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Exploring the role of inter-municipal cooperation in the foster care market: between collaboration and competition

Konkurrens eller samverkan? Mellankommunal samverkans roll på familjehemsmarknaden

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ABSTRACT

Many countries in Europe are experiencing difficulties recruiting foster families for children in need of out-of-home placement. In Sweden, inter-municipal cooperation (IMC) is being employed by municipalities to recruit and retain larger numbers of foster families, engaging municipalities currently competing for the same foster families in a collaborative relationship.

This article uses interviews and document analysis to examine the reasoning behind IMC within foster care. It also explores how competition may affect collaboration as municipalities aim to manage the competition they encounter in the foster care market.

Drawing on the concept of competition as a social construction, the study's findings indicate that competition for foster families is a strong motivator for entering IMC. However, it is not easily managed and, in certain instances, the escalation of competition between municipalities can be understood as a side-effect. As a result, satisfaction with IMC within foster care is partly dependent upon the preconditions of the municipalities and the perceived competition between participating municipalities. However, the results also suggest positive experiences when pooling resources to secure foster families collectively, even though the current use of IMC does not appear to fully satisfy the needs of all participating municipalities.

SAMMANFATTNING

Flera europeiska länder har svårt att rekrytera familjehem för barn som behöver placeras utanför det egna hemmet. I Sverige tillämpar vissa kommuner mellankommunal samverkan i syfte att rekrytera och behålla familjehem, samtidigt som de konkurrerar med varandra om samma resurser. Denna artikel baseras på intervjuer och dokumentanalys för att undersöka de bakomliggande orsakerna till att kommuner ingår i mellankommunal samverkan inom familjehemsvården. Studien analyserar hur konkurrens påverkar denna samverkan.

Genom att konceptualisera konkurrens som en social konstruktion visar studien att konkurrens utgör en stark drivkraft för att ingå i mellankommunala samarbeten. Samtidigt framkommer att konkurrens är svårhanterligt, och i vissa fall kan en eskalerande konkurrens mellan

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kommuner utgöra en oavsiktlig bieffekt. Graden av tillfredsställelse med mellankommunal samverkan kan förklaras av kommunernas individuella förutsättningar samt den upplevda konkurrensen mellan deltagande aktörer. Resultaten pekar samtidigt på positiva erfarenheter av att samordna resurser för att gemensamt säkerställa tillgången till familjehem. Dock tycks formerna för mellankommunal samverkan inte tillgodose samtliga deltagande kommuners behov fullt ut.

Introduction

A challenge facing many countries is how to ensure the future recruitment and retention of foster families for children in need of out-of-home care, given the long-term shortage of such families (Reimer, 2021). This challenge is also being widely discussed in Sweden, the country which is this paper's empirical focus.

Sweden is one of the most decentralised countries in the world (e.g. Ladner et al., 2022), with 290 relatively autonomous municipalities bearing the primary responsibility for ensuring sufficient availability of foster families. This includes recruitment, assessing the suitability of prospective foster families, matching children with families, and providing support to those families. The municipality's first choice should be to place a child, if possible, with a relative or a person close to the child (kinship care) (Bergman et al., 2024). Alternatively, the child will be placed with a family they have not met before, which was the case for about 80% of the 18,800 children in foster care in Sweden in 2023 (Socialstyrelsen, 2023).

The demographic conditions of Swedish municipalities vary (SALAR, 2022)¹ ranging in population from around 2,000 to approximately one million residents (SCB, 2023). Despite these differences, municipalities are expected to provide the same services, of equal quality. However, the character of a municipality's population and the state of its economy may significantly influence its implementation of services, including foster care (Pålsson et al., 2022).

According to state regulations, municipalities should place children in a foster family within close proximity to their biological parents. However, the recruitment of foster families is not limited by municipal borders, which means that municipalities can recruit families from anywhere in Sweden. By implication, therefore, municipalities are competing with each other for available foster families (Pålsson et al., 2022). Another factor complicating this process is the marketisation of foster care: since the late 1990s, independent fostering agencies (IFAs) have entered the field, which is now viewed as a market (Fridell Lif, 2023). IFAs recruit foster families and sell their services to municipalities, often at a higher fee than the municipality would have paid directly to the foster family had there been no intermediary. Hence, not only are municipalities competing amongst themselves for available foster families, but they are also experiencing competition from IFAs, which often have superior financial resources and can offer foster families better compensation and overall better conditions (SOU, 2023:66). Although general recommendations have been established by SALAR (2025) regarding the compensation foster families may receive, the total amount of remuneration and reimbursement each foster family receives can vary on a case-by-case basis.

A shortage of foster families, coupled with limited financial and personal resources in the municipalities, often results in long waiting times for children before they are placed with a foster family. Moreover, it has resulted in instances in which foster families' suitability has been poorly investigated and/or foster families have not received adequate support from the municipalities (Vårdanalys, 2016). Several municipalities have also been forced to recruit foster families through IFAs in order to meet the needs of children within a reasonable time, often resulting in high costs for the municipality (Konkurrensverket, 2017).² Consequently, there is a pressing need for municipalities to improve their foster-family recruitment, investigation, and retention, both for the welfare of the

children and to make themselves more appealing to prospective foster families, thus making families more likely to accept placements.

To address the challenges of limited financial and personal resources facing municipalities in many European countries today, a cooperative approach known as inter-municipal cooperation (IMC) is extensively employed within various services, including in countries such as France, Switzerland, and Norway (Teles & Swianiewicz, 2018). In Sweden, adjacent municipalities are adopting IMC to form regional organisations (Ljunggren & Bokerud, 2023), including for foster-family recruitment, training, and support, a move also endorsed by SALAR (2021).

A considerable amount of literature addressing IMC has recently emerged. However, most of this research has been conducted within technical fields such as waste management (Sandberg, 2024). Despite IMC being widely applied within other – arguably more complex – areas, such as child welfare (Jacobsen & Kiland, 2017), the understanding of how IMC operates within relational services such as foster care is limited. Studies on the interplay between competition and collaboration, also called ‘co-opetition’, have shown that relationships dominated by competition may be more difficult to maintain due to the high level of competition for the same resource (Bunger et al., 2017). An indication that IMC may not always function as seamlessly as anticipated within foster care is the fact that several municipalities that were previously involved in IMC within foster care have opted to discontinue their participation. Some IMCs have even been dissolved. However, new IMCs are still being established in other regions of Sweden.

Against this backdrop, this article aims to explore IMC within foster care and how competition may influence collaboration. This is achieved by examining documents and interviewing social workers in Sweden who have previously participated or are currently actively involved in IMC within foster-family recruitment and retention. This article is part of a larger study on foster-family recruitment through IMC, studying its outcomes in relation to the challenges it was established to address.

The following questions are addressed in this article:

- What is the reasoning behind IMC and to what extent is competition a driving force to enter IMC?
- How may the notions of, and meanings assigned to, competition influence the collaboration?

Previous research

The foster care market and ‘co-opetition’

The new age of ‘marketisation’ has spread to a range of public services, and today competition and private actors within the welfare system are common (Fridell Lif, 2023). However, research on competition and collaboration related to foster-family recruitment is limited. Existing research has primarily studied the recruitment of foster families in non-collaborative contexts, such as local authorities, welfare agencies, or IFAs. Moreover, they have mainly highlighted the existing and growing competition for available foster families, the importance of a good reputation (the municipality’s ‘brand’) and the compensation available to compete for and attract new foster families, as well as the need for regional collaboration to improve the recruitment and support of foster families (Baginsky et al., 2017; Berrick et al., 2011; Pålsson et al., 2022). Certainty about receiving necessary support and assurance that the family will not be asked to care for a child they do not want, are factors that matter when recruiting new foster families, according to a study examining the public’s interest in becoming foster carers (Lind et al., 2025). This indicates that potential foster families want to be able to make demands. IFAs are perceived as having changed the conditions within the foster-care market in this regard. For instance, in Sweden, it has been observed that potential foster families have gained an increased opportunity to scour the market before deciding whom they wish to offer their services to (Pålsson et al., 2022). Underscoring the proliferation of IFAs, research has noted that 90% of municipalities employ their services (Fridell Lif, 2023).

Despite research noting the difficulties of maintaining a collaborative relationship whilst competing for the same resource (Bengtsson & Kock, 2000), collaboration between competing actors is nowadays being carried out within child welfare (Bunger et al., 2017; Jacobsen & Kiland, 2017). In an older study by Prins' (2010) of a, then existing, multi-stakeholder collaboration between foster-care services in Belgium, the author observed how the objective shifted from finding the best solution for foster children to ensuring the survival of the various organisations. Since each stakeholder had its own interests to defend, it became difficult to view the collaborative entities as neutral or impartial. Despite these challenges, human service organisations may experience institutional and market pressures to collaborate, despite (or because of) their competitive relationship (Bunger et al., 2017).

Inter-municipal cooperation (IMC)

As described above, IMC is a growing international phenomenon (Jacobsen & Kiland, 2017). Political discussions have considered forcing municipalities to collaborate and, in some countries, laws have been passed to achieve this (Erlingsson & Folkesson, 2022). The primary reasons for the general use of IMC typically include financial savings, facilitating the recruitment of specific skills, or enhancing the variety of services provided (Mattisson & Thomasson, 2019). That being said, no international research on IMC within foster care specifically has been found. However, Jacobsen and Kiland (2017) have studied success factors for IMC in Norway within a somewhat broader area: child welfare. The authors found three main success factors: 1) 'Moving out' child welfare from social services helped prioritise the tasks and led to more resources being available; 2) The participating municipalities had no choice but to collaborate due to a lack of resources and not wanting to amalgamate with other municipalities; 3) Allowing for a stepwise process and developing the collaboration over time.

Although IMC has been encouraged and is utilised by a relatively large number of municipalities within foster-family recruitment and training in Sweden, only one academic study about one specific IMC has been conducted – and that was published more than 15 years ago (Löfstrand, 2009). In addition to academic research, evaluations of individual ongoing IMCs have been carried out (Eriksson, 2020; Evaldsson, 2019; Gustafsson & Sköld, 2021). Several of these indicate satisfaction due to more effective foster-family recruitment. However, despite this being one of the main goals, the IMCs were still not able to recruit enough foster families to meet the full needs of all participating municipalities.

Researchers investigating the outcomes of IMC more generally have also seen challenges in realising its goals in terms of aspects such as cost savings and regional coordination (for reviews see Bel & Warner, 2015; Sandberg, 2024). In their literature review, Mattisson and Thomasson (2019) noted the challenges of implementing IMC in taxpayer-funded areas with strong local ties. Sectors such as care, welfare, and healthcare are specifically highlighted as areas where each central authority actively safeguards its own interests, making it difficult to find collaborative solutions.

Despite these challenges within IMC and 'co-opetition' relationships dominated by competition, regional cooperation is suggested as a potential solution for recruiting and retaining foster families. Consequently, further research on IMC within foster care is required in order to understand how municipalities that are collaborating to recruit foster families are also in competition.

Theoretical approach

To gain a deeper understanding of competition in cooperative organisations, this article draws upon organisational theory and the concept of competition as a social construction (Arora-Jonsson et al., 2020). This means that competition is not seen as a given but as constructed by different actors. Arora-Jonsson et al. (2020) argue that competition consists of four elements: 'actors, relationship, scarcity and desire' (p. 1). For competition to exist, there needs to be a *scarce good* (in this case, foster families) that is desired by multiple *actors* (IMCs, municipalities, and IFAs). These actors must possess 'actorhood', i.e. the *ability* to compete for the scarce good. This requires sufficient resources

to enable active decisions to compete. Furthermore, there must be a competitive relationship between the actors. In this case, each actor is primarily safeguarding their own need for foster families, rather than sharing the resource in solidarity (or sharing the problems caused by the scarcity of foster families). Therefore, competition also concerns how one perceives relationships with other actors.

Arora-Jonsson et al. (2020) suggest that only one actor needs to view the other as a competitor for there to be a competitive relationship; it does not have to be mutual. Thus, one municipality within the cooperative venture may view another as a competitor, while the other does not, potentially influencing the interaction between actors within the venture. Furthermore, if there were no desire for the same foster families and no actors viewed themselves as being in a competitive relationship, there would be no competition.

Given that there is no indication that foster families will become less scarce in the near future (Lind et al., 2025), gaining insight into the notion of competition among different actors within these organisations can enhance our understanding of why some municipalities have ended their participation and returned to recruiting foster families on their own, despite having limited resources.

Methods and materials

To understand the prevalence of IMC within foster care in Sweden, a basic mapping was conducted. It was carried out through internet searches and with the assistance of SALAR, which contacted every county in Sweden via email, asking if any municipality within their jurisdiction was actively involved in IMC within foster care. Out of 21 counties, 14 responded to the request. An effort was made to complement and reinforce SALAR's results by later asking all interviewees if they knew of any other IMCs, and one additional IMC was found in this way. Although the mapping in this study cannot be considered comprehensive, it provides an indication of how many municipalities in Sweden utilise IMC within foster-family recruitment. The mapping primarily facilitated the selection of organisations for the purposes of this study (Figure 1).

In total, 16 IMCs have been identified, and six of these were selected for inclusion in the study. The inclusion criteria were IMC between municipalities that were or had been in formal cooperation through an agreement whereby a host municipality would organise the recruitment of long-term foster families (not only emergency ones³) for the other municipalities. All organisations that met these criteria and were identified during spring 2023 are included (see Appendix 1).

This study is based on official IMC documents (contracts, follow-up reports, and a letter of decision to terminate the contract) and interviews with 22 managers/supervising social workers. All 22 interviewees are or have been employed by a municipality or the IMC itself in one of the IMCs included in the study. Fourteen participants work as managers and eight as supervising social workers. Four are men and 18 are women.

The intention was to include equal numbers of social workers in terminated and ongoing ventures. Twelve participants were involved in active IMC when the data was collected, and ten had been involved in IMC where the municipality had decided to leave the organisation, or where the IMC had been completely terminated. The participants consented to the non-anonymisation of the IMCs' and municipalities' names to avoid the risk of removing information important for interpreting the results.⁴

The semi-structured interviews consisted of open-ended questions focusing on the organisational context, perceived effects of IMC, and its possibilities and pitfalls. They were conducted online via Teams during 2023–2024 and lasted 45–120 minutes. All were conducted individually, apart from one involving both a manager and a supervising social worker. They were recorded and transcribed verbatim.

Data analysis

This study employs thematic analysis (Braun & Clarke, 2022). NVivo was used to code the material. The initial analytical process involved coding both the transcribed material and the official

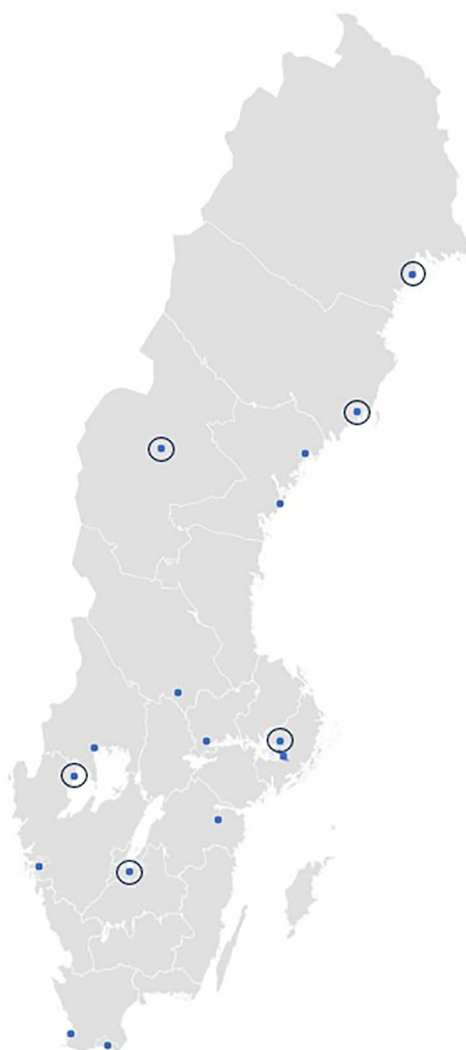


Figure 1. The IMCs found in the mapping and those included in the article (circled) and their location in Sweden.

documents. During the interviews, interviewees referred to these documents, making them an integral part of the interview. Consequently, coding the interview data and documents was a parallel process.

The initial coding was based on the central focus of the interviews: possibilities and pitfalls of IMC within foster care. Themes that emerged from this coding connected to possibilities were: *Increased possibilities by gathering resources* and *Improving the process of foster-family recruitment*, while themes for pitfalls were: *The difficulties of saving foster families* and *Discrepancies affecting the distribution of foster families*. A commonality among the themes within both pitfalls and possibilities was competition, which was mentioned by a majority of interviewees ($n = 17$). Since competition emerged as both a possibility and a pitfall, it became a key theme worth analysing in its own right. This led to a second round of coding, involving a more critical approach and in-depth latent coding of the material. In this round, competition as a social construction was employed as a lens, with the focus on different notions of competition. This also generated several subthemes influenced by the interviews and theoretical positioning of the article. The interviews and data

analysis were conducted in Swedish, and the main theme, subthemes, and excerpts were later translated into English.

Results

This section presents the analysis of the theme: *Perceptions of competition within foster care IMC: Expectations, realities and reflections afterward*, which is divided into five subthemes. The first two deal with notions of competition and how this was initially expected to be resolved through collaboration: *Expecting IMC to enhance the capacity to act within a competitive environment* and *Expecting solidarity but competition as a side-effect*. The third subtheme deals with competition that became visible after joining an IMC: *Realising inter-municipal competition and efforts to alleviate it*. Lastly, two subthemes provide new insights into what is, or is not, being competed for: *(Non)competitive relationships* and *Competitive advantages of 'moving out' tasks and pooling resources*. Finally, a concluding discussion of the results, including implications for practice and future research, is presented.

Perceptions of competition within foster care IMC: expectations, realities and reflections afterward

Expecting IMC to enhance the capacity to act within a competitive environment

The perceived competition for foster families, either among municipalities or between municipalities and IFAs, was an issue that municipalities were hoping to manage through IMC. The majority of the studied collaborations wanted to avoid the extended use of IFAs and/or reduce their use of residential care homes for children and young people. The main pull factors are the negative impact that hiring IFA services and institutional placements have on municipal budgets and the fact that the quality of services provided by IFAs and residential care homes cannot always be guaranteed.

The interviews and documents also indicate that new stricter legal regulations within child welfare have made it more challenging to address foster-family recruitment and retention with the limited resources of an individual municipality and that this is a contributing factor for engaging in IMC. Examples of such regulations include 'the proximity principle' and the requirement of having a specific social worker follow each child's placement. Aside from adhering to these regulations and matching the competition on the market, IMC aims to make it easier to provide foster families with the necessary training and support.

We might not have the economic muscles or personnel resources to handle everything, so the perks of joining a regional collaboration within different areas has been: the more the better. (Interview 16, FHC Jämtland)

The interviews underscored the need to prioritise foster care and thus avoid competition from other acute tasks by establishing a dedicated organisation or unit whose primary objective is to recruit foster families. These issues were brought up by both smaller and larger municipalities, indicating that this is a problem encountered within municipalities with varying demographic structures.

There was no time to investigate the foster families and those investigations that were being done were maybe not of the best quality. Other things prioritised themselves. (Interview 3, Dalslandskommunerna)

[...] it was a request to relieve the municipalities specifically with the recruitment. I know this is an area that easily deprioritises itself when you're working as a supervising social worker. (Interview 2, Familjepoolen)

Gathering together the resources of neighbouring municipalities and prioritising foster-family recruitment to achieve the abovementioned goals could be interpreted as an effort to gain the capacity to act (Arora-Jonsson et al., 2020), which could be a factor essential to the ability to compete at all.

Expecting solidarity but competition as a side-effect

One expected result of IMC was the creation of a 'bank' of foster families. The initial idea was that this resource could be consulted whenever a municipality received a referral about a child in need of a

foster family. Often, when IMC was established, the participating municipalities were therefore expected to hand over their foster families in solidarity to the host of the IMC.

We sent all our foster families to [the host municipality]. All we had from before. All the established contacts the surrounding municipalities had, we handed over to [the host municipality] because this settlement was that we wouldn't recruit anyone ourselves because it would complicate things for [the host municipality]. The important thing was the solidarity and that all foster families would go to [the host municipality], which would distribute them to itself and the surrounding municipalities. (Interview 11, Familjehemscentrum Norr)

Moreover, before the establishment of IMC, it appeared to be an unwritten rule that municipalities should not actively recruit foster families from neighbouring municipalities within the region. After agreeing to cooperate and share all the recruited families, it became more legitimate to recruit them across different municipalities.

We saw it as a win for our large municipality to recruit foster families together, that one could recruit in each other's municipalities. And the smaller municipalities saw it as a win for them to get help with something that's difficult when you're a small municipality. [...] I mean, there's nothing stopping us, we can try to look for foster families in another municipality, but still, it's more legitimate. I remember, when we started, we were supposed to contact the other [participating] municipalities and they were supposed to hand them [already recruited foster families] over so we could create a bank of foster families. (Interview 14, Familjehemscentrum Norr)

However, most interviewees tended to dismiss the possibility of having a 'bank' of already investigated and ready-to-go families because this had proven challenging in practice. Interviewees emphasised that foster families frequently interact with multiple recruitment organisations or municipalities simultaneously.

I have indeed changed my perspective over the years, because I thought at the beginning, we should have a bank and X number of families [...], someone who can take teenagers and someone who can take baby placements [...] but it's very, very difficult, because they disappear, to other municipalities, very quickly. So, investigating [foster families] with the aim of having a bank, well they, they're not very loyal families. (Interview 3, Dalslandskommunerna)

Several interviewees also perceived that other participating municipalities were receiving a larger proportion of the recruited foster families. This observation, along with not receiving a sufficient number of families, was also cited as the primary reason for terminating or withdrawing from the cooperation.

What you get from the cooperation should be equal between municipalities and it didn't really turn out that way, which of course can have natural explanations. I mean [name of municipality] is a large municipality and has an extensive need for foster families so it's not surprising that the in-house foster families were engulfed by their organisation, but that's the reason why it didn't turn out so well for us. (Interview 15, Familjehemscentrum Norr)

Furthermore, dissatisfaction with the IMC was sparked by a feeling of not receiving what the municipality paid for in terms of foster families and marketing visibility.

They experienced that every time they needed a foster family, there were none. [...] and then [the municipality] had to go to an IFA, which meant higher costs. So then the municipality had to pay both for that and the cost to [the IMC] [...]. So all this became much more expensive than they'd expected. (Interview 20, FHC Jämtland)

It's easy for municipalities to feel that [the IMC] isn't so visible in their part of the region, but this doesn't initiate a discussion about whether we should allocate more resources to become more visible, but rather it becomes 'we're not getting what we're paying for'. (Interview 21, Familjehemsresursen Jönköping)

The following quotes also highlight the challenge of equitably distributing foster families given the varying preconditions within the different municipalities participating in the same IMC and how this may affect the municipalities' perceptions of the IMC.

The difficulties were that the municipalities looked very different, [name of municipality] is a large municipality and there were also very small ones. The others were like a falling scale with a completely different structure [...]

so it could be that some municipalities used us [the IMC] fairly often and were perhaps lucky that, when they turned to us, we had a foster home and could help. But then it could be if this small municipality was unlucky [...] when they called us and we had nothing just then, because it really can look like that even in the best of collaborations, that right now it's full, [...] the suggestion becomes to procure a foster home [from an IFA], which becomes a huge economic strain for this small municipality. (Interview 12, Familjehemscentrum Norr)

The problem was that the municipalities were so different in size and the competition from others. [...] if we had an available foster family and we didn't let [the larger municipality] use it, this foster family would go to an IFA. They didn't wait until one of the smaller municipalities needed a foster family, so that made this difficult. (Interview 18, FiN)

Thus, larger municipalities, which more frequently require foster families, may have a greater likelihood of securing them compared to smaller municipalities, where such needs arise only occasionally. There is a risk that when a municipality that rarely makes such requests eventually does so, it may be informed that no families are currently available. This can create the impression that the organisation is unable to support them, or that foster families are going elsewhere: 'They [the foster families] were going somewhere, but not to us' (Interview 17, Familjepoolen).

The interviews demonstrate that an unintended side-effect of IMC was the visibility of competition between municipalities that may or may not have been present before IMC was established. Or, at least, competition as a constructed feature became evident. Three aspects contributed to this construction of competition: 1) having the municipalities 'hand over' already recruited foster families and legitimising the recruitment of families in other municipalities besides their own, 2) participation in IMC clarified the competitive roles between some municipalities, and 3) the inability to equitably distribute foster families between them.

Realising inter-municipal competition and efforts to alleviate it

The establishment of several organisations involved efforts to promote more uniform operations among the participating municipalities in order to reduce the competition between them. In an attempt to mitigate this competition, municipalities strove to find common ground in matters such as the remuneration given to foster families.

It was seen as a way to work together and that we shouldn't compete with each other, but should be a common starting point, both in terms of remuneration [to the foster families] and quality. (Interview 4, Dalslandskommunerna)

There was the hope that one would try to compete against the IFAs and that the municipalities in this county wouldn't compete with each other, that it would be like a unit that keeps track of all the foster families and it would become a bit more equitable and all municipalities would give roughly equivalent remuneration to the foster families and so on. (Interview 9, FHC Jämtland)

However, even when the municipalities within an IMC agree to adhere to SALAR's recommendations regarding remuneration and support, municipalities within the studied IMCs still have the freedom to determine remuneration and the extent of support and training independently, based on the assessed needs of each child and foster family.

The following statements illustrate how discrepancies between municipalities regarding reimbursement and support post-recruitment may affect IMC and could potentially hinder the distribution of foster families across municipalities. Interviewees stated that these discrepancies occasionally cause certain families to favour assignments from specific municipalities within the collaboration, highlighting what some interviewees see as competitive advantages of some municipalities over others, despite participation in the same IMC. This also reveals that municipalities continue to engage with foster families as separate entities, possibly maintaining their competitive roles.

They [foster families] have also experienced competition developing between municipalities – someone pays more, they do things differently [...] we have foster families who have [placements] from two municipalities that work differently [...] and that becomes a little confusing. (Interview 7, Dalslandskommunerna)

[...] we hear it from the foster families: we don't want more assignments from that municipality because it doesn't work, and from this municipality we get this reimbursement and this support. (Interview 10, FHC Jämtland)

(Non)competitive relationships

It has been established that foster families constitute a scarce good in the foster-care market. However, foster families embody different qualities and, according to the interviewees, not all of them are considered a scarce good. This influences how they perceive other actors as competitors. For example, some interviewees denied viewing IFAs as competitors. This is partly because they rely on IFAs to meet the complex needs of some children and offer more support to some foster families. Meanwhile, other children require families with less professional competence, which may not always be the same families the IFAs are recruiting. This shows that the demand for a particular kind of foster family only applies to certain families in the market, constructing some actors as competitors and others not.

We don't usually say it that way [that they're our competitors], they [the IFAs] are there and have been there for a long time and they're also our collaborative partners, but of course we want, as far as possible, to use our own foster families. We see so many advantages to having our own foster families who we get to know well. (Interview 12, Familjehemscentrum Norr)

And then families who desire smaller children, we've experienced that the IFAs send them to us instead. I don't know, maybe the IFAs don't get many referrals for smaller children so that's why the families are being referred to us. Or if there's a family that doesn't want a difficult placement, they might also be referred to us. (Interview 9, FHC Jämtland)

Several interviewees also said that there is competition, but at the same time stated that they have families waiting in line to be investigated to potentially become foster families.

Yes, I believe there's always been a shortage of foster families. We've had to turn to IFAs quite a lot. [...] we have a shortage of foster families, a shortage of in-house foster families. At the same time, we constantly have applications of interest to attend to. We have a constant flow of families who actually have to wait to be investigated because we have so much to do right now. (Interview 9, FHC Jämtland)

Because municipalities are primarily expected to find a foster family close to the child's biological family, foster families located near the municipality responsible for the placement are likely to be preferred over those from more distant areas. Therefore, municipalities continue to request foster families from within a limited area, and some interviewees described all neighbouring municipalities as competitors, despite their collaboration.

It becomes, even if it shouldn't be that way, a competitive situation anyway because all of the municipalities always need foster families, and we're five municipalities fighting together for the small number of foster families within the same area and there will always be a discussion about who needs them most. (Interview 4, Dalslandskommunerna)

Consequently, which foster families are scarce varies, as well as which actors the municipalities and IMCs perceive to be their competitors. However, interviewees also spoke as though there is competition between all actors for all foster families.

Competitive advantages of 'moving out' tasks and pooling resources

Interviewees also perceived several competitive advantages associated with the establishment of IMC. While the initial idea behind IMC was to access a bank of foster families, it turned out that a greater number of children in need of foster care assembled within the IMC was highlighted as a strength in terms of competing with other regions and IFAs. Several interviewees, from different initiatives, noted that the number of children, along with their ages and needs, influences the competition. The more children you need to find families for, the easier it is to find a match for a family.

We have a greater opportunity [to find an assignment] because we have more municipalities and more children. [...] (Interview 2, Familjepoolen)

I think about this 'one way in', that you [the foster family] have contact with us and you reach 12 municipalities. That I think is also an advantage, otherwise you would have had to initiate contact yourself with all the different municipalities. I think this means there's a greater chance that you'll receive a child who's a match with who you believe you have the resources to care for. (Interview 21, Familjehemsresursen Jönköping)

Furthermore, 'moving out' tasks to a separate entity is described as enhancing the ability to provide a swift response to potential foster families' inquiries and to develop your 'brand'. This was perceived as a competitive advantage, as it may result in an increased number of potential foster families, thereby improving the likelihood of finding a suitable family for each child's needs.

It's an advantage [...] with this collaboration, we [the IMC] have the capacity to get started quickly. We can have a meeting with a potential foster family tomorrow if necessary. (Interview 2, Familjepoolen)

We [the IMC] also receive a lot more enquiries [from foster families] than an individual municipality. No one gets this many inquiries. We have become sort of a name that people are familiar with in this area. (Interview 1, Familjepoolen)

Concluding discussion

The reasoning behind IMC and the extent to which competition drives municipalities to enter IMC are explored in this article. By collaborating through IMC, the municipalities in this study anticipated recruiting a greater number of foster families by pooling their resources, thereby enhancing their capacity to act (Arora-Jonsson et al., 2020) and enabling them to compete with other market actors. Aiming for more uniform operations was also expected to reduce competition within their regions. Additionally, the municipalities aimed to improve the quality of foster care, adhere to stricter legal regulations, and prioritise foster-family recruitment, which typically competes with other tasks. The establishment of IMCs can be understood as a strategy for meeting such demands, aligning with previous research that highlights the need for regional collaboration to address the current challenges of foster-family recruitment (Baginsky et al., 2017; Pålsson et al., 2022).

Another question addressed concerns how the notions of, and meanings assigned to, competition influence collaboration. Foster families are generally perceived as scarce, and the current use of IMC does not fully address the recruitment challenges faced by all participating municipalities. However, satisfaction among municipalities varies, and the findings suggest that this is partly dependent on the perceived competition between municipalities within the same IMC. This observation aligns with previous research on 'co-opetition' relationships, where increased competition can hinder collaboration (Bengtsson & Kock, 2000; Bunker et al., 2017).

Interviewees' perceptions of competition – and of who their competitors are – vary. The organisation of the IMCs impacts the potential for competition between municipalities. In some instances, competition is constructed as a side-effect (Arora-Jonsson et al., 2020). One factor contributing to this construction is that, in addition to IFAs, municipalities, and IMCs, foster families are also actors. They can actively choose which assignments to accept and from which municipality. When IMCs manage recruitment, foster families' preferences for specific municipalities – based on the services and support each offers – become apparent within the organisation. This information was not necessarily known to neighbouring municipalities prior to joining the IMC, thereby making internal competition more perceptible.

How notions of competition influence collaboration also appears to be related to municipal size. Larger municipalities that use the IMC as a supplementary resource, rather than as their primary recruitment tool, seem less likely to express dissatisfaction if they do not receive their full quota of foster families. This contrasts with smaller municipalities, which might invest all their resources in the IMC and, consequently, be unable to recruit foster families independently if the organisation does not fully meet their needs. This situation could be interpreted as placing a greater burden on

smaller municipalities, which may be less fortunate when they only occasionally require a foster family. Despite this, they may feel pressured to collaborate in order to comply with state regulations and meet foster families' needs (Bunger et al., 2017). The burden on smaller municipalities appears to be greater when the IMC includes a mix of large and small municipalities, potentially increasing the risk of perceived competition and ultimately becoming a reason for opting out.

Difficulties in distributing foster families equitably persist, despite efforts among participating municipalities to establish a common basis for remuneration. Arora-Jonsson et al. (2020) argue that it is a common misconception that collaboration can mitigate competition. Merely agreeing to work in a certain manner will not eliminate competition; it will simply be an agreement on how to act. Therefore, even when municipalities collaborate to recruit foster families, they remain separate entities that may perceive each other as competitors if they do not receive their fair share of foster families, thereby maintaining competition between them.

Many interviewees still believed they had achieved significant success with this approach because they had indeed gained the capacity to compete, and IMC had resulted in several perceived competitive advantages. For instance, they had the opportunity to develop their own 'brand' and respond quickly to potential foster families' inquiries – factors proven important in previous research (Baginsky et al., 2017; Berrick et al., 2011). Although the initial plan was to establish a 'bank' of foster families, what has transpired – and is now being highlighted as a competitive advantage – is instead what could be called a 'bank' of children. This development facilitates offering a broader range of placements than a single municipality could manage, particularly when there are foster families who may not always wait for an assignment. This is becoming especially important because some foster families may be in contact with several agencies simultaneously (Pålsson et al., 2022; Prins, 2010).

Implications for practice and future research

The potential for recruiting foster families through IMC remains ambiguous, particularly when responsibilities such as supporting foster families continue to be managed by individual municipalities. However, the opportunity to better meet foster families' needs and build a strong reputation is crucial for municipalities in their efforts to recruit and retain carers. When a foster family is matched with a child that aligns with their preferences and forms a positive relationship with the IMC, they may be more inclined to accept additional placements or share favourable word-of-mouth about the organisation – both of which are key factors in attracting new foster families (Reimer, 2021). Nevertheless, as long as municipalities act and perceive themselves as separate entities, discrepancies in how they reimburse and support foster families may arise, affecting the IMC's reputation and 'brand'. Acknowledging this, along with the persistence of competition, could support the structuring of IMCs in ways that better manage co-opetition among municipalities. Lind et al. (2025) emphasise the importance of communicating offerings when recruiting new foster families. Thus, it is worth considering whether a greater number of families would be inclined to foster if the perceived benefits of IMC were more widely communicated. Further research is required to investigate the impact of structural factors and the prerequisites of municipalities within IMCs, as well as foster families' perceptions of such collaborations.

Notes

1. 'The Swedish Association of Local Authorities and Regions (SALAR) is an employers' organisation and an organisation that represents and advocates for local government in Sweden. All of Sweden's municipalities and regions are members of SALAR' (SALAR, 2023, n.p.)
2. An explorative report indicates that a placement through an IFA in Sweden costs approximately 1.9–3.2 times more than an in-house placement (Vårdanalys, 2016).
3. An 'emergency foster family' is a type of contracted foster family that can accommodate a child who is temporarily in need of out-of-home care (SALAR, 2025).
4. The parts of the project containing sensitive personal data were approved by the Swedish Ethical Review Authority, reference number 2021-06940-01.

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Due to the nature of the research, supporting data is not openly available.

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Use of generative AI disclosure

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