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Theme: Border barriers in the Nordics and the EU



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Border barriers – a Sisyphean task?

In both the Nordic region and the EU, there is a rising number of complaints about the open labour market not being as open as we thought. Is this a warning sign, or is it a consequence of people moving more and businesses expanding their operations?

EDITORIAL

26.01.2024

BY BJÖRN LINDAHL, EDITOR-IN-CHIEF

In this issue, we have focused on border barriers. You might think this only involves something that happens when crossing a border. Yet it encompasses everything that hinders an open labour market, prevents the proper functioning of people's social rights, or stops businesses from competing on equal terms.

The Nordic cooperation defines border obstacles as "laws, public regulations, or practices that hinder individuals' mobility or businesses' opportunities to operate across borders in the Nordic region."

Sweden holds the Presidency of the Nordic Council of Ministers in 2024. That means the Swedish representative, Anders Ahnlid, also chairs the Freedom of Movement Council. He is the Director-General of the Swedish National Board of Trade, which has a long tradition of working towards freer trade.

"We want to anchor the need for integration among the Nordic countries on a political level so that it becomes more than just grand words in speeches," he says.

We explain how the Freedom of Movement Council works and how successful they have been in what is often compared to a Sisyphean task. As soon as one barrier is resolved, another one emerges.

We also compare this to how the EU deals with border barriers. The more than 20-year-old Solvit network presents impressive figures, having resolved 85 per cent of the complaints received about the EU's internal market with free movement for citizens not working as it should.

Much of Solvit's activities resemble what Info Norden works with, however. For more challenging issues, the European Commission has launched the b-solutions initiative, where organisations working in border regions can receive expert help to find out more about the causes of barriers and how they can be resolved.

The Svinesund Committee is one such regional organisation that has had its application approved for its fight to harmonise building regulations in the Nordic region. The fact that these regulations are designed differently in Nordic countries increases the total construction costs by 30-40 billion Danish kroner in the Nordic region.

Another significant problem is that third-country nationals domiciled in one Nordic country cannot commute to another to work. The problem is most acute in the Malmö-Copenhagen area, where 6,000 people in that category are unemployed.

To be able to operate on the other side of a border can be crucial for businesses to achieve sufficient volume. One such company is Trysil Vask og Rens, which has no problem collecting dirty laundry on the Swedish side of the border but finds it expensive to transport the clean laundry back.

Ordinary citizens moving to another Nordic country often struggle to get a bank account. Different authorities and banks collaborate poorly with each other. This issue is often discussed at Islands Hus in Copenhagen, where Icelandic immigrants meet.

Of course, there are other problems than border barriers in the Nordic region. We also meet the Mayor of Grindavík in Iceland, who is fighting against the forces of nature. On 14 January, lava once again flowed up from the ground and slowly but inexorably moved towards the town. The barrier built to stop the lava flow did not help.

"It was deeply disappointing that an eruption started inside the barrier. We had started plans to move people back to the town, start school again next autumn and then gradually the companies would restart their operations. The safety we had started feeling when the barrier was being built has disappeared for now," Fannar Jónasson.



Nordic Freedom of Movement Council gears up to banish border barriers

The Nordic region aims to be the world’s most sustainable and integrated region by 2030. To achieve that, we need to change gears, facilitate trade and focus on removing the remaining border barriers, says Anders Ahnlid, the new Swedish representative on the Nordic Freedom of Movement Council.

THEME

26.01.2024

TEXT: GUNHILD WALLIN, PHOTO MARCUS GUSTAFSSON

During the Swedish Presidency of the Nordic Council of Ministers, Anders Ahnlid is also the man in charge of the Freedom of Movement Council.

“I was very pleased when I was asked to represent Sweden on the Freedom of Movement Council. It allows me to help make it easier for people and companies to operate across the

Nordic region. I believe I have a lot to offer and I have good colleagues to help me in this work,” he says.

Ahnlid is also the Director General for the National Board of Trade, one of Sweden’s oldest authorities which was founded by Queen Kristina in 1651. On his office wall hangs the historic first instruction, neatly handwritten, hinting at what

400 years of trade has meant for Sweden and the alliances that have been forged over the centuries.

Trade policy a common thread

Anders Ahnlid says his road to becoming a representative on the Freedom of Movement Council has been long and winding. His first job after graduating was at the National Board of Trade. Then followed 35 years at the Ministry for Foreign Affairs, including as OECD and EU ambassador.



He also served as ambassador to Finland for four years. Trade policy has always been a central part of his work, and he says Nordic trade policy cooperation has been extensive both before and after Sweden's EU membership.

Through his work, he sees how border barriers can cause issues, but also that a lot can be resolved. The National Board of Trade has Solvit, the EU's equivalent of the Freedom of Movement Council, which helps individual citizens when they have issues with the four freedoms.

One example is fishmonger Rönnbäcks Fisk i Pajala who wanted to sell fish in Finland but was denied due to different food regulations. With the help of Solvit, the problem was resolved and the fishmonger now sells his fish also in Finland, which was crucial for the survival of his business.

A priority issue during the Swedish Presidency

Anders Ahnlid's job at the Freedom of Movement Council is still quite fresh. The Council's mandate is to facilitate the freedom of movement for people and companies in the Nordic region, remove barriers to freedom of movement and solve issues together with politicians and civil servants.

When his role was announced, the Swedish Minister for Nordic Cooperation Jessica Roswall highlighted the importance of accelerating the work of removing border barriers. She said this was important for reaching the vision of the Nordic region becoming the world's most integrated and sustainable region by 2030.

"This is a priority issue for the government, not least during the upcoming Swedish Presidency of the Nordic Council of

Ministers," said Jessica Roswall in a press release on 27 September 2023.

So what does it mean when the Freedom of Movement Council wants to change gears?

"We want to anchor the need for integration among the Nordic countries on a political level so that it becomes more than just grand words in speeches. It is important for this to be a political priority so that our work on border barriers can result in concrete solutions and we get the issues solved," says Anders Ahnlid.

Important trade partners

The Nordic countries are key trade partners, and this is especially important for Sweden. For Ahnlid, improving the free movement of people, goods and services has been and remains central to his work, and will now get even more attention at the Freedom of Movement Council.

Trade with the other Nordic countries makes up 25 per cent of Swedish. Norway is Sweden's largest export market alongside Germany. All the Nordic countries engage in a significant amount of trade with each other, but for Sweden, this is extra important. Sweden's trade with the rest of the Nordics surpasses that of any of the other countries. Together, the Nordic countries with their 27 million citizens make up the fifth largest economy in Europe.



"It is very good that all five Nordic countries are members of the EU common market, including Norway and Iceland through the EEA agreement. But Norway and Iceland are not part of the customs union and this creates challenges like the long lorry queues we still get at the Svinesund bridge border crossing," says Ander Ahnlid.

He took up his position as Director General at the National Board of Trade in 2020 and saw up close the setbacks in Nordic integration that followed in the wake of the pandemic.

With his Nordic perspective, he commissioned the report Stronger Integration and Enhanced Free Movement in the

Nordic Region. Published in March 2022, it examines what is needed to create stronger Nordic integration.

The Nordic Freedom of Movement Council also recently published the report Working Across the Nordic Countries, which proposes a simplification of tax rules to improve mobility, making it easier to work remotely also for border commuters.

The pandemic challenged Nordic integration

The report was commissioned when the usual mobility within the Nordic region was severely challenged during the pandemic. Suddenly it was no longer possible to freely cross borders. Many who were employed in a different country were suddenly forced to stay and work from home and ran into major problems.

“Very early on, the pandemic showed how costly it can become when you deal with these issues in different ways. It had big consequences. The pandemic itself was very bad of course, but the silver lining I believe is that it became clearer to us that we have to cooperate to solve our problems together.”

The Freedom of Movement Council have four formal meetings a year and is made up of ten representatives from all of the Nordic countries, the autonomous areas, the Nordic Council of Ministers and the Nordic Council.



It has been operating since 2014 and has a mandate from 2022 identifying five priority areas: taxes, digitalisation, statistics, pensions and population registration.

According to this mandate, the Council will also solve five to eight border barriers a year in the areas of labour market, social issues, education and business, as well as working towards a harmonisation of the four areas. The politicians will create a new mandate in 2024. This is a good and efficient way of working, believes Anders Ahnlid.

“It is important that we view integration in a broader perspective, which is why identifying these areas is key to avoid getting stuck in details. The aim, after all, is to help governments and to reach the prime ministers’ vision of the Nordic region as the world’s most sustainable and integrated region

by 2030. We need support from the ministers responsible to move forward,” says Anders Ahnlid.

The Freedom of Movement Council can draw on information from services that often identify specific border barriers. The Council members cooperate with government ministers in the respective countries, national authorities and parliamentarians. They also keep in touch with people on the operational level to solve problems directly with those who handle them.

“This work has been going on for a long time and we have made good progress. But the tax rules for people living in one country and working in another clearly remain challenging and unnecessarily complex. There would be great benefits if we could simplify things for these people,” says Anders Ahnlid.



There are many examples that show how much remains to be done. Recently, Swedish Radio reexamined third-country citizens’ rights to work in a different Nordic country. Jobseekers in Malmö are sought-after in Copenhagen and want to commute to the Danish labour market.

Since third-country citizens have permission to stay in only one single country, the freedom of movement between Nordic countries does not cover them. This issue has been

raised in the Freedom of Movement Council but has not yet been solved.

“This is a very important issue. The Copenhagen area, or Greater Copenhagen which also covers Malmö, is a very dynamic area and a good region for cooperation. So you need to make use of the available workforce and third-country citizens should also be given the opportunity to contribute,” he says.

Nordic cooperation when introducing EU rules

Anders Ahnlid would also like to see cooperation between the Nordics when they introduce EU rules that apply to all of them.

“We ought to ask ourselves whether we could collectively introduce the rules, and always consider how the new rules relate to our Nordic neighbours. We must all adhere to the rules covering the EU common market, but within their framework, one region could take the lead and show how to improve integration. The Nordics could spearhead this,” says Anders Ahnlid.

He believes the pandemic and today’s turbulent world could increase the desire for cooperation in the Nordics.

“We are also about to enter into the same defence union for the first time in hundreds of years. Nordic defence cooperation has developed in recent years, but we can go even further when we all join the same Nato family. And the stronger we are economically thanks to an integrated Nordic region, the better we will become at defending our freedom,” says Anders Ahnlid.



Immigrants in Sweden queue up to work in Denmark

While Copenhagen suffers labour shortages, Malmö has high unemployment. But for many third-country nationals on the Swedish side of the border, Danish work permit requirements are so high that cross-border commuting is made impossible. This issue is a priority for the Freedom of Movement Council, while an EU project is also looking for solutions.

THEME

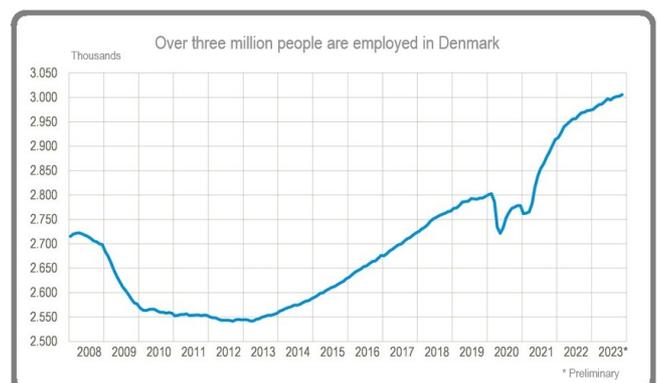
26.01.2024

TEXT: FAYME ALM, PHOTO: ANNA PALMEHAG/NEWS ØRESUND

“The governments must cooperate,” the Malmö Mayor Katrin Stjernfeldt Jammeh told Swedish Radio in early January this year, adding:

“There are people who want to work and there are businesses that want to hire.”

Stjernfeldt Jammeh alluded to the fact that Denmark has considerable labour shortages – both in the private and public sectors – while Sweden has many third-country nationals looking for work. In Malmö, a great deal of job seekers are non-EU nationals with limited opportunities to get a job in Denmark.



The Danish labour market is very strong. By the end of 2023, the workforce passed three million people. Source: Statistics Denmark.

With a few exceptions, it is Danish work permit rules that throw spanners in the works for this group of job seekers – people living on the Swedish side who are qualified for jobs in Denmark.

In a few cases, non-EU nationals living outside of Denmark can cross-border commute, as long as they fulfil one of these criteria:

1. The Pay Limit Schemes – made up of the Pay Limit Scheme, which allows people to work in Denmark if they have been offered a job with an annual salary of at least 487,000 Danish kroner (€64,000), and the Supplementary Pay Limit Scheme, if there is a job offer paying at least 393,000 Danish kroner (€52,600).
2. The Positive Lists – made up of two dynamic lists of professions in Denmark that are experiencing a shortage of skilled or highly qualified professionals.

Problematic Danish pension rules

Third-country nationals who meet the Danish requirements and can start commuting to work across the Öresund will have to deal with a particular aspect when it comes to their pension.



Nahed Kassem got a job at a hotel with the Danish company Forenede Hotelservice, here with CEO Ricco Alvarez during a Danish-Swedish job fair at MalmöMässan on 27 October 2021, organised by Greater Copenhagen.

“In Denmark, non-EU nationals must have been living in the country for the past five years before applying to draw a pension. This is because Denmark has exemptions from the EU regulation on social security for third-country nationals. As far as we are aware, no other Nordic country has a similar exemption,” Sandra Forsén tells the Nordic Labour Journal.

She is a senior advisor to the Freedom of Movement Council at the Nordic Council of Ministers’ secretariat in Copenhagen.

“The Freedom of Movement Council is like an ombudsman for citizens and businesses in the Nordic region, and it has no national agenda,” she says.



Sandra Forsén, senior advisor to the Freedom of Movement Council at the Nordic Council of Ministers secretariat in Copenhagen. Photo: Johan Wessman/News Øresund.

Tools for solutions and transparency

Barriers to the freedom of movement across Nordic borders are logged in the Nordic Council of Ministers’ Border Database.

“Info Norden, the Nordic Council of Ministers’ information service, and the three regional border information services Gränstjänsten Sweden-Finland-Norway, Grensetjänsten Norway-Sweden and Öresunddirekt all use a template to report potential border barriers to us.

“We send the issue on to the relevant government ministries and talk with experts there to investigate the nature of the border barrier further. If it falls into the framework of what formally can be defined as a border barrier, it is added to the database and the Freedom of Movement Council can start working on it,” says Sandra Forsén.

The database is updated every second year when all the information is sent again to the relevant ministries who are asked for any status changes, whether the description is still valid or whether legal amendments have taken place.

“We don’t have the capacity to actively work with all border barriers, and sometimes they are solved without making it onto our list of priorities,” says Sandra Forsén.

The database also serves other purposes, she explains, such as promoting transparency and communication.

“The Nordic region has a vision to be the world’s most integrated region by 2030. To reach that goal, we need to ac-

knowledge that there are challenges and we need to be able to find information about which problems exist. The database also functions as a source of information for people who are considering commuting across borders.”

The Border Database also contains details of cross-border commuting challenges for third-country nationals. These are among the 30 barriers on the Freedom of Movement Council’s list of priorities, explains Sandra Forsén.

EU project looking for solutions

The Freedom of Movement Council has participated in meetings and workshops on a civil servant level as part of ‘Mobility and integrated labour market for third-country nationals in Greater Copenhagen’. The project was set up in September last year and is run by the OECD and the European Commission’s Directorate-General for Structural Reform Support (GD REFORM).

“It is a welcome project that will look at the challenges and come up with recommendations for how third-country nationals can participate in the common labour market in the Öresund region,” says Sandra Forsén.

Region Skåne and the Capitol Region of Denmark took the initiative for the 18-month-long project. Some of its work will involve studying how other European border regions and even regions outside of Europe have solved cross-border mobility for foreign workers.

The purpose is to provide recommendations to the Danish and Swedish governments.

“Here at the Freedom of Movement Council, we will monitor the process and participate with our expertise. If the project results in smart solutions, we can use them,” says Sandra Forsén.

According to the radio interview mentioned above, the Danish government has no plans to change the rules for work permits for non-EU citizens.



Not easy for Norwegians to do the Swedes' dirty laundry

It is not always easy to do business across Nordic borders when you are self-employed. It costs both time and money, as the owners of laundry service Trysil Vask og Rens experienced when daring to cross the border into Sweden.

THEME

26.01.2024

TEXT: LINE SCHEISTRØEN, PHOTO: TEPAS AS

Trysil Vask og Rens was established over 20 years ago. The industrial laundry service is one of several subsidiaries of Tepas AS, a company owned by Hedmark County Municipality and the municipalities of Trysil and Engerdal.

With its 30 employees, equivalent to 20 full-time positions, the laundry offers washing and dry cleaning services to private customers and businesses in Trysil, as well as in the surrounding areas.

For those who do not know: Trysil is only 40 kilometres from the Swedish border, and from there, you only travel 30 kilometres to reach the town of Sälen. So 70 kilometres in all – not very far by car.

The complicated border

Just like Trysil, Sälen is a well-known winter sports destination, home to the starting point of the world's largest cross-country ski race Vasaloppet.

And while Norwegians, especially those living in Trysil, enjoy talking about Trysil being Norway's biggest alpine ski resort with a huge range of activities, they are less likely to mention the fact that Sälen is a considerably bigger ski destination than Trysil.



We shall put that particular conflict aside, because the point of this story is that for some businesses in Trysil, Sälen is an interesting market. That includes Trysil Vask og Rens.

“We were contacted by potential customers in Sweden and really wanted to offer them our services,” explains Kjetil Svingen, the CEO of Tepas AS.

You would be excused for thinking this would be plane sailing. But no – because Swedish textiles, dirty and clean, would have to travel between Trysil and Sälen.

“And between us, there is ‘sadly’ a national border, which makes the whole thing more complicated,” says Svingen.

Set up shop in the neighbouring country

If you want to transport textiles into and out of Sweden, whether clean or dirty, you must pay a customs fee for each item. This also means quite a bit of paperwork.

To make this work, the Norwegian business has been seeking advice and help. They have spoken to the Innlandet-Dalarna

Border Committee and participated in a seminar on how to operate in Sweden as a Norwegian business.

Svingen points out that they have enjoyed good cooperation with customs authorities in both Norway and Sweden throughout this process.

“I see them as solution-oriented within the existing legal framework.”

Trysil Vask og Rens managed to solve their issues, although it cost them both time and money.



There is a good atmosphere at Trysil Rask og Rens, but a Norwegian business washing textiles for Swedish customers spends more time and money than when dealing with Norwegian customers. Photo: Trysil Vask og Rens.

They then operated for a few years, until new rules and higher customs fees were introduced in 2018. Trysil Vask og Rens, who by now had customers in Sälen, once more had to find out how to run a profitable business within existing rules.

“The solution was to set up a company in Sweden – Fjälltvätt AB,” explains Svingen.

Trysil Vask og Rens owns the Swedish company, which deals with sales only and no washing of textiles.

The Swedish customers now deal with Fjälltvätt. And Trysil Vask og Rens has only one single customer in Sweden – Fjälltvätt – rather than all the separate customers the company used to deal with.

It makes paperwork and the relationship with customs more efficient, even though the customs fees remain the same.

“I believe we have found the best solution within the existing rules. It works for us, anyway,” says Svingen.

Not a level playing field

And the textiles? They still cross the border, dirty or clean, and are still being washed in the Trysil laundry.

Svingen and his colleagues have spent a lot of time and resources over the years to find out how to run a business in Sweden.

Did you ever think it would be easier to just give up on the business in the neighbouring country?

“Many times! But we don’t give up that easily here in Trysil. I would, however, wish for much simpler and more efficient rules and fewer customs barriers. But for that to happen, this issue needs to be dealt with on a higher political level,” says Svingen.

Trysil Vask og Rens is, as far as he knows, the only Norwegian industrial laundry also operating in Sweden. And even though it is costly, doing business in Sweden still pays.

“But of course, compared with Swedish competitors in the same market, we do have a handicap, says Svingen.

How the EU deals with border barriers

The EU also has programs working on removing border barriers. The best-known is Solvit, a problem-solving network which can be found in every EU/EEA country. Citizens and businesses can use this free service if they believe a country is in breach of EU rules and legislation.

THEME

26.01.2024

TEXT: BJÖRN LINDAHL

The offices are staffed by national civil servants. The one in Sweden is located at the National Board of Trade. Solvit aims to solve problems within 16 weeks. An issue is always dealt with by two Solvit offices simultaneously – one in each of the countries concerned.

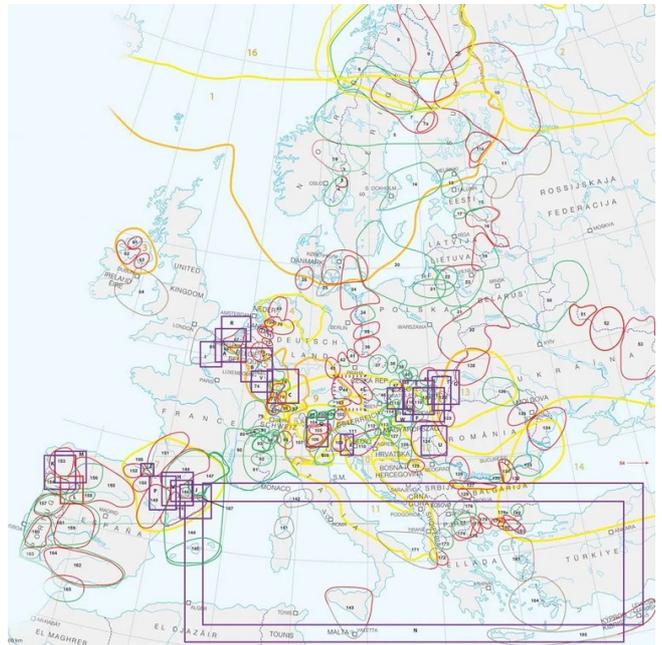
Solvit (pronounced “solve it”) celebrated 20 years in 2022 when it announced that 85 per cent of the 28,600 cases it had dealt with had been solved.

Most of the issues concerned individual citizens. Out of the 2,271 cases arriving on Solvit’s table in 2022, only 153 were from businesses. Some of Solvit’s cases are dealt with by Info Norden within the Nordic cooperation.

But the EU Commission has also launched an initiative that it calls b-solutions, to get to grips with more complicated legal and administrative border barriers. This allows organisations that operate in cross-border regions to receive expert assistance for three months so that they can write a report on the issue and propose solutions.

AEBR, the Association of European Border Regions, is an umbrella organisation for regional issues. It was founded in 1970 and has hundreds of members in more than 30 European countries. The members are various regional organisations that aim to make life easier for those living in border regions.

AEBR’s map of these regions looks like a tangled ball of yarn:



The Nordic region, geographically the largest in Europe, is marked with orange lines. Germany has the most borders with other European countries, nine in total. Source: AEBR. Within the EU, the busiest cross-border commuter regions are in Slovakia, Belgium and Estonia.

Within the EU, 1.3 million people live in one country and work in another. The EU has 448 million citizens.

Compare that to the Nordic region’s 27 million citizens, where available statistics show that 49,000 people commute across borders to another country. Per capita, 1 per cent of EU citizens are cross-border commuters while only half that number – 0.5 per cent – commute across borders within the Nordic region.

There is no inherent contradiction between trying to solve cross-border issues through the EU or through Nordic cooperation. The Svinesund Committee, one of the Nordic re-

gion's twelve cooperation committees for cross-border collaboration, has used both channels.

One of the issues that the Svinesund Committee works with is the harmonisation of construction regulations. This is also an issue which is logged in the Border Database and it is a top priority for the responsible ministers.

At the 2018 Nordic ministerial meeting, the building and housing ministers highlighted their desire to promote a strong and integrated construction market in the Nordic region by working to remove barriers which limit companies' opportunities to build in other Nordic countries.

Cooperates with AEBR

"The Svinesund Committee has for several years worked with AEBR, which administers b-solutions. We have good experiences from this cooperation, which has given us access to expert help that lies outside of the Freedom of Movement Council's resources," says Annika Daisley, project leader for border barriers/border opportunities.

"In 2021, AEBR carried out the comprehensive study *Perceived border obstacles linked to wood constructions*, which partly focused on the harmonisation of Nordic countries' construction regulations."

Commissioner Kjell Nilsson proposed an action plan during a seminar in Oslo on 23 March 2023, hosted by AEBR, the Svinesund Committee and the Nordic Council of Ministers. Nilsson was earlier the director of Nordregio and is now an adjunct professor at the University of Copenhagen and a senior adviser at Nilsson Landscape.

He describes the problem in an article:

"At first glance, the problem should be manageable. The Nordic countries have the same type of planning systems, similar climate challenges and equally high ambitions regarding environmental requirements, energy conservation and accessibility."

But the devil is in the detail, he says.

"According to accessibility rules, there should be space for a wheelchair in front of the toilet in Sweden, but in Norway, there should be space next to it. Furthermore, in terms of accessibility, Finnish regulations require bathrooms to have a turning radius of one and a half meters, which means that Danish and Swedish bathrooms are often too small.

"Danish bedrooms are too small for Finnish requirements and Swedish staircases are too narrow for Icelandic fire safety rules. Danish rules say it must be possible to fully open apartment doors inwards so that they don't block emergency routes, while doors in Sweden must open outwards to aid the escape from an apartment."

These examples are just a fraction of all the differences that exist when Nordic authorities set requirements, not least in connection with the green transition. Kjell Nilsson believes the housing ministers must present very clear requirements to avoid officials ending up in a deadlock.

He recommends the setting up of five Nordic task forces that will work in parallel to map and then harmonise building regulations.

Better preconditions

Two factors in particular mean that the ground is better prepared for this right now. One is the fact that building regulations are becoming less detailed. The construction industry is granted more responsibility, which opens up for more innovative ways to solve requirement issues. The new Swedish rules on ventilation now fit on one page, compared to the previous ones that needed nine pages, for instance.

The other factor is the digitalisation of the construction process. Both factors make it easier to harmonise regulations within many areas within two years.

The benefits of having common rules have been estimated to be worth two per cent of the total construction costs in the Nordic region, or 30 to 40 billion Danish kroner (€4.2bn - €5.3bn).

"The seminar attracted interest in Brussels, and our work has been noticed by the European Commission's DG REGIO," says Annika Daisley, who has also got several Nordic media outlets interested in the report.

Freedom of Movement Council rids Nordics of some 90 border barriers

Since 2014, the Nordic Freedom of Movement Council has helped get rid of nearly 90 border barriers between the Nordic countries. But the Council members are not running out of work – there are still plenty to get on with.

THEME

26.01.2024

TEXT: LINE SCHEISTRØEN

“The Freedom of Movement Council is the inconvenient colleague who taps our ministers on the shoulder and sets demands. We represent Nordic citizens and businesses and carry a great responsibility,” writes Vibeke Hammer Madsen in the Council’s 2022 annual report.

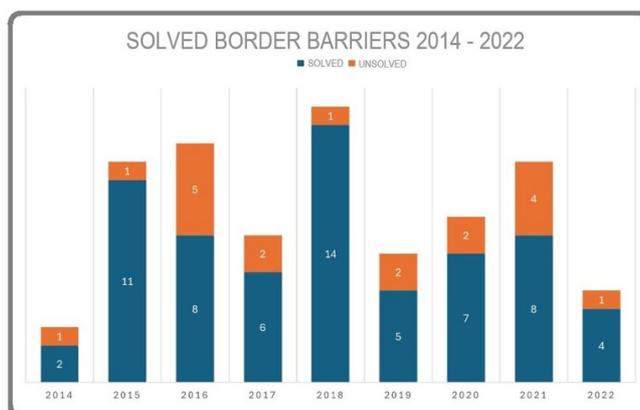
Madsen previously headed the Federation of Norwegian Enterprise, Virke. She was the leader of the Freedom of Movement Council in 2022 and has been the Norwegian representative on the Council for several years.

The numbers speak

The Freedom of Movement Council was set up in 2014 by the Nordic governments. Its mandate was very clear from day one: to identify barriers that limit the freedom of movement for people and businesses in the Nordics and to pursue the issues until they are solved by the relevant government ministries.

The Council aims to remove five to eight border barriers every year. It has kept to that goal pretty consistently according to the annual reports from 2014 until 2022 (2023 is yet to be published). 2014, the Council’s first year, was the only time the result was considerably lower.

The “top year” of 2018 saw as many as 14 border barriers removed. Adding all this up, the Freedom of Movement Council has helped get rid of nearly 90 border barriers (including some in 2023).



But it is worth noting that the annual reports detail far more cases than the 90-odd that have been solved. Each annual report identifies a range of border barriers. Some are being worked on while others have not been prioritised by the Council members.

Solved and unsolved

So which barriers are we talking about? The Freedom of Movement Council has put them into these groups: labour market, education, social and health sector, tax/economics and business. Yet cases and issues do blur into each other – there will be cases in “the business category” that also have an impact on the labour market.

Some examples of barriers that have been removed to benefit employees:

- Commuters who are injured at work have the right to rehabilitation where they live.
- Employees have the right to unemployment benefits in different countries without delay, to prevent them from receiving reduced amounts.

And here are a few examples of still-existing barriers:

- Work experience in another Nordic country – not possible because it is not approved by the country where the education is taken.
- Bank account issues for border commuters and businesses in the Nordic region – reports say some citizens and businesses experience significant problems when trying to open bank accounts in another Nordic country.

Good enough?

Getting rid of border barriers can take time and is harder than many think. This has caused frustration among Freedom of Movement Council members. After spending eight years on the Council, including as chair in 2015, Ole Stavard from Denmark wrote this in the annual report:

“There is a lot to celebrate. And yet I never cease to wonder how slow and difficult it is to change unnecessary rules. Although many face the task with willingness, even more people try to find reasons to argue that the existing rules are ‘good enough’. These attitudes in various ‘systems’ can only be changed when ministers and parliamentarians show far more political engagement.”

The Covid years

The Covid pandemic showed that crises can bring challenges to the freedom of movement within the Nordic region. People living and working in border areas who had spent decades moving freely across borders faced a new reality “overnight”: They had to stay at home, and for some, this meant working from home.

2020 and 2021 were also particularly challenging years for the Freedom of Movement Council.

In a short space of time, the Council had to deal with a range of Covid-related issues. Some were solved relatively quickly, while others needed more time and resources. One issue that cropped up was how working from home affected where people paid national insurance and tax.

Bertel Haarder, who led the Freedom of Movement Council in 2020, called the year an “annus horribilis with hope”.

After the Covid pandemic, the Freedom of Movement Council was given a clearer mandate in 2022 which would allow it to move faster and more resolutely when crises threaten the freedom of movement.

Frontline service

The process of removing border barriers normally begins with the barriers being identified by the information service Info Norden or the cross-regional information services Øresunddirekt, Grensetjänsten Norway-Sweden and Gränstjänsten Sweden-Finland-Norway.

Citizens and businesses use these services on a daily basis through their websites, social media or via email and telephone. During the Covid pandemic, the need for information

was particularly large. By 2022, things were back to “normal”, meaning the information services received 35,000-plus requests via email and telephone.

“The number of inquiries has risen enormously and the types of questions we receive are getting increasingly complex” Anna Sophie Liebst, the project leader for Info Norden’s Stockholm office, told the Nordic Labour Journal when the service turned 25 in 2023.

A hub for border barriers

Border barriers that have no immediate solution can be registered in the Border database. This is a kind of hub for cross-border barriers between the Nordic countries. The idea is to make it possible to follow the progress of how different border barriers are being solved.

106 border barriers are currently registered in the database. The fact that they are there, does not mean they are all unsolved. Some are solved, some yet-to-be-solved and others have been discarded.

2023 and beyond

The Freedom of Movement Council has spent a lot of time in 2023 to simplify labour market tax rules. The Report ‘Working Across the Nordic Region’ mentions how tax can be a challenge for cross-border commuters. The report also proposes solutions.

Another issue that came to the fore in 2023 was the Swedish government’s proposal to tighten ID checks at the borders. The Freedom of Movement Council was critical to this, arguing it would have major consequences for thousands of cross-border commuters and businesses.

The Freedom of Movement Council’s 2023 annual report will not be ready until spring, when it will be presented during the Nordic Council session on 8 and 9 April. But the Council secretariat has told the Nordic Labour Journal that six border barriers and one theme have been dealt with during 2023. It is too early to categorise them as “solved” or “discarded/unsolved”.



Border barriers a hot topic in “Little Iceland”

At Jónshús, a culture house for Icelanders in Copenhagen, border barriers have become the topic of the day. Top themes: securing a bank account and claiming child benefits.

THEME

26.01.2024

TEXT: MARIE PREISLER

It can often take a long time to open a bank account in Denmark for the relatively high number of Icelanders who come to work or study. The frustration of trying to access the Danish banking system fills the everyday lives of newly arrived Icelanders.

This is according to Halla Benediktsdóttir, the leader of Jónshús – a culture house in Copenhagen financed by the Icelandic parliament, Altinget. She is from Iceland herself and arrived in Denmark 15 years ago. Her job puts her in touch

with many other Icelanders. Jónshús has around 1,000 monthly users, mostly people from Iceland, and is known as “Little Iceland”.



Iceland's House – or Jónshús – is a community hall for Icelanders in Copenhagen. It is run by Halla Benediktsdóttir. Photo: Jónshús.

“Every Icelander I meet talk about how it can take weeks to obtain a Danish bank account. When you go to Denmark to get a job, you need to provide your employer with a bank account immediately in order to be paid.”

Bank accounts needed for wages and student loans

Halla Benediktsdóttir's own daughter-in-law had to wait for weeks to open a bank account when she arrived in Denmark in late 2023.

“She had a job and accommodation with us here in Denmark. It still took weeks. And Icelanders who come here and have to find somewhere to live first have to wait even longer.”

To get a bank account, you need a Danish health insurance card, which in turn requires a residential address. This makes things difficult for some students who need to access student loans, according to Halla Benediktsdóttir.



Siv Fridelífsdóttir is Iceland's representative on the Freedom of Movement Council. To her right is Sandra Forsén and Max Andersson, representative from Åland. Photo: Lisa Wikstrand/norden.org

Sandra Forsén and Petri Suopanki are well aware of the stories Icelanders tell about the hassle of getting a bank account. Both are senior advisors at the Nordic Council of Ministers and work with the Freedom of Movement Council and its ef-

orts to reduce border barriers between the Nordic countries. Work and education are very much part of their remit.

“Getting a bank account is absolutely a challenge for Icelanders in Denmark – and all other Nordic citizens who commute or move between the Nordic countries. We get the impression that the problem has become worse in recent years, as banks are implementing stricter EU rules,” says Sandra Forsén.



For Nordic banks, the entire Nordic region is their market, like Finnish-Swedish Nordea. But it is not that easy to open a bank account if you come from a different Nordic country. Photo: Yadid Levy/Norden.org.

The banks are undergoing more and more time-consuming procedures for approving new customers in order to prevent money laundering and terror. Other EU rules say banks must make sure new customers can open an account within ten days. Banks are struggling to live up to this, explains Sandra Forsén.

“The challenges of opening a bank account is therefore on the list of Nordic border barriers that the Freedom of Movement Council is focusing on as part of its effort to secure open cross-border commuting,” she says.

Child benefit problems

Another issue Sandra Forsén and Petri Suopanki work a lot with is child benefits. This is also often debated when Icelanders meet at Jónshús. Some Icelanders struggle to get an overview over which rights they have, believes Halla Benediktsdóttir.

“I meet many who have brought children to Denmark who do not know or understand the differences between the Icelandic and Danish child benefit systems when the parents are divorced and the father lives in Iceland, for example, while the mother lives in Denmark with the children,” says Halla Benediktsdóttir.



Parents' meeting with baby singing is one of the activities in the house. Photo: Jónshús.

Petri Suopanki understands this challenge well. He says the problem of transferring child benefits between Iceland and Denmark has been up for debate in the Nordic cooperation repeatedly. In one particular case, the Danish Debt Agency withheld money that made up the difference between the Icelandic and Danish child benefits.

“That case was solved in 2020, but the challenge has apparently returned. Another case is about the Debt Agency’s routines. The Danish parliamentary ombudsman has criticised the lack of progress in the recovery of Danish claims abroad, and the Freedom of Movement Council has been informed that many of these cases concern Iceland,” says Petri Suopanki.

Researcher flats and memorial exhibition

Some of the Jónshús users are also concerned about the differences in pension rules between Iceland and Denmark, as well as the Danish rules for receiving housing benefits. Halla Benediktsdóttir says many Icelanders go to Denmark to work because of the high housing costs at home.

Yet it is not easy to find affordable accommodation in the Copenhagen area either. That is why the Icelandic culture house offers two flats that Icelandic researchers can use for up to four weeks.

The building also houses a memorial exhibition for Jón Sigurðsson – an Icelandic national hero. He was the leader of the Icelandic independence movement in the 19th century and travelled to Copenhagen to study at the university. He and his wife lived in the building where Jónshús is located for 27 years, hence the name.



An exhibition inside Jónshús gives a glimpse into the daily lives of Ingibjörg Einarsdóttir and Jón Sigurðsson. The couple's flat in Øster Voldgade 12 has been reconstructed. Jón led Icelanders in their fight for independence in a personal union with the Danish king. Photo: Jónshús.

Jónshús is open to everyone but is primarily visited by Icelanders. It serves as a venue for various activities for Icelanders living in the Copenhagen area. Two associations have offices in the building, and many other associations also use the premises for meetings and various activities. Jónshús also houses the Icelandic association’s library.



Lava-hit Icelandic town: "We don't know when we can rebuild"

Grindavík has been largely empty since 10 November. The 4000 inhabitants of the Icelandic fishing town on the south coast of the Reykjanes Peninsula had to move as a lava corridor formed partly underneath the town, causing strong earthquakes and a lot of ground movement.

NEWS

26.01.2024

TEXT: HALLGRÍMUR INDRÍÐASON, PHOTO: MARCO DI MARCO, APTOPIX

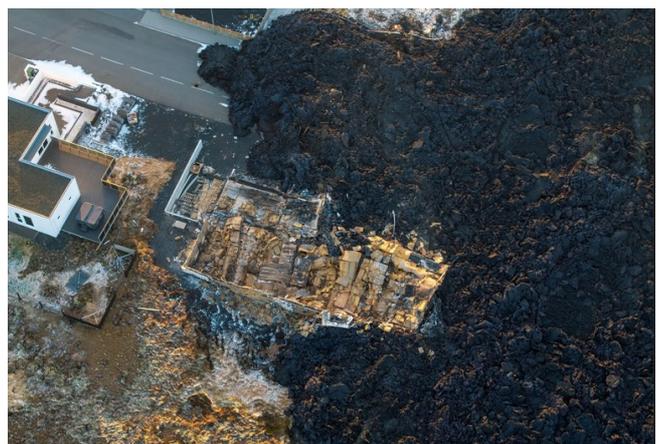
Back in November, an eruption was considered to be imminent. Big cracks formed throughout the town not only on roads and on the ground, but also on – and even in – houses. Around 20 houses were ruined.

Things calmed down and after a few weeks, people were allowed to stay at home overnight but were told they might have to evacuate at very short notice. An eruption came much later, on 18 December, and only lasted two days.

On Saturday 13 January, around 200 people were staying in Grindavík as the civil defence announced the town would be evacuated in two days because of earth movement and the formation of new cracks.

Immediate evacuation

But at 3 am the next morning, seismic activity increased. It was clear that an eruption was close. The town was evacuated immediately. At 8 am an eruption started, and lava flows reached the outskirts of Grindavík.



One of the houses in Grindavík that burned down. Photo: Phil Noble/Reuters.

Three houses burned down. Barriers built before the eruption steered lava away from Grindavík, preventing further damage. But one crack opened between the barrier and the

town, and it was lava from that crack that reached the town. The lava flow lasted three days.

Apart from cracks in the town itself, the activity damaged electric lines and plumbing all over the town. The latest eruption reached the main hot water pipe which meant there was no hot water in houses in Grindavík. The power company managed to fix this in most of places before further damage was done.

Latest eruption a big shock

The mayor of Grindavík, Fannar Jónasson, says the eruption on Sunday 14 January was a big shock and a step backwards for rebuilding plans.



Grindavík is an important fishing harbour. This picture is from happier days, before the eruption. Photo:

“It was deeply disappointing that an eruption started inside the fortifications. We had started plans to move people back to the town, start school again next autumn and then gradually the companies would restart their operations. The safety we had started feeling when the fortifications were being built has disappeared for now.”

The town is built on fisheries since there is a lot of fish to catch south of Iceland. The harbour is one of three top fishing harbours in Iceland, after Reykjavik and similar to Vestmannaeyjar. 40 per cent of all cod caught near Iceland goes to Grindavík harbour. Two of the six largest fisheries companies in Iceland are based in Grindavík. Jónasson says the town is very convenient for fisheries.

“We are close to the international airport which makes us a good place to produce fish for export. So there are a lot of things that are convenient for us.”

According to Jónasson, the fishing companies have a lot of equipment in Grindavík so it's not easy for them to rebuild it somewhere else.

“The fishing companies are determined to keep going with their operation there but while we have eruptions and other constant seismic activity it is really hard to make proper

plans. We need things to calm down since the fortifications are not secure enough for us to make plans to rebuild.”

Municipality run from Reykjavik

Children have not gone to school in Grindavík since the activity started and it is now clear that school will not start there until next autumn. Jónasson says other municipalities have welcomed the Grindavík children warmly.

“For the schools, it went really well. 95 per cent of the children got access to school within three weeks throughout the country, which was incredibly fast.”

It is of course strange to run a municipality where no one lives. All the Grindavík municipality staff now work at the Reykjavik City Hall.



The Reykjavik city hall has received the Grindavík municipal administration with open arms. Photo: Björn Lindahl

“What has helped us is that we were already providing a lot of service online. But we had to find solutions for other services, like social service, culture, sports and so on by other means.

“We got a facility downtown for interviews if people want assistance, with the help of the Red Cross. There we also have choir practices, church gatherings and social gatherings for young people and the elderly. And then we've used Teams for meetings.”

Tourist bookings went down, then up again

When nature starts roaring in Iceland it affects tourism - sometimes positively and sometimes negatively. This time, both things happened, according to Jóhannes Þór Skúlason CEO of The Icelandic Travel Industry Association.

When the seismic activity started in November, new bookings fell drastically, mainly because of foreign media speculation about what might happen. Cancellations, however, were rare.

“Bookings in November and December were far fewer than in a normal year,” Skúlason says.

When the eruption took place just before Christmas, it was easier to give correct information to the media and there was less uncertainty.

"Bookings after that have gone well and people are not as worried about eruptions as before. There are still effects from that, but they are less than we feared."

Skúlason says he does not expect the latest events to affect tourism in a significant way.

The Blue Lagoon

The biggest uncertainty revolves around The Blue Lagoon, one of the best-known tourist attractions in Iceland, which is close to Grindavík.



The blue lagoon is half way between Grindavík and Keflavík Airport. It was closed on 9 November after the eruption started, but reopened on 8 January. Photo: Blue Lagoon Iceland.

"The Blue Lagoon is one of the most valuable trademarks in Icelandic tourism. When it's not on the market it has a huge effect on tourism. It's like closing the Eiffel Tower. The Blue Lagoon is a 'bucket list' item - people who go to Iceland want to go to the Blue Lagoon."

Skúlason also points out that the Blue Lagoon employs 800 people, pays 6 billion ISK (€40m) in taxes to the Icelandic state and is also a shareholder in other lagoons and hotels.

"Tourism is a chain, and the Blue Lagoon is a really important link in that chain."

Skúlason says that now, since geologists believe eruptions in the area will last for a few years, the future has to be discussed. It is considered unlikely that an eruption would take place in the Blue Lagoon area, and an eruption on that active crack can be spotted 4-7 hours in advance.

"If that is the case, we have two options. One is to simply close it because it is difficult to know when it can be opened again. In my view that's impossible - an operation like that can't just shut down."

"The other option is to form clear procedures between The Civil Defence and The Blue Lagoon for when it has to be evacuated. And also, if an eruption takes place and it's clear that it will not affect the lagoon, it could be opened within days, not weeks as it has been now."

Uncertain future

Inhabitants in Grindavík are facing big uncertainties. Bryndis Gunnlaugsdottir, a Grindavík local, told the news website visir.is that many parents do not know if they can pay for two homes, and what financial support they get.

"How can you go home if your child can't go to school and people at the same time are experiencing unsafe ground conditions? We have support, but not enough to make long-term plans," she says.

There are increasing demands for the state to buy out the inhabitants who want to rebuild their lives somewhere else.

There is only one event that can be compared to what is happening in Grindavík - the eruption in Vestmannaeyjar in January 1973. Then, like now, lava flowed into the town which had to be evacuated. The eruption lasted almost six months.



Two women survey the destruction of Vestmannaeyjar after the 1973 volcanic eruption. Photo: Christian Bickel/fin-galo/Wikipedia.

Some people moved back, others did not, but even though the number of inhabitants never reached what it was before the eruption there is now a settlement there nearly the same size as Grindavík. Jónasson says there are many similarities.

"As bad as the situation was in Vestmannaeyjar - worse than in Grindavík now in some respects - they managed to start again. And now it is a strong municipality, with a big fishing industry."

But there is still one big difference.

"The eruption in Vestmannaeyjar had an endpoint so the community could be rebuilt. Even though the activity has

been ongoing for four years now, starting with earthquakes, scientists say that this seismic activity is not over on the Reykjanes peninsula.

“Therefore, we don’t see a time when we can start planning our rebuilding. That makes things very difficult for us. We would like to be able to say that everything is over like in Vestmannaeyjar, and we can start rebuilding, but unfortunately, that’s not the case.”