

Manifesto for balanced economic development in cross-border territories

Cross-border work: opportunity and challenge for territories

Nearly **520,000 cross-border workers** residing in France cross the border daily to work in a neighboring country. They play a decisive role in the economies of cross-border living areas. In Switzerland and Luxembourg, where salaries are almost double those in France, they hold 236,000 and 122,000 jobs respectively. In addition to these flows, there are those bound for Monaco, which involve approximately 51,000 cross-border workers, representing 65% of total employment in the Principality. Flows to other countries along French borders, such as Belgium and Germany, are smaller in scale (50,000 to Germany and 47,000 to Belgium), but they still reflect the **strong interdependence** between labor markets on either side of the border. In Franco-Italian and Franco-Spanish-Andorran border regions, where physical barriers to mobility are much greater and wage differences are less pronounced than on other borders, the number of cross-border workers is significantly lower (6,600 to Spain and Andorra, and 3,600 to Italy). Conversely, flows of cross-border workers into France remain very limited (around 15,000).

Whether highly attractive or constrained by obstacles, **cross-border work presents major challenges** for these territories, which vary depending on the border. Some issues are **shared on both sides** of a given border; for example, **labor shortages in certain in-demand occupations** and **recruitment difficulties** faced by employers in cross-border areas highlight both the **lack of coordination** between the two sides and the various barriers that hinder cross-border worker mobility (legal, administrative, physical, linguistic, etc.). However, in some cases, differences in wages, tax and social conditions, and the spillover effects of the attractiveness of cross-border employment create **significant imbalances**. These can impact local authorities and economic activity on the side of the border where the majority of workers reside, to the benefit of the side where the majority of workers are employed.

Between May 2025 and January 2026, the MOT brought together a **working group** with its members and stakeholders located along each border, focusing on labor shortages. This collaborative work made it possible to identify the challenges faced by cross-border territories and to develop a list of 20 proposals aimed at **supporting the economic development of cross-border regions in a complementary, balanced, and sustainable way**.

Call for balanced and complementary cross-border co-development

Cross-border living and employment areas form territories that should be viewed not as being in competition, but through a logic of **coopetition**—a model combining cooperation and competition to maximize synergies and attractiveness. It is therefore necessary to:

- ▶ Build on **complementarities** to address shared challenges, with a view to **cross-border integration**
- ▶ Restore **balance** between productive and residential areas to strengthen territorial cohesion
- ▶ Recognize the need for **differentiation** by enabling responses tailored to the realities of each border
- ▶ Adopt a **systemic approach**
- ▶ Move toward **cooperative spatial planning** of cross-border territories, based on shared governance and territorial strategies

20 proposals for balanced development of cross-border living and employment areas

The MOT and its network have explored various levers for action within the framework of the “Occupations facing labor shortages” working group. Given the specific characteristics of each border, these proposals are not intended to be applied uniformly across all cross-border territories. They should be understood as a “toolbox” that can be mobilized and adapted depending on the situation of each border.

These proposals are divided into three main challenges:

- ▶ Strengthening **complementarity** within cross-border labor markets
- ▶ Enhancing the **attractiveness** of the labor market in French border areas facing labor shortages
- ▶ Reducing imbalances in living and employment areas through stronger **cross-border financial solidarity**

Strengthening complementarity within cross-border labor markets

Develop training in border areas

- ▶ **Proposal 1:** Develop a shared cross-border training strategy, including co-financing of joint schemes (e.g., shared technical training platforms for industrial sectors), alignment and comparability of professional certifications, and the search for new funding sources (EURES, European funds, innovative tools).
- ▶ **Proposal 2:** Structure a targeted cross-border training offer focused on shared labor shortages, prioritizing sectors where wage gaps are less pronounced.

Use cross-border dynamics as a lever for returning to employment

- ▶ **Proposal 3:** Implement coordinated support for unemployed individuals on both sides of the border, including financial incentives to facilitate cross-border mobility (mobility bonuses, transport cost compensation, etc.).
- ▶ **Proposal 4:** Support cross-border workers who have lost their jobs and wish to reintegrate into the French labor market, systematically recognizing skills acquired across the border (linguistic, technical, etc.).

Strengthen cross-border labor market integration

- ▶ **Proposal 5:** Create a cross-border part-time work mechanism for occupations facing shared labor shortages, enabling flexible work on both sides of the border.
- ▶ **Proposal 6:** Develop shared or cross-border-labeled local economic sectors in key industries, both in established and emerging sectors.
- ▶ **Proposal 7:** Establish cross-border one-stop shops for employers and workers, in the form of bilingual/cross-border platforms with simulators for legal rights, practical guides, and cross-border advisors to help navigate between systems (locally strengthened EURES services).

Enhancing the attractiveness of the labor market in French border areas under pressure

Improve and promote working conditions

- ▶ **Proposal 8:** Improve working conditions in French companies by acting on organization, material conditions, and quality-of-life measures (salary supplements, benefits in kind, pensions, working time, transport, etc.).
- ▶ **Proposal 9:** Assess and promote total compensation and quality of working life in French border areas beyond salary alone, by comparing existing advantages (net salary, bonuses, social benefits, working time, commuting time, remote work, health

coverage, social responsibility), in order to make employment conditions on the French side more readable and attractive.

Reduce income gaps

- ▶ **Proposal 10:** Introduce targeted exemptions from employee social contributions in border areas under pressure to increase net salaries on the French side and reduce income gaps, considering a progressive mechanism to avoid merely shifting the border effect geographically.

Support businesses in border areas

- ▶ **Proposal 11:** Encourage companies from neighboring countries to establish themselves on the French side to bring employers closer to local labor pools and strengthen cross-border economic exchanges.
- ▶ **Proposal 12:** Promote the establishment of future-oriented and non-offshorable innovative sectors that offer stability, attractiveness, and strong economic prospects for the territory.

Improve access to housing and purchasing power for residents working in France

- ▶ **Proposal 13:** Develop the supply of affordable housing for non-cross-border workers and facilitate home ownership in areas under housing pressure through adapted schemes (residence allowances, community land trusts, adjusted income ceilings, etc.).
- ▶ **Proposal 14:** Create a mechanism to compensate for the higher cost of housing and living conditions in border areas in order to support the most vulnerable households.

Develop workforce retention mechanisms, particularly for young people

- ▶ **Proposal 15:** Create a mechanism to finance the training of all learners (students, apprentices, trainees in vocational training, etc.) in exchange for a commitment to work on the French side for a given period (fund jointly financed by French companies and the State; study grant contract scheme, etc.).
- ▶ **Proposal 16:** Encourage young professionals to settle and work in French border areas through innovative attractiveness and retention measures ("welcome packs" offering installation benefits, programs to discover local companies, etc.).

Reducing imbalances through stronger cross-border financial solidarity

- ▶ **Proposal 17:** Establish a financial compensation mechanism when a worker's training has been provided by the neighboring country, so that the country of employment contributes fairly to the financing of these skills.
- ▶ **Proposal 18:** Increase the financial contribution of neighboring countries to unemployment benefit funding in territories where wage differentials are high.
- ▶ **Proposal 19:** Introduce a mechanism allowing foreign employers to contribute to the financing of housing for their employees residing on the French side, modeled on a cross-border "1% housing" scheme.

- ▶ **Proposal 20:** To support municipalities hosting a large number of cross-border workers, implement tools to finance the development of infrastructures, services, and public facilities facing high demand (mobility, education, healthcare), such as:

- Compensation and contribution mechanisms from the country of employment to the country of residence, directly allocated to the relevant border territories.
- Cross-border solidarity funds, co-financed fairly by the states on both sides of the border.

Facilitating implementation...

The reflections and proposals set out in this manifesto, following the work of the MOT network, are aligned with the objectives of **economic development, freedom of movement, territorial cohesion, and the removal of obstacles to cross-border cooperation** established by the European Union. They also contribute to strengthening **the resilience of cross-border territories** in an uncertain international context. These proposals now call for greater consideration of the related challenges by all stakeholders concerned.

The involvement of **public authorities** at all levels, and their **coordination with economic, industrial, and employment stakeholders** within the territories, is essential. Beyond the local level—where the proposals should serve as a **"toolbox" tailored to the specific situations of each border**—States must strengthen their understanding and consideration of cross-border dynamics. They must also ensure effective vertical coordination, with clearly identified entry points within territories, **to facilitate the reporting and prioritisation of cross-border issues**. Coordination must also take place horizontally and diagonally with neighboring countries, **to ensure a shared understanding of challenges and complementarity in public policies on both sides of the border**.

To this end, cross-cutting tools must be developed to facilitate the identification and management of cross-border issues. **Territorial monitoring** of themes related to cross-border work must become systematic at all levels, and be implemented by local stakeholders, ministries, and the European Union, serving as a **tool to support decision making on issues of economic, social, and fiscal equity in border areas**. The **BridgeforEU mechanism**, which aims to remove legal and administrative obstacles to cross-border cooperation, will help strengthen economic growth and development in cross-border territories. Its proper functioning depends on the **full involvement of both local authorities and the State, at both centralized (ministries) and decentralized (prefectures) levels**.

More information:

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