

Paving the Way to More Integrated Labour Market in the Baltic Sea Region.

PEOPLE INSTITUTIONS CHALLENGES

Report



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Executive Summary

This report provides an outline and analysis of the current and prospective services that facilitate cross-border labour mobility in the Baltic Sea Region for job-seekers, frontier workers, posted workers, other employees and employers.

The research draws attention to the fact that in 2014 mobile EU workers are heading more than before towards Germany, Austria, Belgium and the Nordic countries. The Nordic countries and Germany build a cluster of countries that have low unemployment, high labour costs and they host many national diasporas from other BSR Member States. Very strong relations can be found in number of posted workers in the BSR as 34% of all posted workers within the EU were posted in the BSR.

Further investigations reveal that driving reasons for labour mobility are:

- high unemployment rate in the home-country;
- higher level of income in the prospective host-country;
- logistically well-connected regions;
- existing diaspora in the prospective host-country;
- cultural and linguistic similarities.

Thus, to facilitate cross-border labour mobility and trans-national labour mobility, various information and guidance services are established. These services can be categorized into four groups or types:

1. Information and guidance;
2. Counselling;
3. Identification of hinderers and advocacy;
4. Problem solving.

The report evaluates existing services and concludes that most of them are established as a result of close bi-lateral cooperation (presented by Nordic cases, Germany-Denmark, Latvia-Estonia, Estonia-Finland), through the framework established by the European Commission and on needs-driven basis (Poland-Germany, Central Baltic Region). Services are provided by cross-border one-stop-shops, EURES offices or cross-border partnerships, and multi-stakeholder platforms on project basis. Majority of institutions or labour mobility structures provide information and guidance services but very few (e.g. Hallo Norden) offer three of four types of services.

Therefore, the report recommends to integrate existing institutions and structures into a joint labour mobility framework that empowers internationalization of existing services and builds new ones to better promote labour mobility. It suggests systematic identification of hinderers, set-up of forecasting systems to diminish bottle-neck situations in the labour market, and the introduction of problem solving approaches at a trans-regional level.

Thus, the report *Paving the Way to More Integrated Labour Market in the Baltic Sea Region. People. Institutions. Challenges* presents a model for further debates and considerations. The model suggests a framework of two governance level: local (cross-border) and Baltic Sea Region (trans-national). It is suggested that the local level (border information centres) shall focus on frontier workers, job-seekers and employees who are interested in employment in the bordering country. It is foreseen that Border Information Centre would have functions:

1. Tailored information and guidance;

2. Counselling;
3. Identification of hinderers and reporting of those to the BSR level.

Whilst, Coordination Body (trans-national) shall serve posted workers and job-seekers who are going to be employed in another EU Member State in the Baltic Sea Region. This will be also a one-stop-shop agency for trade unions and employer federations that shall look for services and information on posting workers or employing posted workers. Coordination body shall have functions:

1. Monitoring and forecasting of labour mobility flow and needs;
2. Counselling/ information services on freedom of movement;
3. Advocacy building (channelling and representing cross-border labour mobility at the EU level);
4. Problem solving (direct recommendations for respective countries).

Introduction

Today, over 8,3 million EU citizens take part in various forms of labour mobility: long term, commuting and posting of workers. Although this number is only about 3.4% of the whole European employment¹ and it is far below the numbers of intra-country mobility, but it is constantly increasing with decisive impacts and influence on the regional growth and competitiveness. Over the last ten years, especially two key developments have created new opportunities and patterns of intra-EU mobility: first, as a result of the latest EU enlargements, the number of new EU citizens (EU-13) residing in EU-15 Member States has increased from 1,7 to 5,6 million; second, the recent Eurozone crisis has acted as a stimulus for intra-EU mobility. Current labour market trends are:

- Mobile EU workers are heading more than before towards Germany, Austria, Belgium and the Nordic countries, and less to Spain and Ireland;
- Overall Germany and the UK are the top two destination countries;
- In terms of age, people moving within the EU remain mostly young, but the share of the youngest employees (between 15-29 age) declined (from 48% to 41%);
- The number of highly educated employees has considerably increased by mobile EU workers (41% having tertiary education during 2009-13 compared to 27% during 2004-08)².

There is a trend that labour markets do not end by the country borders any longer and their constant development require skilled labour force with special competences. These days the international labour mobility flow is the prime source for completing labour shortage. The ongoing competence development belongs to today's key challenges not just for countries but for regions and large cities as well. More countries/regions are willing to foster the integration of their labour market for example with the better harmonisation of education and vocational systems and with the establishment of cross-border and transnational labour mobility institutions.

The European Commission together with Member States have developed several mechanisms for the integration of labour market. These structures intend to set-up fair employability conditions for the EU citizens who want to work abroad or are posted for such work, but also for employers who need workforce in short period of time. Much is done to converge taxation, labour and social insurance systems, to make them more harmonized and open for people who choose to move and work abroad. However, existing examples indicate that there is a need for closer and more intensified cooperation among institutions working in labour, social insurance and taxation systems to deliver services in possibly shortest period of time so that a person could be a part of host country's legal framework and proceed with social integration. In addition, there is also a demand on stronger involvement of social partners.

This report attempts to provide a general overview on existing formal and informal structures together with interesting projects that facilitate labour mobility in the Baltic Sea Region (BSR). We will describe the nature of institutional structures (participating actors, the scope of activities and funding opportunities). Furthermore, we present some projects together with the interests and initiatives of social partners and stakeholders, in order to highlight major trends in labour mobility flow.

¹ European Commission. *Labour Mobility within the EU*. 2015. Source: http://europa.eu/rapid/press-release_SPEECH-15-6074_en.htm. Available on 07.04.2016.

² European Commission. *Labour Mobility within the EU*. 2014. Source: http://europa.eu/rapid/press-release_MEMO-14-541_en.htm. Available on 04.03.2016.

The scope of this report reflects on labour mobility structures and initiatives, involved parties in Denmark, Estonia, Germany (with specific focus on regions of Hamburg, Brandenburg, Mecklenburg-Vorpommern and Schleswig-Holstein), Finland, Latvia, Lithuania, Poland and Sweden. Furthermore, based on statistical analysis we would like to point out that there is a shift in mobility trends. While until the 1990's citizens moved to another country to work and live for long-term, since the 2000's commuting and posting of workers have been more and more popular³. Therefore, a special significance is paid to commuters and posted workers in this report.

The Baltic Sea Region has one of the most active labour mobility flow in the EU that might be a good testing ground for integrated labour mobility services. However, the region is far from homogenous. It consists of Nordic countries, Baltic countries, Germany and Poland, which have different economic development and standard of living. It is justifiable to say that all countries within the BSR are significantly affected by labour mobility, however, from different aspects. There are countries that experience an on-going massive number of outflow of their skilled labour force, while other countries are hosting these employees. At the same time, a general interest of the whole region could be to provide better facilities and to build up a kind of circular migration. This would be based on the free movement of people between home-country and host-country with the possibility to easily work and live in another country, collect new experience but also with the opportunity to return home.

The methodology for this report consists of 1) empirical findings; 2) literature review; and 3) data analysis with cross-table comparison. The empirical findings are collected by means of interviews and information exchange with practitioners and researchers, and representatives of planning regions, public employment services and other fields. Thus, we express our acknowledgment to all interviewees and respondents. A special thank goes to Franziska Sielker and the Friedrich Alexander University, Erlangen – Nürnberg for providing us an authentic Baltic Sea Region map. We have been in personal communication with over 80 experts/practitioners and have made over 30 interviews on different labour mobility mechanisms, partnerships and projects (relevant information is in Annex 1. Questionnaire Sample).

The report has a following structure:

- Chapter 1 provides various data about countries of the Baltic Sea Region, and introduces key motivations for labour mobility. It presents a general picture on labour mobility flow in the BSR and points out some challenges regarding the collection of statistical data and the monitoring of labour mobility flow;
- Chapter 2 describes existing transnational mechanism for labour market mobility. First, it presents the EU structures and then the Nordic structures;
- Chapter 3 presents typical cross-border formal and informal partnerships in different geographical parts of the BSR. For the better illustration we provide a map and a table to illustrate the situation;
- Chapter 4 introduces with interests for BSR wider cooperation of some social partners and other actors;
- Chapter 5 is the analytical part of the report that presents comparison of various structures and services, and we introduce our theoretical model for further discussion;
- Chapter 6 highlights concluding remarks.

³ Norden. *Nordisk pendlingskarta 2012*. 2013. P.14.

The field study is commissioned by the Norden Association in Sweden and is initiated by the Swedish Institute. The authors of the report are Gábor Schneider and Inta Simanska.

The State of Play: Labour Mobility in the Baltic Sea Region

- 1 Labour mobility is need-driven and more intense between well connected regions.
- 2 Germany and Nordic countries are among the most popular host-countries for foreign workers in the European Union.
- 3 The state of the economy has a strong impact on the number of frontier workers.
- 4 The number of posted workers is increasing, especially in the Baltic Sea Region.

Typically, there are two main **economic reasons** for becoming an active participant of the cross-border labour mobility. One of the driving forces is the **high unemployment rate** in the home-country and the other one is the chance of **higher level of income** in the host-country, based on existing income disparities⁴. According to Eurostat statistics⁵, the annual average unemployment rate in the Baltic Sea Region is generally lower than in the EU-27 area (see Figure 1. Unemployment Rate, Annual Average in Percentage). Though, there are some countries that have unemployment rate that is close to the EU average or even slightly higher (Latvia and Lithuania in 2015).

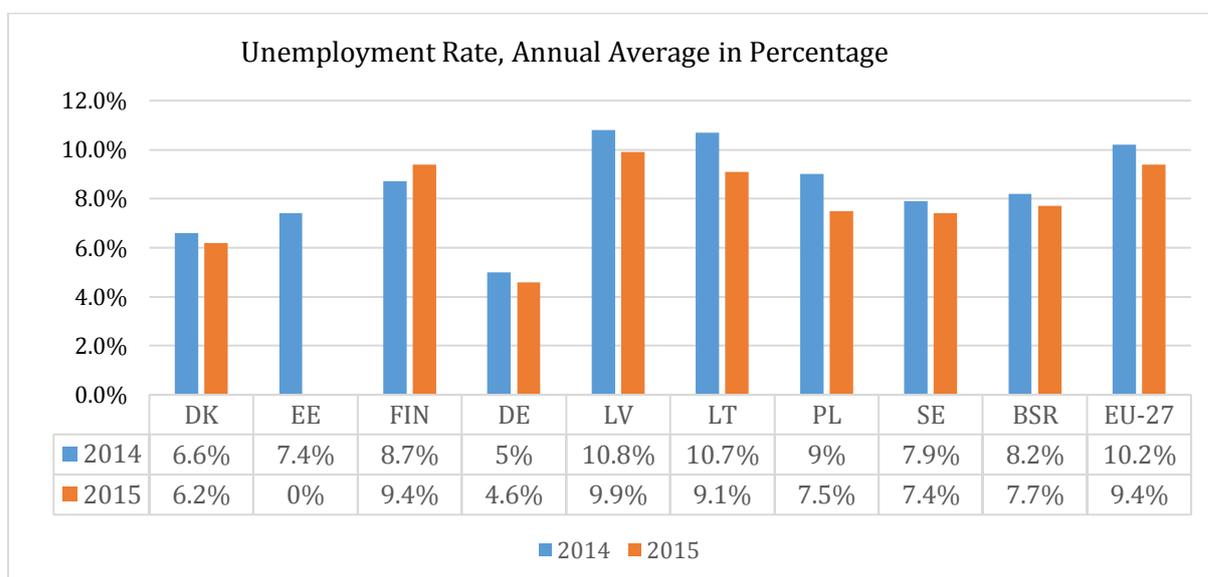


Figure 1. Unemployment Rate, Annual Average in Percentage

In general, data on unemployment does not present striking differences among countries in the region (with exception of Germany*). Whereas data on level of income in the region

⁴ Barslund, M., Busse, M. *Too Much or Too Little Labour Mobility? State of Play and Policy Issues*. Intereconomics. Volume 49, May/June 2014, Number 3, pp. 116-158. Source: <http://archive.intereconomics.eu/year/2014/3/labour-mobility-in-the-eu-dynamics-patterns-and-policies/>. Available: 10.02.2016.

⁵ Eurostat. *Unemployment statistics*. 2016. Source: http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics. Available on 21.03.2016.

* Reference about the German situation is orienting one, as the statistical data represent the whole country and regional data regarding the 4 federal states which are in our focus are different. For example unemployment rates are higher than the national average in Mecklenburg-Vorpommern (M-V) 11% and in Brandenburg 8,7% as well, according to the statistics of the Federal Employment Agency in March 2016 source: <http://statistik.arbeitsagentur.de/Navigation/Statistik/Statistik-nach-Regionen/Politische-Gebietsstruktur/Brandenburg-Nav.html> Available on 01.04.2016. Furthermore, especially M-V is strongly hit by the outflow of its labour mobility. Depopulation and the larger rural areas characterise the region.

present significant differences (see Figure 2. Labour Costs per Hour in EUR, Breakdown by Economic Activity, 2014).

The highest labour costs per hour in EUR is in Denmark and Sweden across every sector. Generally, the highest salary per hour in every sector is received in Denmark with the exception being 'Construction' that has highest labour costs in Sweden⁶. Whereas, the lowest labour costs are in the three Baltic countries and Poland. Lithuania serves as a good case study for outlining the correlation between the number of people who have migrated abroad to find a better paid work and the average monthly salary paid in Lithuania (more information is available in Annex 2. Average Lithuanian Monthly Wage and Migration).

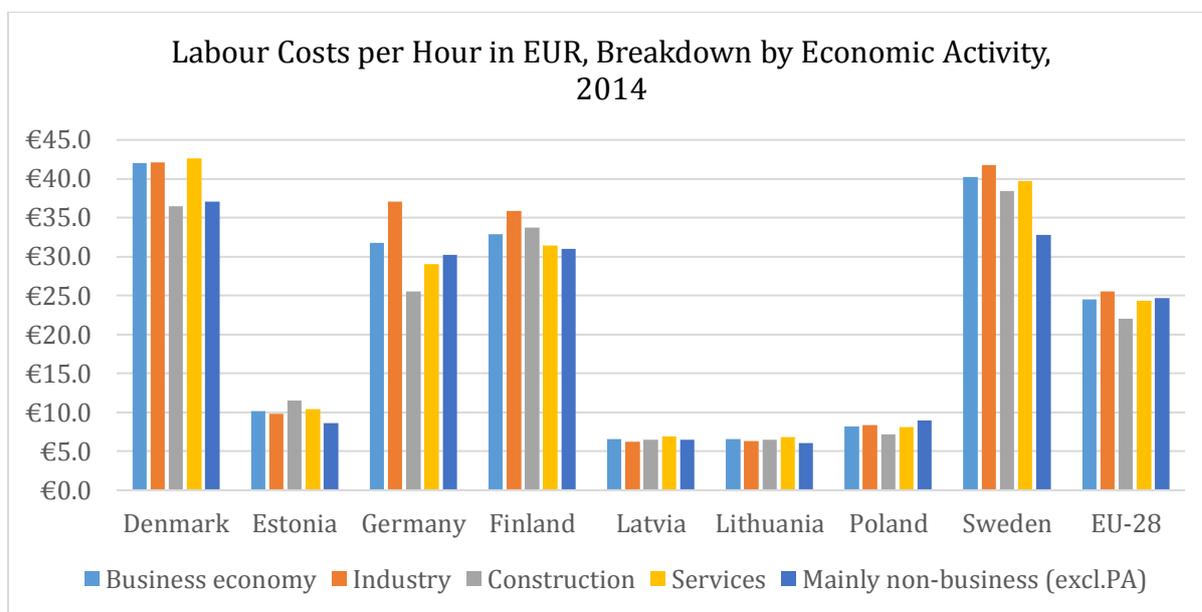


Figure 2. Labour Costs per Hour in EUR, Breakdown by Economic Activity, 2014

Additional data that provide deeper insight in living costs and income, is the **indicator of price level indices (PLI)***. According to Eurostat, the highest PLI of actual individual consumption was in Denmark in 2014. If the average price paid for the goods and services of individual consumption in the EU-28 would be 100 EUR, then in:

- DK it would be 139.6 EUR;
- in SE 135.9 EUR;
- in FI 123.9 EUR;
- in DE 101.3 EUR;
- in EE 70.9 EUR;
- in LV 65.7 EUR;
- in LT 57.6 EUR.

On average, in Poland the price for actual consumption would be 52.6 EUR.

Having in mind differences between unemployment rates, living costs and income across the eight countries of the Baltic Sea Region, there is a ground for temptation to receive higher salary in another country as there is a reasonable chance to have extra income as it would be if working at home-country. The claim is partly supported by data on **personal**

⁶ Eurostat. *Hourly Labour Costs*. 2016. Source: http://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs. Available on 21.03.2016.

* Price level indices are the ratios of PPPs to exchange rates. They provide a comparison of countries' price levels relative to the European Union average: If the price level index is higher than 100, the country concerned is relatively expensive compared to the EU average, while if the price level index is lower than 100, then the country is relatively cheap compared to the EU average. The EU average is calculated as the weighted average of the national PLIs, weighted with expenditures from national accounts. Source: Eurostat. *Comparative price levels of consumer goods and services*. http://ec.europa.eu/eurostat/statistics-explained/index.php/Comparative_price_levels_of_consumer_goods_and_services#Food.2C_beverages.2C_tobacco.2C_clothing_and_footwear

transfers within the EU-28 done by citizens living in the EU and non-EU migrants (see more in Table 1. Personal Transfers in the EU-28 Member States, 2013 (in EUR million))⁷. In 2013, the highest inflows of personal transfers within the Baltic Sea Region were in Poland (2,759 million, EUR) and Lithuania (1,379 million, EUR). Whereas the outflows of personal transfers within the Baltic Sea Region were in Lithuania (529 million, EUR) and in Latvia (404 million, EUR) and the lowest ones were in Estonia (25 million, EUR). Exceptionally high outflow was also registered in Germany (3,250 million, EUR).

Table 1. Personal Transfers in the EU-28 Member States, 2013 (in EUR million)

Personal Transfers in the EU-28 Member States, 2013 (in EUR million)						
	Total	Inflows		Total	Outflows	
		Intra-EU28	Extra-EU28		Intra-EU28	Extra-EU28
Denmark	154	50	104	491	219	272
Estonia	111	68	43	25	15	10
Finland	<i>Confid.</i>	<i>Confid.</i>	<i>Confid.</i>	<i>Confid.</i>	<i>Confid.</i>	<i>Confid.</i>
Germany	<i>Confid.</i>	<i>Confid.</i>	<i>Confid.</i>	3250	1,381	1,869
Latvia	633	296	337	404	221	183
Lithuania	1,379	751	628	529	267	262
Poland	2,759	2,366	393	144	45	99
Sweden	382	333	49	318	194	124
EU-28		NA	10,314		NA	28,290

Although, economically it is more beneficial to seek for employment in Nordic countries, many foreigners find Germany very attractive for becoming employed despite the fact that salary might be lower. This claim brings to conclusion that there are other motivators that encourage to make the decision for going to work abroad. These driving forces are presented in other chapters of this report.

Mobility in the Baltic Sea Region

Cross-border labour mobility within the Baltic Sea Region has emerged recently as an important topic for discussion among employment and social policy practitioners in public administrations at local level. Furthermore, various aspects of cross-border labour mobility have been discussed among parliaments, governments and macro-regional institutions for more than two decades (in case of the Nordic countries already since early 50's).

One of cross-border mobility forms carried by workers is **frontier workers** or put it simply – cross-border workers. This form of mobility is implied when a person resides in one Member State but commutes to work in another MS on daily or weekly basis. Most common form of frontier workers is commuting between border regions. Although today the development of transport facilities enables commuting to work for longer distances.

⁷ Eurostat. *Personal transfers in the EU28*. News release on 09.01.2015. Source: <http://ec.europa.eu/eurostat/documents/2995521/6457244/2-09012015-AP-EN.pdf/18f662ac-8b70-4254-a45b-10b78613a5a4>. Available on 15.02.2016.

For example, in case of Denmark the most frontier workers come from Sweden, Germany (with direct borders) and Poland⁸.

Data provided on frontier workers is not comparable currently between countries. The following examples show that data are illuminative because statistics are scarce, scattered, accumulated on project basis and in most cases the source is qualitative interviews. Although the approaches are different, statistical data illustrate trends in cross-border mobility.

According to statistics in 2012 about 623,000 people were living in border areas between **Sweden and Norway**⁹ alongside the over 1,600 km long border. Based on statistics between 2001-2009 the **Swedish-Norwegian commuting had been the most relevant between the Nordic countries with over 27,000 frontier workers in 2008-2009**¹⁰. Until 2013 Region Västra Götaland produced regional statistics on mobility flow between South Sweden and South Norway, but these services were closed down¹¹. However, statistics gathered by the Linköping University in 2011 pointed out some interesting findings in the changing customs of cross-border mobility. The flow of cross-border labour mobility changed from direct border commuting to big metropolitan regions. In 2011, there were 8,938 **Swedes** who commuted to **Oslo** whilst only 271 inhabitants of **Oslo** commuted to various counties in **Sweden**¹². The most commuters went from Västra Götaland (2,245), Värmland (1,454) and Stockholm (837) to Oslo.

The **Swedish - Danish cross-border labour** mobility flow is concentrated to the Oresund region which has an exact geographic delimitation: region Skåne (SE) and the Capital Region of Copenhagen and the Region of Zealand (DK) are part of that. Oresund region has an important role in the Nordic labour mobility, in its peak in 2008-2009 about 20,000 Swedish commuters went to Denmark and about 3,100 Danish commuters to Sweden on a daily basis¹³. Since then labour mobility flow has slightly decreased in the region¹⁴. Statistics from the Denmark's National Labour Market Authority show that 13,253 **Swedes** commuted to Denmark and from **Denmark** 8,374 Danish employees to Sweden for full time employment in 2011. Another report states that around 15,000 Sweden commuted daily to work or study in Denmark in 2013¹⁵, recent estimations count with 16,000 Swedish commuters and about 1,000 Danish commuters¹⁶.

The **German and Danish cross border labour mobility** flow is concentrated to the Region Southern Jutland – Schleswig border area. In 2008, (in its peak) 19,300 people

⁸ Nordic Labour Journal. *Swedes cross-border commute to Denmark more than anyone*. 2012. Source: <http://www.nordiclourjournal.org/i-fokus/in-focus-2012/when-commuting-becomes-an-obstacle-race/article.2012-04-13.7643125868/?searchterm=cross-border>. Available on 24.03.2016.

⁹ Västra Götalandsregionen. *Statistics and facts on Västra Götalandsregionen*. 2013 <http://www.vgregion.se/sv/Vastra-Gotalandsregionen/startside/Regionutveckling/Publikationer-statistik/Fakta-och-statistik/> Available on 24.03.2016.

¹⁰ Norden. *Nordisk pendlingskarta 2012*. 2013. P.17.

¹¹ Västra Götalandsregionen. *Statistics and facts on Västra Götalandsregionen*. 2013 <http://www.vgregion.se/sv/Vastra-Gotalandsregionen/startside/Regionutveckling/Publikationer-statistik/Fakta-och-statistik/> Available on 24.03.2016.

¹² Linköping University. *Sweden and Norway commuting and migration Flow Statistics*. 2015. Source: <http://ncva.itn.liu.se/great-statistics-visualization/sweden-and-norway-commuting-statistics-using-flow-maps?l=en>. Available on 04.04.2016.

¹³ Norden. *Nordisk pendlingskarta 2012*. 2013. P.13.

¹⁴ Svenska Dagsbladet. *Dreamers' bridge (Drömmernas bro)*. 21.03.2016 PP. 8-9.

¹⁵ McEwen, N. and Petersohn, B. *Spotlight on Borders. Insights from the border between Sweden and Denmark*. 2014. P.1.

¹⁶ Interview with Malin Dahl, representative of the Swedish Public Employment Agency in Øresunddirekt. 08.03.2016.

commuted on daily basis, and as an effect of the word economic crises this decreased sharply. In 2014 about 8,500 people¹⁷ were commuting in the region.

In this report we focus on the German – Polish cross-border labour mobility is in the case of federal states Mecklenburg – Vorpommern (M-V) and Brandenburg and respective Polish voivodeships West-Pomerania and Lubusz on the other side of the border. From West-Pomerania about 7,177 people were working in M-V in 2014 which is four times more than in 2000 and twice as much as in 2008¹⁸. On the other side of the border, there were indications for 2,500 Germans working in Szczecin and its vicinity¹⁹. They were mostly employed in the construction sector (German companies are involved in the reconstruction of transport and port infrastructure), in call centres and in the transport branch²⁰.

Polish and Lithuanian cross-border mobility are between the Northern part of Podlaskie voivodeship from the Polish side²¹ and Lithuanian subregions like Kaunas, Marijampole, Alytus counties. The knowledge of the size and motivation structure of cross-border movements of labour between Poland and Lithuania is rather scarce. General findings (for 2006/2007) indicate that Poland and Lithuania were countries of destination for totally 750 and 700 in-commuting job-seekers, while the total number of workers out-commuting for jobs from Poland and Lithuania were estimated at 9,282 (PL) and 700 (LT) persons. In the north-eastern region relevant for cross-border mobility, streams of out-commuters and in-commuters are estimated at 200 workers for each side and annually²².

In 2013, a consultancy company POSITIUM presented data to the Estonia – Latvia Interreg Programme about frontier labour mobility between Estonia and Latvia. According to data there were 5,628 cases when **Latvians** commuted to **Estonia** for work either on daily or weekly basis, or having a different frequency. Mostly, Latvians (2,917) travelled to Harju county (Tallinn is located in Harju), whilst other two counties with most Latvian workers went to Pärnu county (601) and Tartu county (490). Whilst in return, there were 3,527 Estonians who commuted to work in Latvia. Most commuters came from Harju county (1,798), Tartu county (453) and Pärnu county (296).

Estonia is a home-country for many commuters to **Finland**. A large share of commuters is low-skilled and they are employed in the construction sector. Albeit, another profession that is represented is health professionals, notably doctors. Difference in wages is the most important factor that favours commuting to Finland. It is estimated that in 2011, around 40% of Estonians travelling to Finland did so for work-related reasons, against 29% of Finns. 79% of Estonians travelling to Finland for work did it regularly. Whereas only 49% of Finns were regular travellers to Estonia, and the other half was for more occasional travel like for meetings and conferences²³.

The second form of cross-border mobility is **posting of workers**. According to definition provided by the *Posting of Workers Directive* 'posted worker' means a worker who, for a

¹⁷ Region Southern Jutland – Schleswig. *10 Years of Infocentre (10 Jahre Infocentre)*. 2014. P.6.

¹⁸ Bundesagentur für Arbeit: *EU mobility to Mecklenburg-Vorpommern*, 2014. P5

¹⁹ SouthBaltic Professionals. *Case Study: Cross-Border Labour Mobility Between Poland-Germany*. 2012. P.5.

²⁰ *Ibid*, P.7-8.

²¹ Subregions of the voivodeship such as Łomżyński and Ełcki powiaty take part in the cooperation. Suwałski and Białystok which is the capital of the Podlaskie Voivodeship as well have important influence as cities on the cross border cooperation.

²² SouthBaltic Professionals. *Case Study: Cross-Border Labour Mobility Between Poland-Lithuania*. 2012. P.17-18.

²³ Nauwelaers, C., Maguire K. and Ajmone Marsan G. *The Case of Helsinki-Tallinn (Finland-Estonia) – Regions and Innovation: Collaborating Across Borders*. 2013. OECD Regional Development Working Papers, 2013/19, OECD Publishing. P.17.

limited period (maximum 24 months) carries out his work in the territory of an EU Member State other than the State in which he normally works²⁴. Statistics on posted workers are well documented because in order to enforce the rights of worker and employer to post a worker, one has to submit an A1 form to the national agency to state the fact. The portable document A1 is a formal statement on the applicable social security legislation. It proves that a posted worker or a person employed in more than one Member State pays social contributions in another Member State²⁵.

In 2013, 34% of all posted workers within the EU were posted in the BSR and 50% of posted workers from the Region were posted in another BSR Member State. The biggest host-country is Germany. Germany alone had received 373,666 applications for posting of workers (out of 1,340,671 in total) in 2013. Germany is also a country that has posted the most workers*. In total there were 227,008 applications for posting of workers from Germany²⁶. Having a closer look to statistics about posting of workers in the Baltic Sea Region, a following picture emerges about the situation in 2013 (more information is available in Annex 2. Number of Posted Workers, 2013):

- Denmark received the most applications for posted workers from Germany (6,336). The total number of received applications was 10,763;
- Estonia from Germany (990). The total number was 2,998;
- Finland from Estonia (9,026). The total number was 19,917;
- Germany from Poland (149,456);
- Latvia from Lithuania (332). The total number was 1,235;
- Lithuania from Poland (1,308). The total number was 2,274;
- Poland from Germany (6,124). The total number was 14,387;
- Sweden received the most applications for posted workers from Germany (9,473). The total number of received applications was 29,446.

The top five countries that were the most popular destinations and received the most applications from BSR nationals were:

1. Germany (154,475);
2. the Netherlands (57,649);
3. France (54,652);
4. Sweden (11,157);
5. Finland (10,627);
6. Norway (59,74).

More detailed information about the five most popular destinations noted in PD A1 (see also Annex 3. Number of Posted Workers, 2013):

- Estonians were mostly posted in Finland (9,026);
- Finns were mostly posted in Sweden (718);
- Germans were mostly posted in the Netherlands (38,727);
- Latvians (630), Lithuanians (3,645), and Poles (149,456), were mostly posted in Germany, whilst
- Swedes were mostly posted in Norway (1,470).

To conclude, Germany was the most popular destination for posted workers. It is so despite the fact that potential income is less than in comparison to Norway, Denmark,

²⁴ Official Journal. *Posting of Workers Directive 96/71*. Source: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:31996L0071&from=EN>. Available on 23.03.2016

²⁵ Pacolet, J., De Wispaleare, F. *Posting of Workers: Report on A1 Portable Documents issued in 2012 and 2013*. 2014. Network Statistics FMSSFE, European Commission, P.7.

* The total numbers and numbers of countries refer to amount of applications that were submitted to national agencies. Thus they do not point out either the number of people and they are not unique (one person might have submitted more applications per year).

²⁶ Pacolet, J., De Wispaleare, F. *Posting of Workers: Report on A1 Portable Documents issued in 2012 and 2013*. P.9.

Sweden and Finland. In 2013, on average 43.9% of the PDs A1 were issued to posted workers providing services in the construction sector of the receiving Member State. Also, 31.8% of the forms were issued for activities in the service sector²⁷. Whilst labour costs in construction and service sectors are highest in Sweden, Denmark and Finland, many positions are filled specifically in Germany.

The **third form** of labour mobility covers **foreigners** employed in the **host-country** who are neither posted workers or frontier workers. They are living and working for longer time with permanent residence in the host-country. Despite the fact that this report does not have a focus on labour migration statistics, a good insight is provided by data on foreigners in every BSR MS to realize the scope of diaspora and therefore the likeliness for people to move to another country. According to Eurostat, top three citizenships of foreigners living in the EU Member States (percentage of total foreign resident population) in 2014 was (see Table 2. Top 3 Citizenships of Foreigners Living in the BSR MS)²⁸:

Table 2. Top 3 Citizenships of Foreigners Living in the BSR MS

Top 3 Citizenships of Foreigners Living in the BSR MS, % of total foreign resident population in 2014			
	First Citizenship	Second Citizenship	Third Citizenship
Denmark	Poland, 7%	Turkey, 7%	Germany, 6%
Estonia	Russia, 46%	Non-citizens, 44%	Ukraine, 3%
Finland	Estonia, 22%	Russia, 15%	Sweden, 4%
Germany	Turkey, 20%	Poland, 8%	Italy, 7%
Latvia	Non-citizens, 83%	Russia, 13%	Lithuania, 1%
Lithuania	Russia, 44%	Belarus, 10%	Ukraine, 7%
Poland	Ukraine, 22%	Germany, 7%	Belarus, 6%
Sweden	Finland, 9%	Poland, 7%	Somalia, 6%

The number of foreign nationals, frontier workers and posted workers enhances understanding of labour mobility in the Baltic Sea Region and the scope of services provides by social, employment and taxation institutions.

Data and Its Limitations

There are several limitations to gather comprehensive data on labour mobility flow in BSR. Some countries have some collection of data that represents groups of workers and their destinations, as well as sectors they are employed, but methods are different, data is gathered irregularly and on project basis. More specifically:

- Data on frontier workers is not accumulated at a national level in comparative manner. However, much of the forecast information resides in administrative registers, e.g. in Labour Market Observatories in Poland and in the Federal Employment Office in Germany;
- Data is aggregated from qualitative sources like interviews/phone surveys and estimations of border service points as in the case of Region Southern Jutland – Schleswig.

²⁷ *Ibid*, P.6.

²⁸ Eurostat. *Foreign citizens living in the EU Member States*. 2015.

- Data on frontier workers is accumulated on project basis as demonstrated by the case of project *Central Baltic JobFerry** and Orestat in the Nordic cooperation. There have been intentions to develop regional based variables, however, these approaches proved to be time consuming and expensive, and the limitation of availability of statistics narrows the scope and the possibility to forecast trends of cross-border labour mobility within the Baltic Sea Region*.

Exemplary case is seen in the Nordics. Nordic countries have established some cooperation to analyse labour mobility flow. The project StatNord (2008-2009) between Swedish, Norwegian and Danish statistical offices was the first of such. The project was funded by NCM and it aimed to introduce labour mobility flow between the three Nordic countries²⁹. As a result, the Nordic Commuting Map was produced which presents the latest available statistics on labour mobility flow between Nordic countries.

Since 2016, there is another project of the Nordic statistical offices, called NordMob, however in conceptual phase. It is funded again by NCM and Finland is the lead partner. NordMob aims to produce analysis of Nordic labour mobility, including data on social benefits paid across the Nordic borders. Furthermore, the project will describe the amount of people that are possibly affected by any kind of obstacles³⁰.

Regarding prognosis and labour market bottle-necks there are no transnational analysis available at this moment. Such an attempt was carried within the INTERREG IVA project *Central Baltic JobFerry** to develop a forecast on cross-border mobility and to foresee trends and surplus or lack of professionals in specific sectors. For various reasons the ambition of having a forecast on labour in the Central Baltic region was not achieved as it stayed within national borders.

* Additional information is available on chapter 3.

* Many of such services have been laid down (for example the case of Region Västra Göteland) in recent years or projects stopped after the funding period was over.

²⁹ Personal communication with Maria Håkansson, labour mobility statistician and Therese Hedlund, company- and employment register statistician at Swedish Statistics on 11.03, 14.03 and 23.03.2016

³⁰ Personal communication and background information on NordMob, received from Nicola Brun, Statistics Finland, project manager of NordMob on 15-16.03.2016.

* The lead partner was the University of Latvia and partners were Turku University of Applied Science and Institute of Baltic Studies, Tartu, Estonia. The overall objective of the project was to intensify the cross-border cooperation of all labour market participants in the common border region in a socially and economically sustainable way. Duration of project was for two years (June, 2011-June, 2013).

Transnational Labour Mobility in the Baltic Sea Region

- 1 Existing layout of political commitments promote a possibility of development of integrated platform for labour mobility in the Baltic Sea Region.
- 2 Great coverage of institutions and initiatives facilitate labour mobility. They have strong national perspective but weakened scope of internationalisation.
- 3 A transnational framework with institutions can best facilitate labour mobility in the BSR. It collects information in a systematic way from the individual border areas and it has the necessary political support for lobbying.

Transnational cooperation covers comprehensive geographic areas such as the area of the Nordic cooperation or the Baltic Sea Region. In many cases there are overlaps between structures and delimitations. However, the most important character of this kind of cooperation is that participating countries establish institutions and mechanisms together with legal regulations for their collaboration. In this part of the study we introduce EU mechanisms and EU initiatives and we describe the key structures of the Nordic labour mobility collaboration.

EU Networks and Initiatives

The European Union has set up two networks to facilitate cross-border labour mobility. One of them is the European Employment Services network for cross-border labour mobility and the other one is SOLVIT network for the better functioning of the EU single market. Moreover, there are further online platforms such as the European Network of Equality Bodies (Equinet), Your Europe and the European Youth Portal which foster the free movement of persons, mainly by providing information and contacts.

The **European Employment Services** (EURES) is a cooperation network designed to facilitate the free movement of workers within the EU 28 countries and the European Economic Area³¹. EURES provides following services:

- Information, advice on working abroad including information on living costs and living standards;
- Recruitment/placement (job-matching) services (both who have jobs and who are looking for);
- It operates online services (mobility portal with database and employment pool) for employers and employees;
- EURES has formalised structures to involve and closely cooperate together with social partners. Cooperation with partners have certain responsibilities based on the national and cross-border capacities, like the identification and the problem-solving of obstacles that occur for people who move to another EU Member State for employment reasons.

EURES has especially strong capacities and competences in international placement and recruitment services within the EU. In countries like Germany, Sweden, Denmark 80-90% of all job vacancies appear on the EURES mobility portal³². Furthermore, EURES has a large network, with more than 5,000 local employment offices and with more than 100,000 staff Europe-wide. The EURES network is embedded into the national labour structures, through Public Employment Services (PES). In general, this allows EURES to

³¹ EURES. *What can EURES do for you?* Source: <https://ec.europa.eu/eures/public/en/what-can-eures-do-for-you->. Available on 08.02.2016.

³² Interview with Franz Piesche-Blumtritt, EURES National Coordinator in Germany. 11.03.2016

run large scale recruitment services both to job-seekers and employers, and provides with fairly good insights on ongoing trends in the labour markets both in country and cross-border perspectives³³.

The EURES network has a multi-level structure, it is composed of the European Coordination Office, National Coordination Offices, and EURES Partners and the Associated EURES Partners³⁴. As EURES is a part of the national administration, it means that in consideration to EU regulations and guidelines every country builds up its own EURES-system based on its administrative structures*. This also means that every country sets up their own priorities based on their labour market needs. For example, Germany, Sweden and Denmark are interested in the promotion of high-skilled labour force and they are looking for experts/employees in bottle-neck positions that are defined by their labour mobility needs. Taking the example of Germany, they are looking for labour force from the EU in the health-care, ICT, engineering and tourism sectors³⁵ and these priorities are set up by the Federal Employment Agency. If they cannot find suitable candidates for vacancies, Germany will recruit employees first through their EURES-network, then from third countries through the Federal Employment Agency's International Placement Services. Very similar approaches are applied by other Baltic Sea Region countries as well.

Interviewers mentioned that labour mobility flow and its direction strongly determines the capacities of EURES in their country considering the number of staff and financial resources. In general countries with considerably high labour mobility inflow for example Sweden, Denmark or Germany have set up a dense EURES network, while countries which are hit by the large number of outward migration for example the Baltic countries and Poland have set weaker capacities. This is a natural response, that countries/regions with significant labour mobility outflow are less motivated to further promote the labour mobility outflow, instead of that they are interested in the maintenance of fair labour conditions³⁶.

Another important character of the EURES network is that it operates not just between countries, but its cross-border nature has a strong significance as well. The establishment of a more integrated European labour market includes cross-border regions as one very important form of labour mobility recalled in the EURES regulation³⁷. In cross-border cooperation, aims are more precise and adjusted to the exact regional needs³⁸. Therefore, cross-border EURES partnerships differ slightly from the activities of the national EURES network. Their primary aim is the better integration of the labour market in the exact border area.

Today, there are 12 formal **cross-border partnerships** (covering regions of 19 countries) that are established within the EURES network to promote cross-border labour

³³ EURES. *EURES in Countries*. Source: <https://ec.europa.eu/eures/public/en/eures-in-countries>. Available on 08.02.2016.

³⁴ EURES. *EURES Services*. Source: <https://ec.europa.eu/eures/public/en/eures-services>. Available on 08.02.2016.

* In the Baltic Sea Region EURES belongs to the public employment offices and in Estonia to the Unemployment Insurance Fund.

³⁵ Interview with Franz Piesche-Blumtritt, EURES National Coordinator in Germany on 11.03.2016.

³⁶ Interview with Thomas Pfannkuch, Head of Unit, Cooperation Unit Denmark – Schleswig-Holstein in the Ministry for Justice, Culture and European Affairs of Schleswig-Holstein Land on 02.03.2016.

³⁷ Council of the European Union. *Proposal for a Regulation of the European Parliament and of the Council on a European network of Employment Services, workers' access to mobility services and the further integration of labour markets – Outcome of the European Parliament's first reading*. 2016. No. 6421/2016.

³⁸ Interviews with Morten Hjorth Jansen, EURES coordinator for the Øresund cross-border formal partnership on 11.03 and 14.03.2016.

mobility in areas in which significant levels of commuting are evident. EURES cross-border partnerships provide regional specific information for the frontier workers, and they have established strong regional network by bringing together public employment and vocational training services, employers and trade union organisations, local authorities and other institutions dealing with employment and vocational training. Cross-border partnerships have precise geographic limitations – 50 km circle on both side of the border and one hour commuting time -, however these classifications have been gradually changing in recent years. The better cross-border infrastructure connections - dense motorway network, fast train connections and cheap flights, ferry connections are transforming the nature of cross-border mobility and extending the radius of commuting³⁹.

This also means that cross-border EURES advisers rarely look after labour force outside their region as their prime mission is the promotion of an integrated labour market by using the advantage of larger and more diverse employment pool on both side of the border. In order to achieve that EURES often uses EU projects for increasing employment and fostering an integrated labour market. Cross-border EURES advisers recruit only specialists outside the region which are usually high-skilled employees with missing knowledge and competences in the region.

There is one formal cross-border EURES partnership that functions in the territory of the Baltic Sea Region. It is called *Info site for commuters in the Oresund Region (Copenhagen-Malmö)* and it operates in between Region Skåne and Copenhagen Capital Region.

However, there are several more formal and informal EURES partnerships and other forms of cooperation that are evident in Member States of the Baltic Sea Region. These partnerships and other forms of cooperation are:

1. EUREGIO Maas-Rhein-Waal (participating countries are BE, DE and NL);
2. Oberrhein (DE, FR, CZ);
3. Great Region (BE, FR, DE, LU);
4. Bayern-Tschechien (DE, CZ);
5. EURES-TriRegio (CZ, DE, PL)⁴⁰;
6. Informal EURES partnerships: EURES Odra-Oder partnership (DE and PL, 2010-2014⁴¹), EURES BiAlyLas partnership (PL and LT, 2010-2015⁴²), and
7. EURES in Estonia and Finland have a strong cooperation across the Gulf of Finland since 2003⁴³.

Although, the Commission promotes the establishment of EURES partnerships, they are difficult to be established because the application process is time and resource consuming (need to fulfil certain criteria and actions of the EU programme for employment and social innovation), and the partnership lasts only for one year. Nevertheless, several interviewers⁴⁴ have highlighted that not the formal nature of partnership but **the strong**

³⁹ Interview with Franz Piesche-Blumtritt, EURES National Coordinator Germany on 11.03.2016.

⁴⁰ EURES. *EURES in Cross-Border Regions*. Source: <https://ec.europa.eu/eures/public/en/eures-in-cross-border-regions#/list>. Available on 02.02.2016.

⁴¹ Interview with. Agata Bajon, EURES Adviser in Regional Labour Office in Zielona Góra. 08.02.2016.

⁴² Interview with Beata Chrościńska, EURES Adviser in the Voivodeship Labour Office in Białystok. 11.02.2016.

⁴³ EURES. *Cooperation Across the Sea – the Helsinki-Tallinn Example*. 2016. Source: <https://ec.europa.eu/eures/main.jsp?lang=en&level=0&parentId=2...&myCatId=9188&showRegion=false&catId=9188&myTitle=Nyheter&chatRoom=enter>. Available on 05.04.2016.

⁴⁴ Interviews Franz Piesche-Blumtritt EURES National Coordinator Germany, Christian Justa EURES adviser Greifswald, Agata Bajon, EURES Adviser in Regional Labour Office in Zielona Góra and Marta Traks, National EURES Coordinator in Estonian Unemployment Insurance Fund.

willingness of regional partners and **the labour mobility needs** are the key factors for enhanced cooperation in cross-border areas.

Recent changes and reform of the European Employment Services presume stronger networking structures between national offices but puts less weight to formal cross-border EURES partnerships. In the ongoing reform, EURES will focus on the increase of publicity of available job vacancies and job applications⁴⁵ and further extension of its network⁴⁶. This will be achieved by open structures and more integrated cooperation between stakeholders (both public employment bodies and social partners). The new EURES regulation – which is under final review and adaption phase of the European Parliament and the Council of the European Union – will strengthen the general capacities of the EURES network in all countries by:

1. Stating that all PES which are appointed by the Member States belong automatically to the EURES network without any administrative procedure⁴⁷;
2. Determining some minimum quality standards for all member states. From every EURES member the introduction of minimum, so called common sets of basic rules with minimum quality standards and the principle of non-discrimination are expected⁴⁸.

In addition, **social partners** such as trade unions and employers' organisations, which are formally linked to the EURES network at all levels (EU, national and also in cross-border partnerships) will be **responsible to analyse and introduce obstacles for mobility** and to promote the labour mobility in fair basis points (17) and (38)⁴⁹.

Another transnational EU institution working with cross-border labour mobility issues is SOLVIT. SOLVIT is a service provided by the national administration in each EU country and in Iceland, Liechtenstein and Norway to provide assistance for citizens and businesses to recognize their EU rights in case of dispute. SOLVIT has a centre in every country but it mainly operates as an online service⁵⁰.

SOLVIT aims to find rapid and pragmatic solutions for problems that citizens and businesses may encounter when EU laws are not applied correctly by national authorities⁵¹. SOLVIT centres are to improve the compliance between EU legislation and the national authorities through their collaboration in individual cases⁵². At the same time, SOLVIT deals with limited numbers of actual abuse of free movement and if it does so, that is always on individual basis not as a systematic approach. The official EU statistics of SOLVIT, mention that only 2% of SOLVIT services are related to the abuse of the free movement of citizens⁵³. This trend is underlined by the operative experience of the

⁴⁵ Council of the European Union. *New EURES (European employment services) network: the Council gives the green light*. 2015.

⁴⁶ Interview with Mikael Lindbom, EURES adviser at the Swedish EURES coordination on 01.03.2016

⁴⁷ Council of the European Union. *Proposal for a Regulation of the European Parliament and of the Council on a European network of Employment Services, workers' access to mobility services and the further integration of labour markets – Outcome of the European Parliament's first reading (Brussels, 24 to 25 February 2016)*. 2016. P.15.

⁴⁸ *Ibid*, pp. 15-16.

⁴⁹ *Ibid*, p.17 and p. 22.

⁵⁰ Solvit. *What is Solvit?* Source: http://ec.europa.eu/solvit/what-is-solvit/index_en.htm. Available on 19.02.2016.

⁵¹ Email communication with Ioannis Stratigakis, Solvit Germany 17.02.2016.

⁵² European Commission. *Commission's recommendation on the principles governing Solvit*. 2013.

⁵³ SOLVIT. *Facts and Figures*. Source: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm#maincontentSec4. Available on 19.02.2016.

German SOLVIT centre⁵⁴, which is the busiest SOLVIT centre in the EU (Germany had 520 cases in 2014).

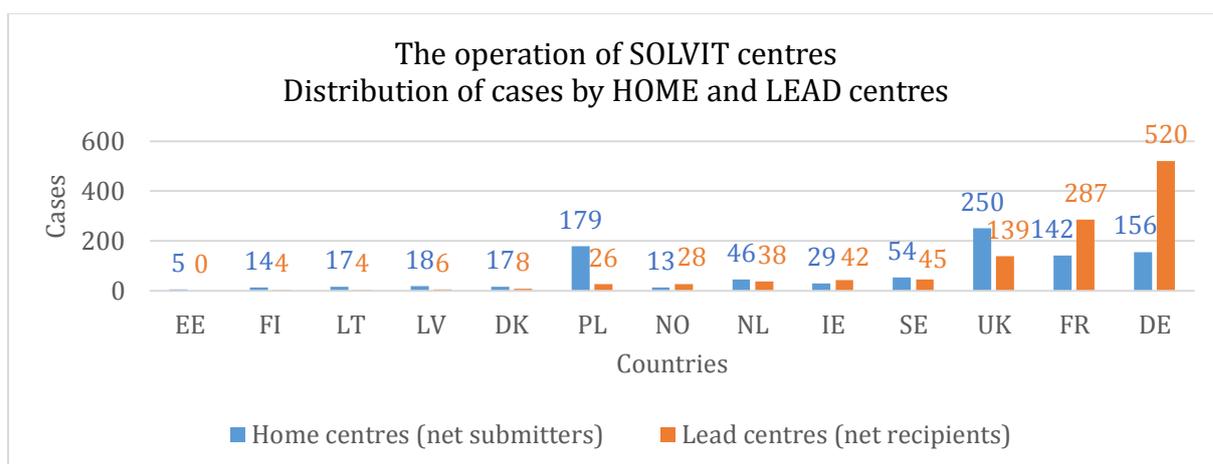


Figure 3. Operational numbers of SOLVIT centres

Source: European Commission/SOLVIT

In addition, there are further important EU initiatives on labour mobility which requires structures, mechanisms and which might be basis for transnational cooperation. The **EU's Services Directive** (EC Directive 2006/123) and the **Posting of Workers Directive** (EC Directive 1996/71) are the most significant European legal acts in this respect. The Posting of Workers Directive and the European Platform of Undeclared Work are the two main pillars of EU Fair Labour Movement Agreement. They set common standards such as similar working conditions, equal salaries between men and women and different ethnicities and enable joint actions of partners against social dumping. However, these directives and their enforcements require constant cooperation and established structures among Member States. In Chapter 4 we introduce some interests of stakeholders in this respect.

In addition, **EC Directorate-General for Regional and Urban Policy** (DG Regio) has started a cross-border review based on its cross-border-cooperation programmes via INTERREG, funded by the European Structural and Investment Funds. This review deals with the problematic of cross-border mobility in daily cases of frontier workers from the perspective of regional development. As obstacles different employment and taxation procedures, the non-recognition of social rights and social benefits included the pensions are identified. The review underlines that if the living and working places are different in two countries, frontier workers face obstacles. Three often emerging problem areas have been identified a) national legislations often do not consider cross-border motilities as they are "border-blind", b) national/regional administration processes are many times incompatible in cross-border relevance similar to the legislation processes, and c) there is often lacking a joint approach for integrated regional/spatial planning in the cross-border regions⁵⁵. DG Regio has started a public debate on these questions and workshops with stakeholders are organised (two workshops have been already made and there will be a third one later on in 2016). Finally, DG Regio will issue a study on the inventory of critical cross-border obstacles together with best practice of regional examples⁵⁶.

⁵⁴ Email communication with Ioannis Stratigakis, Solvit Germany on 17.02.2016.

⁵⁵ Email communication with Alina Mattisson-Lax, DG Regio, European Cross-Border Cooperation Unit on 14.03.2016.

⁵⁶ Email communication with Alina Mattisson-Lax, DG Regio, European Cross-Border Cooperation Unit on 14.03.2016.

Another complementary action that is undertaken by the EC is the work on legal provisions that would develop **instrument for enhanced cross-border cooperation**. The issue was taken up at informal meeting of Ministers for Territorial Cohesion during Luxembourg's Presidency in 2015⁵⁷. In October 2015, the Committee of the Regions unanimously adopted the opinion on strengthening cross-border cooperation on the initiative of the Luxembourg Presidency. Committee's rapporteur, Mr. Nikola Dobroslavic pointed out that:

*this proposal aims to build a European model of cross-border agreements with an instrument which authorises two or more local and regional authorities to agree on common legislation with a view to implementing specific cross-border projects*⁵⁸.

The Luxembourg Presidency calls the proposal as a "Tool for the attribution and application of specific provisions in cross-border regions" and it has suggested to Italy's Presidency to continue with development of legal tool. The proposed tool is tailor-made to address a well-specified obstacle in a project or strategy and is bottom-up. The tool should only be applicable to concrete strategies and projects, which could not be implemented without a common approach⁵⁹.

The Nordic Transnational Model

Complex structures for the promotion of free movement of persons and labour mobility with transnational regional perspective can be found under the **Nordic cooperation**. Formalised structures have been established for the promotion of labour mobility and the free movement of individuals which aim to establish an integrated Nordic labour market⁶⁰. The Nordic cooperation promotes the free movement of Nordic citizens to other Nordic countries by securing simultaneously high standard of social rights and welfare to the citizens. In order to achieve that comprehensive institutional framework has been set up. It provides a) wide-range information and systematic approaches, b) identification of obstacles and c) mechanisms for problem-solving.

In this respect the **Nordic Council of Ministers** (NCM) and the **Nordic Council** (NC) are the key institutional partners. NCM represents the inter-governmental body of the five Nordic countries and three autonomous regions* and NC consists of representatives of Nordic parliaments. This model tries to channel both the legislative and the executive powers into a trans-national framework that provides the technical and financial support for participating institutions on labour mobility and it ensures institutionalised processes for advocacy building for example consultations, lobbying by all the Nordic countries and their administration.

At trans-national level operating institutions are the **Freedom of Movement Council** and **Hallo Norden**, while cross-border services operate in exact border areas:

⁵⁷Luxembourg Presidency of the Council of the EU. *Report of the Luxembourg Presidency of the Council of the European Union*. 2016. P.13.

⁵⁸ Luxembourg Presidency of the Council of the EU. *The Committee of the Regions unanimously adopts the opinion on strengthening cross-border cooperation on the initiative of the Luxembourg Presidency*. 2015. Source: <http://www.eu2015lu.eu/en/actualites/communiqués/2015/10/14-cdr-cooperation-transfront/index.html>. Available on 30.03.2016.

⁵⁹ Luxembourg Presidency of the Council of the EU. *A tool for the attribution and application of specific provisions for the improvement of cross-border cooperation (Action 3 of the IT-LV-LU Trio Presidency)*. 2015. P. 3.

⁶⁰ Wenander, H.: *Fri rörlighet i Norden. Nordiska gränshinder i rättslig belysning*. Acta Societatis Juridicae Lundensis 2014. Nr 179 PP.23-36.

* Denmark, Finland, Iceland, Norway and Sweden and Greenland, Faroe Islands, Åland.

- Øresund Direct in Swedish-Danish relations,
- the Border Service *Grensetjänsten* in Norwegian-Swedish relations,
- *Nordkallotens Grenstjänst* in Norwegian – Finnish relations at Skibotn, and
- *Nordkallotens Gränstjänst* in Swedish – Finnish relations at Haparanda Torneå.

The Freedom of Movement Council is a political organisation consisting of the representatives of Nordic Council of Ministers and the Nordic Council. The Council works to reduce hinderers and obstacles in the legal regulation and the everyday operation of the labour market, social insurance and education/vocational training matters between the Nordic countries. The Council has three major aims: 1) to reduce existing mobility obstacles, 2) to ensure that new ones do not appear, and 3) to increase the efficiency of resources (information and awareness building)⁶¹. Furthermore, the Freedom of Movement Council collects labour mobility obstacles and hinderers in a systematised format and it puts them to a database which is called the Freedom of Movement Database. In addition, the Council regularly reviews the implementation process of solving hinderers. Both the identification and collection of hinderers and the process of reducing or solving hinderers in the respective countries are executed in institutionalised channels and regular reports and action plans are introduced on the achieved results (for more information see below Figure 4. The Nordic Framework of Institutional Mechanism).

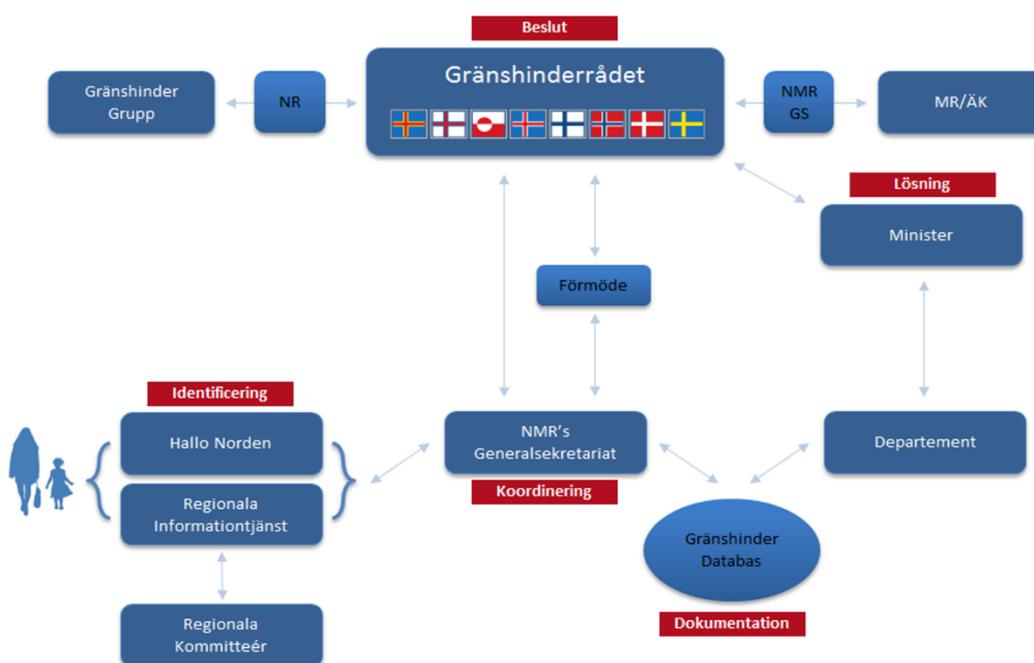


Figure 4. The Nordic Framework of Institutional Mechanism
Source: Hahn-Englund, 2015

Halo Norden is the information service portal to promote labour mobility between all Nordic countries. The service portal provides a) a one-stop shop information service that covers practically the whole lifecycle - from birth, study, work, pension, to elderly care – if Nordic citizens move from or to another Nordic country. These services are provided in an easily understandable style and in all Nordic languages*. Furthermore, the service

⁶¹ Hahn Englund, A. *Mobilität i Norden*. 2015. Presentation in the Swedish Riksdag on 9th December 2015.

* In Danish, Finnish, Swedish, Norwegian and Icelandic, however the use of Nordic languages limit the scope of the target group.

portal is the major source of the Freedom of Movement Council to b) systematically identify border hinderers, based on the individual questions of the Nordic citizens. At this point we would like to point out that Hallo Norden provides not only general information in a one-stop-shop manner, but also answers individual matters as d) guidance for the citizens. Hallo Norden has a slim organisational structure with 8 country coordinators (5 full-time employed and 3 part-time employed) and 1 coordinator in the Nordic Council of Ministers. Hallo Norden is operated by the NGO network Norden Associations in Sweden, Denmark, Norway, Finland, Iceland and Åland and by the Nordic Atlantic Cooperation in the Faroe Islands and by Nordic House in Greenland.

Over one year, Hallo Norden deals with about 3,000 individual matters and its website is visited over 900,000 times which number has increased in the last years*.

Table 3. Key Facts About Hallo Norden

Aims	Facilitate mobility between the Nordic Countries Identifying and collecting mobility hinderers
Operation	Under the premises of NCM, operated by Norden Associations, NORA and Nordic House Eight country coordinators and one coordinator at NCM
Services	One-stop-shop information to Nordic citizens regarding move to/from, living, education, children/family, work and border obstacles Answering to individual matters of citizens (guidance not counselling or ombudsman function), but these answers are checked with respective administrative authorities
Availability	Mainly online, under Norden.org, further communication via Facebook but over telephone and personal contact are also possible
Marketing	Strong marketing online by using Google AdWords, Facebook, Twitter and newsletters
Languages	In five Nordic languages Limited information in English
Budget in 2016	6,685,000 DKK (about 900,000 Euros) that includes all personal and administrative costs, the technical development of the website and the costs of translation and marketing. There are individual contracts with the individual operators, bigger countries like Sweden or Denmark have a higher yearly budget.

Source: Interview with the Hallo Norden representative, Hallo Norden reports for 2013, 2014, and 2015.

* Norden: *Annual reports of Hallo Norden for 2013, 2014 and 2015*. <http://www.norden.org/da/norden-for-dig/om-informationstjenesten-hallo-norden-1/hallo-nordens-aarsrapporter-1>. Available on 08.03.2016.

Cross-border Cooperation in the Baltic Sea Region

- 1 The Baltic Sea Region is a playground for short-term projects with no continuation.
- 2 Multi-stakeholder partnerships are need-driven and they call for facilitation of cross-border labour mobility in the Baltic Sea Region.
- 3 Facilitators of cross-border labour mobility in the Baltic Region are border information centres in Sweden, Norway, Denmark, Germany, Poland and Lithuania, and non-formal cooperation of local EURES coordinators.

This chapter introduces with structures and initiatives that promote cross-border labour mobility in the Baltic Sea Region by presenting 1) institutionalized forms of cooperation so called border services points in the region; 2) examples for integrated cross-border cooperation; 3) projects that deal with labour mobility. Formal partnerships (border services points, EURES cooperation) and project-based cooperation in the Baltic Sea Region are presented by focusing on:

1. Eligible area;
2. Structure of partnership;
3. Activities;
4. Management and capacities;
5. Funding.

Structures, institutions, networks and scope of mobility is visualised in figure 5. Labour Market Structures in the BSR⁶².



Figure 5. Labour Market Structures in the BSR

Cross-Border Institutions in Nordic Countries

The increasing numbers of labour mobility in **Swedish – Norwegian** border regions initiated closer cooperation between the regional employment agencies and regions Värmland (SE) and Hedmark (NO) to build up institutions for the promotion of cross-border labour mobility in the 1990s. The first steps were taken in 1997 by establishing a pilot project financed by INTERREG programme. Based on this experience, the border service centre *Grensetjänsten* was established in 2002 as a follow-up project, similarly financed by INTERREG program (2002-2005)*.

⁶² Source of the map: Franziska Sielker, Friedrich Alexander University Erlangen – Nürnberg.

* The INTERREG Project Indre-Skandinavia was the successor project, signed by municipalities' of Hedmark region and municipalities of Värmland region and the respective regional employment agencies. Information services and guidance were provided. Source:

The Centre promotes cross-border labour mobility of individuals and companies and it includes the same respective organisations from both sides. From the Swedish side it is the Public Employment Office, the Tax Office and the Social Insurance Agency, and from the Norwegian side the Norwegian Labour and Welfare Agency and the Norwegian Tax Office. These agencies are in close cooperation with the respective two regions (Värmland, Hedmark) and the respective county governments (*länstyrelser*). In addition, the Swedish and the Norwegian Trade Union Confederations and the Nordic Council of Ministers are members of this cooperation.

Grensetjänsten has four types of services: a) information and guidance⁶³ for individuals and companies*; b) identification of cross-border obstacles; c) fostering an integrated labour market by recruitment activities d) problem-solving approaches. The first cooperation started as information sharing on employment issues and it has gradually widened with complementary services as more actors have entered the partnership. One example for that is the recruitment services, which is done through the employment offices included EURES network⁶⁴. Currently Grensetjänsten has over 30 cooperative partners⁶⁵ that also include NCM, Hallo Norden, EURES and Trade Unions Confederations.

Grensetjänsten is a border service point located in Morokulien, exactly on the Swedish – Norwegian border, however its geographical eligibility covers the whole Swedish – Norwegian border area, which is one of the longest in Europe.

Regarding the management structures, *Grensetjänsten* is supported by different groups in its operation. There is the **Border Council** (*Gränsrådet*) which operates as a kind of steering group dealing with strategic issues, and there are groups for operative cooperation such as the **Simplification Working Group** (*Förenklingsgrupp*) and the **Nordic Lots Group** (Nordiska Lots Gruppen).

The **Simplification Group** and the **Nordic Lots Group** consist of practitioners of the respective state agencies (employment-labour, taxation, social insurance issues) meeting 3-4 times yearly⁶⁶ to discuss operative solutions for promotion of labour mobility. They work on, for example, simplified forms of declarations or identify problem areas and, if it is possible, they find common solutions to these issues in their administrative procedure. In some cases, these groups also come up with concrete suggestions to the respective legislative and administrative bodies (ministries). However, advocacy activities are mostly done by Border Council. This is the strategic group which identifies hinderers in the Swedish – Norwegian labour mobility in a systematic way and which comes up with suggestions for solving them.

Grensetjänsten and its groups are also linked to Nordic trans-national structure to the **Freedom of Movement Council** and to the **Freedom of Movement Database**, and to the Nordic Council of Ministers and Hallo Norden.

<https://www.regionalforvaltning.no/Startside/VelkommenStotteordning.aspx?Forvalter=Interreg+Indre+Skandinavia>. Available on 24.03.2016.

⁶³ Guidance are provided not counselling services, as concrete issues are not solved by Grensetjänsten. Interview with Oskar Danielsson. Grensetjänsten. 10.03.2016.

* Communication via e-mail, via telephone or personal drop-in to Morokulien office is also possible.

⁶⁴ EURES advisor is provided by the Norwegian Welfare and Labour Agency. Interview with Oskar Danielsson, Grensetjänsten. 10.03.2016.

⁶⁵ Grensetjänsten: *Background material of Grensetjänsten*. 2015.

⁶⁶ Interview with Oskar Danielsson, Grensetjänsten. 10.03.2016.

Grensetjänsten has a stable funding which is the basis of its sustainable operation, at the same time financial contributions of the parties are different. From the Swedish side Grensetjänsten received 3,455.000 SEK in 2015 (main contributors were the Swedish Ministry of Foreign Affairs, NCM, the County Government of Värmland and Värmland Region). From the Norwegian side the contribution was 3,130.000 NOK, financed by the Ministry of Labour and Social Welfare, NCM and Hedmark Region⁶⁷. In addition, the participating state agencies and social partners also support the operation of the border service point either through expertise or by smaller financial contributions.

Grensetjänsten has 2-2 advisors from state agencies and three full-time experts from Värmland region and one part-time (80% shift)⁶⁸ employed expert. Grensetjänsten has about 100,000 visitors on its website and it deals with 1600 phone inquiries, it provides guidance for 2400 individual questions and 300 questions for companies on a yearly basis⁶⁹.

In the future Grensetjänsten aims support the review of taxation agreements both in bilateral and in Nordic perspective, which indicates greater advocacy activities. Regarding an integrated Baltic Sea Labour market, they would imagine their role as exchanging of best practice and providing trainings for other cross-border services⁷⁰.

The Swedish – Danish cross-border labour mobility flow is concentrated in the Oresund region (region Skåne (SE) and the Capital Region of Copenhagen, and the Region of Zealand (DK)). Two formal partnerships are established to

Øresunddirekt and EURES Oresund Partnership facilitate cross-border labour mobility in means of sharing information and guidance, as well as recruitment. There is an Information Centre operating.

provide services for individuals and for companies. They are **Øresunddirekt** and **EURES Oresund** cross-border partnership. Besides, the **Oresund Committee** has been operating since 1993 as a political body of local and regional stakeholders of the Oresund region⁷¹. Committee is a unique structure in the Nordic labour cross-border mobility as it provides a regional political framework for:

1. Better integration of labour market and it prepares;
2. Joint regional development concepts, but it also has responsibility, and
3. The collection of border obstacles identified by either by Øresunddirekt or by the EURES partnership⁷².

Its operation is financed by 2,88 DNK per inhabitants of the Oresund Region⁷³.

Øresunddirekt operates since 2000 in joint cooperation of Swedish and Danish state agencies (Public Employment Offices, Social Insurance Agencies and Tax Offices). According to the common agreement, an information office was set-up in Malmo that provides personal communication in a one-stop-shop manner. On the Danish side

⁶⁷ Grensetjänsten. *Background material of Grensetjänsten*, 2015.

⁶⁸ Interview with Oskar Danielsson, Grensetjänsten on 10.03.2016.

⁶⁹ Interview with Oskar Danielsson, Grensetjänsten on 10.03.2016.

⁷⁰ Interview with Oskar Danielsson, Grensetjänsten on 10.03.2016.

⁷¹ Regions, regional councils and big municipalities for examples the city of Malmö and Copenhagen Municipality are members of the Committee. Oresund Committee <http://www.oresundskomiteen.org/om-oss/kortfakta-om-oresundskomiteen>. Available on 24.03.2016.

⁷² Oresund Committee. *Key facts of the Committee*. 2016 <http://www.oresundskomiteen.org/om-oss/kortfakta-om-oresundskomiteen> Available on 01.04.2016.

⁷³ *Ibid.*

Øresunddirekt has an online editorial, located in Copenhagen that operates its website and which is responsible for marketing activities⁷⁴.

Øresunddirekt identifies hinderers which are reported to the Freedom of Movement Council for further identification and problem-solving, but some of issues are at regional level handled. There is a close cooperation between the respective state agencies. A steering group for strategic issues and working groups for operative questions have been established. The first one has meetings four times annually, while the working groups meet on monthly basis. In addition to that Øresunddirekt meets three to four times yearly representatives of the Free Movement Council, NCM and Hallo Norden⁷⁵.

The border service point strategic aims to better facilitation of frontier workers and the establishment of an integrated labour market by the better exploitation of potentials, especially by the opportunities provided by the Copenhagen Capital Region. Øresunddirekt organises events, considering the market demands which come mainly from the Copenhagen Capital Region. Therefore, there are regular presentations on working -, vocational training opportunities in Denmark.

Furthermore, Øresunddirekt has associated cooperation with partners like EURES network regarding recruitment and with the Centre for New Entrepreneurs Oresund (*Nyföretags Centrum Oresund*) for guidance to companies.

Øresunddirekt receives funding from the Swedish and from the Danish side, however there are considerable differences. About 12-13 million SEK is the yearly budget of Øresunddirekt, from that about 8 million SEK is the Swedish contribution by the Region Skåne, the County Administration Body of Skåne and NCM. The Danish part is mainly contributed by Copenhagen Region and NCM⁷⁶.

Øresunddirekt has two full-time coordinators and two full-time positions are occupied by advisers of the three state agencies. Øresunddirekt had over 25,000 personal visits (2014), around 430,000 visits on the homepage (2015) and 87 individual guidance for companies (2015). There has been an increase both in personal guidance and in the visit of their homepage. Furthermore, they see a clear demand for personal guidance as “.. *it often happens that citizens come with one question which generate further ones.*”⁷⁷.

In the future, Øresunddirekt plans to focus more on pension issues and involve respective authorities to the partnership. This would mean the stronger involvement of partners and the enrichment of services.

Besides Øresunddirekt there is the EURES cross-border partnership. Main differences between Øresunddirekt and EURES cross-border partnership are: slightly different activities, cooperation with partners/networking and funding. The EURES partnership was founded in 1997, based on a framework agreement between the EU and the hosting partner of the cross-border partnership*. EURES partnership consists of a steering group for strategic issues and a coordination group for operative matters. It involves a broad stakeholder network. For example, in the steering group there are about 30 members of social partners in a tri-partied cooperation model with the Oresund Trade Union

⁷⁴ Interview with Malin Dahl, representative of the Swedish Public Employment Agency to Øresunddirekt on 08.03.2016.

⁷⁵ Interview with Malin Dahl on 08.03.2016.

⁷⁶ Interview with Malin Dahl on 08.03.2016.

⁷⁷ Interview with Malin Dahl on 08.03.2016.

* On contrary to Øresunddirekt EURES cross-border partnership needs to be renewed every year. The lead partner of the cooperation changes time to time, based on common discussion between Sweden and Denmark.

Cooperation IRTUC and regional actors of the Swedish and Danish employers' organisations⁷⁸. The group meets four times a year by setting-up regional priorities and there is regular communication among them, and regular discussions on how to manage processes in sectors with large labour mobility flow (transport, construction). The coordination group consists of PES regional managers that are responsible for operative tasks (information and guidance about living and working conditions on the other side of the border, and recruitment).

Activities are implemented in close cooperation with social partners considering the special regional needs of Oresund region. These activities are: promotion of vocational education for Swedish unemployed students on the Danish side of the region (by information campaign on internship opportunities in Copenhagen); seminars on living and working conditions in Denmark and special focus on recruitment on bottle-neck positions. EURES Oresund does some counselling activities, especially for young job-seekers on labour rights and collective agreements and pension system.

In addition, Oresund cross-border partnership organises trainings for the advisers of the respective PES and they also act as partners in EU macro-projects, like the *European Spallation Project* on behalf of Pan-European ESS DATA management and Software Centre in Lund. EURES carries-out recruitment activities and information/guidance as they might recruit specialists outside of Oresund region. In this respect EURES network has developed some innovative approaches, for example, created a LinkedIn group for specialists, carrying out pre-recruitment activities and organising job fairs⁷⁹.

EURES Oresund is a member of the Nordic transnational structure operated by the Freedom of Movement Council and NCM. However, advocacy work such as the identification of problems and solving them, do not belong to their activities. EURES Oresund coordinator mentioned that EURES advisers are civil servants and their prime task is the implementation of activities not the advocacy/lobby work.

Regarding the capacities, there is one EURES cross-border coordinator, all advisors of public employment offices of the respective regions in Oresund Region belong to the network. The EURES network provides information and counselling to 2000 jobseekers and companies on a yearly basis.

In the future, EURES Oresund would like to put stronger emphasis on the recruitment of not just highly skilled workers, on the better integration of refugees and the stronger promotion of life-science employment in the region.

Cross-border Institutions Between Germany and Denmark

Since 1950s there have been bilateral state agreements for the intensification of **Danish – German** cooperation, but real boost was carried by the INTERREG programmes⁸⁰. The Danish – German border area has not been in the prime interests of politics (different priorities at national level such as Nordic cooperation in case of Denmark or the French – German, BENELUX – German relations in case of Germany). Danish – German cross-border relations have been mainly initiated and built up by regions and local actors⁸¹.

⁷⁸ Interview with Morten Hjort Jansen, EURES Oresund coordinator on 14.03.2016.

⁷⁹ Interview with Morten Hjort Jansen on 14.03.2016

⁸⁰ Schleswig-Holsteinischer Landtag. *EUSBSR activities of the government of S-H*. (Ostseeaktivitäten der Landesregierung.) 2015. PP 44-47.

⁸¹ Information from Peter Hansen director of Region Sønderjylland-Schleswig on 09.02.2016.

There exists cooperation in two areas a) Region Southern Jutland – Schleswig (Region Southern Jutland and Northern part of federal state Schleswig Holstein where the great majority of labour mobility takes place now), and b) the Fehmarnbelt area (Region Southern Denmark and the North-East part of the federal state Schleswig Holstein). In this report structures in the Fehmarnbelt area are not assessed as commuting numbers are quite low at this moment. However, once the Fehmarnbelt tunnel will link North Germany and South Denmark, most probably it would give a strong mobility boost to the entire South Baltic Sea region. Projects have already mobilised many regional actors (see the STRING initiative and Fehmarnbelt Region Initiative in Chapter 4).

Due to the growing number of commuter workers Region Southern Jutland – Schleswig set up **Info Centre Græse – Grenzen** in 2004 (INTERREG project activity). The project was established by the Danish Region Southern Jutland and the German federal state Schleswig Holstein together with local and regional actors*.

Info Centre Græse – Grenzen on German-Danish border provides information, counselling and guidance services, and they run advocacy activities to pursue with changes in legislation and to reduce cross-border labour mobility obstacles.

The Info Centre was established for individual guidance on taxation, employment issues, social insurance included health insurance, pension and unemployment benefits⁸². These services have been adjusted by the needs of commuters, for example the Info Centre set up drop-in consultations in the bigger cities and prepared hand-outs by thematic issues.

EURES-network has been integrated into the partnership by providing recruitment and counselling services. For many years EURES network had operated as a formal cross-border partnership but this opportunity finished partly due to the bureaucratic and time-consuming application procedure⁸³. Currently public employment services in the border region provide these services.

Region Southern Jutland – Schleswig identifies obstacles based on operational experience of the Info Centre Græse – Grenzen. These hinderers are region specific, for example the missing knowledge/information/data, financial and technical barriers, translation of documents/qualifications, different implementation procedures etc. Additionally, the regional office does advocacy/lobbying work. There is also an inter-ministerial working group established between ministries of justice of Schleswig-Holstein and Denmark, which illustrates much more political commitment than institutionalised cooperation⁸⁴. The working group is at expert level, and examples show that national agreements between Germany and Denmark are the main basis of normative procedures regarding employment, taxation and social welfare issues.

Region Southern Jutland – Schleswig is funded by 50-50% by German and Danish partners. The employment offices are funded by the two countries. Regarding capacities,

* Due to the federal structure, German local and regional actors have necessary capacities and political influence for establishing cross border cooperation and they can make political commitments as well. For example, the federal state Schleswig Holstein has sign regional agreements and declarations with the Danish ministries on labour mobility issues (JUMI, 2015) and similar examples can be found in case of other federal states as well. At the same time, employment and labour services such as personal counselling and recruitment are provided by the Federal Employment Agency.

⁸² Region Southern Jutland – Schleswig. *10 Years of Infocentre* (10 Jahre Infocentre). 2014. P.6.

⁸³ Information from Peter Hansen director of Region Sønderjylland-Schleswig on 09.02.2016.

⁸⁴ Interview with Thomas Pfannkuch, Head of Unit, Cooperation unit S-H with Denmark, JUMA on 02.03.2016.

Info Centre provided 5051 personal guidance in 2008, which can be considered as the peak of commuting⁸⁵.

Cross-Border Institutions Between Germany and Poland

We introduce structures of cross-border labour mobility in Mecklenburg – Vorpommern and Brandenburg (Germany) and the respective Polish voivodeships: West-Pomerania and Lubusz.

In these regions, there are no formalised comprehensive structures that would be set up to facilitate cross-border labour mobility (with the exception of EURES network, in general). As an umbrella term Odra-Oder Partnership⁸⁶ is used to cover thematic cooperation in fields of education, culture, economy, and labour mobility between Germany and Poland with the political support of Germany and Poland. The nature of cooperation is mainly project-based and without formalised structures.

In 2010, an informal **EURES Odra-Oder Partnership*** among public employment services of Poland and Germany was created to provide information to potential employees and employers who wish to enter the labour market in the cross-border area of north-west part in Poland and North East Germany. Members of the partnership were Regional Labour Office in Zielona Góra, Labour Office in Międzyrzecz, Labour Office in Słubice, Labour Office in Żagań, Agentur für Arbeit Cottbus and Agentur für Arbeit Frankfurt Oder.

From the Polish side, foundation of the partnership was endorsed by the letter of intent. The partnership was approved by the Ministry of Labour and Social Policy in Poland. Every labour office individually made the decision to join the partnership. To implement activities of the partnership, additional personnel was employed in Poland⁸⁷.

Main activities implemented by the partnership were:

- Four Cross-border Information Days in 2012 and 2013;
- Ten Cross-border Information and Recruitment Days in 2012, 2013 and 2014;
- Meeting for the unemployed and job seekers;
- Around ten sessions of Consultative Committee within the framework of the initiative of the EURES Odra-Oder in 2012-2014;
- Training organised by the Regional Directorate of the Federal Labour Office Berlin-Brandenburg in 2013;
- Training for staff working in partner offices in Germany and national partners in 2013⁸⁸.

In order to organize and implement activities of the partnership, partners met on average five times a year.

The partnership lasted until 2014 when it was closed, based on decision made by the Polish Ministry of Labour and Social Policy. Local EURES advisors stated that despite the

⁸⁵ Region Southern Jutland – Schleswig. *10 Years of Infocentre (10 Jahre Infocentre)*. 2014. P.6.

⁸⁶ The Oder Odra Partnership. Involved regions Mecklenburg-Vorpommern, Brandenburg, Berlin and Sachsen from the German side and voivodeships West-Pomerania, Lubusz and Lower Silesia from the Polish side. <http://www.oder-partnerschaft.eu> Available on 06.03.2016.

* In 2012, the main obstacles that hindered cross-border mobility between Poland and Germany (reported by experts and entrepreneurs) were observed in areas of availability of information about employment opportunities and regulations in the neighbouring country, and also availability of guidance on social care and taxation systems.

⁸⁷ Interview with Agata Bajon, EURES Adviser in Regional Labour Office in Zielona Góra. 08.02.2016.

⁸⁸ Interview with Agata Bajon on 08.02.2016.

fact of relatively high but asymmetric movement to Germany, the Partnership was closed because of hardships faced by bureaucratic procedures set by the EC *DG for Employment, Social Affairs & Inclusion* to submit annual funding applications and to present scrupulous reports.

Since 2014, the Regional Labour Office in Zielona Góra continues to help people who are looking for work abroad. The office cooperates with German labour office and other organizations in Germany⁸⁹.

Today, PES are the main service providers for labour mobility, the Federal Employment Agency (*Bundesagentur für Arbeit*) is key facilitator through its EURES cross-border advisers. There has been cooperation between the German and Polish side (M-V and West Pomerania) to foster cross-border mobility since 2006. This cooperation had been continuously renewed and strengthened, and in 2011-2012 it was the most intense, most employment offices in the border area were involved in the collaboration.

Due to restructuring of Polish PES after 2014, the intensity of cooperation has decreased⁹⁰ (less employment office are involved, looser contacts among the German and Polish partners, the cooperation has become more informal). Reasons behind that are the limited financial resources* and the relatively low number of labour flow in the border area⁹¹.

General information is provided for employees and employers, but not in a one-stop-shop-manner. Questions regarding taxation, labour law, social welfare are redirected to respective agencies. Though, there are information days, regular consultations in Szczecin, job fairs and recruitment activities organised. The German Federal Office implements projects such as the "Smart Head" (*Kleveres Köpfchen*) for vocational training in close cooperation with the federal state Mecklenburg-Vorpommern to increase the number of skilled workers in sectors such as health care, gastronomy/tourism⁹².

Another form of cooperation between Germany and Poland takes place in framework of Szczecin Metropolitan Area. This framework of cooperation sets a platform for joint development plans by planning a cross-border metropolregion⁹³.

Cross-Border Cooperation in Baltic Countries

Cooperation across the Gulf of Finland between **Estonia** and **Finland**. The South Finland and Northern Estonia region forms an important metropolitan area where the biggest cities of South Finland and both capital cities are located. Both countries are separated by merely 80 km of strip. Accordingly, there is an important concentration of population in the closest areas of the cross-border region. The region forms a very dynamic and international high-tech cluster within the Baltic Sea Region with an intense flow of capital and labour mobility. In both cross-border regions, the linguistic and cultural similarity has been historically a link for social interaction⁹⁴.

⁸⁹ Interview with Agata Bajon on 08.02.2016.

⁹⁰ Interview with Christian Justa, EURES adviser, Federal Employment Office Greifswald on 01.03.2016.

* Before 2014, common workshops, trainings for the German and Polish side were organised by the employment agencies or by the regions. There was also an intention to apply for the cross-border formal EURES partnership, which did not succeed, mainly, because of low commuter numbers.

⁹¹ Interview with Christian Justa, EURES adviser, Federal Employment Office Greifswald. 01.03.2016.

⁹² Interview with Christian Justa on 01.03.2016.

⁹³ Ministry of Energy Infrastructure and Rural Development Mecklenburg Vorpommern. *The development concept of the cross-border Metropolregion Szczecin 2013-2015*. 2015

⁹⁴ Personal communication with Marta Traks, National EURES Coordinator at Estonian Unemployment Insurance Fund. 29.03.2016.

EURES cooperation started in 2003, while official cross-border cooperation was launched in May 2004. Previously it has been noted that the main challenges for the establishment of a full cross-border partnership are rooted in the necessity of transport facilitation, the different wage levels and labour costs, the diversity of labour legislation and the role of trade unions⁹⁵. To overcome challenges, various awareness raising activities and information campaigns are implemented.

The main information sharing activities from side of Estonian EURES since 2012 have been:

- Information about work requirements, social security, tax-arrangements, education, etc., in Finland was regularly updated on the national EURES website and 14,000 leaflets with information about working conditions and career opportunities in Finland were produced and distributed to clients in regional employment offices;
- Information seminars “Working in Finland” on ferryboats from Tallinn to Helsinki that inform people about tax regulations, EU unemployment insurance benefits and social & health insurance;
- EU citizen rights and working conditions in Finland were introduced at the information events organised together with Europe Direct and Government Office in Valga and Võru;
- Information events, like “European Job Days” and “Working in Finland” have brought together Estonian students, employees and Finnish trade unions, and business companies in Tallinn and Turku;
- 24 group consultations “What Do You Need to Know Before Starting to work in Finland” for jobseekers interested in working in Finland. 12 group consultations were in Estonian and other 12 in Russian⁹⁶.

Whereas, the main awareness raising activities have been meetings with Finnish Central Trade Union and Finnish Chamber of Commerce on job mobility trends and presentation of possibility to provide with tailor-made services for companies in various economic sectors⁹⁷.

Additionally, there is an informal Helsinki – Tallinn Cross-border Cooperation Network that organises meetings on rotation basis between countries. The overall aim of the meetings was to maintain and develop the network of partner organisations, such as tax authorities, labour inspectorates, social insurance authorities, trade unions, local municipalities and local employment services on both sides of the border⁹⁸.

A unique form of cooperation is witnessed in Estonia and carried out by the Finnish Construction Trade Union in Estonia. It started as an INTERREG project activity in 2004. Today the Finnish Construction Trade Union in Estonia has taken over the activity and it finances one full-time position with fluency in Estonian, Finnish and Russian. The service point:

- Provides information about living and working conditions in Finland (both from distance and face-to-face);
- Provides guidance on taxation, welfare and education issues in Finland;

⁹⁵ EURES. *Cooperation Across the Sea – the Helsinki-Tallinn Example*. Source: <https://ec.europa.eu/eures/main.jsp?lang=en&level=0&parentId=2...&myCatId=9188&showRegion=false&catId=9188&myTitle=Nyheter&chatRoom=enter>. Available on 05.04.2016.

⁹⁶ Personal communication with Marta Traks on 29.03.2016.

⁹⁷ Personal communication with Marta Traks on 29.03.2016.

⁹⁸ Interview with Marta Traks on 01.04.2016.

- Engages in problem solving with organisations and institutions when mobility hinders are observed;
- Reports to low enforcement bodies when human trafficking risks are encountered⁹⁹.

Trade union's activities have a "one-stop-shop" character. Actions of the Finnish Construction Trade Union in Estonia are highly recognized by employment and taxation offices in Finland and Estonia, and such form of cooperation serves as a good example of stakeholder cooperation to facilitate cross-border labour mobility.

Definitely, cooperation has been also strengthened by operation of EURES. According to Estonian EURES National coordinator, during last few years the cooperation between **Estonia** and **Latvia** in border region has evolved – changing information about vacancies and information and recruitment events, information about the labour market situation in Estonia, meeting employers of both sides of the border¹⁰⁰. There has been a special attention dedicated to cooperation between Latvia and Estonia because of two border-towns, namely Valka (in Latvia) and Valga (in Estonia). Today they are called „twin towns”. In period of 2012-2013 several information events* have taken place to foster match-making processes of vacancies, and more strategic events* with stakeholders to promote higher employability rate in the region. It is regarded that closer cooperation between PES in LV and EE have facilitated high results in cross-border job match-making process in 2014. In October 2014, there was held a joint information event for jobseekers in Valga, which was attended by 24 companies and nine partner organizations. A total of 168 vacancies were offered that resulted in conclusion of 81 employment agreements¹⁰¹.

Cooperation between **Latvian** and **Lithuanian PES**, more specifically EURES offices take place on levels of capacity strengthening and information sharing on labour market. In order to exchange experience and share information about labour market situation at Lithuanian-Latvian cross-border, five seminars were held in 2013/2014¹⁰². Additionally, Lithuanian and Latvian EURES coordination board attended events organized within framework of Nordic-Baltic EURES cooperation and EURES reform related activities, aiming exchange of information on mobility target schemes, EURES reform and best practices, sharing the insights and ideas on how to perform best when facing the upcoming changes. The total EURES budget in 2013/2014 were 98,147.41 EUR (EU contribution 93,240.01 EUR) ¹⁰³. According to the Lithuanian EURES Annual Plan for 2013-2014 there were no additional events that had a direct impact on facilitation of cross-border labour mobility with Latvia or Poland.

Since 2010 to 2014 an informal EURES **BiAly Las** Partnership was created between **Poland and Lithuania**. On the Polish side, the activities were implemented by the Voivodeship Labour Office in Białystok, Poviast Labour Office in Suwałki and Poviast Labour Office in Sejny, on the Lithuanian side these were the Job Exchange in Alytus and Labour

⁹⁹ Interview with Marta Traks on 01.04.2016.

¹⁰⁰ Personal communication with Marta Traks on 29.03.2016.

* Events like seminars, group consultations for jobseekers, distribution of information materials, and conference.

* Events like meetings with businesses, local administration and politicians, as well as joint discussions (between EURES in LV and EE) on employment, labour mobility, and lifelong learning.

¹⁰¹ Latvijas Republikas Vides aizsardzības un reģionālās attīstības ministrija. *Informatīvais ziņojums „Par pārrobežu sadarbības stiprināšanu Latvijas-Igaunijas un Latvijas-Lietuvas Starpvaldību komisijās”*. 2015.

¹⁰² Latvijas Republikas Labklājības ministrija. Publiskais pārskats par 2014. gadu. 2015. P.20.

¹⁰³ *EURES Annual Plan 2013-2014 / Lithuania VS/2014/0171*. Source: http://ec.europa.eu/employment_social/defis/publigrant/public/publications/399/frame;jsessionidpubligrantprod-dc=JJJ7VCpD9wZQyv59LTvl1QnnY6qhvVhjjLNj5Dy2QYt2Rh4pqzL1!-168150351?publicationLanguage=en. Available on 01.04.2016.

Office in Lasdenie. The informal partnership was founded on the basis of previous experience of cooperation among public employment offices from Poland and Lithuania. The main partner of the partnership was the Labour Office in Białystok¹⁰⁴. Funding for the informal partnership was assigned by EURES grant for cross-border cooperation. Every year the partnership had to apply for funding to be able to implement partnership's activities. Strategic and practical decisions were made by the leading partner in consultations with other partners. In total, six people were carrying out tasks to implement activities of the BiAly Las partnership. These were additional responsibilities for their position at EURES.

Reasoning behind the need to establish informal EURES partnership was to monitor the labour flow between the two countries and to provide information on existing vacancies in the bordering areas. During four years the informal EURES partnership implemented activities:

- Seven information events for employers (two in Lithuania and five in Poland) about labour market situation, workforce surpluses and shortages; additionally, two events were organized for Lithuanian jobseekers and young about living and working conditions in Poland. Total number of participants were 348;
- The Day of Lithuania in Poland gathered roughly 300 participants. The event provided information about Lithuania, living and working conditions, job opportunities and self-employment;
- Three jobs fairs in Poland with approximately 1,300 participants;
- Lithuanian delegation's study visit to Poland;
- Promotion of cross-border mobility in media¹⁰⁵.

To sum up, the initiatives undertaken by BiAly LaS partnership were: promotion of transnational mobility in Polish-Lithuanian cross-border area, development of knowledge base on living and working conditions in both countries, and extension of the cooperation between Polish and Lithuanian cross-border regions¹⁰⁶. The informal EURES partnership ceased to exist because of a very low intercountry mobility between Poland and Lithuania. The decision for closing the partnership was made by the Ministry of Labour and Social Policy.

For many decades the Nordic area has set a good sample on how to add international aspect to every-day activities carried out by local institutions that work with issues related to labour market. Today, the Baltic Sea Region has various samples of structures, initiatives and institutions that promote and facilitate cross-border labour mobility. They can be vaguely limited in the scope of geographic area like South Baltic and Central Baltic, but they are not limited in their actions and are of impact as these initiative involve various private and public stakeholders. Cross-border formal structures and non-institutionalised in the Baltic Sea Region are analysed in details in Annex 4. Analysis of cross-border structures in the BSR.

Inter-Regional Structures for Cross-Border Labour Mobility

Euroregions are mechanism of local and regional actors often with other public entities that are doing cross-border activities in different policy areas such as economy, labour

¹⁰⁴ Interview with Beata Chrościńska, EURES Adviser in the Voivodeship Labour Office in Białystok. 11.02.2016.

¹⁰⁵ Interview with Beata Chrościńska on 11.02.2016.

¹⁰⁶ EURES Polska. *Cross-border EURES*. Source: https://eures.praca.gov.pl/en/index.php?option=com_content&view=article&id=114&Itemid=63#bialylas. Available on 28.02.2016.

market, public safety, culture, health care, energy, transport, spatial planning (Valk et al, 2015:5).

Euroregion Baltic (ERB) was established in February 1998 and is a politically solid and well-anchored cooperation in the south-east of the BSR, consisting of eight regions of Denmark, Lithuania, Poland, Russia and Sweden. It was the first Euroregion to have formally included a partner from the Russian Federation¹⁰⁷. ERB is a platform for decision makers and incentives in various fields like improving initiatives of local councils, promoting local and regional cooperation across national borders, intensifying cross-border cooperation of SMEs and their economic potential and many others. Today, ERB focuses on three areas. The first one is lobbying, the second one is EU Cohesion Policy and the third one is exchange of initiatives.

Euroregion Baltic founded a taskforce on cross-border labour mobility in 2012. The decision on taskforce was by made by the board in order to allocate resources to investigate situation on cross-border mobility. As a result, among other activities a statistical booklet *Main Features of Regional Labour Markets' Characteristics* was created in 2013. The booklet presents information on status of labour force, labour mobility and migration in parts of Sweden, Poland and Lithuania, Bornholm island and Kaliningrad, and thus raises awareness about the importance of the cross-border labour mobility in parts of the Baltic Sea Region.

Euroregion Baltic was a cooperative partner in a project *South Baltic Professionals* financed by the INTERREG IVA Program and lead by the *Rostock Business and Technology Development GmbH*. ERB was one of the actors that was committed to the initiative of creating *South Baltic wide EURES network*. For various reasons, of which one was a low interest/ reserved attitude from behalf of public authorities, the network was not created. To pursue with the endorsement assigned to creation of the *South Baltic wide EURES network*, Euroregion Baltic approved a resolution in 2013 in Gdansk by noting that special effort by task force shall be dedicated to facilitate networking initiatives for EURES advisors as one of the first priorities of an implementation of the approach of close cooperation, in order to enable realization of an effective cross-border labour mobility of mutual benefit¹⁰⁸.

Additionally, ERB participated in international social dialogue thanks to its membership in Baltic Sea Labour Forum and has acted as a facilitator of cooperation between projects implemented on its area.

Today, activities carried out by the taskforce are not on agenda of the Euroregion Baltic any longer. The special focus on cross-border mobility faded in 2014. Though, it is a belief of the Euroregion Baltic, that more strategic partnerships among employment services and private agencies working with match-making between employees and employers in the Baltic Sea Region, is an essential need that must be met¹⁰⁹. One of such potential solutions can be foundation of formal partnership, involving stakeholders of the Baltic Sea Region. And another potential solution is foundation of one-stop-shop that would provide services of match-making then needs and supply of labour force, as well as provide information on living and working conditions, social benefits and taxation.

¹⁰⁷ Euroregion Baltic. *Background*. Source: <http://www.eurobalt.org/category/s19-about-erb/c42-background/>. Available on 11.02.2016.

¹⁰⁸ Euroregion Baltic. *ERB seminar on Labour Market*. 2016. Source: <http://www.eurobalt.org/erb-seminar-on-labour-market/>. Available on 11.02.2016.

¹⁰⁹ Interview with Sebastian Magier, Head of International Permanent Secretariat at Euroregion Baltic. 12.02.2016.

Another concrete attempt to set-up a structure that would provide information to employers and employees who want to participate in cross-border labour mobility, was set up by the **Nemunas Euroregion Marijampole Bureau** in form of Border Information Centre within a project BordInfo.

The Nemunas Euroregion Marijampole Bureau is founded by 14 municipalities and registered as public institution since 1998. According to its statutes, main objectives are to create better conditions for the socio-economic development of Nemunas stimulating the cooperation between border regions of neighbouring and distant countries as well as to prepare and implement international projects and other EU-programmes. The Euroregion is located in the southern part of Lithuania bordering Poland to the south with its main city Marijampole. Together with its Polish, Belorussian and Russian border regions it forms the greater Euroregion Nemunas.

The Euroregion Nemunas implemented a sub-project, of project Brain Flow that was financed by INTERREG IVC Program, called BordInfo. BoardInfo was a border information service/ activity that was implemented in 2012, 2013 (18 months). The project aimed to improve already existing Border Information Centres in their day-to-day work and to gather information / exchange good practices in order to establish a **Border Information Centre** in Nemunas Euroregion after the sub-project's duration. The partners of the project were Euregio Gronau (the Netherlands, Hedmark County Council (Norway), County Administrative Board of Värmland (Sweden), Marijampole College and Alytus College (Lithuania). Total budget was 190,554 EUR.

The implementation of project created also a platform for decision makers at local level, employers and also employment specialists to discuss problems in labour market and cross-border mobility issues. Furthermore, it was also a platform to outline the differences between services provided by board information centres and by EURES advisors in the region. The most significant differences are:

- For employees EURES provides information about available vacancies in another EU or EEA country;
- For employers EURES provides information on EU legal regulations that cover aspects related to employment and labour mobility, as well as advice on registering available vacancies for EU-nationals on EURES platform;
- Boarder information centre provided information on living and working conditions abroad.

Border Information Centres are established as a service point for people interested in working or living on the other side of the border. Unfortunately, the institutions lack a firm and undisputed position within the national systems of transfer of information to civilians and companies. Financial support is limited and, even with growing interest in cross-border cooperation and in enhancing the cross-border labour market, the face to face and online advisory service are consequently always threatened.

Although the structure of the Border Information Centre is set in the Baltic Sea Region, the information provided to potential employees and employers is mostly about markets in the UK and Ireland. Mr. G. Skamaročius, representative of the Euroregion Nemunas, has outlined the importance and readiness to start unilateral or multilateral cooperation within the Baltic Sea Region because there is a pending need for it, but scarce resources.

The first attempts to promote cross-border cooperation between **Finnish and Estonian** capitals were made in 1991 with the so called Twin City idea and in 1999 with the informal network that later (in 2003) became institutionalized – Euroregio Helsinki-Tallinn (HelTal). **Euregio HelTal** functioned for the enhancement of cross-border

integration between Helsinki region and Tallinn. This organisation had political representatives in the management board, civil servants in the secretariat and office in Tallinn. It functioned as a non-profit association of five local authorities: City of Helsinki, City of Tallinn, Uusimaa Regional Council, Union of Harju County Municipalities, and Republic of Estonia, represented by the Harju County Government.

It performed two functions: first, it acted as a political discussion platform and second, it initiated and followed up on cross-border and inter-regional projects and networking according to priorities. Euregio HelTal did not have a focus on facilitation of cross-border mobility, but it did foster collaboration among various stakeholders. Euregio HelTal was recently disbanded after a period of infrequent activity, leaving little institutional development to support the region¹¹⁰. However, a number of additional sources of support exist. This includes European cross-border collaboration programmes, as well as EURES cooperation on labour mobility¹¹¹.

Other Euroregions that are active in the BSR are **Euroregion Pomerania, Euroregion Pro Viadrina and Euroregion Spree-Neisse-Bober**. However, these Euroregions' contribution to the facilitation of labour mobility is quite low at this moment¹¹². They carry information and awareness-raising activities. In the case of Euroregion Pro Viadrina it is done by service portal EUROJOB Viadrina, operated by the Industry and Trade Chamber Brandenburg and the Viovodeship Lubusz. The portal provides up-to-date information on vocational education, job register and actual vacancies. Euroregion Pomerania organises thematic workshops and information event on cross-border entrepreneurship, recognition of qualifications and on pension insurance.

Euroregions' activities that aim to facilitate cross-border labour mobility are project based, while employment agencies receive public funding. The German Federal Office in the Oder – Odra Partnership employs 4,5 EURES advisers for cross-border labour mobility issues, three of them are located in Greifswald, Mecklenburg-Vorpommern. This is relatively small number if we compare this with a region with high labour mobility. For example, in Bavaria that has commuters from Poland and the Czech Republic – there are 30 cross-border EURES advisers employed¹¹³.

Project Based Initiatives

This chapter outlines projects that were implemented by bodies other than EURES and Euroregions and had a focus on cross-border mobility aspects.

South Baltic Professionals Project was implemented in Rostock and initiated by City of Rostock. It was implemented from January, 2012 until April, 2015 and its total budget was 1,3 million EUR (funding source: INTERREG IVA)¹¹⁴. Main outcomes are:

1. Exchange on employment conditions and successful labour market tools:
 - Analysis of the current situation of the South Baltic labour markets;
 - Analysis of barriers for labour mobility;
 - Analysis of future qualification demands in the South Baltic Region;
 - Facilitating exchange on labour market tools and good practices.

¹¹⁰ Light, D. (et al). *Benchmarking study of cross-border Transport development in Helsinki-Tallinn vs. Öresund Region. Final report*. 2014. P.33.

¹¹¹ *Ibid*, P.29.

¹¹² Interview with Marcin Krzymuski, researcher Viadrina Centre B/orders in Motion on 07.03.2016.

¹¹³ Interview with Christian Justa, EURES adviser, Federal Employment Office Greifswald on 01.03.2016.

¹¹⁴ Interview with Mareike Korb, Project Coordinator of South Baltic Professionals. 03.02.2016.

2. Pilot actions "Fostering Internationalisation and Attractive Business Environments in the South Baltic Region"
 - Developing regional and cross-border promotion concepts for employment in the South Baltic Region (the establishment of a South Baltic Job Portal);
 - Easing entrance into the cross-border labour market;
 - Improving intercultural competences;
 - Initiating a South Baltic wide EURES network)¹¹⁵.

Project's main outputs were South Baltic Job Portal, Career Days, e-learning courses for students¹¹⁶. The project has a high relevance of researching and potentially setting-up structures of enhanced cross-border mobility. Project provided a platform for exchanging information and practices on cross-border mobility. Moreover, it served also as a platform for rising awareness of existing problems that people face when moving to another country for employment reasons. As a result, project leader and various stakeholders initiated a foundation of South Baltic EURES network because there were clear indications for a need. Euroregion Baltic was one of the strongest supporters for the call. After intense work of advocacy on formation of South Baltic EURES network, the structure was not created because of lack of interest among national EURES offices. Their response entitled that there are sufficient services and information to facilitate cross-border labour mobility. Today, project leader and Euroregion Baltic remain strong advocates for establishment of cross-border structure that would facilitate labour mobility within the Baltic Sea Region, but especially in the southern part of it¹¹⁷.

The project engaged various private and public entities from Germany, Denmark, Poland, Sweden and Lithuania.

A project that had a direct focus on cross-border mobility was **CentralBaltic JobFerry**. General objective of the project was to intensify the cross-border cooperation of all labour market participants in the common region in a socially, and economically sustainable way meant to support the development of a cross-border labour market. The project was implemented from May 2011 until April 2013. It was initiated in cooperation between partners from Latvia, Estonia, Finland and Sweden back in August 2010. The lead partner was the University of Latvia Centre for European and Transition Studies in partnership with NORDREGIO – Nordic Centre for Spatial Development (Sweden), Institute of Baltic Studies and Turku University of Applied Sciences (Estonia)¹¹⁸. Project's funding was 738,044 EUR of which ERDF funding was 572,353 EUR¹¹⁹. Main outcomes of the project are:

1. A platform on labour mobility in the Central Baltic region. Online platform provides information on labour market issues, professional training, qualifications and job opportunities. Information is available in English, Estonian, Finnish, Latvian and Swedish;
2. Report on Cross-Border Labour Mobility in the Central Baltic region with policy recommendations.

¹¹⁵ South Baltic Professionals. *Key Facts*. Source: <http://www.sb-professionals-project.eu/project-key-facts-objectives.html>. Available on 01.02.2016.

¹¹⁶ Interview with Mareike Korb on 03.02.2016.

¹¹⁷ Interview with Sebastian Magier on 11.02.2016.

¹¹⁸ CentralBaltic JobFerry. *Project Partners*. Source: <http://cbjobferry.lu.lv/partners-supporters/project-partners/#>. Available on 05.04.2016.

¹¹⁹ Central Baltic Programme. *CB JOB FERRY*. Source: <http://projects.centralbaltic.eu/project/454-cb-job-ferry>. Available on 05.04.2016.

Both projects attracted wide range of specialists and experts working with labour issues and attempted to internationalize their activities by building bridges between institutions and structures. They both successfully challenged the common perspective of “working together to facilitate cross-border labour mobility” by pointing out that internationalization of activities goes beyond exchange of information. Projects brought together stakeholders to plan and organise activities together, and analyse obstacles that were brought up by initiatives.

Regional Financial Instruments

Financial instruments that **support cross-border labour mobility and promote internationalisation of cross-border cooperation** in the Baltic Sea Region are the **INTERREG ones and EURES annual funding program** for formal cross-border cooperation.

There are several INTERREG programmes* in the Baltic Sea Region that promote cross-border cooperation:

1. INTERREG Central Baltic (programme area is FI (incl. Åland), EE, LV, SE),
2. INTERREG Baltic Sea Region (DK, EE, FI, LV, LT, PL, SE and northern parts of DE, partner countries NO, Belarus and the north-west regions of Russia),
3. INTERREG Sweden – Norway (respective countries),
4. INTERREG Nord (FI, SE, NO),
5. INTERREG Botnia-Atlantica (FI, SE, NO),
6. INTERREG Öresund-Kattegat-Skagerrak (SE, DK, NO),
7. INTERREG Estonia-Latvia,
8. INTERREG Latvia-Lithuania,
9. INTERREG Deutschland-Danmark
10. INTERREG Lietuva-Polska,
11. INTERREG Poland-Germany/Saxony,
12. INTERREG Germany/Mecklenburg-Vorpommern-Brandenburg-Poland,
13. INTERREG South Baltic (DE, DK, PL, LT, SE).

Some of above mentioned programmes have prioritized facilitation and internationalisation of cross-border labour mobility for the planning period of 2014-2020. Those programmes are: INTERREG Sweden-Norway, INTERREG Nord, INTERREG Öresund-Kattegat-Skagerrak and INTERREG Estonia-Latvia. They have foreseen to provide support to projects that will aim to develop services that facilitate cross-border labour mobility (e.g. INTERREG Estonia-Latvia) and also that aim to increase the number of commuters (e.g. INTERREG Öresund-Kattegat-Skagerrak).

Additionally, BSR MS EURES networks apply for special funding to promote cooperation between offices in different countries to facilitate exchange information and practices. Funding is designated for operation of formal partnerships (e.g. EURES T-Beskydy partnership) and for co-organization of seminars and conferences (e.g. between Nordic and Baltic countries, Estonia and Finland). At the same time as more practitioners mentioned during the interviews, these applications are quite time consuming and last only for one year.

* More information on Interreg programmes and their priorities can be found in Annex 5. Interreg Programmes in the Baltic Sea Region.

Various Interests and Initiatives of Stakeholders

- 1 Social partners are well-interested in services based in the Baltic Sea Region. Interest was expressed for services that improve employability and enhance cooperation according to the Posting of Workers Directive.
- 2 Baltic Sea Labour Forum has the widest experience and a large network that covers the Baltic Sea Region.
- 3 There are several advocacy groups of local and regional actors with further approaches and extended network among others to the EU decision-makers.

In this part of the study, various interests of social partners and political bodies are presented, together with some interesting initiatives that potentially have added value to an integrated structure of labour-mobility-service in the Baltic Sea Region. These findings are not representative, though they provide with valuable insight as they were gathered during interviews and literature review.

The **Baltic Sea Labour Forum** (BSLF) is the most comprehensive project for integrating social partners and it is coordinated by the Council of the Baltic Sea States. In addition, BSLF is a flagship initiative of the EUSBSR with long lasting operational experience and established platforms. BSLF consists of three main groups of stakeholders:

- Social partners around the Baltic Sea Region (trade unions, employers' organisations);
- The Council of the Baltic Sea States;
- The Baltic Sea Parliamentary Conference (BSPC).

BSLF is run on a project basis. Between 2011-2013 the European Commission DG Employment allocated resources on Industrial Relations and Social Dialogues¹²⁰; between 2013-2014 BSLF received financial support from the CBSS Project Support Facility and in 2015 from EUSBSR Seed money facility provided the necessary support. For 2016, some conferences and workshops are planned, however the network is looking for funding options for its effective operation. BSLF approach is unique as it provides tailor-made approaches for different types of labour mobility. There is one working group on cross-border labour market with the aim to provide social partners (employers and employees) with information based on existing experience. There is a working group on undeclared work that attempts to find common basis for fair mobility together with the adaptation of the Posting of Workers Directive. The third working group of BSLF is to foster vocational mobility by the better alignment of school – business cooperation.

The **Baltic Sea Trade Union Network** (BASTUN) is an independent umbrella organisation of 22 trade unions in the Baltic Sea Region. It has members from all countries of the BSR, however, the capacities of individual organisations differ. In the Nordic countries trade unions have strong political influential power but it's less so in the Baltic countries. In Nordic countries the aggregate index of industrial sectors is 68-74% which indicate trade unions' participation in collective bargaining and in bi- and tripartite social dialogues. The same index in case of German trade unions was 22%, in case of Polish trade unions 16% and in case of the Baltic countries even lower, in Estonia 8%, in Lithuania 10% and in Latvia 18%¹²¹.

¹²⁰ Information on BSLF. <http://www.bslf.eu/> available on 24.03.2016.

¹²¹ Baltic Sea Labour Network. *Working together for the sustainable labour markets. BSLN Flagship project.* BSLN final publication, 2012. P.23.

Based on the differences both in capacities and the asymmetric representation of its members¹²², BASTUN has only an observer membership in the BSLF project. The confederation has setup general aims such as to strengthen the influence and advocacy capacities of trade unions in the BSR, and enhance the involvement of its members in social dialogue and interest representation. Furthermore, BASTUN is interested in the regular monitoring of labour market and it advocates for social and economic rights, decent wages and fair working conditions for all employees in the BSR¹²³. These initiatives are in line with the interests of its members. Especially, trade unions of the Baltic countries, for example the Free Trade Union Confederation of Latvia (LBAS) strongly supports joint projects on the better employability conditions and the better enforcement of the Posting of Workers Directive¹²⁴. BASTUN's international cooperation follow three major lines: 1) identification of hinderers; 2) corporate social responsibility of Nordic companies in the Baltic countries; 3) fair working conditions which can be linked to the Posting of Workers Directive¹²⁵.

Nordmetall is the employee organisation for metal and electric industry in Schleswig-Holstein, Hamburg, Mecklenburg-Vorpommern and in some part of Sachsen with formal responsibility*. Nordmetall is a multi-level organisation for interest representation and social discussion with formal structures at regional, national and EU level. Nordmetall does counselling for their members if they consider to set-up business or they are posting workers to other countries. Despite the existing EU structures and guidelines (see for example EU's Services Directive and Posting of Workers Directive), Nordmetall experiences hardships to post employees to other EU countries as it a very bureaucratic and time consuming process.

Social partners (LBAS, BASTUN and Nordmetall) has presented recommendations to foster integration of labour market in the BSR:

- To set-up a Baltic Sea Region enforcement plan of the Posting of Workers Directive because all MS have to build up their own structures and they have to start the implementation in the first half of 2016;
- There is already a one-stop-shop service function with extended social partnership applied in the implantation of Services Directive which might give "interesting opportunities" and practical ideas for a trans-regional labour mobility initiative"¹²⁶;
- The work and projects of BSLF are widely recognised by stakeholders, and they are interested in setting up concrete projects.

The operation of the **Oresund bridge** has been a significant boost for cross-border labour mobility and it has strengthened joint initiatives for an integrated labour market in the region. The project of **Fehmarnbelt tunnel** might have similar driving force. Various platforms and networks have been already set-up in the South Baltic. "Fehmarnbelt region" and the "**STRING** project" are two initiatives to foster labour mobility in the South-Baltic. The STRING project is a political cooperation of six regions from the South Baltic to link Oresund region, Southern Jutland – Schleswig, the Fehmarnbelt area and Hamburg together. Participating partners issued a common communication on labour mobility

¹²² Interview with Maria Häggman, coordinator for BASTUN and Council of the Nordic Trade Unions. 01.03.2016.

¹²³ BASTUN. *Trade Union Vision 2020 for the Baltic Sea Region*. 2011. P.1.

¹²⁴ Discussion with LBAS representative Natalja Mickevica. 27.11.2015.

¹²⁵ Interview with Maria Häggman on 01.03.2016.

* This means negotiation with trade unions and the respective federal governments, bargaining on wages.

¹²⁶ Interview with Anton Bauch, adviser at Nordmetall. 08.02.2016.

obstacles, considering the experience of existing border commuting¹²⁷. Furthermore, joint regional actions for example the organisation of joint labour mobility conference between Southern Jutland-Schleswig and the Fehmarnbelt Committee started. These regional actors are interested in participating in platforms for stronger advocacy on cross-border labour mobility.

Regional and local actors often use other advocacy networks, such as **Committee of Regions (CoR)**, the **Council of the European Municipalities and Regions (CEMR)** and the **Association of European Border Regions (AEBR)**. They are strong advocates of reasoning that in border regions working/living on the “other side of the border” should belong to the everyday activities of citizens¹²⁸.

Transfrontier EURO-Institut Network (TEIN) consists of 14 training institutes and research centres, universities in eight regions¹²⁹. These organisations are working as intermediate bodies in cross-border areas to increase information by monitoring labour mobility flow and to promote joint activities by trainings and capacity buildings between respective stakeholders. The network identifies main prerequisites for cross-border cooperation, common hinderers in these collaborations and introduce accompanying activities (different sorts of capacity building for example training, strengthening advocacy capabilities). In this respect the EURO-Institut in Kehl, Germany at the border area between France – Germany could be taken as best practice. EURO Institut has a special legal status – similar to EGTC – established by regional actors. It is funded 50% by local and regional actors and 50% by the French and German government. Its major tasks are accompanying projects of the region by providing counselling and capacity-building for representatives of public administration¹³⁰. Practically, EURO Institut does consulting work as a special type of public entity for French and German public administration and it is the main driver behind the international network of the training institutes.

Institute for Transnational and Euroregional cross-border cooperation and Mobility (ITEM) has a similar approach, it is located in Maastricht (NL). ITEM is a kind of scientific laboratory set-up at the Faculty of Law Department at Maastricht University providing impact assessments and different form of capacity building to the cross-border service point (Great Region) or to the individual actors of this formal cooperation such as employment offices, tax offices etc. The institute provides applied science supported by interdisciplinary research to partners of the regional cooperation. ITEM was established in 2015, and it has funding for 5+5 years from local and regional actors, the university and from projects¹³¹.

There are several platforms for political debates where topics of social welfare and labour mobility are being discussed. One of such forms of co-operation is between the **Nordic Council** and the **Baltic Assembly**, and Baltic countries.

The Nordic Council and the Baltic Assembly (BA) agreed on co-operation in 1992. Since 2006, annual meetings of the Baltic Assembly and Nordic Council presidiums have been held, with participation of the heads of joint committees, as well as themed meetings and joint committee conferences. Active co-operation takes place between parliaments and

¹²⁷ Region Southern Jutland – Schleswig. *10 Years of Infocentre (10 Jahre Infocentre)*. 2014. P.8.

¹²⁸ Region Southern Jutland – Schleswig. *Mobility barriers on the German – Danish labour market. 29 Solutions*. 2014. PP. 6-7.

¹²⁹ Thevenet A. TEIN answer to the public consultation. Overcoming obstacles in cross-border regions. TEIN. 2015. P.3

¹³⁰ Interview with Anne Thevenet, EURO Institut, deputy director. 01.03.2016.

¹³¹ Interview with Veronique Eurlings, ITEM coordinator. 04.04.2016.

their standing committees¹³². It has been formulated that one of the priorities between two bodies in 2016 is “Growing and credible Nordic – Baltic Region (economic cooperation, labour market, development of the EU’s Digital Single Market, natural resources, low-carbon economy, energy security, waste policies, health care and social policy, protection of European values in the common Nordic – Baltic information area, enhancing integrated and stable financial markets)”¹³³.

Closer cooperation on cross-border mobility among Baltic countries started shortly after regaining their independence in 1991. Bilateral treaties have been signed in mid-90’s to ensure transferability of social insurance regulations and benefits for people (and their families) who travel or move to the neighbouring country for employment reasons. These treaties have paved the way for much closer cooperation in field of cross-border labour mobility between local PES and local councils, as well as business companies and cross-border PES. Moreover, social issues and labour mobility are topics discussed not only at local governance level but also at national and international levels on platforms like **Baltic Assembly** and **Baltic Council of Ministers***.

The **Baltic Assembly** (BA) is an institution for parliamentary co-operation among Latvia, Estonia and Lithuania established on 8 November 1991. Each of the Baltic States is represented in the Assembly by a national delegation of 12-20 members of the parliament/parliamentarians. The Assembly is a coordinating and consultative institution. The Baltic Assembly has the right to make its views known to the national parliaments, governments and the Baltic Council of Ministers in the form of a resolution, decision, declaration or recommendation, while using the form of an appeal, proposal, or statement when addressing other international or regional organizations. Regular sessions of the Baltic Assembly are held once a year. There are five standing committees of the Baltic Assembly:

1. Economics, Energy and Innovations Committee;
2. Education, Science and Culture Committee;
3. Natural Resources and Environment Committee;
4. Legal Affairs and Security Committee;
5. Welfare Committee¹³⁴.

In 2016, the **Welfare Committee** has special focus on labour market (namely, on posted workers, youth unemployment, and gender equality); on cooperation in the health care and social sector; and demography in the Baltic States (youth unemployment, birth rate and family support, protection of the rights of a child) among other priorities¹³⁵.

¹³² Ministry of Foreign Affairs of the Republic of Latvia. *Co-operation between the Baltic and Nordic countries*. Source: <http://www.mfa.gov.lv/en/policy/baltic-sea-region/co-operation-between-the-baltic-and-nordic-countries#ncha>. Available on 05.04.2016.

¹³³ Baltic Assembly. *Priorities of the Baltic Assembly for 2016*. Source: <http://www.baltasam.org/images/2016/Priorities2016.pdf>. Available on 05.04.2016.

* The Baltic Council of Ministers (BCM), established on 13 June 1994, is an institution for governmental co-operation between Latvia, Lithuania and Estonia. The BCM is in charge of ensuring the continuity of co-operation at the executive level of the states. It is responsible for co-operation among the governments of the Baltic States, as well as co-operation between the governments and the BA.

¹³⁴ Ministry of Foreign Affairs of the Republic of Latvia. *Co-operation among the Baltic States*. 2016. Source: <http://www.mfa.gov.lv/en/policy/baltic-sea-region/co-operation-among-the-baltic-states-13464-en>.

¹³⁵ Baltic Assembly. *Welfare Committee*. 2016. Source: <http://www.baltasam.org/en/structure/comitees/24-structure/committees-of-the-baltic-assembly/1293-welfare-committee>. Available on 05.04.2016.

Potentials of Labour Mobility in the Baltic Sea Region

This chapter presents results of cross-table analysis, comparison of various structures and services and their relevance to four essential functions: information and guidance; counselling; identification of hinderers and advocacy; and problem solving. At the end, a model is introduced that foresees a development of two structures in one framework that would foster more integrated efforts for managements of circular cross-border labour mobility in the Baltic Sea Region in two levels of governance.

Stories Told by Numbers of Workers

Many sources confirm that the intensity of cross-border cooperation on labour mobility is strongly affected and even determined by the **density of transport network** and **economic opportunities** on both sides of the border. Big infrastructure projects such as motorways, direct bus-, train and ferry-lines or bridges/tunnels significantly increase the intensity of cross-border labour mobility, especially in case of frontier workers. Taking the example of the **Oresund-bridge** which was opened in 2000, it has significantly accelerated the mobility in the region. Before 2000 about 40,000 people were commuting* on daily basis, whilst in 2008 it was nearly 100,000 people¹³⁶. Another region that has developed strong cooperation in various fields is Twin-City **Helsinki-Tallinn**. Very good ferry connections between both capitals and differences in wage, attract people to accept employment in the neighbouring country and commute to work on daily or weekly basis, or move for shorter (as a posted workers) or longer period of time. Potentially, the **Fehmarn Belt*** tunnel will connect northern Germany with Denmark and thus might affect people's choices on location of their work. Generally, salaries in Germany are lower than in Denmark across every economy sector, thus indicate potential higher mobility flow. Germans and Danes have already set-up several institutions and platforms that promote cooperation among various stakeholders on both sides, e.g. labour offices, social partners, EURES coordinators and local/ regional administrations.

In addition to above-mentioned factors, **cultural and language aspects**, the **size of the diaspora community** and **living conditions** in the other country are also important considerations when one regards to become a frontier worker, posted worker or to move to another country.

One of report's analytical inclinations is to claim that people tend to **accept employment offer** and **move to a country** that has **well represented diaspora** of home-country. To do so, two sets of data are compared. The first one reflects on share of foreigners living in particular country and the second set is data on number of posted workers and their origin. Because of data limitations, other comparisons are not eligible.

Simplified comparison shows that thesis on diasporas welcoming impact on number of posted workers in the specific BSR MS is somewhat correct in six countries out of eight:

1. Germans constitute the third biggest national diaspora group in Denmark and the biggest group of posted workers in Denmark;
2. Estonians have the biggest diaspora in Finland and they represent the biggest group of posted workers in Finland;

* *Commuting* in this case indicates number of rides from one side to the other, and it does not mark the number of frontier workers.

¹³⁶ Svenska Dagsbladet. *Dreamers' bridge (Drömmernas bro)*. 21.03.2016. P.8.

* It is expected that it will take ten minutes to travel from Denmark to Germany by car and seven minutes by train.

3. Poles have the second biggest diaspora in Germany and they represent the biggest group of posted workers;
4. Lithuanians represent the third biggest community of foreigners in Latvia and the biggest group of posted workers in country;
5. Germans are the second biggest foreigner community in Poland and the biggest group of posted workers in country;
6. Poles are the second biggest foreigner community in Sweden and second biggest group of posted workers in country.

To claim correlation between the two indicators, more detailed analysis is needed, but at this point, there are clear implications about:

1. It is **highly likely** that **workers will be posted to neighbouring country** that also has **well-represented diaspora** of home-country;
2. **Polish workers are also posted to countries that have a big Polish diaspora** (in Denmark and Sweden) but **without a border** with the new host-country;
3. Seven of eight BSR MS support the claim that people tend to accept a job offer from a country where salary is higher. The exception is Lithuania. The biggest number of posted workers came from Lithuania despite the fact that in overall the salary level in both countries is the same in every sector.

In relevance to the report on cross-border labour mobility, following conclusions are drawn:

1. **Sufficient cross-border services are relevant** in the Baltic Sea Region because **people tend to move to neighbouring country**, specifically in case of posted workers;
2. **Posted workers need access to services that facilitate their temporary transition** in the new country and there is a little likelihood that they would look for institutions that promote cross-border mobility on the border of their country if they choose to move to another country that neighbouring one.

Therefore, it is recommended to proceed with debates on joint-efforts to endorse actions for integrated labour market in the Baltic Sea Region.

Model for Integrated Labour Market Structures

Cross-border labour mobility examples in the Baltic Sea Region are excellent testing grounds for **compatibility of national regulations** that shall **comply with the EU** regulations, and **promote** and **enshrine freedom of movement**, and **economic rights** of EU citizens.

Institutions and structures that work with cross-border mobility name a variety of good examples that demonstrate how constant changes in the legal, administrative, social and economic conditions of the respective border areas create obstacles and call for solutions that would be client-friendly. Cross-border institutions point out that cases differ from region to region because 1) they deal with different groups of workers; 2) they cooperate with different countries and their institutions, and 3) labour mobility-needs differ from region to region.

Operation, intensity and compliance of provided services are determined by indicators like level of institutionalization and internationalization, range of services, area of services, managerial capacity, concluded partnerships and sustainable funding.

To handle with problematic issues that occur when people move to work in another EU country, several forms of cooperation are established in the Baltic Sea Region.

For analytical reasons the above mentioned institutions and forms of cooperation are categorized in four groups according to provided services:

1. **Information and guidance** (e.g., personal and non-personal communication with clients and guidance to solve employment related issues; informative events organized by EURES and other parties to improve level of knowledge on employment matters in host-country, living and working conditions; informative events to exchange with information among specialists working with CBLM),
2. **Counselling** (counsellors working in cross-border information services and EURES help job-seekers to select education and training programs, navigate career transitions and stages, enhance career satisfaction, find employment or self-employment opportunities, write résumés, develop portfolios and prepare for interviews.),
3. **Identification of hinderers and advocacy**,
4. **Problem solving** at legislative or at procedural level.

Thus, considering the supply of services available in the Baltic Sea Region, report layouts them according to their functions in four groups (see Figure 6. Four Groups):

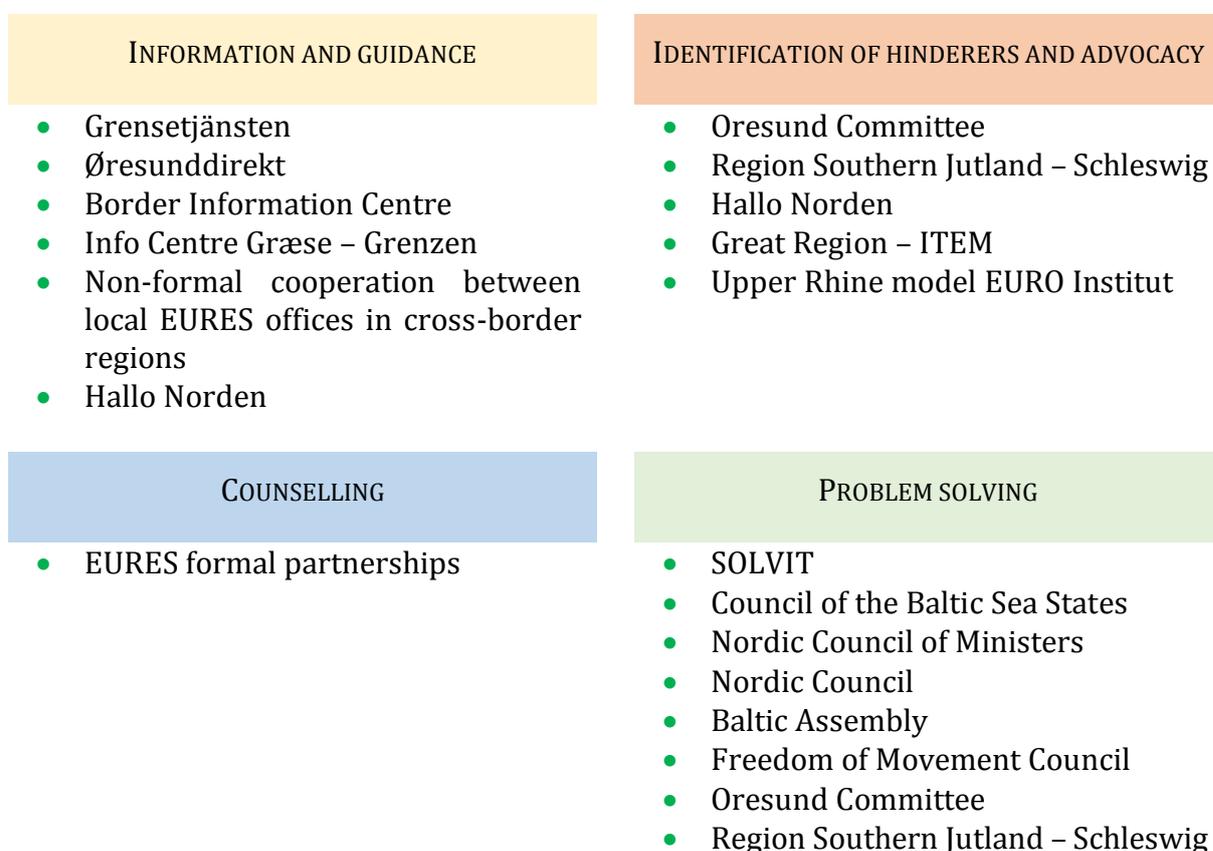


Figure 6. Four Groups

In general, analytically there are several challenges regarding operation, scope and content of activities that are provided by institutions and partnership structures that operate in the Baltic Sea Region. These challenges are:

1. Lack of distinction between two sets of services:
 - Provision and exchange of labour market information and recruitment, and
 - Advising and guidance of clients.
2. Essential findings and solutions are limited in time and lack continuity;
3. Low intensity of cooperation and low flow of information among existing structures;

4. Lack of sustainable long-term financial resources.

As a result, there are only couple of institutions that can provide services from most of the groups mentioned above. Thus, a dilemma is presented for consideration for further development of more integrated platform that facilitates cross-border labour mobility in the Baltic Sea Region to improve today's situation when job-seekers and employees need a cross-border one-stop-shop agency vs. fragmented offer of services in some areas of the Region.

Therefore, constructed **dilemma** for further discussions and decisions is to **maintain status quo** or **develop an integrated framework of two structures in the Baltic Sea Region that truly fosters integration, harmonisation and forecasting of the cross-border labour mobility in the Region**. From existing practices, we conclude that 1) **political commitment** of participative actors and regions has a high importance; 2) such an integrated framework requires **transnational structures** – intergovernmental organisations/platforms – which have capacity and political mandate to coordinate operations and to solve emerging problems of cross-border labour mobility.

Thus, the report “*Paving the Way to More Integrated Labour Market in the Baltic Sea Region. People. Institutions. Challenges.*” presents a model for further debates and considerations (see Figure 7. Model).

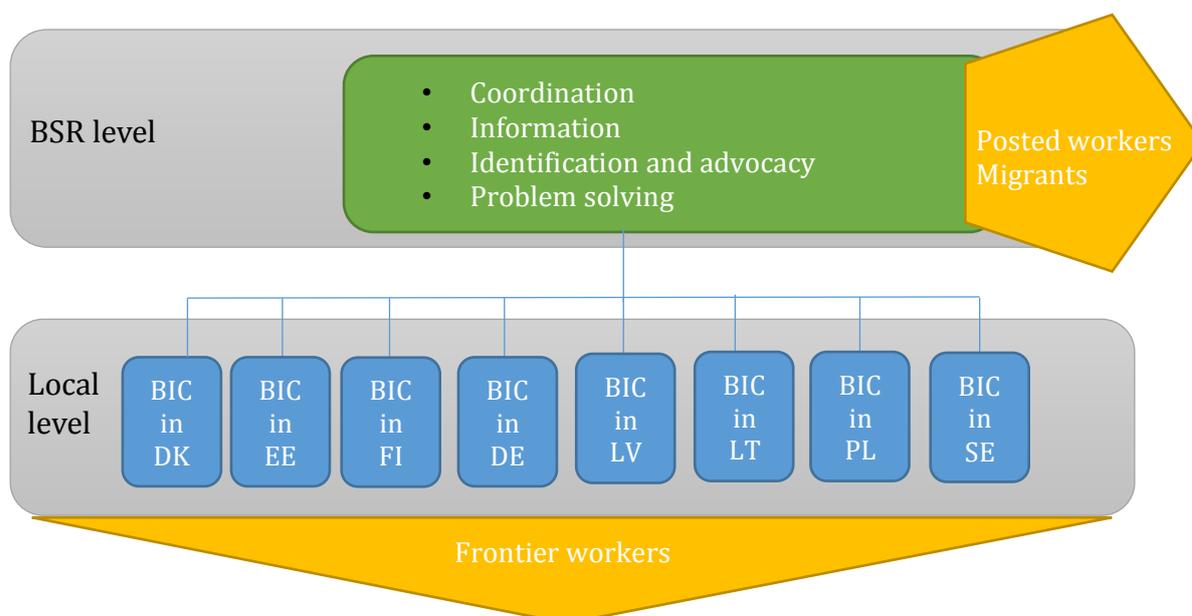


Figure 7. Model

To succeed with integrated model of governance within the Baltic Sea Region, it is essential to have two levels of administration that has focus on different target groups.

Local level serves frontier workers and those job-seekers who look for employment possibilities in the neighbouring country. Services should be offered by Border Information Centre that should have functions like:

1. tailored information and guidance,
2. counselling, and
3. identification of hinderers and reporting of those to the BSR level.

Border information centres (BIC) shall provide information and consultations, guidance and counselling online but as well in face-to-face meetings as they have a great importance (highlighted by specialists working in such institutions).

Although online information services are getting more important, there is a need for **personal and telephone consultation** in border areas.

Integrated approaches from German border regions present advanced advocacy and problem-solving structures e.g. Great Region - ITEM, Upper Rhine model EURO Institut. They also represent **intermediary organizations** that are set up to increase the capacities of formal structures, strengthen research activities in the region. These examples show that BIC staff needs professional trainings that follow the regional needs and in this respect intermediary organisations have strong merits.

The needs are individual and therefore tailor-made solutions are necessary to effectively handle cross-border hinderers. At the same time there are some common approaches such as long-lasting cooperation between stakeholders in thematic areas such as education, employment, business, culture, etc. that also strengthen collaboration in labour mobility as more partners are involved and the opportunities are wider. Every successful cross-border cooperation has stable financing and political support from local, regional and also from national or transnational organisations.

It is expected that BIC shall also gather statistical information and monitor cross-border mobility in order to inform the Coordination Body at the BSR level. It is recommended that operations are run in a one-stop-shop mode as they are the most efficient models and employ client-oriented approach.

Coordination Body at the BSR level serves posted workers and job-seekers who are going to be employed in another EU Member State. This should be also a one-stop-shop agency for trade unions and employers' federations that shall look for services and information on posting workers or employing posted workers. Moreover, Coordination body shall have functions:

1. Monitoring and forecasting of labour mobility flow and needs;
2. Counselling/ information services on freedom of movement;
3. Advocacy building (channelling and representing cross-border labour mobility at the EU level);
4. Problem solving (direct recommendations for respective countries).

It is highly important in the governance structure that social partners and other stakeholders (regions, academia) are incorporated in a form of a steering committee to draft and monitor mid-term strategic plans for cross-border labour mobility and the exchange of information and the flow of information is much faster than these days. For example, Nordmetall contracts counter-partners via existing network of the International Organisation for Employers (IOE) or the European Employers' Organisation (EEO), or through the German Embassies (with the help of social attachés) and asks their help for collecting information. This process is timely and information is collected from different resources. Therefore, NORDMETALL would welcome a special Baltic information network that directly connects social partners and provides information and counselling services on short notice on posting of workers¹³⁷.

Proper involvement of local and regional actors could effectively promote integration of labour markets. Furthermore, these stakeholders are also well channelled to EU politics. As illustrating examples are CoR's opinion on the strengthening of frontier workers underlines the importance of transnational structures "for the promotion, analysis, monitoring and support of equal treatment of all workers or members of their families"¹³⁸

¹³⁷ Interview with Anton Bauch, adviser at Nordmetall on 08.02.2016.

¹³⁸ Committee of Regions. *Committee of Regions' Opinion on Frontier workers: assessment of the situation after twenty years of the internal market: problems and perspectives*. 2013. ECOS-V-041.

and CoR's opinion on the better integration of local and regional representatives with the EURES network through structured dialogues and regular exchange¹³⁹.

It is also evident that seminars and trainings on internationalisation for civil servants and practitioners of recruitment, work guidance and counselling, and labour mobility have a high importance. Interviews ran during the field study confirm it. Today, most of people who are directly responsible for conducting activities that involve international cooperation assume that international cooperation is limited with having a phone conversation once in six months to talk over technical details of approaching information events (like venue and catering options). However, there are advanced techniques for speeding up the administrative process between public authorities on both sides of the border. German- French, German – Dutch examples can be analysed in this respect, especially their best practices for joint services.

In the BSR cross-border cooperation, dependencies of commuting flow often result in worsening of labour mobility capacities. Political commitment (regional, national, transnational) and stable financing conditions are necessary to balance out these asymmetries (Oresund Region, Southern Jutland – Schleswig). Otherwise, loose cooperation forms, closure of formal services are witnessed together with increasing number of private consultancy and recruitment companies (Odra-Oder, Pro Viadrina, West Pomerania).

To conclude, regions that have **institutionalized network** with various stakeholders, provide **more elaborate model** of services for cross-border labour mobility and they **succeed to provide services** that **comply with national and EU regulations** to enshrine freedom of movement.

¹³⁹ Committee of Regions. *Committee of Regions' opinion on Labour Mobility and strengthening EURES*. 2014. ECOS-V-054.

Concluding Remarks

The flow of labour mobility is driven by economic and social factors rather than by career choices. Today, frontier work and posted work are the most popular forms of labour mobility in the BSR.

Statistical data shows that labour mobility flow and trends often change, there is never a lineal growth. Moreover, labour mobility flow is asymmetric between countries in the Baltic Sea Region. Mobile workers are looking for better living conditions and salaries, which show currently a strong migration flow from East to West, and from North to South in case of Sweden and Denmark.

However, external factors such as economic crisis and humanitarian disasters have also strong impacts on labour mobility and they raise considerable challenges for integration and harmonisation of labour markets.

The trans-border extension of transport infrastructures, cultural and language aspects together with well-operating administrative procedures are important factors for the promotion of labour mobility.

The Baltic Sea Region labour mobility can be described in a two-tier framework:

1. individual cross-border areas with special regional needs and demands;
2. transnational structure with relevance for the whole region.

Analysis of cross-border cooperation in the BSR reveal that several considerations must be acknowledged to promote beneficial circular labour mobility and to have an integrated labour market:

1. Having strong political commitment between actors (regional, local) and the support of governments (national level) is also evitable. This ensures proper leeway and support for stakeholders responsible for the facilitation of labour mobility. On contrary to that, without a political commitment it is hard to institutionalise cooperation and services for citizens and companies are not harmonised and optimised;
2. Cooperation on labour mobility usually starts with single issues (e.g. provision of information on labour and employment matters) and eventually the supply of services increases as do the number of participative actors;
3. It is typical that the collaboration starts as a pilot project (usually, funded by Interreg programme). Once the project is successful (high demand from target group and secondary target group) it continues and becomes institutionalised. At the same time EU financial instruments, INTERREG programmes in the BSR allow a wide range of opportunities for establishing pilot projects alongside the BSR;
4. Actors usually set up a steering group for strategic issues and different working groups for operative issues. Often there might be overlapping between these groups, therefore the up-to-date provision of information between the activities is important, as well as suitable channelling of horizontal actors. In this respect, EURES network has strong experience as it integrates social partners. Another important trademark of cross-border labour mobility structures, is that besides the intensive provision of information, they have actual offices where people are welcome to turn for guidance and counselling;
5. Sustainable funding is the back-bone of cross-border labour mobility project, and regular, stable contributions are necessary for such cooperation. EU funding might

be useful in different phase of the operation, most often at pilot-phase or functional testing for new services, but cross-border institutions need sustainable funding for their stable operation. Based on the contribution of participating actors, additional services can be developed, for example, to monitor labour mobility flow and demands on the labour market, provide problem-oriented capacity-building courses and training for the respective participating public institutions;

6. Cross-border labour market forecasting systems are not developed and therefore contradictions arise between various government agencies. Setting-up forecasting systems for mid- and long-term analysis for cross-border labour mobility potentially has a positive effect to control migration flow and to provide labour supply in specific sectors.

At the same time, examples have shown that cross-border regional structures can reach easier their goals if they have institutionalised interest representation at national and transnational level. Better advocacy and problem-solving approaches can be made by setting up transnational structures. A transnational structure can effectively provide coordinative services (labour mobility forecast, information, counselling, etc.) and it can channel stakeholders (social partners, regional and local actors) for international mobility cooperation.

Annex 1. Questionnaire Sample

Questionnaire: Operation of formal EURES Partnership

This questionnaire is a part of methodology for a field study on investigating a feasibility for an integrated labour mobility service platform for the Baltic Sea Region.

The field study aims to provide an overview of existing formal and informal structures, and mechanisms that promote labour mobility in the Baltic Sea Region. The study will a) report about institutions that are involved in such cooperation, and their roles (e.g. sharing information, provision of services that foster cross-border and transregional labour mobility, forecasting on mobility flow or trying to identify systematic hindrances and obstacles of free movement or labour mobility) and b) describe the existing experience of cross-border cooperation. It intends to identify social partners, NGOs and academia that are involved in the facilitation of labour mobility. Field study is run by the Norden Association in Sweden.

A part of methodology is in-depth interviews with specialists who work in institutions and organizations that promote and monitor cross-border labour mobility, as well as provide information and guidance for potential working migrants.

You are welcome to answer in writing or by having a conversation. Please inform consultant Inta Simanska on your preferences by e-mailing: ISConsulting@outlook.lv

I Foundation of formal EURES partnership

1. Which conditions determined the necessity to build an informal Partnership?
2. What is the scale and intensity of labour mobility among regions covered by the partnership?
3. Was there previously an informal partnership before the formal one was founded?
4. Which organizations and institutions are represented at the Partnership? What are their roles and responsibilities?
5. Has the signed Framework Agreement on mutual cooperation with Social Partners been prolonged or a new agreement has taken place?

II Management of Partnership

1. What is the source of funding of the Partnership and implemented activities?
2. Does partnership have to apply for funding every year (e.g. budget program *EaSI - EURES – Cross-border partnerships and support to cooperation on intra-EU mobility for EEA countries*)?
3. To which institutions is the Partnership subordinated (if any)?
4. What is the format of joint decision making procedures?
5. What is the format of cooperation (e.g. regular meetings, roundtables, regular briefings)?
6. Is a special post created to organize and coordinate the work of the Partnership or are those responsibilities an additional part to existing responsibilities?
7. How many people run every-day activities for the partnership and how many are involved on basis of advisory or other roles?

8. How are social partners involved in the partnership? Are they information providers and channels or do they have more strategic role?

III Operation of Partnership

1. Could you please name the activities of the Partnership that are designed for potential employees, youth and employers? How many people per year are involved in activities?
2. Could you please name which activities of Partnership focus on areas:
 - a) (for employees) related to the labour market in the cross-border region, such as social security, taxation and labour law,
 - b) (for employers) drafting and advertising job vacancies and job applications for the cross-border labour market and on how to develop a welcoming culture,
 - c) design and implementation of a one-stop-shop approach which combines and integrates different client services in each country of the cross-border region,
 - d) monitoring and reporting on mobility in the cross border region,
 - e) development and implementation of a more integrated cooperation between the cross-border partnership and authorities responsible for taxation, social security rights.

IV General questions

1. What type of hardships are dominant in promotion of labour mobility in the region among employers, employees and public institutions?
2. What formats of cooperation are used to solve or channel obstacles of labour mobility between countries involved in the partnership? What evidence is there of successful cooperation/ what problems are solved as a result of cooperation?
3. Which qualities should an institution have and what kind of activities should be implemented to maintain a qualitative work for a cross-border labour mobility?

Annex 2. Average Lithuanian Monthly Wage and Migration

Number of Lithuanians who choose to migrate remains high but it has a tendency to decrease since 2011. In 2010, 83 157 people chose to leave Lithuania whereas in 2014 the number dropped to 36 621. When people were asked to name reasons for migration, the following three were named as the most significant:

1. Want to earn more; Lithuanian salaries are unsatisfactory (52%),
2. Could not find work in Lithuania, needed a source of income (24%),
3. Left for educational purposes (7%)¹⁴⁰.

Both claims are supported by statistics of migration and monthly average salary (see Figure. Average Lithuanian Monthly Wage and Migration). Dynamics of migration compared to changes in average monthly wage suggest interrelation between the two. Between 2006 and 2008, as the average monthly salary has been steadily increasing (43.9 %), emigration was generally low and in decrease (20.5 %). A decrease of 7.6% in wages between 2008-2010 resulted in a 222.9 % rise in emigration during the same period. Finally, the observed increase in wages since 2010 onwards (17.7% as of 2014) is mirrored by decreasing emigration (56%)¹⁴¹.

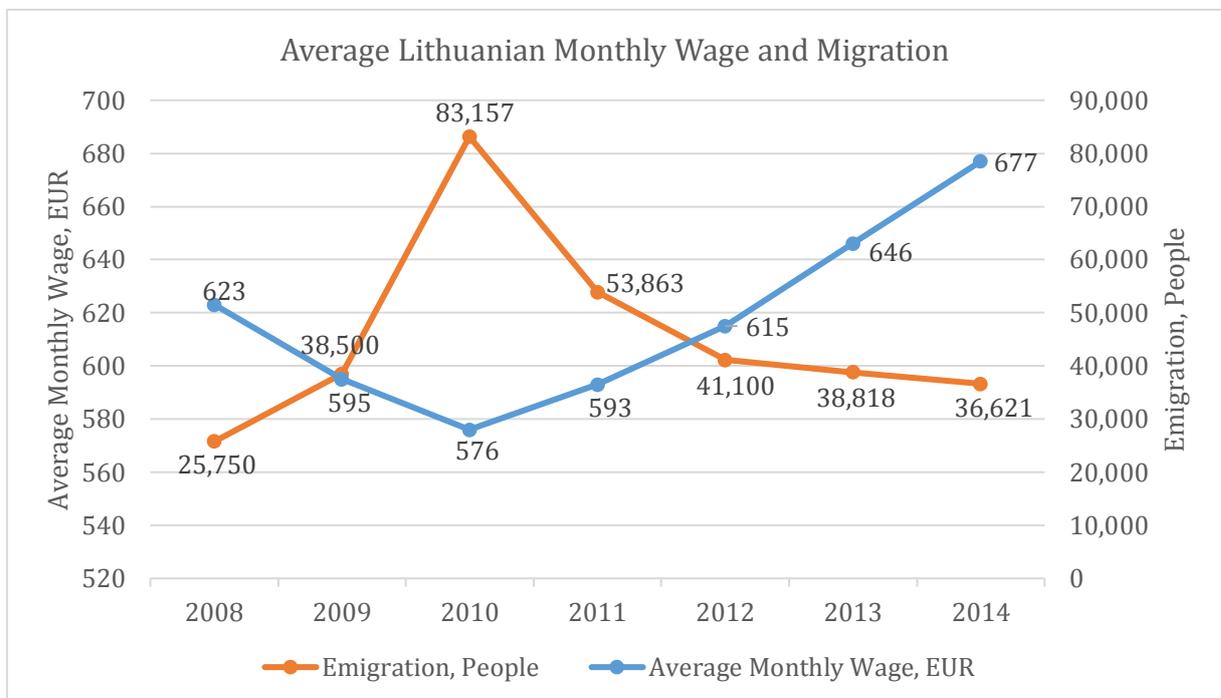


Figure. Average Lithuanian Monthly Wage and Migration

¹⁴⁰ Sipaviciene, A. *Report for Lithuania. Recent Developments in International Migration and Migration Policy in Lithuania*. 2014. P.12.

¹⁴¹ Ibid, P.11.

Annex 3. Number of Posted Workers, 2013

	Sending Member States, 2013								
		DK	EE	FI	DE	LV	LT	PL	SE
Receiving Member States (single destination only), 2013	Denmark		11	34	6336	38	101	1549	4
	Estonia	NA		104	990	36	226	569	126
	Finland	NA	9026		2590	270	1331	2524	209
	Germany	NA	463	281		630	3645	149456	79
	Latvia	NA	45	52	310		332	124	6
	Lithuania	NA	20	5	436	125		1308	4
	Poland	NA	10	82	6124	7	13		67
	Sweden	NA	593	718	9473	371	1379	8094	

Source: Pacolet, J. and De Wispelaere, F. *Posting of workers: Report on A1 portable documents issued in 2012 and 2013*. 2014. European Commission

Annex 4. Analysis of cross-border structures in the BSR

Partnership	Eligibility	Partners	Activities	Management	Funding
Swedish – Norwegian cross-border cooperation					
<i>Grensetjänsten</i>	Cross-border cooperation between 2 regions but eligibility for the entire Swedish – Norwegian border, ¹⁴²	Formal actors: regional state agencies, 2 regions. County governments	Guidance Identification of hinderers Recruitment Problem solving approaches	Border service point with permanent staff Strategic and operative working groups, established links to the Nordic transnational institutions	Stable funding (NCM)
<i>Svinesundskommittén</i>	Cross-border cooperation between Østfold och Västra Götaland.	Regional political organisation	Joint regional development concepts Fostering the regional attractively	Committee with secretariat	Stable funding partly from NCM, partly project funding (NO-SE Interreg 5A)
Swedish –Danish cross-border cooperation					
Oresund Committee	Oresund region	Regional political structure of regions and local stakeholders	Regional planning Identification of hinderers Advocacy	Secretariat with permanent staff	Stable funding from the citizens of the region
<i>Øresunddirekt</i>	Oresund region; 1 information centre	Formal actors: regional state agencies	Guidance Identification of hinders	Border office and web editorial (permanent staff) Strategic and operative working groups, established links to the Nordic transnational institutions	Stable funding

¹⁴² There are further border committees in the Swedish – Norwegian relation, for example the Svinesundskommittén <http://www.svinesundskommitten.com/> and the Border committee Vaermland - Ostfold <http://www.varmost.net/>. These organisations do lobby work in the respective regions.

Oresund formal EURES cross-border partnership	Oresund region Employment offices	Formal actors: regional public employment services.	Recruitment Counselling	1 Coordinator Steering group, Coordination group, included social partners; Cooperation with Øresunddirekt and NCM	Renewable partnership (1 year) EaSI-EURES cross-border grant
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Partnership	Eligibility	Partners	Activities	Management	Funding
Danish – German cross border cooperation					
Region Sønderjylland – Schleswig	Cooperation between 2 regions	Regional and local actors	Guidance Advocacy	Regional office Info Centre Platforms	Stable funding
Fehmarnbelt Region	Fehmarnbelt Committee	Regional and local actors	Information (Info Centre Sønderjylland – Schleswig providing services)	Secretariat	No information
German-Polish cross border cooperation					
Mecklenburg-Vorpommern (M-V) – West Pomerania and Brandenburg - Lubosz	German – Polish border region (ca 50km from the border)	Formal actors employment agencies	Guidance Recruitment	Non-institutionalised platforms (EURES network)	From national budget, task oriented funding
Euroregion Pomerania	M-V – WP regional cooperation	Regional actors	Online information service Joint planning concept for common initiatives (Metropolregion Szczecin)	Informal structures	Project funding
Euroregion pro Europa Viadrina	Regional cooperation between local actors (Frankfurt/Oder – Gorzow) Brandenburg - Lubosz	Regional actors	Online information service	informal structures	Project funding
Polish – Lithuanian cross-border cooperation					
Euroregion Nemunas	2 regions	Formal actors: regional employment offices	Guidance, information campaign	Non-institutionalised platforms (Eures network)	Project funded, cooperation is closed
Estonian – Finnish cross-border cooperation					

Euregio HelTal	Between 2 cities	Local and regional authorities	Networking, project planning	informal structure	Project funded, inactive
Finnish- Swedish - Norwegian cross-border cooperation¹⁴³					
Nordkallotrådet	Between Finnish – Swedish and Norwegian regions	Regional actors	Guidance Promoting cross border projects	Regional office	Stable funding NCM and regions
Tornedalsrådet	Between Finnish – Swedish and Norwegian regions	Regional actors	Cross-border regional development	Steering group and working groups	Stable funding NCM and regions

¹⁴³ Further information on regional agreements between Finland – Norway, Finland Sweden can be found at <http://www.norden.org/en/om-samarbejdet-1/organisations-and-institutions/cross-border-co-operation>

Annex 5. Interreg Programmes in the Baltic Sea Region

Interreg Central Baltic

Priorities

1. Competitive economy

Specific Objectives:

- New Central Baltic knowledge intensive companies
- More entrepreneurial youth
- More exports by the Central Baltic companies to new markets

2. Sustainable use of common resources

- Natural and cultural resources developed into sustainable tourist attractions
- Sustainably planned and managed marine and coastal areas
- Better urban planning in the Central Baltic region
- Reduced nutrients, hazardous substances and toxins inflows into the Baltic Sea

3. Well-connected region

- Improved transport flows of people and goods
- Improved services of existing small ports to improve local and regional mobility and contribute to tourism development

4. Skilled and socially inclusive region

- More people benefiting from stronger Central Baltic communities
- More aligned vocational education and training programmes in the Central Baltic region

Partnership	From at least two countries
Funding	115 million EUR
Period	2014-2020
Territory	Finland (incl. Åland), Estonia, Latvia and Sweden

Source: Central Baltic Programme, www.centralbaltic.eu

Interreg Baltic Sea Region

Priorities	<ol style="list-style-type: none"> 1. <i>Capacity for innovation</i>, will support e.g. development of innovation infrastructures, implementation of smart specialisation strategies and development of non-technological innovations. 2. <i>Management of natural resources</i>, resource efficient blue growth, renewable energy sources, energy efficiency and clear waters are examples of the areas that will receive support. 3. <i>Sustainable transport</i>, accessibility of remote areas, maritime safety, environmentally friendly shipping and urban mobility will attract project proposals. 4. <i>EU Strategy support</i> offers support to the stakeholders of the EU Strategy for the Baltic Sea Region. Assistance to the Priority Area Coordinators and Horizontal Action Leaders, seed money projects of the EU Strategy, organisation of Strategy Forums and other implementation tasks will be co-financed.
Partnership	Three organisations from different countries
Funding	<p>Total funds available at the Programme start:</p> <ul style="list-style-type: none"> • European Regional Development Fund (ERDF): 263.8 million EUR • European Neighbourhood Instrument (ENI): 8.8 million EUR (subject to signing of the Financing agreement) • Norwegian national funding: 6.0 million EUR
Period	2014-2020
Territory	Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden and northern parts of Germany, partner countries Norway, Belarus and the north-west regions of Russia

Source: Interreg Baltic Sea Region Programme 2014-2020, www.interreg-baltic.eu

Interreg Sweden – Norway

Priorities	<ol style="list-style-type: none"> 1. <i>Increase the innovation capacity of SMEs and organisations</i> 2. <i>Increase the number of SMEs and their competitiveness</i> 3. <i>Increased sustainable use of natural and cultural heritage</i> 4. <i>Increase cross-border commuting and mobility with low-carbon transport systems</i> 5. <i>Increase labour mobility across the border</i>
Partnership	One organization from every country

Funding	73 million EUR
Period	2014-2020
Territory	Västsverige, Norra Mellansverige and Mellersta Norrland

Source: European Commission, www.ec.europa.eu

Interreg Nord

Priorities	<ol style="list-style-type: none"> 1. <i>Strengthen cross-border business and research networks</i> 2. <i>Increase the number of SMEs operating across borders</i> 3. <i>Improve the conservation status of the environment</i> 4. <i>Promote Sami culture and the use of Sami languages</i> 5. <i>Contribute to increased mobility in the cross-border labour market</i>
Partnership	One partner from two of three applicant countries
Funding	65 million EUR
Period	2014-2020
Territory	Pohjois- ja Itä-Suomi, Norra Sverige, Mellersta Norrland and Övre Norrland

Source: European Commission, www.ec.europa.eu

Interreg Botnia-Atlantica

Priorities	<ol style="list-style-type: none"> 1. <i>Develop long-lasting competence centres and increase application of innovations</i> 2. <i>Increased capacity for business cooperation across borders</i> 3. <i>Increased sustainable use of natural and cultural heritage</i> 4. <i>Increased readiness to manage environmental challenges</i> 5. <i>Increased number of strategies supporting East-West transport links</i>
Partnership	One partner from two of three applicant countries
Funding	61 million EUR
Period	2014-2020
Territory	LÄNSI-SUOMI, Pohjois- ja Itä-Suomi, Norra Sverige, Mellersta Norrland, Övre Norrland

Source: European Commission, www.ec.europa.eu

Interreg Öresund-Kattegat-Skagerrak

Priorities	<ol style="list-style-type: none"> 1. <i>Strengthen R&D and innovation and increase applied research and innovation</i> 2. <i>Promote production and distribution of renewable energy</i> 3. <i>Promote energy efficiency and renewable energy use in the public sector</i> 4. <i>Support the TEN-T network with sustainable solutions</i>
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	<p>5. <i>Promote employment through self-employment, in new companies and micro-enterprises</i></p> <p>6. <i>Increase cross-border labour mobility</i></p>
Partnership	At least one project partner from another country than Denmark, Sweden and Norway.
Funding	217 million EUR
Period	2014-2020
Territory	Hovedstaden, Sjælland, Midtjylland, Nordjylland, Sydsverige, Västsverige

Source: European Commission, www.ec.europa.eu

Interreg Estonia – Latvia

Priorities	<p><i>1. Active and attractive business environment</i></p> <p>Specific Objectives:</p> <ul style="list-style-type: none"> • Increased entrepreneurial cross-border cooperation in the programme area • More jointly developed products and services in the programme area <p><i>2. Clean and valued living environment</i></p> <p>Specific Objectives:</p> <ul style="list-style-type: none"> • More diversified and sustainable use of natural and cultural heritage • Increased awareness of energy saving, sorting waste and re-use, and the more efficient management of common water resources <p>More integrated Valga-Valka central urban area</p> <p><i>3. Better network of harbours</i></p> <p>Specific Objective: an improved network of small harbours with good levels of service.</p> <p><i>4. Integrated labour market</i></p> <p>Specific Objective: improved conditions for accessing jobs across the border.</p>
Partnership	Projects must involve at least one Estonian and one Latvian partner
Funding	<p>The approximate funding available for specific support areas is following:</p> <ul style="list-style-type: none"> • entrepreneurship ~ 8 million EUR; • tourism development based on cultural and natural heritage ~ 4 million EUR; • environmental awareness ~ 1.5 million EUR; • management of joint waters ~ 1 million EUR; • joint centre of Valga-Valka – 3 million EUR; • labour commuters ~ 1 million EUR. <p>Designated funding for period of 2014-2020 is 35.3 million EUR.</p>
Period	2014-2020

Program area | Southern and south-western part of Estonia and northern and western part of Latvia.

Source: Estonia-Latvia Programme, www.estlat.eu

Interreg Latvia – Lithuania

Priorities	<ol style="list-style-type: none">1. <i>Employment and labour mobility</i>2. <i>Sustainable and clean environment</i>3. <i>Social inclusion</i>4. <i>Efficient public services</i>
Funding	51 million EUR
Period	2014-2020
Territory	Western and southern part of Latvia and northern part of Lithuania (incl. Kaunas county)

Source: Latvia – Lithuania Programme, www.latlit.eu