



Date: 2009 07 08

Cross-border cooperation for dynamic labour markets – A Swedish EU Presidency Conference in Kiruna, 1-2 July 2009

Summary by Lena Skiöld

**Swedish Public
Employment Service**

Visiting address
Hälsingegatan 38
Stockholm

Postal address
SE-113 99 Stockholm
SWEDEN

Contact: Lena Skiöld
Phone: +46(0)10-486 95 61
Fax: +46(0)8-508 801 75
E-mail: lana.skiold@arbetsformedlingen.se
www.arbetsformedlingen.se

Summary

Cross-border regional cooperation can create dynamic labour markets, and mobility is one of the keys. While unemployment may be high for the moment, in most countries in the European Union the ageing population will, in the near future, lead to labour shortages.

– Mobility is not the whole solution, but definitely part of it, said Angeles Bermudez-Svankvist, Director General of Arbetsförmedlingen, the Swedish Public Employment Service, as she opened the Swedish EU Presidency Conference on cross-border cooperation.

The conference resulted in three concrete project proposals: a job experience programme for young people in the EU, an exchange programme for employment officers, and promoting the creation of green jobs.

The conference in Kiruna was organised by Arbetsförmedlingen and gathered nearly 100 participants from 20 European countries. The aim of the conference was to discuss how to create well-functioning labour markets in cross-border regions and the steps that need to be taken to remove obstacles to regional development and growth.

Kiruna itself, a city of about 25,000 people in northern Sweden, is situated in a region with long experience of cross-border cooperation and mobility. This Arctic area, where Sweden, Finland, Norway and Russia are neighbours, provides many good examples of cross-border cooperation supporting economic growth. In the neighbouring towns of Haparanda and Torneå, situated in Sweden and Finland respectively, you can easily live in one and work in another, even post your letters with stamps from one country in the other one. Utbildning Nord, a vocational training centre run jointly by Sweden, Finland and Norway, is another example. The centre, with participants from all the three countries, develops and organises courses for the special needs of the labour market, with Swedish, Finnish, Norwegian and English being used, depending on the needs of the students and the courses.

One of the objectives of Utbildning Nord is to contribute to greater workforce mobility in the Nordic labour market. Moving or commuting to jobs is nothing new for the people living in this Northern region.

– This is a region where distances are great and where people are used to being mobile, said Lena Liljebäck, Deputy Director of Arbetsförmedlingen, who lived in the region for many years.

This is a good thing because the Arctic region of Sweden, Finland, Norway and Russia has immense natural resources – iron ore, for example, and oil and natural gas in the case of Norway and Russia – and big-scale investments are being planned or already taking place. This, in combination with demographic changes, makes it even more necessary to increase mobility and to attract people from outside the region. As in many regions in Europe, there is a risk that the current economic crisis overshadows the longer perspectives.

– My part of the country, Finnmark, is considered in Norway to be the most important to focus on from a strategic point of view. We will need competent labour, and for this we need to cooperate with Sweden, Finland and Russia, said Ingunn Foslund, Assistant Director at NAV, the Norwegian Labour and Welfare Administration, in Finnmark.

The national level should be involved

The labour force is a common resource, Per-Ola Eriksson, county governor of Norrbotten, the northernmost region of Sweden, pointed out.

– Right now there is an imbalance in our vast region between the demand for well-educated labour and the ability of the local communities to provide it. We must attract younger people, he said, and pointed at some key issues: it is vital to have efficient transports, good education facilities and well developed research and development institutions – and all of these demand an international perspective.

While regional cooperation among authorities, public agencies and other actors is necessary, it is not enough, noted Pirkko Saarela, Director of the Employment and Economic Development Centre for Lapland in Finland.

– The countries' capitals, the national level, must also be involved. That is very important for the future, she said, also stressing the importance of sharing labour market information across borders and of using EU funds efficiently.

Mobility is a key issue in the EU

Cooperation and mobility across borders is essential in other parts of the European Union, too. There is broad consensus in the public sphere and among political decision-makers that mobility has potentially positive economic and social effects. It is a key issue in the European Employment Strategy and in the Lisbon agenda, the aim of which is to help increase employment and economic growth.

In fact, mobility across borders is not only an economic issue but also a rights issue: the free movement of labour is one of the fundamental principles of the European Union. This was underlined by Hubert Krieger, research manager at the European Foundation for the Improvement of Living and Working Conditions.

He presented an overview of what mobility looks like today in the European Union: few Europeans (approx. 4 per cent) have ever lived in another EU country and approx. 21 per cent in a different region. After the enlargement of the European Union there was a significant, but relatively limited, inflow to the EU 15 Member States (the *old* Member States) from the new Member States. The countries that, prior to the recent economic downturn, had high migration flows, such as Ireland, the United Kingdom and Spain, benefitted economically from this.

– In historical terms, the percentage of the population from the sending countries is at an average level, Hubert Krieger noted.

He pointed out several trends. One is that migration flows are getting larger, another is that temporary and circular migration is quite important – people may go back and forth between the country they come from and the one they work in several times a year thanks, among other reasons, lower travel costs and fewer transitional arrangements restricting the access to the labour markets in the EU 15 Member States.

– It is also interesting to note that migrants do not necessarily move to metropolitan areas. Many have, for example, come to rural Scotland, Hubert Krieger said.

With the economic down-turn one can assume that there will be a temporary reduction in migration flows, he thought, as well as more protectionist and anti-mobility policies.

Differences in cross-border commuting

Cross-border commuting is the most common form of mobility between regions sharing a national border. It is defined as living in one country but working in another, with daily or weekly return. Research suggests that there are around 800,000 cross-border commuters in the European Union (including also Iceland, Liechtenstein, Norway and Switzerland.) However, there are strong differences between the countries, according to Lambert Kleinmann of the European Commission. The French commute the most across borders (almost 300,000), while Greek and Lithuanians commute very little. The most common destination is Switzerland, followed by Luxembourg.

Quite clearly, most of the cross-border commuting takes place between the *old* EU 15 Member States, but commuting from some *new* EU 12 Member States is increasing, for example from Slovakia.

– There is also a significant level of illegal employment in some border regions, especially in countries that have had, or still have, restrictions concerning access to their labour markets, Lambert Kleinmann said.

He underlined that cross-border commuters are predominantly regarded as necessary and complementary working resources to the local labour force pool, but that there are also cases of resentment in some regions where local labour feel displaced. Switzerland shows the highest level of resentment.

– But while actual labour displacement remains rather small in Switzerland, several studies attribute substantial positive effects on productivity and economic growth to the foreign migrants and commuters, Lambert Kleinmann said.

Cross-border partnerships bring actors together

Supported by the European Commission, many countries work to facilitate cross-border mobility, for example through EURES Cross-Border Partnerships, which bring together local authorities, public employment services, employer organisations and trade unions in border regions involving at least two countries. One of the main aims is to provide and exchange

information and advice on vacancies, job applications, living and working conditions and labour market information on the different sides of the border. At the conference, several good examples of cooperation were presented, including Polish-Czech-German, Czech-German, and cooperation involving Austria, Switzerland, Liechtenstein and Germany.

– The most important reason for our cross-border cooperation is that our clients need it, and it is of great advantage for all involved. It is really about together realising the economic potential of a region, said Günther Schauenberg from Bundesagentur für Arbeit, the German Public Employment Service, referring to the close cooperation with the Czech Republic.

Optimise mobility, not maximise it

What about the future? The economic crisis will surely have an impact on the cross-border regions, said Annie Gauvin of Pôle-Emploi, the French Public Employment Service.

– Since the regions are very diverse, I think the responses to the crisis need to be specific, she said, adding that the economic downturn makes it even more important to link the short and long term perspectives.

Equally important is to avoid a mismatch between the mobility policies – encouraged by the European Employment Strategy – and the regional policies that aim to make it easier for people to stay in a region.

– And we must not forget social integration when we talk about mobility. Human capital is the most important resource we have, and what we want is not to maximise mobility but instead to optimise it, said Angeles Bermudez-Svankvist, pointing out that the generational change which is about to take place gives hope to young people.

As a very concrete step forward to facilitate for young people, and others, in all regions in the European Union, she suggested a new youth job experience programme, as well as a project on green jobs and an exchange programme for employment officers in the EU. The proposals were greeted very favourably and will be developed further.