



The Nordic countries without borders

A report from the special envoy
Poul Schlüter 2004

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The Nordic Council of Ministers

was established in 1971. It submits proposals on cooperation between the governments of the five Nordic countries to the Nordic Council, implements the Council's recommendations and reports on results, while directing the work carried out in the targeted areas. The Prime Ministers of the five Nordic countries assume overall responsibility for the cooperation measures, which are co-ordinated by the ministers for cooperation and the Nordic Cooperation committee. The composition of the Council of Ministers varies, depending on the nature of the issue to be treated.

The Nordic Council

was formed in 1952 to promote cooperation between the parliaments and governments of Denmark, Iceland, Norway and Sweden. Finland joined in 1955. At the sessions held by the Council, representatives from the Faroe Islands and Greenland form part of the Danish delegation, while Åland is represented on the Finnish delegation. The Council consists of 87 elected members – all of whom are members of parliament. The Nordic Council takes initiatives, acts in a consultative capacity and monitors cooperation measures. The Council operates via its institutions: the Plenary Assembly, the Presidium and standing committees.

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Introduction

The Nordic countries have a long history of co-operation. The Nordic Council and the Nordic Council of Ministers are the official bodies of co-operation for the parliaments and governments respectively.

The Nordic countries succeeded early on to smooth out in areas of importance for exchange between individuals differences and to make movements across national borders easier. An agreement was reached as early as 1954 on a joint Nordic labour market, long before the common European labour market came into being. This was followed by the Nordic Passport Union which granted the right to travel freely without a passport between the Nordic countries, this was a very big step at that time, and even today is a right enjoyed by Nordic citizens. The Nordic countries have also had close co-operation in the educational sector since 1975 which includes reciprocal acknowledgement of qualifications. These measures have amongst other things, along with the EU Single Market, led to an enlarged internal market in the Nordic region.

However more co-operation is needed to increase the Nordic Countries' ability to attract and to compete in today's increasingly global world. Three of the Nordic countries are today members of the EU while the other two are associated through the EEA treaty.

Nordic co-operation is changing now in order to continue to play a role in the enlarged EU with 25 members. One of the major priorities in Nordic co-operation is to create a Nordic region with wide possibilities of cross-border movement as soon as possible. The whole of the Nordic region must be open and attractive to both people and companies.

Despite an open and mobile labour market in the Nordic countries there are still obstacles for freedom of movement across borders. In 2001 Ole Norrback, at that time the Finnish ambassador in Oslo, presented the Nordic Council and the Nordic Council of Ministers with a sound survey of cross-border obstacles in the Nordic countries. The report confirmed what many people experience in their daily lives; the borderless Nordic region is not very borderless in practice. New technical barriers have arisen while others have been removed. And this makes it difficult to achieve the integration which is so pressing in the Nordic region.

The Norrback report was the starting signal for a host of activities in the Nordic Council of Ministers. Former Danish Prime Minister, Mr Poul Schlüter, was appointed to oversee that the Nordic governments took the issue of freedom of movement seriously. Mr Poul Schlüter has been charged by the governments to work directly with the responsible ministers.

Obstacles to freedom of movement are often small things, but annoying as such. And when all the small issues are added up they often become so big that people abandon the idea of moving or commuting. Poul Schlüter's main task will continue to be to find solutions to specific legal and bureaucratic barriers to the desired individual mobility between the Nordic countries.

Efforts to breakdown barriers for industry have been added to the task of promoting freedom of movement. The Nordic Ministers of Trade and Industry started this work in 2003 and began the task of identifying these obstacles. The result is a catalogue of obstacles to cross-border business, which will form the basis of the special envoy's work in 2005.

The result of the work until now is presented in the following report by the special envoy Poul Schlüter. The report has been presented orally to the Nordic prime ministers and the Nordic Council at their session in November 2004.

Preface

Endeavours to promote freedom of movement in the Nordic Region picked up fresh momentum in 2003 when the Swedish Presidency of the Nordic Council of Ministers placed integration high on the political agenda. I was appointed special envoy to the Presidency with responsibility for freedom of movement between the Nordic countries. Freedom of movement is important for citizens and businesses alike and I did not hesitate to accept the job. Nor was there any doubt in my mind when the Icelandic Presidency 2004 and the forthcoming 2005 Danish Presidency approached me and enquired whether I would continue to fulfil the same role until 2005.

In 2004, my work has very much been a continuation of activities launched in 2003. Large numbers of civil servants have been working on a number of proposals that I put forward last year, most of which have also been discussed by the appropriate Nordic ministers. Some of them have borne fruit and solutions have been found to specific problems. Unfortunately, others continue to cause problems. One important aspect of this process is, however, that promoting freedom of movement is now automatically on the agenda when Nordic ministers meet. The foundations have been laid for further and greater progress towards a borderless Nordic Region.

In 2003 and 2004, I have paid greatest attention to the obstacles faced by citizens moving across Nordic borders. The Nordic Ministers of Trade and Industry embarked on an important process in 2003, however, i.e. studying the barriers to freedom of movement that affect Nordic business. They decided in the first instance to draw up a catalogue of the barriers encountered. This catalogue was drawn up by the Nordic Innovation Centre and constitutes a new and important foundation for the ongoing efforts to promote freedom of movement in the Nordic Region.

It is important to address highly specific barriers to an open and mobile Nordic labour market. Closer Nordic integration must be one of our common goals. Nordic companies already consider the Region to be their home market but ever-fiercer global competition makes it important for the Region to sell itself as an open and borderless region as well. This is made even more necessary by developments in the EU, particularly by the recent enlargement, which means that Europe is no longer divided. Nordic co-operation may not be able to compete with European co-operation but is capable of interacting with it. Hopefully, we will also make even more progress on the mobility of citizens, companies, trade and investments across Nordic borders. The Nordic Region should serve

as a pioneer for the success of the European inner market. The process we have kicked off must result in real improvements.

I was mandated to report back to the Nordic Council Session in Stockholm in November 2004 on our achievements so far this year. This account is intended to show what we have achieved, what we are still working on and what the Nordic governments still have not been able to agree about. I bear sole responsibility for the contents, which have not been edited by the Nordic ministers.

Copenhagen 14 October 2004

Poul Schlüter

Special Envoy to the Ministers for Nordic Co-operation

More information and closer co-ordination

A large number of stakeholders are engaged in efforts to improve freedom of movement in the Nordic Region. Each of them is involved in the removal of specific barriers to an open and mobile labour market for citizens and business. The bilateral Nordic information services, the pan-Nordic information service *Hello Norden*, and the Nordic cross-border regional committees are all heavily involved.

A Border Policy Secretariat has been set up within the Nordic Council of Ministers' Secretariat to reinforce and co-ordinate efforts to promote freedom of movement. The Border Policy Secretariat co-ordinates the efforts of the various ministerial councils, the Nordic Council of Ministers, the Nordic information services and the Nordic cross-border committees. The Nordic Council of Ministers' Secretariat has also set up what it calls the *Border Policy Forum*. The purpose of the Border Policy Forum is to establish a network of experts who will exchange experiences and information about freedom of movement, identify problems that require political input and co-ordinated information between the various Nordic information services. Specifically, an e-meeting place will be set up, where the parties involved will be able to make contact and exchange information. Seminars about setting up the network have already been held in May and October 2004.

More information for citizens

Accurate and easily accessible information is crucial if citizens are to feel motivated to work, settle or study in other Nordic countries. To guarantee the requisite information flow, the Nordic Council of Ministers set up the *Hello Norden* information service in 1998 to provide advice and counselling to citizens interested in living, working or studying in another Nordic country. *Hello Norden* started out as a telephone helpline but has developed into an Internet-based information service at www.hallonorden.org and is now the Nordic body with the largest number of users. The website acts as a Nordic library of information and links to the right official bodies and authorities, gathering all of the Nordic pacts and agreements in one place. As a further boost to *Hello Norden*, the Ministers for Nordic Co-operation also increased its staffing budget in early 2004.

The Labour Market

I have raised a number of issues that will hopefully lead towards a mobile and open labour market in the Nordic Region. The labour markets in the Nordic countries have a great deal in common but there are still a number of differences. It is crucial that we find pragmatic frameworks for a more open and mobile Nordic labour market.

I put forward the following proposals:

- a. Extend the joint Nordic labour market to include non-Nordic citizens with permanent work and residence permits.
- b. Make it easier for Nordic citizens to join and leave unemployment insurance systems
- c. Set up on-line job centres in cross-border regions.
- d. Base appointments on qualifications rather than citizenship.

The proposals are described in greater detail below.

A. Extend the joint Nordic labour market to include non-Nordic citizens with permanent work and residence permits.

Problem

The joint Nordic labour market gives Nordic citizens the right to work in another Nordic country but excludes non-Nordic citizens (citizens of 3rd countries) with permanent work and residence permits.

Proposal

I proposed that the Nordic Ministers of Labour consider extending the agreement to include non-Nordic citizens.

Action/outcome

The Nordic Ministers of Labour decided to reject this proposal on the grounds that they could not justify extending the agreement to cover that particular group since they would in effect be treated more liberally than citizens from the new EU member countries who are currently subjected to interim regulations in four of the Nordic countries.

A Nordic working party was set up instead. It will revise the labour market agreement. The revision is expected to be finished during the Danish Presidency of the Nordic Council of Ministers 2005.

B. Make it easier for Nordic citizens to join and leave unemployment insurance systems.

Problem

The regulations governing unemployment insurance vary between the Nordic countries.

Proposal

In order to make the rules function better between the Nordic countries, I proposed that the Nordic Ministers of Labour look more closely at the conditions for membership of Nordic unemployment insurance funds. One proposal was to make it easier to join and leave the various schemes.

Action/outcome

The Nordic Ministers of Labour has evaluated the scope for harmonising Nordic unemployment insurance systems within the frameworks of EU regulations. They reached the conclusion that harmonisation would be very complicated. There is, however, general agreement that information about the rules is the most pressing need. The rules for joining and leaving unemployment insurance funds will be published in a transparent fashion on the *Hello Norden* website.

C. Set up an on-line job centres in cross-border regions

Problem

Seeking a job on the other side of the border should be easier. Information about jobs and qualified job seekers must, therefore, be easily accessible in cross-border regions.

Proposal

I proposed that the Nordic Ministers of Labour expand on-line job services to cover cross-border regions.

Action/outcome

A Nordic working party has evaluated the technical options. At the behest of the working party, the Nordic Ministers of Labour decided to make it easier for job seekers and employers to meet across Nordic borders. An on-line pilot project has been set up in the Øresund Region to provide information about jobs in the region.

D. Base appointments on qualifications rather than citizenship.

Problem

Citizenship is a requirement for certain jobs in the Nordic Region. The former Finnish Minister for Nordic Co-operation, Ole Norrback, raised a specific example in his report "The Rights of Nordic Citizens", i.e. a Swedish citizen living in Finland who was ineligible for a job as an economist in the Finnish Church because the post required Finnish citizenship.

Proposal

Citizenship is still a necessary requirement in certain cases but in others merely reflects the obsolete nature of the legislation. I proposed that the Nordic Ministers of Labour conduct a study of which jobs require citizenship.

Action/outcome

A list has now been compiled and I am waiting to receive it. I will base my proposal to the ministers on that list.

Business and Industry

In autumn 2004, it was decided that the endeavours to promote freedom of movement should also include attempts to remove barriers to cross-border business and industry in the Nordic Region. This work has already commenced. The Nordic Ministers of Business and Industry have drawn up a catalogue of specific obstacles, which they discussed at their meeting in early September. They have already decided to concentrate on the items listed below, which fall within their ministerial remit. However, other impediments to business activity fall outside their remit. I will now raise these specific issues with the Nordic governments.

The issues raised include:

- A. An effective Nordic venture capital market
- B. An information portal for business and industry
- C. Mutual recognition of certificates and authorisations in the housing and construction industry
- D. Implementation of EU company-law directives
- E. Harmonising rules for measuring equipment

The proposals are described in greater detail below.

A. Nordic venture market

Problem

A thriving venture market is an important prerequisite for technology-based innovation. The big challenge is to improve the flow of venture capital across national borders and remove barriers to the creation of a free market. The most critical activities in the venture market are *to receive* the profit from an investment in another Nordic country, *to move* investment objects to another Nordic country and finally *to establish* venture funds with investors from several countries.

Proposal

At their meeting in late September 2004, the Nordic Ministers of Business and Industry decided to include the question of establishing a Nordic venture capital market in their work on freedom of movement. They are now looking at how this can be done.

Action/outcome

The ambition is to establish a thriving venture market in the Nordic Region, expand the capacity of the Nordic economies and improve the foundations for technological innovation.

B. An information portal for business and industry

Problem

Small and medium-sized enterprises with limited resources to conduct activities in neighbouring countries are particularly dependent on access to accurate information about opportunities, regulations, tax, social structures and potential customers and partners. Information that is inadequate or difficult to access is a barrier to cross border trade in itself.

Proposal

A large volume of information is already available in the various countries. It would be a good idea to collate it all in a single information portal. A Nordic business and industry portal should, therefore, be based mainly on existing information.

Action/outcome

The ministers raised the question of opening an information portal. Their ambition is to make it simpler to find the right information. Such a portal will gather existing information in one place. It would be a good idea to link it to *Hello Norden*. The substance of this proposal has still to be addressed.

C. Mutual recognition of certificates and authorisations in the housing and construction industry

Problem

The building and construction industry is full of national and international rules that affect how well the market works and limit innovation. The challenge in this sector consists of focusing on the harmonisation of rules and norms between the countries. The rules are often based on national traditions as well as environmental and safety regulations.

Proposal

The Nordic building market should develop into a single domestic market, in which contractors, tradesmen and building materials are available all over the Nordic market on the same terms.

Action/outcome

The Nordic Ministers of Business and Industry contacted the Ministers of Construction and Housing and suggested working together and co-ordinating the planning for a more open building market. The construction ministers have already started work on promoting trade in construction materials between the Nordic countries. Estonia, Latvia, Lithuania and Poland have also been actively involved. A draft action plan has been drawn up for increasing trade in the building sector between the countries mentioned above. The Ministers of Construction and Housing from the nine countries were expected to approve the action plan at a meeting on 1 November 2004. The first aim is to draw up a timetable for harmonisation of authorisations in the building and construction industry in co-operation with representatives from construction companies and safety authorities. Another goal is to introduce joint Nordic skills certificates for machine operators and demolition experts and joint Nordic authorisations for electricians.

*D. Implementation of EU company-law directives**Problem*

The inability to establish a Nordic company, i.e. the option of setting up a Nordic Group without having to set up complete legal units in each individual country, limits the ability of Nordic companies to compete.

Proposal

It is important that the Nordic countries co-ordinate the implementation of EU directives about “the European company” – the so-called SE company.

Action/outcome

The Nordic Ministers of Business and Industry accepted this proposal and in 2003 they set up a Nordic working party to co-ordinate the national implementation of company-law directives and facilitate the greatest possible uniformity when applying EU legal documents to national legislation.

*E. Harmonising rules for measuring equipment**Problem*

The Nordic countries produce a lot of measuring equipment, e.g. scales, thermal heating monitors, gas readers, water readers, etc. but there are national regulations governing the approval of adjustments, testing methods, etc.

Proposal

In think harmonisation is needed. The EU has started the process but it will take years. There is, however, nothing to stop the Nordic Region taking the lead. I proposed that the Nordic Ministers of Business and Industry agree joint regulations and stop wasting resources in the Nordic Region.

Action/outcome

The ministers set up a Nordic working party on measuring technology, which work closely together within the frameworks of the EU directive on measuring equipment.

Education and Training

Positive co-operation on education and training is one of the basic building blocks in an open and mobile labour market in the Nordic Region and one that the Nordic governments have accorded high priority.

Particular attention has been paid to:

- A. Mutual recognition of higher education programmes
- B. Improving student grants
- C. Mutual recognition of vocational training programmes
- D. Improving the Nordic Senior Secondary Agreement.

A. Mutual recognition of higher education programmes

Problem

Nordic citizens often find it difficult to have their skills, qualifications and exams approved in other Nordic countries.

Proposal

It should be easier to have skills, qualifications and exams approved in other Nordic countries. Work on these issues is increasingly done at EU level, so it is important that the relationship between Nordic work and EU work is made clear.

Action/outcome

At their meeting in June 2004, the Nordic Ministers of Education and Research signed a Nordic declaration about recognition of certificates of higher education – “*The Reykjavik Declaration*”. It replaces the so-called Sigtuna Agreement. Regular reports will be submitted about the follow-up work – the first one in 2005. They will explain specific problems concerning the mutual recognition of higher education qualifications and will be presented to the Ministers of Education and Research at regular intervals.

B. Improve student grants

Problem

Grant systems vary greatly from country to country, so students may end up in situations where they are unable to obtain grants, travel allowances, etc.

Proposal

I encouraged the Ministers of Education and Research to find a pragmatic way of making sure that no student is caught out between the different systems. The idea is that the differences between systems should not constitute a barrier to freedom of movement and that information about opportunities and conditions should be improved.

Action/outcome

The ministers set up a Student Grant Group with a remit to promote freedom of movement. The Group presented a provisional report to the ministers in June 2003, followed by a second one in June 2004. The group is still working on the issue.

C. Mutual recognition of vocational training programmes

Problem

Until now, Nordic co-operation on education and training has concentrated on mutual recognition of senior secondary programmes and higher education programmes. Difficulties also exist in other parts of the education system, however.

Proposal

I proposed that the ministers look more closely at the vocational programmes that involve so many people in the Nordic Region.

Action/outcome

A pilot project studied how vocational qualifications are recognised in the Nordic countries. A report – "Recognition of Vocational Qualifications in the Nordic Region" - containing five specific recommendations for comparing experiences within the Nordic Region and with the rest of Europe was approved by the Nordic Ministers of Education in June 2004. The recommendations are included in the Nordic Council of Ministers' Strategy Plan 2005-2007 for Education and Training. Mutual recognition of vocational qualifications must be encouraged to the greatest possible extent. This work has also been as closely co-ordinated with EU co-operation on the same subject, the so-called *Copenhagen Process* as possible.

D. Improve the Nordic Senior Secondary Agreement.

Problem

Nordic students rarely make use of the Agreement and it does not include recognition of vocational qualifications at senior secondary level.

Proposal

I encouraged the Nordic Ministers of Education and Research to update the Nordic Senior Secondary Agreement and consider initiatives to make it more attractive for young people to attend a senior secondary in another Nordic country.

Action/outcome

At their meeting in June 2004, the Nordic Ministers of Education and Research approved a new Nordic Senior Secondary Agreement. The new agreement has now been updated and contains recognition of vocational qualifications. The number of students who make use of the Nordic Senior Secondary Agreement has been calculated and will form the basis for a new information strategy. National information strategies are being drawn up, including recognition of partially completed courses. Solutions to the problem of recognition of partially completed education programmes will be written into the Nordic Council of Ministers' Strategy Plan 2005-2007 for Education and Training.

Health and Social Affairs

People who work, study or settle in another Nordic country often find their rights to avail themselves of health care and social services difficult to understand. The Nordic Ministers of Health and Social Affairs have, therefore, also concentrated on removing barriers to cross-border freedom of movement within their area of responsibility. A list of the items on their agenda in 2004 follows. The provisional work has been done by working parties studying the Nordic social conventions, i.e. the social security group and the social security convention group. The groups consist of experts from each of the Nordic countries.

- A. Upgrading the skills of official bodies
- B. Updating the social security and social services conventions
- C. Revision of parental leave schemes
- D. Joint Nordic “pill passport”
- E. Freedom of movement for the disabled
- F. New Nordic convention on social security

The issues of saving up of *pension points* and *the validity of prescriptions* in all Nordic countries were already dealt with in 2003. A short description is included below for information purposes.

A. Upgrading the skills of official bodies

Problem

Nordic citizens often find it difficult to obtain the correct information about their rights and options.

Proposal

To help alleviate this problem, official bodies should upgrade their own knowledge base and expertise and provide more information to citizens about their rights.

Action/outcome

The Nordic Social Security Group and the Working Party on Social Security and Social Services have drawn up a proposal for comprehensive use of the Internet as a tool for the citizens and civil servants; initiated exchange programmes and training for civil servants and updated existing training schemes for social workers. Specifically, the Nordic Ministers of Health and Social Affairs have granted funds for the development of a

computer analysis tool for social workers in the Nordic Region in spring 2004. "E-form Analysis Tool (EAT)" is an information tool that contains the latest updates, judgements, etc. within the social security sector in the EU. An information brochure about EAT will also be published.

B. Updating of the social security and social services conventions

Problem

It is important that citizens do not get caught between two systems and risk being ineligible for social security or losing the right to social services.

Proposal

The Nordic Convention on Social Security and Social Services contains guidelines for paying benefits, providing services, sending home, travel allowances and moving house for people requiring care during a stay in, or when moving to, another Nordic country. It is important that the Nordic Convention on Social Security and Social Services is updated and works well.

Action/outcome

The Nordic Social Security Group updates and improves the Nordic Convention on Social Security and Social Services. In August 2004, the Nordic Ministers of Health and Social Affairs decided in principle that the Convention should stipulate that local authorities must work together when disabled citizens move home in order to guarantee that their needs are met. A proposal for changes to the Convention is awaited. It will also include suggestions for co-operation on transport services. The Nordic Ministers of Health and Social Affairs has underlined that this work must be completed as quickly as possible.

C. Revision of parental leave schemes

Problem

The Nordic countries have very different rules for parental leave. As a result, many find it difficult to get a clear view of what rules are valid if, for example, you live in one Nordic country and work in another.

Proposal

I proposed to the Nordic Ministers of Health and Social Affairs that they study specific cases of citizens caught between different regulations when taking leave. It is important to find pragmatic solutions to these problems.

Action/outcome

The Nordic Social Security Group deals with specific problems regarding leave. It is due to report on the potential for a revision of the parental leave schemes. In August 2004, the ministers stressed the need for practical and specific proposals to improve the situation. The Social Security Group is working on the matter and will report back to the Ministers of Health and Social Affairs in June 2005.

D. Joint Nordic "pill passport"

Problem

The Nordic countries have different rules about which types of medicine containing narcotics and psychotropics may be taken over borders. This presents a particular problem for regular travellers e.g. to and from Bornholm via Sweden/Ystad.

Proposal

I proposed that the Nordic countries agree a Nordic list of substances for which travellers should be required to document legal possession as a constituent part of their medicine.

Action/outcome

A working party has drawn up a proposal for publicising which drugs are allowed to be carried across Nordic borders. The Nordic ministers responsible for narcotics agreed at their meeting in August 2004 to:

- accept the list drawn up by the working party
- adapt the list at national level as long as this does not conflict with the individual country's international obligations, including international conventions.
- ask the committee of senior officials to study whether or not there are complications in relation to international conventions and – if that is the case– promote changes to the conventions so they comply with the joint Nordic approach.

E. Freedom of movement for the disabled

Problem

When disabled citizens move to other Nordic countries, it is important they are able to obtain personal assistance. The same is true of interpreter services in transitional periods when moving between Nordic countries.

Proposal

I proposed that the Nordic Ministers of Health and Social Affairs prioritise this question and publicise the rights of disabled citizens.

Action/outcome

In 2002, the ministers decided to prioritise disabled issues in their efforts to improve freedom of movement. A special Council of Ministers' proposal was presented to the Nordic Council Session in 2002 calling for follow-up work on the report "Freedom of Movement for All – Barriers to Cross-border Freedom of Movement for the Disabled in the Nordic Region". Most of the follow-up work has been undertaken by the Working Party on the Nordic Convention on Social Security and Social Services.

At their meeting in August 2004, the ministers agreed to look at the matter more closely and present proposals about transport services in the Nordic Region. They called for information services to be improved as well as the opportunities for personal assistance when moving, interpreter services and mutual recognition of compensation. The follow-up work continues.

*F. New Nordic Convention on Social Security**Problem*

Amendments are regularly made to the EU social regulations in the so-called Council Regulation 1408/71. This can, of course, lead to uncertainty about which rules are valid in the Nordic Region.

Proposal

It is important to clarify and publicise the rules.

Action/outcome

In August 2003, the Nordic Ministers of Health and Social Affairs signed the new Nordic Convention on Social Security, which updated the Nordic convention in the wake of amendments to EU regulations (1408/71). The convention took effect 1 September 2004 but does not cover the Faroe Islands and Greenland. The devolved parliaments in the autonomous territories would have to decide to adopt them.

Earning pension points

In 2002, the Nordic Ministers of Health and Social Affairs decided to study and evaluate the potential for changing the rules about earning pension points for civil servants in the Nordic Region, a problem identified in the report "Nordic Citizens Rights". The question has been dealt with by the Nordic Social Security Group and by the Nordic Ministers of Health and Social Affairs. The conclusions were as follows:

"It is proposed that no particular initiatives be launched because of

- a. the purpose of the regulations. They deal with basic pensions for people who have not worked in a country and are designed to

facilitate administration of really small amounts. The target group is small and getting smaller with the years.

- b. The coming expansion of the range of people covered by EU Council Regulation 1408/71 to cover people not in work. During discussion of this expansion, Denmark served notice that it will seek an exemption to allow it to retain a three-year rule like the one in the Nordic Convention. This means that no agreement has been reached in the Nordic Region about dropping the three-year rule before the revised EU regulation takes affect.

It was deemed not relevant to continue work on the question.”

In other words, this barrier to cross-border freedom of movement is of no great significance as it affects a very limited group of citizens in the Nordic Region. The question is now being regulated within the framework of the EU regulations.

Validity of prescriptions in all Nordic countries

The Nordic Ministers of Health and Social Affairs called for an evaluation of the Nordic agreement about the validity of prescriptions. At the behest of the Swedish Presidency of the Nordic Council of Ministers 2003, representatives of all of the Nordic medical authorities met in September of that year to discuss their experiences of the Nordic agreement about the validity of prescriptions and to discuss topical issues concerning medicine at Nordic level. The meeting reached the conclusion that few people make use of the right to present prescriptions issued in one Nordic country to chemists in another country. Few problems have been reported and, in general, implementation of the agreement seems to be satisfactory.

In all of the Nordic countries except Denmark, the rules have been extended to also cover EU/EEA citizens. It is thought that this will make chemists more used to dealing with prescriptions issued in another country.

Regular Nordic meetings about medicine will continue to be held but it was not deemed necessary to continue further evaluation of the Nordic agreement about the validity of prescriptions at the present time.

Tax

The tax issue is of central importance. Uncertainty about income tax or pension points plays a crucial role when it comes to moving home or working in another Nordic country. Tax has, therefore, been an important element in the work to remove barriers to cross-border freedom of movement in the Nordic Region.

The agenda for the Nordic Ministers of Finance and Tax includes:

- A. Specific tax barriers to cross-border freedom of movement
- B. Setting up a Nordic tax portal and a virtual Nordic tax office
- C. Intra-Nordic financial transactions

A. Specific tax barriers

Hello Norden, other information services and the Nordic Council of Ministers' Secretariat regularly field enquiries referring to specific examples of tax barriers, e.g. tax on pensions, from staff temporarily stationed in another country, from particular professions or trades, e.g. sailors, etc.

Proposal

I proposed that the Nordic Ministers of Finance and Tax deal with the specific barriers and adapt the Nordic Tax Agreement.

Action/outcome

In 2003, the Nordic Ministers of Finance set up a Nordic Tax Group to identify and describe specific cases. The Group has now submitted its report, which lists a number of specific tax barriers. A complete list of these cases is being drawn up at the moment and will be presented to the Nordic Ministers of Finance at their meeting in November 2004.

B. Computer tax calculation model/Nordic Tax Portal/Virtual Tax Office.

Problem

It can be difficult for the individual citizen to work out the consequences of working or settling in another Nordic country, which has a negative impact on mobility.

Proposal

In spring 2003, I proposed that the Nordic Ministers of Finance and Tax consider the possibility of producing a computer model for tax assess-

ment, so that citizens would understand the consequences of moving home or working on the other side of a Nordic border in advance.

Action/outcome

The ministers asked the Nordic Tax Group to study the potential for a computer model. The Group came to the conclusion that it would be technically impossible to build a model that would give Nordic citizens a sufficiently exact picture of all of the tax consequences of working or settling on the other side of any of the Nordic borders. The Tax Group proposed setting up a *Nordic Tax Portal* and a *Virtual Nordic Tax Office* instead.

The on-line *Tax Portal* is designed to improve the flow of information to citizens and official bodies about tax for those who either work or settle on the other side of a Nordic border. The purpose is to help citizens and companies find relevant information and deal with tax issues. The Nordic tax authorities will set up a special project group to study this joint e-service. The service must be available to all Nordic citizens who need to make contact with more than one national tax authority.

The on-line *Virtual Tax Office* is designed to provide contacts on inter-Nordic tax questions and information to citizens about tax systems. In organisational terms, the *Virtual Office* of one representative from each country. The idea is to build up an organisation to which specific tax cases are referred. The casework will be done and decisions made within the frameworks of the national tax authorities.

C. Intra-Nordic financial transactions

Problem

Financial transactions between Nordic countries are often quite expensive and it takes days before the money is in the recipient's account.

Proposal

I proposed that the Nordic Ministers of Finance assess the potential for regulating the size of fees and the time transfers take. The Confederation of Nordic Associations has studied the issue on several occasions and concluded that the banks have improved the information available, which has made transactions between the Nordic countries more flexible.

Action/outcome

The Nordic Ministers of Finance have discussed the issue on several occasions. They have been unable to agree to oblige Nordic banks to charge the same fees for Nordic transfers as for domestic transactions but did adopt a declaration in May 2004 that payments should not take more than maximum of three bank days.

Regional Issues

Regional issues and the Border Committees are particularly important in the work to remove barriers to cross-border freedom of movement in the Nordic Region. Regional Border Committees promote freedom of movement at local and regional level and work with the Nordic Council of Ministers' Secretariat through the Border Policy Secretariat. The agenda for the Nordic Ministers for Regional Affairs includes:

- A. A project to identify the best possible cross-border regional solutions in the Nordic Region – the GOLIN Project.
- B. Statistics about cross-border regional commuters in the Nordic Region.
- C. Projects about education, training, skills enhancement and the labour market.

A. Project to identify the best possible cross-border regional optimal solutions in the Nordic Region – the GOLIN Project

The four cross-border regions (Øresund, Östfold-Bohuslän/Dalsland, Haparanda/Torneå and ARKO) will work together to provide a description of the best solutions. The aim is to identify common problems on the labour market and show how they are dealt with in the respective regions. The pivotal point of the project is a number of workshops at which relevant stakeholder present local initiatives and discuss how other cross-border regions might benefit from those experiences. The workshop participants work with people and companies across borders on a daily basis, which means that the exchanges of experiences and “best practices” are very specific.

The first GOLIN workshop in Grebbestad in August 2003 was primarily aimed at officials (tax officers, social workers, job centre staff, etc.). The theme of the second workshop in Tornio-Haparanda in February 2004 was the 'Joint Labour Market in Theory and Practice' and the list of participants was expanded to include companies, employers' organisations, trade unions and selected cross-border, labour-market projects. The third workshop was held in Elsinore in September 2004 on the theme “Education and Skills Enhancement in the Nordic Region”. The subject was chosen because Nordic companies need staff with the right skills and employees need the chance to use their qualifications throughout the Region. Representatives of official bodies, experts in education and training, employers and trade unions, organisations and representatives from local projects in the four cross-border regions attended.

B. Statistics for cross-border regional commuters in the Nordic Region

Satisfactory statistical material about commuters in the Nordic Region is an important precondition for work on removing barriers to cross-border freedom of movement. The Ministers of Regional Affairs have started building up an overall picture of cross-border commuting in the Region. A provisional report about commuting across the Swedish/Norwegian border was presented in April 2004. The project is expected to be completed before the end of 2004.

C. Projects about education, training, skills enhancement and the labour market

In September 2004, the Committee of Senior Officials for Regional Affairs funded special 'patrols' to investigate barriers to cross-border freedom of movement as part of two projects initiated by the Øresund Committee. One project is based on the labour market and the barriers that emerge from different legislation and traditions. The second project looks at education, training and skills enhancement across national borders and the how the parties could work more closely together. Both projects will finish in late 2004.

Justice

Problem

The Nordic countries operate with different principles for the division of property after divorce and for inheritance law for spouses.

Proposal

The Nordic Ministers of Justice has been studying marital and family law and have produced four reports since 2003.

Action/outcome

The ministers discussed the issue most recently in June 2004 and decided:

- to mandate the Nordic Expert Group for Family Law to monitor and study the practical options for harmonisation
- that when national studies of family law are commissioned they should emphasise the question of Nordic due process
- To commission the Committee of Senior Officials for Legislative Issues to organise a Nordic conference about reform of Nordic inheritance law in order to maintain contact and co-operation.

Consumer Affairs

Project about basic payment services, including the obligation to provide a civil registration number when opening a bank account.

Problem

A civil registration number usually has to be presented to open a bank account but not always.

Proposal

The evidence suggests that the guidelines vary considerably from country to country. An investigation was launched into the requirements for opening a bank account, including civil registration numbers.

Action/outcome

The results were presented in spring 2004 but have not yet been discussed by the Ministers for Consumer Affairs.

Multi-sectoral approaches to freedom of movement

Issuing civil registration numbers

Problem

People moving between Nordic countries have to take a so-called “inter-Nordic document of change of address” with them. In some cases this does not happen and the issuing of a civil registration number may be delayed as a result. The lack of a civil registration number can be a problem, e.g. it can make it difficult to open a bank account, obtain a tax card, rent a house, etc.

Result

In 2003, the Ministers for Nordic Co-operation accepted the job of improving the Nordic system for issuing civil registration numbers. Experts from the Nordic registration services have been involved in an ambitious scheme to create a better system for citizens who move from one Nordic country to another and a revised agreement has now been presented.

Action/outcome

The perceptible result for the individual citizen is the abolition of the “inter-Nordic document of change of address”. People who move to other Nordic countries and meet the conditions for registration can now be issued with a civil registration number without any unnecessary delay. The central registration bodies will now be able to exchange information on-line instead of via the “inter-Nordic document of change of address”. The revised new agreement is expected to be signed in November 2004.

Nordic Language Convention

A legal study of the right of Nordic citizens to use their own languages in contact with authorities in another Nordic country and an information strategy for the Nordic Language Convention have been drawn up. The study has been submitted to the Ministers for Nordic co-operation who are waiting for input from experts before reaching a final decision. The legal study contains a comparison of the Nordic Language Convention with corresponding international agreements and an assessment of whether the follow-up work done at national level provides a basis for amending the language convention.

Regional Barriers to Cross-Border Freedom of Movement

Geography forms barriers to Nordic freedom of movement in cross-border regions, e.g. barriers to business traffic along the Swedish/Norwegian border. The Swedish Presidency of the Nordic Council of Ministers 2003 initiated direct work on the removal of barriers to cross-border freedom of movement for business traffic in the Nordic Region. Bornholm is one such region. One of the problems is that the countries have different rules about the types of medicine containing narcotics and psychotropics that travellers are allowed to take with them across Nordic borders. This presents a particular problem for regular travellers e.g. to and from Bornholm via Sweden/Ystad (cf. the section on health and social affairs earlier in this report). Icelanders also encounter difficulties because of their special surname tradition.

Examples of work to remove these barriers:

- A. Business-related regional barriers to cross-border freedom of movement
- B. Border problems for travellers to and from Bornholm via Ystad
- C. The Icelandic surname tradition

A. Business-related regional barriers to cross-border freedom of movement

Problem

Along Nordic borders, customs processing and excise duties present a number of difficulties and no joint Nordic rules exist for the length, breadth and weight of vehicles.

Proposal

The Swedish Presidency of the Nordic Council of Ministers 2003 hosted a results-oriented conference in Karlstad at which experts and civil servants discussed solutions to these problems. A second conference was held in Östersund, this time with politicians in attendance.

Action/outcome

By bringing together the right experts and civil servants, the Swedish Presidency managed to generate a series of perceptible and tangible results. Status for this work:

- Customs processing and excise duties along the Swedish/Norwegian border are being improved in 2004.
- Duties on the temporary import of machines are being cut. In practice, this problem has been solved.
- Trucks with mixed loads to have easier conditions at border crossings – pilot project launched January 2004
- Regulations about the length, breadth and weight of vehicles need to be more flexible – a pilot scheme has been proposed in Norway and Denmark but the Norwegians do not think it will be possible to change the current rules.
- Mutual recognition of machine operators' authorisations – an attempt is being made to draft Nordic regulations in 2004.

*B. Problems faced by travellers to and from Bornholm via Ystad**Problem*

Special entry conditions are placed on people with pets who travel to and from Bornholm via Sweden/Ystad. They need a declaration from the Swedish Board of Agriculture, and the owner has to sign a declaration that s/he will stick to the route between Limhamn, Helsinborg, Lernacken and Ystad; that the animal has not been outside Denmark, Sweden and Norway in the last six months; that the animal will not leave the vehicle during the drive through Sweden; that the stay in Sweden will not exceed four hours; that the animal is tagged with a tattoo or micro-chip and that the animal has been checked for worms.

Proposal

I have at regular intervals made both the Danish Minister of Food, Agriculture and Fisheries and the Swedish Minister of Agriculture aware of the problems involved in drawing up a solution that is both simple and user friendly. The current transit scheme does not cover rail/bus passengers to and from Bornholm.

Action/outcome

The introduction of strict new EU rules in the spring made it look as if this problem would be exacerbated. Fortunately, Denmark and Sweden agreed to ask the European Commission to approve the existing transit scheme described above. We will continue to work on this issue.

C. The Icelandic surname tradition

Problem

The Icelandic surname tradition is based on children taking their father's Christian name and adding the suffix *-dottir* or *-son*. There have been real-life examples of official bodies in other Nordic countries rejecting applications to register Icelandic surnames.

Proposal

Inspired by the solution found in Sweden to this problem, I raised the issue with the Danish Prime Minister.

Action/outcome

Icelanders used to have problems registering names in Sweden, in particular with the tax authorities. This problem has now been solved. The Swedish government has approved a change in their naming conventions so that Icelandic citizens who also have Swedish citizenship can retain or take a name, which s/he has or wishes to take as per the Icelandic tradition. This will now also be free of charge. The amendment came into effect 1 May 2003. Similar problems are also faced by Icelanders in Denmark. I have raised the matter with the Danish Prime Minister. He replied that the question is being dealt with by the Danish Committee for Legislation on Names. A report contains discussion of this question but I am still waiting to see what action will be taken.