Strengthening Nordic cooperation on remote work and multilocality

POLICY BRIEF 2022:5

Nordregio
Remote work, distansarbete, hjemmearbejde, etätyö, fjarvinna – no matter what you call it, it is difficult to ignore the significance of this topic in discussions about the future of work since the onset of the COVID-19 pandemic. Evidence suggests that increased levels of remote work are here to stay, at least in some form or another, however the long-term implications of this for Nordic municipalities and regions are far from clear. This policy brief summarises the first outcomes of the project ‘Remote work: Effects on Nordic people, places and planning 2021-2024’ and delivers recommendations designed to strengthen cross-Nordic learning and cooperation on this issue.
What is remote work and why is it relevant to Nordic people, places and planning?

Approximately 9.5 million Nordic workers are employed in professions where remote work is (theoretically) possible – that is, their work does not necessarily need to take place in a fixed location. A growing trend towards remote work was evident in the Nordic countries prior to the COVID-19 pandemic but has accelerated dramatically since. This project is based on the assumption that remote work will continue at higher levels post pandemic, with effects on the daily life of Nordic people, implications for different places, and complex opportunities and challenges for planning.

COVID-19 pandemic makes working remotely common practice for many people

This results in changes to commuting patterns and living preferences, and provides greater opportunity to split time between multiple places

Possibility for longer-term regional development and planning effects

Project hypothesis
What did we do?

- Reviewed the Nordic and international literature on the topic that has emerged since the outbreak of the pandemic, including surveys about the preferences and intentions of Nordic workers and companies going forward.
- Interviewed national policy makers, business associations, and trade union representatives in each country.
- Surveyed regional and municipal planners and policy makers across the Nordic Region about their experiences of changes in the permanent and temporary population during the pandemic, with a focus on the role of increased remote work in these changes.
- Analysed the relevant statistics related to migration, mobility and multilocality at a range of geographic scales (e.g., national, regional, municipal).
What did we find?

Remote work is here to stay... but not for everyone and not all the time
Our findings suggest that higher levels of remote work are likely to be maintained in the long-term in all Nordic countries, at least to some degree. Importantly however, there is little evidence to support a large-scale shift towards a “remote first” mindset among Nordic workers or workplaces. This means that, for the majority of workers and workplaces, the most likely scenario will be some form of hybrid arrangement. The effectiveness of these arrangements in promoting wellbeing and quality of life for workers, as well as the extent to which collaboration and innovation thrive under hybrid conditions, will both be key factors in determining whether remote work remains more common in the long term.

Increased remote work will have implications for planning in Nordic cities, regions, and rural areas
From a spatial perspective, the patterns of migration, mobility and multilocality observed in the Nordic countries during the pandemic support the idea that increased remote work will have implications for planning in Nordic cities, regions, and rural areas. Daily commuting became less common during the pandemic and internal migration patterns suggest that this has been accompanied by a willingness to travel further (see map). Some rural municipalities also appear to have become more attractive. This is evidenced by the slowing, or even reversal, of trends towards population decline and also by increased demand for and use of second homes. If these trends continue, they could present substantial opportunities for positive development in some rural areas as well as for smaller cities in proximity to larger urban centres. On the other hand, changes in the use of office spaces and new living preferences present new planning challenges also in urban centres. Planning systems should be scrutinized to address new potentials and challenges in different types of places.
Typology of internal net migration 2020-2021.
Reliable data to inform understandings of the spatial implications of increased remote work is limited

Understanding the degree to which the spatial trends observed during the pandemic have been driven by increased remote work is somewhat of a challenge. Register data on, for example, internal migration flows, is highly reliable and freely available. Unfortunately, however, it sheds little light on what motivates migration or the degree to which opportunities for increased remote work has been a driver. Understanding changes in the temporary population (as tourists and second home users) is even more challenging. So-called activity data can provide useful insights, particularly when combined with other types of data and local knowledge. This data is generally owned by private companies however and can be expensive to obtain and challenging to work with.

Experiences have been similar in all Nordic countries, but different policy responses have emerged

Although the experience of remote work during the pandemic has been relatively similar in all Nordic countries, the future direction varies somewhat in light of the pre-existing policy context in each country. In Iceland, the pandemic has given momentum to the existing regional policy priority of encouraging state jobs without specified placement. Similarly, in Finland, increased remote work fits well with the pre-pandemic focus on combating depopulation and ageing in rural municipalities through increased multilocality. In Sweden, Norway, and Denmark, the links between regional policy and remote work are less clear. At the same time, the preconditions for increased remote work are evident in all countries and the potential regional development benefits align well with broader regional policy goals.

The long-term sustainability implications of increased remote work are far from clear

From a social sustainability perspective, it is important to acknowledge that most workers do not have the possibility to work remotely and, even for those who do, the advantages and disadvantages will differ between groups. Economic sustainability is also an important consideration, particularly in the case where a person’s life and work are split between two or more municipalities. From an environmental perspective, it is important not to assume that remote work is inherently coupled with favourable environmental outcomes. While it may reduce the need for travel, the lifestyle choices remote work enables may be accompanied by negative environmental impacts such as increased resource use and travelling longer distances through less environmentally friendly means.
What are the next steps for Nordic cooperation on remote work and multilocality?

Overall, the experiences of remote work during the pandemic have been fairly similar in the five Nordic countries. Similar trends are also evident, though to differing degrees, with respect to the effects on different places throughout the region. The most notable differences between the countries relate to the regional policy responses, and it is perhaps here that the greatest potential for Nordic added value emerges. Given this, our recommendations focus on ways in which to strengthen Nordic cooperation and cross-Nordic learning on issues related to the regional development and planning implications of remote work going forward.

1. Host a Nordic knowledge sharing event aimed at national policy makers and senior officials

Increased acceptance and effectiveness of remote work has the potential to bring about significant positive change in many regions and municipalities. For example, supporting population development and access to jobs in areas where employment opportunities are limited and increasing skills supply in regions that struggle to attract talent. But how can policy makers best respond to turn these potentials into reality? Facing a similar situation with expected higher levels of remote work, it is recommended that the Nordic Council of Ministers host a Nordic knowledge sharing event aimed at national policy makers and senior officials working on initiatives related to remote work and regional development (e.g., location independent jobs in Iceland, Statens Hus in Norway). The aim of the event would be to showcase good Nordic practices within this field but also to share knowledge around common
challenges and how they have / can be addressed. Input gained from such an event could inform national level responses and prevent Nordic actors from working in parallel.

2. Establish a Nordic taskforce on multilocaity

Nordic citizens are increasingly living their lives across more than one location, yet our ability to understand the implications of this for different regions and municipalities remains limited. It is recommended that the Nordic Council of Ministers establish a small working group with representation from all Nordic countries and independent territories. The aim of the group would be to share knowledge on progress that is being made in the countries around issues related to multilocaity, including (but not limited to): the reliability and availability of data for understanding multilocaity; challenges (and potential solutions) related to taxation, transportation and service provision; implications of multilocaity for social, economic, and environmental sustainability.

3. Develop a partnership program aimed at supporting knowledge exchange between local and regional stakeholders in the Nordic countries

Similar experiences during the pandemic were evident among regional and local stakeholders, regardless of which country they were working in. They also face similar questions about the implications for planning in different types of places. This suggests that providing opportunities for regional and local actors from the Nordic countries to come together could be a valuable source of Nordic added value and support practical knowledge exchange between actors on the ground. To enable this opportunity, it is recommended that the Nordic Council of Ministers develop a pilot program in which regional or local planners could, for example, apply for a small grant to support a joint activity with actors from two or more Nordic countries. Such a program could also include the offering of expert guidance to the partnerships or joint learning sessions on local and regional responses to remote work and multilocaity. The aim of the program would be to bring together actors who are experiencing changes in their municipality / region as a result of increased opportunities for remote work. Activities may include (but should not be limited to): online knowledge sharing events; physical study visits; worker exchange.
About this policy brief

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This policy brief is based on the first two reports published in the project Remote work – Effects on Nordic people, places and planning 2021-2024:


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