



European
Commission

OVERCOMING OBSTACLES IN BORDER REGIONS

OVER THE BORDER FOR WORK,
BACK IN TIME FOR SUPPER



Denmark and Sweden's cross-border commuters

The Oresund region is one of the most dynamic in Europe, with the cities of Copenhagen in Denmark and Malmö in Sweden as its two main hubs. Cooperation between the two countries contributes to the region's economic success. In 2000, this resulted in the opening of the Oresund Bridge.

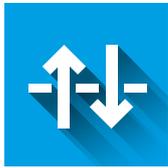
Since then, Danes and Swedes have crossed the Oresund strait in increasing numbers. Among them are some **19000 cross-border commuters** — workers who live in one country and work in the other.

However, research indicates that commuting would be much higher if both countries reduced or removed

interlinked legal and administrative obstacles to cross-border commuting. For example, did you know that commuters risk losing part of their pensions or unemployment benefits if they do not follow correct procedures?

Different **cross-border organisations in the region** are successfully tackling such obstacles. They aim to encourage more unemployed Danes and Swedes to seek work on the other side of the border — to the advantage of the region, its economy and workers seeking new opportunities.

Oresund's strategy serves as an example to other frontier regions looking to boost cross-border commuting.



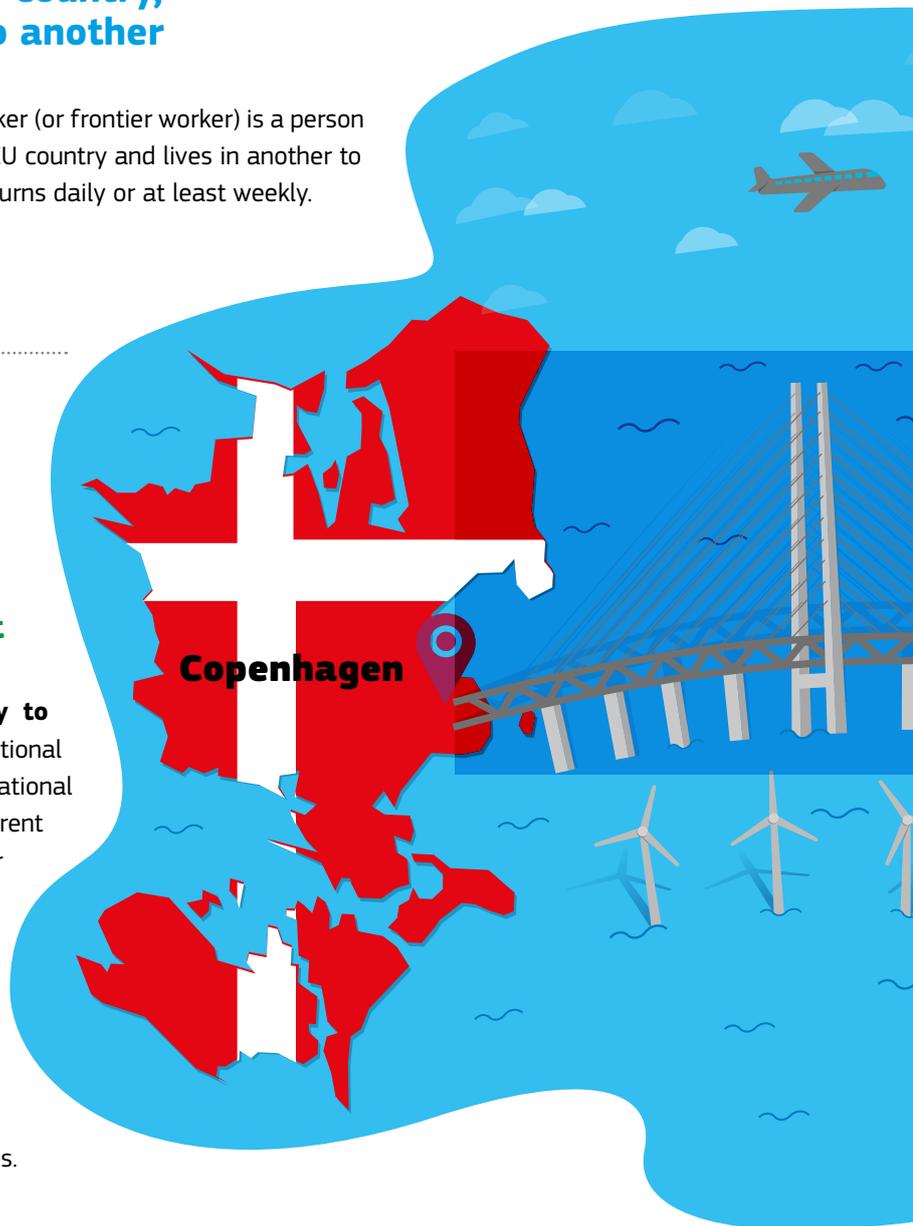
Live in your country, commute to another

A cross-border worker (or frontier worker) is a person who works in one EU country and lives in another to which he or she returns daily or at least weekly.



The Oresund strategy Two countries, one labour market

Oresund has developed a **structured way to identify and resolve obstacles** to additional economic integration. Local, regional and national authorities cooperate through different organisations, including the Greater Copenhagen and Skåne Committee and the Freedom of Movement Council of the Nordic Council of Ministers. In addition, both national governments agreed in 2007 to **work together bilaterally to integrate Oresund's labour market**. The organisations and governments have developed strategies to address the obstacles.



Best practices

Cross-border organisations in the Oresund region:

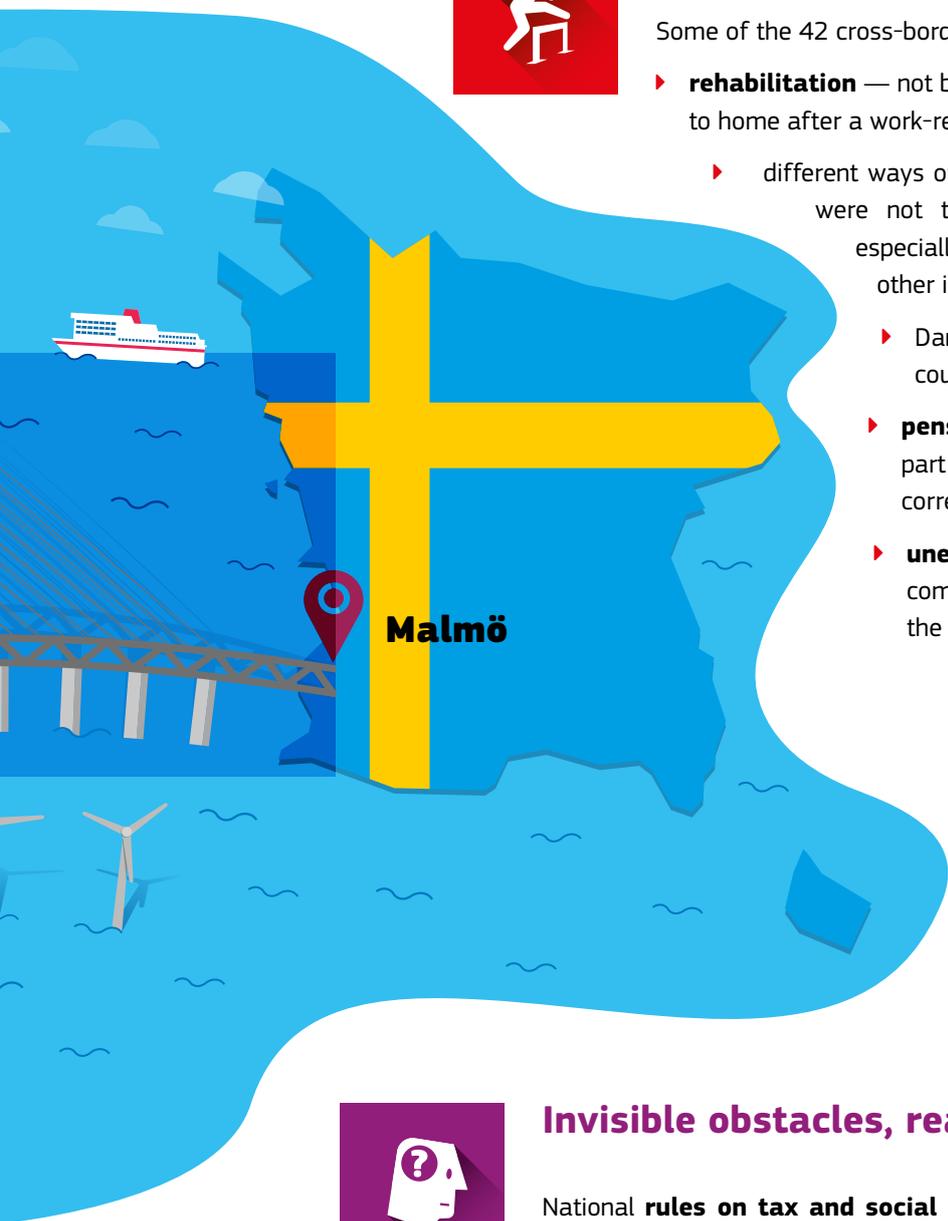
- ▶ **identify obstacles** and **discuss** potential solutions with the relevant authorities
- ▶ **provide evidence** and **information** to encourage politicians to remove obstacles
- ▶ **raise awareness** and work with authorities and governments
- ▶ **monitor the situation** to avoid new obstacles
- ▶ **provide information services** for commuters.



Border barriers

Some of the 42 cross-border obstacles identified (and their status):

- ▶ **rehabilitation** — not being able to go to a physiotherapist close to home after a work-related accident or illness (resolved)
 - ▶ different ways of calculating **parental leave** — parents were not treated the same as their colleagues, especially when one parent works in Denmark, the other in Sweden (resolved)
- ▶ Danish **pensions** were taxed in both countries (resolved)
- ▶ **pension rights** — commuters risk losing part of their pension if they do not follow the correct procedures (work in progress)
- ▶ **unemployment benefits** — Swedish commuters risk losing income if they apply to the wrong insurance fund (work in progress)



Invisible obstacles, real issues

National **rules on tax and social security** differ in Denmark and Sweden. A lack of coordination and information tends to discourage workers from seeking a job across the border.

For example, commuters could have a lower disposable income than nationals of the country where they work. The economy is also harmed as businesses do not have **access to the full range of skills** they need to compete and grow. The main obstacles to commuting include:

- ▶ **legal and/or administrative difficulties** associated with tax and social security rules, including unemployment benefits and pensions
- ▶ **uncertainties** about tax and social security rules.



The Oresund region — a northern economic power



Area:

21 000 km² split almost equally between Denmark and Sweden



Population:

3.8 million, of whom 2.5 million live on the Danish side.



Top sectors:

pharmaceuticals, biotech, medical equipment, food, ICT, R&D, cleantech

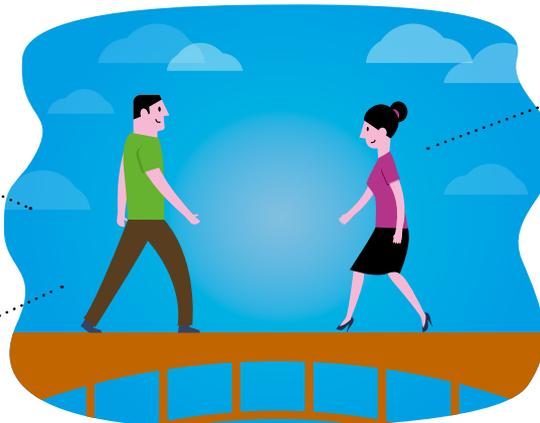
The Oresund region accounts for around **25% of total gross domestic product** in Sweden and Denmark. Nearly **80%** of all jobs are in the service sector. Manufacturing accounts for **20% of employment**. Of the **19 000** cross-border commuters, around 90% commute from Sweden to Denmark. They have helped ease the skills shortage in some sectors, generating an additional **EUR 6 billion** of value added in the region since the Oresund Bridge opened in 2000.



Europe's cross-border commuters

1% – proportion of EU workers who are cross-border commuters

94% – increase in cross-border commuters from 2002



1.9 million – EU citizens who are cross-border commuters (2014)

EU citizens have the right to **freedom of movement** — providing workers with more job opportunities. Cross-border commuting can create a difficult situation. Workers have to grapple with two sets of rules, one set where they live, the other in the country where they work. The obstacles can result in **unfilled vacancies, skills gaps and suppressed economic growth**.

More information

Communication 'Boosting growth and cohesion in EU border regions': <http://bit.ly/2v5u4PK>

[#EUBorderRegions](https://twitter.com/EUBorderRegions) | [@RegioInterreg](https://twitter.com/RegioInterreg)

The Cross-Border Review: <http://bit.ly/28h802K>

The full case study: <http://bit.ly/2hten1M>

EURES: <http://bit.ly/1F1wGKx>



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