

Association of European Border Regions
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Application form “AEBR-Cross Border Award” 2011
Deadline: 31.07.2011

40 YEARS AEBR - 10 YEARS CROSS BORDER AWARD:

How did your region contribute to encourage cross-border cooperation in Europe?

1. General information

1.1 Applicant border / cross-border region:

The Öresund Committee; the platform organisation for political cooperation between Sweden and Denmark.

1.2 Title of the cross-border cooperation measure* [project(s), programme(s) / strategy(ies) (free definition of the subject: politics, culture, economy etc):

In this application, we would like to nominate the the report “ 33 Hindrances, Challenges and Opportunities – the Öresund Model 2010“. In short, this is a strategy jointly created by Swedish and Danish leadpartners, and establishes a brand new model framework aimed at eliminating existing cross border hindrances to creating a free flowing and cohesive labour market between Sweden and Denmark. In doing so, this strategy does not only in partnership with regional actors identify the key obstacles to such an integration and suggest and drive solutions – but it also places much needed emphasis on processes to drive the political coopertation on this issue forward to assure the permanency and urgency of networks aimed at solving existing hindrances. As such, whilst foremost focussing on political aspects of cooperation, the strategy also has a noticable effect on the economic climate.

1.3 Period:

The strategy was politically adopted in 2010 and became operational the same year. As with ÖRUS, the regional development strategy developed by the Öresund committe, ÖRUS, it sets out measures for regional development within the areas of a cohesive and barrier free business and labour market, up untill 2020.

1.4 Lead Partner:

The Öresund Committee

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1.5 Partners:

Swedish Department for Social Affairs

Nordic Council of Ministers

The Oresund Bridge Consortium

Contact:

Johan Tiedemann

Johan Lindblad

Jacob Vestergaard

1.6. Financing of the cross-border cooperation measure (e.g. INTERREG):

The strategy and the development of the cooperation model is internally financed through the Öresund Committee working budget, consisting of contributions and membership fees from all our memberorganisations, and additional funding from the Nordic Council of Ministers.

1.7 Links to other projects, measures and/or programmes (only if applicable):

- ÖRUS – the Öresund Committee regional development strategy, setting out strategic priorities for five key areas. ÖRUS is available at : www.oresundskomiteen.org/publikationer/orus_dkse/.
- ÖresundTrends – a statistical database of regional trends. TendensÖresund can be viewed through: www.tendensoresund.org.
- ÖresundDirekt – a cross- border information service for Swedish and Danish workers. ÖresundDirekt can be viewed at: www.oresunddirekt.com.

2. Contents

2.1 Objectives of the cross-border cooperation measure:

In this report, the Öresund Committee has been tasked by the Nordic Council of Ministers with focusing on the opportunities for, and the cross-border obstacles to, business in the Öresund Region. The work has proceeded both from the regional development strategy for the Öresund Region, ÖRUS, which embraces a common labour market for trade and industry and the region's residents and which, through proposals for strategic measures, seeks to meet the challenges this presents under the theme "a cohesive yet diverse labour market", and also from EU rules on free movement. The OECD report from 2009 on Copenhagen and the capital region has also provided important guidance. That report proposes cross-border cooperation across the Öresund Sound in order to meet global competition. The report also draws attention to the importance of cooperation at national level as part of a process of simplification in the labour market that, in the long term, will be essential for creating a common labour market in the Öresund Region

The objective of the report is:

... to increase integration on the part of business in the Öresund Region by developing cooperation between companies and the various parties in the regional labour market and between authorities and politicians at regional and national level. This collaboration will pave the way for the business community to enjoy improved access to the knowledge and information available in the Öresund Region;

... to create a common picture of the particular needs that businesses in the Öresund Region have at both a local and national level;

... to use this picture to create the improved conditions that businesses in the Öresund Region are seeking;

... to establish a working process between local and regional business, political life and the authorities so that these instances can work together to raise border obstacle issues to the status of an issue of national significance;

... to establish closer collaboration between the Öresund Committee's Cross-border Obstacle Group, the Øresunddirekt information service and Interreg IvA Öresund-Kattegat-Skagerrak;

... to establish closer collaboration between the Öresund Committee's Cross-border Obstacle Forum and the national governments, so as jointly to resolve cross-border obstacles both for business and the region's residents;

... to regard this work as the starting point for an open-ended process aimed at promoting growth in the Öresund Region that will also translate into national growth for the two states of Sweden and Denmark.

2.2 Organisational structure and activities to implement the objectives (e.g. joint secretariat, contract, etc.):

At a series of eight round-table meetings and in interviews with business leaders, employers' organisations, employee organisations and private advisory and consulting organisations, the Öresund Committee has discussed and identified the cross-border obstacles that are currently affecting business in the Öresund Region. Subsequently the parties involved have been able to prioritise those obstacles they consider the most important to resolve. As part of the preparatory work, the Öresund Committee's Cross-border Obstacles Group, consisting of local authorities from both sides of the Sound, has produced an inventory of the 50 cross-border obstacles that the Committee, together with Region Skåne, highlighted in 2007. During the course of this work an inventory has also been prepared based on the Nordic Council of Ministers' database of cross-border obstacles in order to identify those obstacles that are relevant to business, trade and industry. To identify the kind of cross-border obstacles that business, trade and industry are experiencing, and in order to create an organisational structure whereby these could be resolved, the Öresund Committee also chose to examine these obstacles in a number of other ways, and in several different forums.

Cross- border Obstacle Working Group:

The Öresund Committee has formed a working group with representatives from the regional Danish and Swedish authorities who possess special expertise in the field of cross-border obstacles. The working group included regional representatives from both sides of the Sound who are experts in the fields of taxation, social insurance and the labour market, and also representatives of the Nordic Council of Ministers.

Gross list on the basis of existing cross- border obstacles;

The task of the working group during the survey phase was to create a new "gross list" of cross-border obstacles on the basis of those obstacles already identified by, among others, the Öresund Committee, Region Skåne and the Nordic Council of Ministers. During this inventory phase, the working group categorised these obstacles as either "rules and regulations", "information problems", "the market" or "other limitations". Moreover, a number of cross-border obstacles were also identified that have already been resolved. Additionally, the working group discussed and identified the initiatives that have been taken to support business in the Öresund region.

Business Network;

The Öresund Committee formed a business network of companies that participated in interviews and round-table discussions. The business network played a major role in identifying and prioritising cross-border obstacles.

Round- table discussions;

The Öresund Committee organised eight round-table discussions with Swedish and Danish companies, advisory and consulting organisations, unemployment benefit offices and trade unions in order to identify and prioritise the cross-border obstacles that these organisations consider to have the most adverse effects. Six of these discussions dealt with three key areas: recruitment, business start-ups and the market. Each discussion focused on one of these three areas. Discussions were held in parallel on both sides of the Sound, with Danish and Swedish participants respectively.

These three areas (recruitment, business start-ups and the market) are those where the Cross-border Obstacle Working Group sees problems occurring most commonly and where these problems are generally regarded by trade and industry as the main stumbling blocks to working on both sides of the national boundary. These are also the very areas that the information portal *oresunddirektbusiness.com* works with in its efforts to help businesses to cross the Öresund Sound. The two other round-table discussions did not concentrate on a specific subject area, but were aimed at private advisory and consulting organisations, banks, trade unions and unemployment benefit offices on both sides of the Sound, whose representatives discussed cross-border obstacles in general.

During the round-table discussions participants identified and prioritised the cross-border obstacles they consider most important to resolve. The Cross-border Obstacle Working Group has since collated these into a single list.

Interviews;

To confirm that our identification of cross-border obstacles was correct – and, indeed, to identify any possible further obstacles – interviews were also conducted with companies in the Öresund Region.

Study Visits;

The Öresund Committee has also conducted study visits to three different border regions. Visits were made to Eurometropole Lille-Kortrijk-Tournai (France-Belgium), Morokulien (Norway-Sweden) and Bohuslän-Östfold (Norway-Sweden) with the object of discovering how other organisations work to solve business-related issues and cross-border obstacles.

2.3 How far has the cooperation measure been implemented?

This has resulted in some already clearly measurable results, as five identified hindrances or obstacles preventing the implementation of a cohesive labour market were solved within the first six months of presenting the report in June 2010. When comparing this to 16 solved issues in the period 2001 – 2009, it becomes evident that the strategy has been successful in its aim to bring partners together and create dialogue, prioritising joint efforts to solve some of the identified obstacles. During 2012, the Öresund Committee will continue to intensify the efforts to overcome the identified cross-border regional obstacles to a free flowing labour market, as identified in the report. The Öresund Committee working group, consisting of representatives from regional authorities with expertise knowledge on border regional issues concerning tax legislation, social insurance issues and employment legislation, the politically established Forum for Cross border Hindrances and the Swedish and Danish government will continue to push forward on solving these issues based on the need for further regional growth and development, basing this work on the Öresunds Model as a project framework.

2.4 Special framework conditions (geographical, political, etc.)

The Öresund model, which sets out the framework for political and authorities' cooperation across the Sound, is based on the business community's perceptions of border obstacles in the two nations, with a special focus on three key areas:

- Cross-border recruitment of labour
- Establishing companies on the other side the Sound
- Sales of goods and services on the other side of the Sound

During the course of the work on identifying cross-border obstacles, the Öresund working model was developed. The cross-border obstacles that have been identified are owned and should be resolved at different levels:

Rules and Regulations;

Cross-border obstacles arise when legislation in the two countries concerned does not take into account circumstances in the border region. This oversight impedes the development of a common market and, in consequence, holds back growth in the Öresund Region. These problems can be resolved by politicians through changes to the law and agreements, or by the relevant authorities through various conventions.

Information;

In certain cases, a state of affairs may be regarded as a cross-border obstacle although the problem is actually one of information. Shortcomings in or the absence of information from those who own the issue may lead to problems for businesses, as they lack the right information and knowledge to enable them to act and take decisions. Uncertainty about how to act is an obstacle to taking action.

Market;

Cross-border obstacles may sometimes be resolved by the market itself without any need for changes in the rules and regulations. This is a process that takes place through the evolution of new services and products that are specially adapted to the border region.

Other limitations;

Some problems that are not attributable to cross-border obstacles nevertheless constitute limitations to integration. For example, delays in train services can be one such obstacle, but these should not be regarded specifically as cross-border obstacles, as delays also occur within the borders of an individual country.

Members of the Cross-border Obstacle Working Group and the Danish and Swedish representatives of the Cross-border Obstacle Forum have taken part in the round-table discussions. Close cooperation with the Cross-border Obstacle Forum increases opportunities of achieving a consensus on the needs of the Öresund Region, which is the first step towards formulating common solutions and coordinating efforts to raise cross-border issues to the status of a national concern.

3. Contribution of the measure (added value) to the development of the border/cross-border region:

Regional statistics, such as those available through ÖresundTrends, show that within the next 10 years, the Öresund region will experience a shortage of around 100.000 – 200.000 people on the employment market. The big challenge which needs addressing in order to assure a sustainable and continued regional growth, is to find more efficient methods to attract and to keep a highly qualified foreign workforce, and to secure that qualified workers who are currently outside the employment market in the Öresund region can become an asset to the market. Furthermore, the Öresundsregional demography shows that the Swedish side of Öresund has got a slightly younger workforce than their Danish equivalent - meaning that Swedish employees are and will continue to be crucial to the Danish employment market. As such, “33.....“ has significant effects on the regional economy, labour supply, demographic structure and labour mobility.

4. Added value for the development of cross-border cooperation at European level

Interest for the Öresundmodel as created by the Öresund Committee and presented in the “33....“ has already been significant at a European level, with several european border regions contacting us for advice on how best to follow the model. The Öresund Committee is thus planning to arrange a seminar in Brussels alongside CoR and AEBR during the spring of 2012, aimed at best practice for other border regions on how to follow and implement the Öresund Model in other areas. Besides from functioning as a catalyst for regional development in other regions, this will also present the Öresund region with the opportunity to create international visibility through cooperation between the national and regional level.

5. Further annexes yes X no

Which ones?

a) Short description of the project contents (in English, French and German, not more than 2-3 pages)

Contents

Chapter 1: ØRUS - A cohesive yet diverse labour market

Chapter 2: The Øresund Model – Project description

Chapter 3: Prioritised problems in business

- Residence in Sweden and work in Denmark can result in problems with social insurance rights and obligations as regards extra work at home.
- Residence in Denmark and work in Sweden can result in problems with the tax authorities as regards extra work at home.
- The one-year limit that applies to Danish company cars in Sweden leads to major problems.
- It is expensive to pay into pension schemes on both sides of the Sound.
- It is expensive and occasionally impossible to transfer pension funds.
- Companies need personal advice.
- Information about the Danish solution regarding Swedish company cars is not widely known.
- Pension rights in the neighbouring country may be lost if they are not actively monitored.

Chapter 4: Rules and regulations

- Education and training courses/qualifications/accreditations do not have equal value on both sides of the border.
- Non-EU citizens may only work on one side of the border.'
- Unemployment benefit affiliation.
- No leave of absence to take up political post and commissions.
- Unemployed people have no right to placements on the other side of the border.
- Swedish companies do not take apprentices from Denmark.
- Swedish residents who are apprenticed in Denmark do not qualify for travel discounts.
- Job-seekers travelling to Denmark do not qualify to receive expenses.
- Parental leave is calculated in different ways.
- No rehabilitation at home for cross-border commuters.
- The "fitters rule" (Sw. *montörsregeln*), which allows people to work for a short period abroad yet continue to be taxed at home, does not apply in Denmark.
- Public funds cannot be used across national borders.

Chapter 5: Information

- Difficult for companies to compare taxation.
- Cultural differences both enrich and impede integration.
- Lack of clarity about unemployment benefit rules for cross-border commuters from Sweden.
- Constraints on import from Denmark of animals for slaughter due to certification rules.
- Income insurance is not transferrable between countries.

Chapter 6: The Market

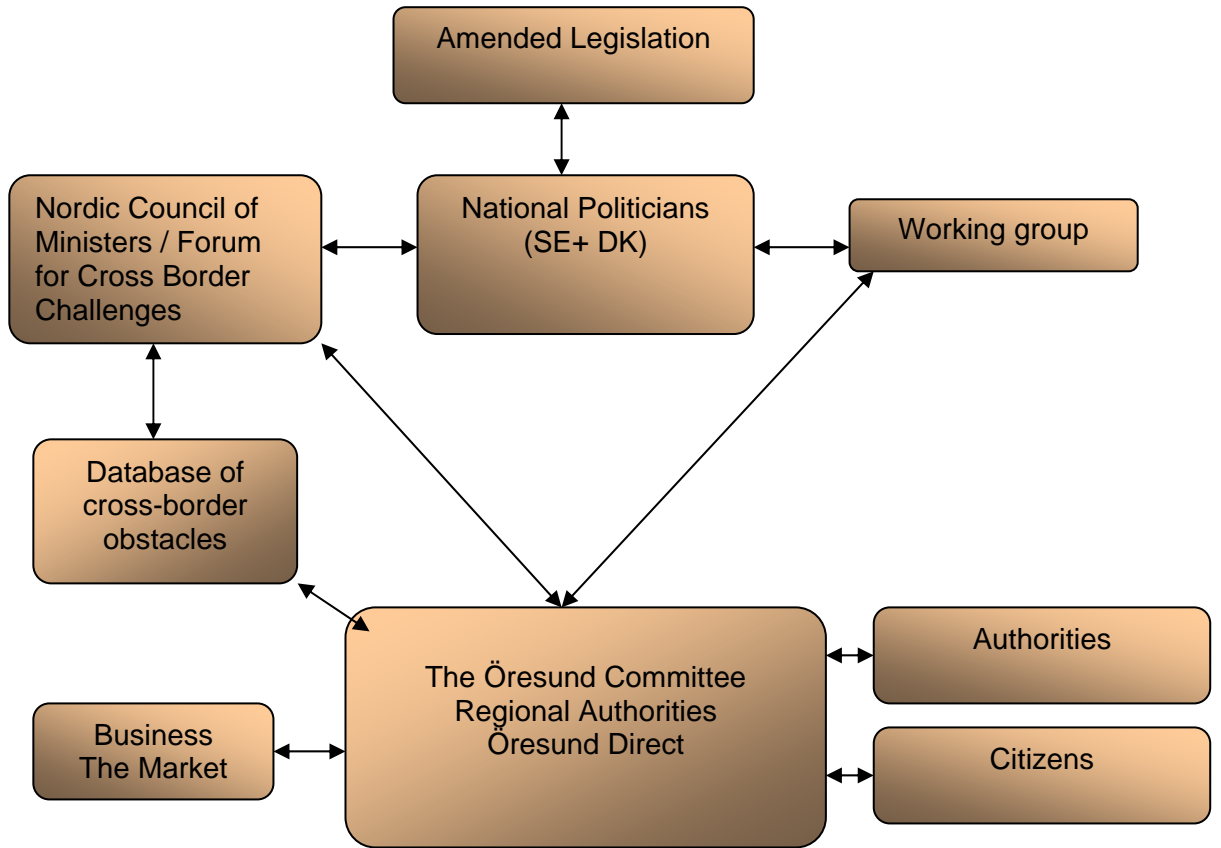
- Bank transfers cost time and money.
- Overseas postage rates make trade between countries expensive.
- Overseas telephone rates apply despite the short distances.

Chapter 7: Other Limitations

- Having two different currencies brings disadvantages ... and advantages.
- Slow processing of "expert tax".
- Train delays result in major costs.
- High transport costs are disadvantageous to cross-border transportations.
- The "student co-worker" concept does not exist outside Denmark.

Chapter 8: Previous Experiences from the Öresund Region

b) The Öresund model



Date: 20th July 2011

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* A cross-border cooperation measure is given, when partners from both sides of the border participate as regards contents, organisation, staff and finances.