

Newsletter article

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Newsletter No. 6 - Ten years with the Øresund Bridge: The combined labour market is based on new laws for tax and social security

People's expectations for a borderless market put pressure on national laws.

In the Øresund region, barriers in Danish and Swedish tax and social security legislation have been removed.

After ten years, during which more than 120 million people will have crossed the Øresund Bridge by car and 70 million taken the train across the bridge between Copenhagen and Malmø there is good reason to look back on a solid success. The bridge has not just made travel easier, but it has also laid the foundations for a new way of looking at Copenhagen and Southern Sweden.

The bridge has been the lever for the development where people in both Sweden and Denmark have been given the opportunity to live on one side of the bridge and work on the other, and where businesses have found it easier to expand their markets or start up new businesses on the other side of the Øresund.

Even though the Øresund Bridge and the Øresund region have come about as a result of a political desire to unite Copenhagen and Malmø, it has not always been an easy road to follow. The plans and expectations of businesses and local people about how they want to use the Øresund region have often developed faster than the political realities. Many of them have therefore experienced barriers in the form of differences in national laws and regulations which made it difficult to think of the region as one single region or market spanning the border.

Many barriers removed

A lot of work has been done to remove these barriers to free movement, which in particular concern tax, pensions and health insurance, etc. Claes Håkansson has a lot of experience with this work, firstly in the Øresunddirekt web portal and now as a senior adviser in the Øresund committee.

"The absolutely most important step was taken with the Øresund Agreement in 2001, which standardises the agreements about social security. It thus became possible for an employee to do part of his or her work from home (typically in Sweden) as long as at least half

Femern A/S is tasked with designing and planning of a fixed link between Denmark and Germany across the Fehmarnbelt. Femern A/S is a subsidiary of the Danish, state-owned Sund & Bælt Holding A/S, which has experience from the construction of the fixed links across the Great Belt and the Øresund.

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the work was undertaken at the employer in the other country (typically in Denmark). People are therefore insured for social security purposes in the country they work in, and given equal status with their colleagues – something which is very important."

The two countries' authorities and governments continue to work on the legislation and rules, and over the course of the ten years, important bilateral agreements about tax, labour market and social policy have been concluded based on EU rules.

Different patterns

"The development during the first ten years of the Øresund Bridge has gone from scepticism to enthusiasm, but the patterns in Denmark and Sweden have been different," says Claes Håkansson.

"Before the bridge opened, it was mostly Swedes who were oriented towards the Danish side, whereas Danes were more sceptical. The situation is quite different now. Danes have taken Scania to heart, they set up businesses, buy homes or just take a leisure trip across to the Swedish side, and have acquired a more positive attitude to the Swedes. On the other hand, Swedes, who always have been more ready for the Øresund region, have to a great extent found jobs in Denmark."

This is a development that is also down to the economic differences – higher salaries in Denmark, lower property and car prices in Sweden and the Swedish currency making it advantageous for Danes to cross the Øresund.

It can also become pertinent to adjust national rules once the Fehmarnbelt Fixed Link is finished. With the planned research cluster of Lund-Copenhagen-Hamburg, it may for example be necessary for staff to live in Denmark and work in Sweden and Germany, or another combination, and this could create issues for each country's own rules.

You can also read the article on our website: [Ten years with the Øresund Bridge: The combined labour market is based on new laws for tax and social security](#)