Only public and non-profit organizations can be recognised and subsidised. All commercial care

Table 1 **Overview of size and type of Flemish childcare providers**

<table>
<thead>
<tr>
<th>Supply capacity (in places)</th>
<th>Childcare</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Subsidised</td>
</tr>
<tr>
<td></td>
<td>Subsidised day centres</td>
</tr>
<tr>
<td>Non-profit</td>
<td>8,958</td>
</tr>
<tr>
<td>Public</td>
<td>4,481</td>
</tr>
<tr>
<td>Profit (commercial)</td>
<td>13,439</td>
</tr>
<tr>
<td>Total</td>
<td>44,118 (64%)</td>
</tr>
</tbody>
</table>

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providers are supervised. But as the governmental budget is scarce, some public and non-profit organizations set up their own supervised care provision, without Flemish subsidies. We show in Table 1 that each of the three sectors at least represents more than 20 per cent of the total number of places available in Flanders. The non-profit sector has the largest share (50 per cent), and the commercial sector is more important than the public sector (29 vs. 21 per cent of the total share). The table also shows that most of the non-profit capacity is subsidised, implying that the Flemish childcare field is a typical example of a governmentally subsidised field in which the non-profit sector is mainly a government-dominant funded sector (Anheier, 2006; Salamon and Anheier, 1997).

Taken altogether, the service provision network in Flemish childcare is characterized by a certain level of complexity, in particular for parents. Families are confronted with a vast diversity of care providers (either group or family care), organised by public, non-profit or commercial organizations, sometimes subsidised, sometimes supervised. There is no public body to support or lead parents in their search for a childcare place, as the public agency Kind en Gezin does not offer any direct service of that kind to parents.

To get a good understanding of the functioning of this service provision network, we sketch in the following section the criteria for recognition and subsidies that Kind en Gezin applies.

Regulations for Recognised and Subsidised Organizations

With regard to parents in search of a place for childcare, recognised childcare providers have to be clear about their admission policy. They may not discriminate against families or children based on cultural, sexual, racial, ethnical or religious grounds, and they have to apply the legal priority criteria whenever they have to choose between several requests. According to these rules, subsidised day centres and family care services are obliged to give prior admission to the following groups: children of parents who cannot – due to their jobs – take care of their children during the day; children for whom it would be good for social or pedagogical reasons to stay in a formal care setting outside the family; children of parents with the lowest income, and children of single parents. Within these boundaries, recognised childcare providers may add other criteria or may give priority to one or another priority rule, as there is no hierarchy between the established priority rules.

With regard to the number of children they admit, recognised day centres are free to choose how many children they accept, but they should keep in mind that too much or too few children may threaten their recognition. With regard to the parents, childcare providers have to install an information policy. This includes that all agreements about care and costs have to be written down in a written agreement, and that parents are informed about closing days, opening hours, and so on.
*Kind en Gezin* pays subsidies according to the number of places it has recognised for the childcare provider. In order to get the right amount of subsidies, subsidised childcare providers have to pass information to *Kind en Gezin* about the number and kind of care moments, about the total amount of parental contributions they received, and about the names and age category of every member of their personnel. It is important to mention that they do not have to pass names of children, nor private information about the financial or relational situation of the parents. The fact that *Kind en Gezin* does not ask this kind of information does not mean that these aspects are not controlled. They are controlled by a distinct inspection agency of the Flemish government. Childcare providers are inspected once every five years by means of site visits in which inspectors examine if the childcare provider is violating the legal requirements with regard to the employment of qualified personnel, the permanent supervision of the children, the number of children in relation to the present staff, and so on. The inspectors will also assess the information policy, and will ask the care provider, when necessary, to improve their service quality and practice. If they are not willing to do this, *Kind en Gezin* can withdraw their recognition.

**Flemish Childcare: Failure in Service Provision?**

Above, we showed that childcare is a policy field which is characterized by a lot of regulations, for example, with regard to admission (priority rules apply), the number of children providers take care of, and the information that should be provided to parents. In this part we discuss two recent studies that scrutinized the service provision system in Flemish childcare. One study investigated the search process of parents, the other analyzed the admission policies of subsidised care providers. Both studies show that childcare in Flanders is to some extent a failing policy. Not all expected outputs and outcomes turn out in the way that was meant initially by the policy makers.

**The Search Process of Parents**

In 2007, *Kind en Gezin* commissioned a study\(^1\) to obtain information about the problems in the search process of parents looking for a place in Flemish childcare services (Market Analysis & Synthesis, 2007a). The research shows some interesting findings about the start, the intensity and the result of the search process of parents, and about their satisfaction with the search process. Sixty-one percent of the families started to look for a place at least 10 months before the preferred start of the childcare. Families did not restrict their search process to one care provider. On average, each of the questioned families contacted 13 care providers during the search process. The data show that 20 per cent ended with a problematic childcare situation. Ten per cent of the families that found a place continued to
look for another place (with another provider), as the place they obtained did not completely fit with their preferences. Ten per cent of the families did not find a place for their child. These families may be confronted with considerable problems, as the parents can no longer fully commit to their job, have to change their work schedule or have to turn down a job or training offer. However, this does not mean that the remaining 80 per cent of the parents had an easy search process. About 66 per cent stated that their search process was difficult or very difficult. Of course these findings are subjective appreciations by the parents, but the fact that the dissatisfaction is that large cannot be neglected. The study further showed that there are significant differences in the outcome of the search process for families with a different socioeconomic composition or cultural and educational background. Single parent families, parents without a full time job and/or parents who do not have Belgian nationality did not find a place as easily as their counterpart families. It is remarkable that two of these ‘excluded’ groups should have prior admission to subsidised care providers, at least according to the legal priority rules (cf. supra).

The Admission Policy of Recognised and Subsidised Childcare Providers

In a second study, the admission policies of subsidised childcare providers were analyzed (Market Analysis & Synthesis, 2007b). All subsidised childcare providers were sent a written questionnaire. Eighty-nine percent of them completed the questionnaire. The results are rather surprising, as they show that many subsidised childcare providers do not fully respect the legal priority rules.

A first important finding is that 54 per cent of the day care centres refused a request whenever the request for care did not correspond with a certain minimum number of days. In reality, 73 per cent of all day centres want a minimal presence of the child for three and a half days per week. Other important reasons to refuse requests are that ‘the child is too old’ (35 per cent), ‘neither of the parents is working or studying’ (19 per cent) and ‘neither of the parents lives in the community’ (16 per cent). These data indicate that childcare providers use additional admission criteria that determine which requests will be taken into consideration by the provider, and which ones not. Although it is not forbidden to refuse requests on the condition that the decision is not based on discriminatory grounds, these practices at least are disputable. As such, the additional admission criteria applied by childcare providers may conflict with the legal priority rules. It may therefore not be surprising that the application of own admission rules excludes several groups of families, like families who deliberately decide to take care of their own children for at least two days a week, or families who need formal day care for only one or two days a week.

Secondly, in the study the care providers had to assess the degree to which a criterion does matter in their decision to give priority to one or another
request for childcare. Table 2 shows the most important priority criteria applied by day care centres. We observe that the subsidised childcare providers are ignoring the legal priority rules at least in part. They often prefer other priority criteria above the legal ones. Giving priority to families who already have a child in the day centre or family care service turned out to be the most important priority rule applied by childcare providers. This seems fair from a pedagogical and practical perspective, but the criterion may conflict with the legal priority rules. The fact that the chronological criterion (third criterion in Table 2) is also often applied by care providers implies that parents who legally should get priority can only get this priority if they submitted their request first. Given the nature of the care need of some of these groups, it is clear that families who have to cope with a crisis, or parents who need formal childcare in order to follow job training, will be in a disadvantaged position compared to other groups.

Thirdly, in order to apply the priority rules of their own admission policy, most (but not all) subsidised childcare providers work with waiting lists. However, of all care providers who make use of a waiting list, only 30 per cent of the care providers write down particularities of the families on the waiting list. In most cases only the expected date of birth, the desired start of the care period and the number of care days are written down in the waiting list. This implies that even if the subsidised childcare providers would have been willing to apply the legal rules, most of the care providers would not be able to do this, due to a lack of relevant information. A lot of care providers use the chronological criterion, giving the place to the parents who apply first for admission. But the study illustrates that at least some of the care providers apply another (additional) chronology criterion. Whenever a place is available, some care providers offer the place to the parents who contacted them first after the place had

Table 2  **Priority criteria applied in day centres**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Mean score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Parents already have a child in our care service</td>
<td>6.68</td>
</tr>
<tr>
<td>2. Parent(s) do work in our care service</td>
<td>5.86</td>
</tr>
<tr>
<td>3. Parents applied prior to other parents</td>
<td>5.70</td>
</tr>
<tr>
<td>4. There is a crisis in the family</td>
<td>5.37</td>
</tr>
<tr>
<td>5. Parents had a child in our care provider some time ago</td>
<td>4.79</td>
</tr>
<tr>
<td>6. Parents have a job or are studying</td>
<td>4.66</td>
</tr>
<tr>
<td>7. Parent does not have a partner</td>
<td>4.60</td>
</tr>
<tr>
<td>8. Family has a low income</td>
<td>3.57</td>
</tr>
</tbody>
</table>

Note. A 7-point Likert-type scale was used. 1 represented ‘This criterion does not play an important role’, while 7 stood for ‘This criterion does play an important role’.
come available. As a matter of fact, a lot of childcare providers (56 per cent) seem to expect that parents take the initiative to contact the care provider on a regular basis, to check their chances for a place. Waiting lists thus do not function as absolute rankings that install a fully transparent priority system for families with a registered care need. There are subjective elements – additional to the priority rules – that determine whose care needs will be satisfied first.

Failing Service Delivery: The Result of Hampering Relations in Public-Private Networks?

The failures in service delivery that are documented above can not only be explained by a shortage in childcare places. In our opinion they are also and to a large extent caused by a subtle combination of several dysfunctional or non-existent relations between the many actors in the field of Flemish childcare.

The Relation Between Service Provider and Client

In Flemish childcare users are in a weak position, mainly due to the shortage of childcare places. In particular the demand for recognised group care places is high, as these places are (in general) the cheapest and most qualitative places. Parents who find a place in the supervised sector often already tried to get a subsidised place. All this implies that there is hardly any choice between childcare providers, and that users are certainly not in a position to use the exit strategy whenever they are not satisfied with the childcare. This leads to a situation in which childcare providers may not feel really accountable to families in search of a childcare place. In many cases, the needs and interests of the provider may determine the admission policy, not the kind of requests by parents, nor the legal criteria. Moreover, childcare providers can be expected to attach more importance to relations with other actors/stakeholders than parents looking for a place, like the relationship with parents who already have a child in the day centre or family care service, with their personnel, or with the organization that organises the childcare. There is thus a real risk that the accountability towards (new) clients gets the lowest priority. Next, one can hardly say that the admission policies of most childcare providers are transparent. Although childcare providers are legally obliged to inform parents about their admission policy and procedures, the research results show that the practice in reality does not correspond to the rhetoric of the written procedures. In particular the fact that the ranking on the waiting lists is often neglected, and that the available place is offered to the first parent who calls, is the best example of the complete lack of transparency and accountability towards the potential users.
The Relation Between Service Provider and Oversight Authority

The fact that subsidised childcare providers do not respect several legal conditions reflects a hampered accountability relation between care providers and the oversight authority, a situation that is partly caused by badly installed instruments and procedures for control, which is the responsibility of the public agency *Kind en Gezin*. Firstly, *Kind en Gezin* requests too little information about the admission policy and procedures of childcare providers and/or does not hold them accountable for the poor accessibility for some of the priority groups. Secondly, the application of the procedures is never controlled, although some elements can be checked easily by the inspectors (e.g. the fact that the waiting lists do not contain any information about the family situation). One could also question whether the frequency and possible consequences of the inspection visits are considered as sufficiently important by the childcare providers to provoke them to respect the legal priority rules.

Nevertheless, the reasons behind the undesired practices may also point at important shortcomings, or even contradictions, in the legal priority rules. This becomes obvious when we analyse the admission criteria service providers tend to apply. First of all, the fact that childcare providers give prior access to children that attend childcare for a sufficient amount of days in a week seems to illustrate that the childcare providers prioritise their own interest. Indeed, for administrative and financial reasons, it is advantageous for childcare providers to have a lot of children for which they take care full-time. For administrative reasons, fewer children means fewer files, fewer parental contributions that have to be calculated and the easier the occupational planning. For financial reasons, it is obvious that the occupation rate will be high when most children are inscribed with the childcare provider on a (nearly) full-time basis. Moreover, the employment of the staff will be more efficient when the size of the group is stable on a daily basis. Thus, from the point of view of the providers, there seems to be a trade-off between two kinds of priority rules, as childcare providers are asked to attain a high occupation rate to enhance the efficiency of the governmental policy, while they should also ensure that children of families with a smaller or less predictable need for childcare are admitted. Also, not unimportant for small children, a stable composition of the groups is preferable to a situation in which children have to face the coming and going of other children who attend their group one day a week, or who come only for a short period. Furthermore, the responsiveness of childcare providers towards families in search of a place conflicts with their commitment towards families who already have a child with the childcare provider. The fact that parents would have to take their children to several childcare providers before going to work conflicts clearly with the public goals of the childcare policy (supporting families, amongst others, to facilitate the work-life balance).

Again, we should be careful to consider the breaking of the legal priority rule by giving prior access to brothers or sisters as a violation of their
public accountability. Thus, the fact that childcare providers do not always respect the existing regulations does not automatically imply that they also neglect the interests of the clients.

While the former two additional admission criteria applied by childcare providers (priority for brothers and sisters, and priority for children that stay for a large amount of days per week) still could be interpreted as more or less in line with governmental policy, other criteria applied by providers seem not to be. The observation, for example, that public childcare provision, organized by local government, in some cases gives prior admission to their own citizens conflicts with the priority rules set by the Flemish government, although many public service providers are subsidized by Flemish means. The same could be said for providers who are giving priority to children of their own personnel.

The Interrelationships Between Service Providers of Different Sectors (Public, Non-Profit, Commercial)

As the Flemish childcare is delivered by rather autonomous service providers of different sectors, operating in a rather competitive environment, collaboration between service providers is not evident. Although they all are forced to participate in a local advisory council on childcare, it seems that service providers are working on their own and do not share or pass on information about children, families and their care needs to each other. The fact that supervised service providers compete with subsidised initiatives and that commercial and public initiatives seem to have specific (and conflicting) rationales to set up childcare services seem to be additional hurdles for cooperation. This lack of cooperation clearly explains to a large extent the difficult search process parents have to face.

The Relation Between the Network of Providers and the Clients

Although childcare providers are not expected to cooperate with other providers, it is clear that users would benefit a lot from a collaboration of that kind. The search process for childcare would be less frustrating and less time consuming when parents should only contact one organization instead of many to apply for a place in childcare. Moreover, childcare providers would also profit from a certain amount of cooperation, as the amount of intakes and administrative files would decrease. Furthermore, as the unique contact point would reduce the waiting lists (on which there are a lot of double counts, as most children are inscribed on waiting lists of several providers), it would become easier for childcare providers to apply their admission criteria. Nevertheless, there is a real risk that individual childcare providers are not moving towards more cooperation on their own initiative, or for the sake of the users. That would require a common feeling of responsibility towards the potential users. Hurdles to this may be that care providers do not see themselves as delivering a public service, or the fact that the
service delivery field is too heterogeneous to develop a common understanding. But this culture of shared responsibility also requires some requirements or incentives by the oversight authority.

The Relation Between the Network of Providers and the Oversight Authority

Incentives by the oversight authority for cooperation between providers are scarce, because the relationship between the oversight authority and the network of providers does not exist. Kind en Gezin is not structurally directing the network of childcare providers and does not hold them accountable for setting up any form of cooperation that would ameliorate the transparency, efficiency and/or accessibility of the childcare supply. Nor does Kind en Gezin stimulate any form of collaboration within the bilateral relationship it has with every childcare provider. However, it should be mentioned that Kind en Gezin tried to foster this cooperation between 2007 and 2009 by means of experimental subsidies for so called ‘centres for childcare projects’, but this kind of network steering got very little political and financial support once the experiment ended. This can be explained by the fact that these experiments have proven that some characteristics of the childcare service delivery field hinder any fruitful collaboration. Firstly, the fact that there exists a kind of competition between childcare providers complicates the collaboration between subsidized and non-subsidised childcare providers. There is for example a lot of distrust and anxiety that a unique contact point where parents can apply for a childcare place would threaten the influx of children in commercial care providers. Secondly, the fact that local governments are providing themselves a lot of places hinders cooperation as they are both player and referee (Verschuere and De Rynck, 2009).

The Relationship Between the Oversight Authority and the Clients

Kind en Gezin has installed a lot of mechanisms to inform clients about their services. They account by annual reports and have a very informative website, comprising a lot of tips for young parents searching for a place. There even exists a well-functioning complaint procedure. Whenever parents are dissatisfied with the services of a service provider supervised or subsidised by Kind en Gezin, they can complain to Kind en Gezin. Kind en Gezin then examines the validity of the complaint and can order an inspection of the service provider, analyzing the issue of the complaint. This complaint procedure can result in a withdrawal of the supervision or the recognition of the service provider. For parents it is however delicate and useless to complain about the admission policy of a particular service provider. First of all because a complaint may threaten the chances of getting a childcare place. Secondly, because Kind en Gezin can not urge service providers to accept children, because service providers have a lot of discretion in using the
priority rules, making it difficult to point at or control irregularities. As long as childcare is not a basic right or basic service like education or public transport, users can not urge Kind en Gezin to provide in a childcare place whenever they do not find one.

Conclusion

Two recent studies show some failure in the service delivery in Flemish childcare as the search process for parents is very difficult and as it was difficult even for priority groups to enter Flemish childcare. We have shown that at least part of this failure is due to characteristics of the public-private service delivery network, with its many actors and stakeholders, and their many interrelationships. Firstly, the fact that the search process is very difficult and frustrating for parents is caused by the weak information flows between individual care providers and (potential) clients, by a lack of cooperation between care providers and by dysfunctional accountability relations between care providers and Kind en Gezin. The lack of consolidated information and the absence of any cooperation between service providers makes Flemish childcare quite opaque for the clients. Kind en Gezin and the Flemish government can tackle these dysfunctionalities by holding the individual care providers more accountable, by increasing the frequency and intensity of the inspections and by requiring from the network of care providers a kind of cooperation or at least some consolidated information about the free places in the environment and about length of the waiting lists. As long as Kind en Gezin does not hold accountable the network of care providers, multiple overlapping waiting lists will continue to exist.

Secondly, the fact that some of the priority groups are de facto excluded from childcare is caused by a weak relation (in terms of control and inspection) between care providers and Kind en Gezin, but also by the fact that care providers have to face conflicting public accountabilities. Kind en Gezin can tackle this by reconsidering the hierarchy of legal criteria, and by increasing control over the application of the legal admission criteria by care providers.

Apart from the mentioned mechanisms, the failures could also be solved by giving childcare the status of a basic right. In the latter situation, Kind en Gezin would be obliged to intervene more directly in service delivery or would at least be stimulated to force the service providers to act more customer-oriented and/or to co-operate more for the benefit of the users. Such a basic right requires, however, sufficient means to create enough places to fulfill the demands, which is – at the moment – not feasible for budgetary reasons.

Our case analysis clearly shows that public-private service provision networks may threaten the transparency of the service provision field for users, and challenge the role of the oversight authority. Our analysis raises several interesting issues for debate, which go beyond our single case. Firstly, the case analysis made
clear that it is not easy to deliver public services by private organizations and to reach all public policy goals. Secondly, our analysis showed that it is not enough to translate accountability relationships in legal requirements, but that it is also necessary to monitor and control the degree to which the delivered services correspond to public goals. Thirdly, an oversight authority should keep in mind that the degree to which all relationships between all actors function well without counteracting one another will determine policy outcomes. Public-private service provision networks do challenge the steering role of oversight authorities, often requiring a two-level steering of the service provision field: a direct steering of individual service providers and the network, and/or market steering of the whole service provision field (in a community or region). Therefore, accountability relationships should be established between the network of service providers on one hand and the user and oversight authority on the other. The involvement of private actors in service delivery may complicate this kind of network steering, but our case analysis shows that it may be necessary to install this extra level of steering. As long as Kind en Gezin, as the regulatory agency, fails to act as a real network manager or market regulator (and hence gives incentives to individual or groups of care providers to cooperate), the search process for parents will remain difficult, and the transparency (for users) of the field will not increase. Finally, we also have to acknowledge that the simple conceptualisations of multiple relationships and accountabilities can hardly cover the subtle empirical variations that exist in practice. It seems useful to discern at least six relationships between actors/stakeholders within complex governance regimes. Service providers have multiple accountabilities, with the oversight authorities, but also with different kinds of users.

Note

1. Qualitative research consisting of telephone interviews with a sample of 1,400 parents.

References


**Diederik Vancoppenolle** is Assistant Professor at the Department of Business and Public Administration of University College Ghent, Belgium. He studies welfare policies as well as policy roles of civil servants and ministerial advisers. He published in West-European Politics, the Journal of Social Research & Policy and wrote several book chapters.

**Bram Verschuere** is Assistant Professor at the Department of Business and Public Administration of the University College Ghent, Belgium. His main research interests are public management, public sector organization, state-nonprofit relationships, and welfare policy. He recently published in Public Policy and Administration and Public Management Review and edited already several books.