

# Closed borders and divided communities:

Status report and lessons from Covid-19 in cross-border areas

NORDREGIO REPORT 2021:6

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# Contents

<b>Foreword</b>	<b>3</b>
<b>Executive summary</b>	<b>6</b>
<b>Sammendrag</b>	<b>9</b>
<b>Introduction</b>	<b>12</b>
<b>1. Theoretical framework and approach</b>	<b>14</b>
1.1. Testing institutions	14
1.2 The re-emergence of the state	15
1.3 The role of multi-level governance in a state-centric era	16
1.4 Resilience	17
<b>2. Methodology</b>	<b>19</b>
2.1 Limitations of the study	20
<b>3. Border closures and uncertainty: Empirical findings from cross-border areas</b>	<b>21</b>
3.1 Bothnian Arc and Torne Valley border region:	23
3.1.1 Social aspects of a closed border	24
3.1.2 Economic impact	26
3.1.3 Politics	28
3.1.4 Co-operation	30
3.2 Svinesund Region	31
3.2.1 Social aspects of the closed border	32
3.2.2 Economic impact	34
3.2.3 Politics and co-operation	39
<b>4. Discussion</b>	<b>41</b>
4.1 Uncertainty, fear and nationalism	42
4.2 The effects of closed borders on local economies	43
4.3 Co-operation for future resilience	46
<b>5. Key lessons so far</b>	<b>50</b>
5.1 Strengthening cross-border co-operation for a resilient future	52
<b>Bibliography</b>	<b>55</b>
<b>Interview list</b>	<b>59</b>

# Foreword

This report arose from research undertaken by Nordregio on behalf of the Nordic Thematic Group for Innovative and Resilient Regions 2017–2020, under the auspices of the Nordic Council of Ministers' Committee of Senior Officials of Regional Policies. The work programme for the thematic group focused on four, interconnected topics: regional economic and social resilience, smart specialisation, digitalisation, and skills. From a regional development perspective, these topics link together to inform aspects of what creates both innovative and resilient regions across the Nordic countries. The thematic group also devoted time to researching these topics from a cross-border perspective, specifically in the area of Bothnian Arc (Sweden-Finland) and Svinesund (Norway-Sweden).

The global COVID-19 pandemic broke out in the first few months in the last year of the thematic group programme 2017-2020. In the light of this, confusion, stress and uncertainty arose among members of the thematic group cross-border committees. It is evident that cross-border areas, the epitome of seamless Nordic integration, suddenly became a victim of what we will describe as a double-edged sword. This issue is therefore devoted to giving an account of the situation in Svinesund and Bothnian Arc as it developed between March and October 2020.

# Statements from the cross-border committees of the Nordic Thematic Group on Innovative and Resilient Regions 2017-2020

## Bothnian Arc Committee

Cross-border co-operation has shrunk a good deal during the COVID-19 pandemic. At the same time, the passion, dedication, and commitment of border actors have proved more important than ever. Border communities are very fragile. Co-operation is dependent upon a handful of people. Border committees, in fact, rely on just one or two people. There is some financial support from the European Union (EU) programmes and the Nordic Council of Ministers for cross-border co-operation; but ultimately, collaboration is mostly dependent upon the financial support of the relevant local authorities. EU funded programmes, such as INTERREG, have been instrumental in boosting collaboration across borders. However, these are also constrained by the limited duration of projects. Long-term commitment is therefore the key to ensuring sustained collaboration, implementing joint actions and strengthening structures. It is important to respect our partners on the other side of national borders and to pay close attention to maintaining trust in relationships, which are built up over time. The same applies to partners across Europe. There is a strong European-wide movement around border areas, with the Association of European Border Regions (AEBR) playing a crucial role in building bridges and facilitating communication. It would therefore be a real pity if we were to lose such momentum as a consequence of the pandemic, allowing it to threaten relationships of trust and generate insecurity about possible opportunities for collaboration.

For the Bothnian Arc committee, joining the Nordic Thematic Group on Innovative and Resilient Regions has been a great opportunity. Studies and activities carried out across the region have provided valuable input for learning more about the challenges and opportunities in the border region particularly, as well as reflecting on necessary measures to strengthen resilience. It has also served as a platform for connecting networks within and beyond the region. The web conference organised on 12 November 2020, looking at the impact of the COVID-19 pandemic on border regions, was a clear testimony to a well-functioning network. A wide range of actors participated. They were all interested in discussing the pressing issues in, and future dynamics of, border communities.

Nevertheless, challenges for co-operation across the Nordic countries remain. Language differences are one key barrier. For Finns particularly, Swedish (and especially Danish) is difficult to understand. These and other barriers need to be reconsidered in order to maintain dialogue between Nordic partners. At a local level, municipal authorities have to realise that cross-border co-operation is strictly dependent upon their own willingness to put time and funding into supporting dialogue. In the Bothnian Arc region, there is an imbalance in the commitment displayed by municipalities.

The pandemic has exposed the sensitivity of border communities. At the same time, it has been a clear reminder of the benefits that freedom of movement offers to local economies, labour markets, and society at large in border areas. This should be a wake-up call for the renewal of collaboration and for building consensus among key partners.

**Heikki Aalto**

*CEO Bothnian Arc*



## **Svinesund Committee**

The Svinesund Committee celebrated its 40th anniversary in 2020. That is 40 years of cross-border development work and the cultivation of valuable interpersonal relationships. The global pandemic prevented us from celebrating together last year, but hopefully, we will be able to meet across the Swedish-Norwegian border in 2021.

The Svinesund region has many cross-border commuters, cross-border businesses, and large numbers of trucks crossing the border with goods to and from the rest of Europe. There is a significant exchange in terms of tourism and leisure, as well as shared history and culture. Regardless of the pandemic, the Svinesund Committee's political representatives have been adamant and clear that the committee's work and co-operation must continue according to plan as far as possible. The committee has developed digital technologies and is working with these to ease co-operation, but the closed border has affected us all.

Our feeling is that this Nordregio study, carried out in our border region and in the Bothnian Arc, is very valuable. It has confirmed some suspicions about what is going on, and it has deepened our knowledge of how different groups have been affected by the border closure. It also illustrates how important it is that those of us who live and work in the border regions can show how national decisions such as these affect work, leisure activities and everyday life for people in both of our regions. It is clear that the term and meaning of 'resilience' will become an important part of our structural work, and of the strategies that will be created in the wake of this crisis. All of us face the challenge of thinking effectively about resilience in the coming months and years.

We believe that by studying and analysing the effects we have seen so far, we will learn how to cope with crises, and how to overcome them. This is crucial for being able to return to working together for a sustainable and integrated Nordic Region. The 'corona shaming' seen on both sides of the border is bad. As Prime Minister Erna Solberg has said, "Corona shaming destroys Nordic co-operation". I say it is of great importance that our national, regional, and local leaders act and take a stance against suspicion, fear, and hatred.

***Elsie Hellström***

*CEO Svinesund Committee*

# Executive summary

This report was carried out by the Nordic thematic group for innovative and resilient regions 2017-2020 and was commissioned by the cross-border organisations Bothnian Arc and the Svinesund Committee. The situation that has unfolded due to the COVID-19 pandemic has exposed the fragility of Nordic co-operation. In this status report we look at the situation in border communities following the closing of the border, and what this may tell us about the state of Nordic co-operation – Vision 2030 for which includes integration.

This study employs an institutional perspective for studying Nordic co-operation, in order to help shed some light on changing intra-Nordic dynamics. It analyses cross-border co-operation and its role within Nordic co-operation, as well as considering it more generally as a component of multilevel governance structures. In their role as para-diplomatic organisations, cross-border committees are key to ensuring ongoing dialogue across municipalities on either side of the border, as well as facilitating the objectives of further regional and local integration between states across the Nordic Region and in the European Union (EU). The ability of border areas to exist side-by-side in an integrated, seamless way corresponds to the Nordic vision of being the most integrated region in the world. However, it is clear from this study that the role of Nordic co-operation is at a crossroads: which road it will take depends upon Nordic states' willingness to use this platform strategically – either as a 'must have', or merely as a 'nice to have'. The way border communities and cross-border collaboration is treated in a post-pandemic context will shed some light on the nature of resilience in Nordic co-operation.

This research project went through four phases. The initial phase consisted of collecting empirical evidence from interviews in the border regions of Bothnian Arc and Svinesund, as well as the perspectives of a handful of international experts. The second phase took these initial findings back to the cross-border committees for further input. The third phase brought an analysis of the two case studies to an online conference, gathering a wide range of participants to test the initial findings and to discuss the implications of border closures. Finally, the fourth phase consisted of analysing the results using the theoretical concept of institutionalism, multi-level governance (MLG) and resilience as the analytical frameworks. This last phase also borrowed results from a Nordic-wide survey run by the Freedom of Movement Secretariat at the Nordic Council of Ministers, looking at the impact of Nordic border closures on border communities. This added to the large bank of empirical evidence.

Freedom of movement and people across borders have been part of Nordic co-operation since the introduction of the Nordic Passport Union in 1954. However, the resurrection of borders and the variety of measures adopted to curb COVID-19 infection rates, plus the evident lack of coordination between the Nordic countries during the pandemic, has challenged the strength of existing collaboration and its promise of creating the most integrated region in the world. The role of borders and the true depth of the collaboration suddenly becomes very clear when looking at border communities: places where families, friends and businesses have been divided as a result of the abrupt ending of open borders. Despite this, during the first months of the pandemic, few proactive efforts were initiated at the national level to meet border community needs across Denmark, Finland, Norway and Sweden. Moreover, the failure to make use of existing collaborative platforms, and what seems to have been a lack of communication between states, were both met with surprise and frustration by people in border areas. Not using such collaboration structures demonstrates institutional weakness at the Nordic level.

While the state remains the main guardian of sovereignty, and a key unit of social, economic and political organisation, it came as a surprise when free mobility across Nordic and European countries suddenly came to a halt. Beyond the response to the pandemic itself, top-down national measures can be seen to have been undermining the unique position of sub-national governments in local matters along borders. Although the pandemic is of both national and

global concern, place-sensitive approaches (to allow for some level of normalcy in the lives of border residents) have clearly been called for in this situation. Veering away from the strong role of local democracy in Nordic regions may be a sign that, to some extent, the state is tightening its grip by concentrating decision-making at the national level. Using their relatively autonomous powers, local authorities are able to make long-term decisions about the provision of public services. In border areas, municipalities often make investments and deliver services in agreement with their neighbouring municipality across the national border. A key example of this is the twin cities of Haparanda-Tornio, which have important agreements about health, education, transport and risk management, among other matters of common interest. By closing borders, national governments have seemingly undermined the municipalities' legitimate authority to decide on strategic services.

As the pandemic progressed, concessions were made to alleviate the situation. The high degree of co-dependence in the Bothnian Arc region was a key reason for the Finnish authorities to apply exceptions, enabling people in border communities to cross more easily to the Swedish side. No such measures were implemented on the border between Norway and Sweden, except for allowing frontier workers in key sectors to pass through. Finding ways for agile yet place-sensitive governance approaches will be key when preparing to tackle new crises in the future. These approaches must be tailored to protect the complex social and economic links that exist in border areas. Rather than blanket policies, this would mean allowing border residents to live similar lives to those residing further from the border. Ultimately, moving away from the principle of subsidiarity means challenging the political legitimacy the state holds and risking a surge of discontent. This, in turn, undermines the value that soft multi-level governance approaches offer, such as the structures for inter-municipal collaboration across borders, and supports unfavourable one-size-fits-all policies. The scope for making mistakes was considerable in the context of the unprecedented challenge faced, and the measures adopted posed enormous challenges for border communities.

The social, economic and political impact of border closures has been significant in the border regions that we studied. Great economic losses resulted from a sudden absence of border shoppers and tourists, particularly in municipalities and regions with a low level of economic and industrial diversity. The impact has also been visual, whether in terms of empty streets in border municipalities along the Swedish-Norwegian border, or through the fence raised in the middle of Victoria Square in Haparanda-Tornio. The longevity of closed borders has also led to higher unemployment, whether among frontier workers or in sectors connected to border trade and services. This has led to discontent among many people. The uncertainty associated with the status of the border, alongside a confusing system with regard to social security and taxation, is testing people's trust in both the authorities and the rule of law, as they find themselves yet again subject to what might be seen as the 'double-edged sword' of cross-border working. However, the frustration is not only with their own national policies and approaches but also with neighbouring countries' perceived inadequacy in addressing the situation. The tug-of-war between supporting national approaches and remaining sympathetic towards neighbours is becoming increasingly challenging. Overall, this has led to a surge of nationalism. The media's role in what is perceived as sensationalist approaches to the pandemic in other countries is being blamed for the negative tone that is emerging between Nordic siblings. The tone that is emerging from social media and between people, such as the aforementioned 'corona shaming', is making cross-border actors worry about the potential for post-pandemic healing and reconciliation.

Border communities in the Nordic Region and the EU have undergone a long process of integration – something that was not just 'left-to-happen' by lifting border controls and other barriers, but has also been actively promoted through programmes and funding as a politically willed reality. When people are no longer able to cross the border, and this becomes a conscious act, the shock of sudden closure is therefore felt to be momentous. In a way, halting free movement in e.g., the EU, is betraying the ideal of being a union, not only in words, but in every aspect of life. The trust built around free movement has, in very concrete ways, enabled the creation of interwoven societies. Today, this trust under threat, and that in turn may affect the

future dynamics of both border communities and Nordic and European society in general.

Despite this difficult situation, cross-border collaboration between committees and organisations has continued. Municipalities and local actors have redoubled their efforts to secure the availability of basic goods and services, and have often lobbied national authorities to allow frontier workers to continue crossing borders. Several border committees, information centres and services combined their efforts with the Freedom of Movement Secretariat at the Nordic Council of Ministers and Info Norden in order to be able to monitor and assess the impact of border closures and lock-downs in border communities. The information they delivered to the national authorities played a significant role in the decision-making needed to solve critical issues. Para-diplomacy, the region-to-region, or municipality-to-municipality relations should not be underestimated as a powerful social and political tool for retaining some form of normalcy going in cross-border areas after the pandemic. A united cross-border committee also sends a strong message to national authorities and demonstrates their valuable role in working with local authorities on the ground in an attempt to make the region stronger together.

The pandemic is also accelerating structural change. In an increasingly digital workspace, and with improved digital solutions and network connections, people may see real potential in settling wherever they choose. This may contribute to changing urban-rural dynamics, which may be positive for border areas. Easier digital access to services could put peripheral areas on an equal footing with central areas. Although digital services already exist in remote areas out of necessity, they should share what they have learned with similar regions across the Nordic Region. Digitalisation also makes communication between border actors easier – with less need for travelling and meeting in person. However, increased e-commerce also threatens border shopping and trade. Such structural transformations may demand new competencies and forms of skilled labour, too.

Standing at a crossroads between an old normal and a future path, it is useful to apply resilience thinking to improved planning for the development of border communities. 'Bouncing back' or resuming the pre-shock *modus operandi* may be doomed to fail, given that conditions have changed. Therefore, a more logical way to plan the future of border communities may be to 'bounce forward', and to transition consciously onto a new path. New actions must consider the uncertainties we live with, and should reinforce border communities' capacity both to 'absorb' disturbances and to adapt to them. In the short term, border communities should focus on de-escalating fear, and 'us and them' sentiments, in order to reunite people and rebuild trust. Doing so will be essential to bring communities and authorities from both sides to pursue common goals.



# Sammendrag

Denne rapporten ble skrevet i forbindelse med den nordiske temagruppen for innovative og motstandsdyktige (resilient) regioner 2017-2020. Rapporten ble skrevet på oppdrag fra grensekomitéene Bottenviken og Svinesundskommittén. Omfanget av pandemien har avdekket svakheter i det nordiske samarbeidet. I denne statusrapporten ser vi på hvordan situasjonen har utspilt seg i grenseområder på grunn av de stengte grensene, og om situasjonen i grenseområdene kan si noe om status for nordisk samarbeid - Visjon 2030, som innebærer et fokus på nordisk integrasjon.

Denne statusrapporten tar utgangspunkt i et institusjonelt perspektiv for å bedre kunne utforske det nordiske samarbeidet, og for å kunne kaste lys over endringen i dynamikken mellom nordisk land. Vi analyserer grensesamarbeid og dens rolle innen det nordisk samarbeidet, samt grensesamarbeidets rolle i nordisk flernivåstyre. Grensekomitéenes rolle som para-diplomatiske organisasjoner er svært nødvendig for å opprettholde dialog på tvers av grensene. De er også viktige for å kunne videreføre målene om regional og lokal integrering på tvers av landegrenser, både i Norden og i den europeiske unionen (EU). Grenseområdenes evne til å eksistere side om side i et integrert og sømløst samfunn samsvarer med den samlede nordiske visjonen om å være den mest integrerte regionen i verden. Samtidig er det klart at det nordiske samarbeidet står ved et veiskille: hvilken vei man tar avhenger av de nordiske landenes villighet til å bruke nordiske samarbeidsplattformer mer strategisk – om det skal være et 'må ha' eller noe som kun er 'fint å ha'. Måten lokale grensesamfunn og grensesamarbeid blir behandlet på etter pandemien vil kunne si noe om motstandsdyktigheten i nordisk samarbeid.

Dette forskningsprosjektet gikk over fire faser. Den første fasen omfattet innsamling av empirisk data fra intervjuer med nøkkelpersoner i grenseområdene Bottenviken og Svinesund, samt intervjuer med en håndfull internasjonale eksperter. Fase to brakte de første funnene tilbake til grensekomitéene for ytterligere kommentarer. Fase tre innebar en digital konferanse med en rekke deltakere fra hele Norden og omegn, der vi presenterte våre analyser og fikk tilbakemeldinger. Vi fikk også mulighet til å diskutere flere perspektiver på grensestengingen. Fjerde fase innebar å analysere resultatene ut ifra et institusjonelt- og flernivåstyrerammeverk, i tillegg til å bruke et analytisk rammeverk for å bedømme motstandsdyktighet. Denne siste fasen lånte også fra den nordiske spørreundersøkelsen om COVID19 som ble utstedt til grensebeboere, og la disse til i vår empiriske evidensbank. Denne spørreundersøkelsen ble utført av sekretariatet i Grensehinderrådet.

Fri bevegelse over grenser har vært del av nordisk samarbeid siden introduksjonen av den nordiske passunionen i 1954. Ved gjenreisningen av grensene og de forskjellige tiltakene som ble satt til verks for å slå ned COVID-19, samt det tydelige fraværet av koordinering mellom nordiske land under pandemien, utfordrer samarbeidets styrke og muligheten til å være verdens mest integrerte region. Hvor dypt samarbeidet stikker blir svært tydelig når man ser hvordan familier, venner og bedrifter har måtte deles på grunn av stengte grenser. På tross av dype bånd mellom lokalsamfunnene på begge sider av grensa var det få proaktive tiltak fra nasjonale myndighetshold i Danmark, Finland, Norge og Sverige, for å kunne møte grenseområdenes behov i de første månedene av pandemien. Folk har vært både overrasket og frustrerte over at man på nasjonalt nivå ikke har kommunisert med hverandre eller har tatt den nordiske samarbeidsplattformen i bruk. Forsømmelsen av disse samarbeidsstrukturene under pandemien kan vise til en institusjonell svakhet på nordisk nivå.

Selv om den suverene staten står sterk og hovedaktøren i sosial, økonomisk og politisk organisering, er det overraskende når muligheten til å bevege seg fritt i Norden og i andre Europeiske land plutselig stoppes. På mange måter har nasjonale myndigheters svar på pandemiens utfordringer vært preget av ovenfra og ned-politikk, hvorpå regionalt og lokalt myndighetsnivå langs grensene har blitt oversett. Selv om pandemien er av både nasjonal og global karakter er plassbaserte tiltak, som gir rom for en tilnærmet normal hverdag i grensebeboeres liv, etterspurt. At staten strammer inn for å kunne ta beslutninger sentralt, er et

tegn på at lokaldemokratiet, som står sterk i Norden, er noe svekket. Normalt ville lokale myndigheter i grenseområder hatt mer makt til å kunne legge langtidsplaner for offentlige tjenester i sine områder. Dette har en stor betydning for grenseområdene, da grensekommunene ofte arbeider sammen på tvers av grensa for å kunne tilby tjenester til sine innbyggere. Et eksempel på dette er tvillingbyene Haparanda i Sverige og Torneå i Finland. Disse byene har viktige samarbeidsavtaler for helse- og omsorgssektoren, utdanning, samferdsel, og risikostyring, samt avtaler om andre fellesinteresser. I dette tilfellet er det klart at de nasjonale myndighetenes avgjørelser med hensyn til smittevern undergraver kommunenes mulighet for å kunne fortsette å utøve bestemmelser om strategiske tjenester.

Etter hvert som pandemien utviklet seg, har man sett ettergivelse fra nasjonalt nivå for dempe presset i grenseområder. Graden av gjensidig avhengighet i Bottenviksregionen var blant annet en av hovedgrunnene til at finske myndigheter gjorde unntak for grenseområder, slik at man enklere kunne ta seg over grensen til Sverige. Ingen liknende tiltak ble gjennomført på grensen mellom Norge og Sverige i 2020, bortsett fra å la nøkkelpersonell i visse yrker passere. Å finne smidige og plassbaserte styringsmetoder er nødvendig for å kunne møte nye kriser i fremtiden. Disse metodene må ta høyde for kompleksiteten av grenseområder, som har sterke sosiale og økonomiske tilknytninger. Dette vil kunne gi grenseboere muligheten til å leve et tilnærmet normalt liv – på linje med sine medborgere som bor lenger unna grensen. Det er også tydelig at det å bevege seg vekk fra nærhetsprinsippet utfordrer politisk legitimitet på nasjonalt nivå, noe som kan medføre en gryende misnøye blant folk. Å ikke se verdien av 'soft' flernivåstyre, som legger til rette for kommunesamarbeid på tvers av grensen, baner vei for ugunstige 'en størrelse passer alle'- politikk. Som enestående hendelse i nyere historisk tid har det vært store fallhøyder for tiltakene innført, og feilene som har blitt gjort har ført til enorme utfordringer for grensesamfunn.

De sosiale, økonomiske og politiske effektene av de stengte grensene har hatt stor betydning for grenseregionene i dette studiet. Det har vært store økonomiske tap på grunn av en plutselig uteblivelse av grensehandlere og turister, særlig i kommuner og regioner med svært ensidig næringsstruktur. Effektene av stengte grenser er også svært visuelt, enten om det kom til uttrykk i form av tomme gater i grensekommunene ved den svensk-norske grensa, eller grensegjerdet man har satt opp i på Victoriatorget i Haparanda-Torneå. En forlenget periode med stengte grenser har også ført til at arbeidsledigheten har gått opp, både blant grensependlere og blant folk som arbeider i sektorer knyttet til grensehandel og service. Dette har ført til mye misnøye blant folk, og igjen føler grensependlere at de er oversett og kommer dårligst ut. Usikkerheten knyttet til hvorvidt grensen ville være åpen eller stengt, og et forvirrende system rundt sosiale ytelser og skatteregler, har testet folks tillit til myndighetene. Likevel er ikke frustrasjonen kun rettet mot sitt eget lands tiltak og politikk, men også mot nabolandet, der tiltakene ofte oppfattes som utilstrekkelige. Taudragningen mellom å støtte sine egne nasjonale tiltak og samtidig vise forståelse overfor nabolandets strategi som på mange måter kan være annerledes, ser ut til å bli stadig mer utfordrende for folk i grenseområdene. Samlet sett ser det ut til at nasjonalismen sprier. Medias rolle, i det som oppfattes som en sensasjonalisering av tiltakene i andre land under pandemien, er sett på som en av skyldbukkene for å ha skapt den negative tonen blant folk i nordiske land. Man ser også at den harde tonen i sosiale medier og blant folk generelt, som for eksempel gjennom 'koronaskjemming', har gjort en del grenseaktører urolige for muligheten til forsoning etter pandemien er over.

Grenseområder og grensesamfunn både i Norden og i EU har gjennomgått en lang integreringsprosess. Å fjerne grensekontroller og andre barrierer er kun én del av dette arbeidet, og integrasjon mellom grenseområder har vært aktivt promotert gjennom prosjekter. På mange måter har det også vært en politisk villet gjerning. Når man så ikke lenger har mulighet til å krysse grensen på grunn av politiske beslutninger blir derfor sjokket stort når grensen stenger. På en måte kan man si at å stoppe grensekryssing, for eksempel i EU, er å svikte idealet om en union - ikke bare i ord, men i alle aspekter av livet. Tilliten bygget opp rundt frihet til å bevege seg på kryss og tvers av landegrenser har skapt sammenhengende og sammenvevde samfunn. I dag er denne tilliten truet, noe som kan komme til å påvirke dynamikken i grensesamfunn, men også mer generelt i både Norden og Europa ellers.

På tross av den vanskelige situasjonen fortsetter grensesamarbeidet mellom komitéer og

organisasjoner. Kommuner og lokale aktører har på mange måter fordoblet sitt arbeid for å sikre tilgang til basale tjenester, goder og produkter, og man har sett dem legge press på nasjonale myndigheter for å la grensependlere passere. Flere grensekomitéer, informasjonsentre og grensetjenester gikk sammen med sekretariatet i Grensehinderrådet ved Nordisk ministerråd og Info Norden om å følge utviklingen og effekten av stengte grenser og 'lock-down' i grenseområder. Informasjonen de fikk frem har vært viktig i å finne frem til løsninger på kritiske problemer. Disse funnene ble videreformidlet til nasjonale myndigheter i Norden. Para-diplomatiet, der regioner og kommuner møtes på tvers av grensen, er et viktig sosialt og politisk verktøy for å kunne bibeholde fremdriften i grenseområdene også etter pandemien. En samlet grensekomité sender også sterke signaler til nasjonale myndigheter, og man har mulighet til å vise deres verdifulle rolle i å knytte sammen lokale myndigheter i et forsøk på å stå sterkere sammen som grenseområde.

Samtidig er det tydelig at pandemien øker hastigheten for strukturelle endringer. I en stadig mer digital arbeidshverdag, og med forbedrede digitale løsninger og nettverksforbindelser, kan det være at folk ser muligheten for å kunne bosette seg der de ønsker. Dette kan endre by-land-dynamikken på sikt, noe som kan være positivt for mer utkantstrøk, som grenseområder ofte er. Med stadig bedre tilgang til tjenester på nett, kan mer perifere områder på en enklere måte konkurrere med sentrale områder. Digitale løsninger var allerede hyppig i bruk i utkantstrøk grunnet behov. Nå har man også mulighet til å utnytte tilegnet kunnskap, og dele sine erfaringer med andre regioner i Norden. Økt digitalisering betyr også at kommunikasjonen mellom grenseaktører er smidigere, med mindre reisebehov. Samtidig bringer økt digitalisering også med seg netthandel som kan true grensehandelen. Generelt vil disse strukturelle endringene kunne medføre etterspørsel etter ny kompetanse og evner.

Utviklingen av grenseområder står ved et veiskille, mellom den 'gamle' og kjente normalen og fremtiden. Her kan det være nyttig å anvende rammeverket for motstandsdyktighet (resiliens) for å bedre kunne planlegge for utviklingen av grenseområder. Å returnere til slik det va før pandemien kan vil være nytteløst. Forutsetningene for utvikling har endret seg. Derfor vil det være bedre å planlegge fremtiden ved å tenke at man befinner seg i en ny normaltilstand. Nye tiltak må ta høyde for usikkerheten man lever med for å kunne forsterke grensesamfunnenes kapasitet til å absorbere sjokk, og for å bedre kunne tilpasse seg nye situasjoner. På kort sikt bør grensesamfunn fokusere på å håndtere frykten, særlig 'oss mot dem'-tankegangen som råder, for å kunne gjenforene folk på tvers av grensa og gjenopprette tilliten. Dette er essensielt for å kunne få disse lokalsamfunnene og myndighetene på hver sin side av grensen til å arbeide mot et felles mål.



Magnus Fröderberg / Norden.org

## Introduction

The COVID-19 pandemic has exposed the fragility of the European Single Market and its 'four freedoms': the free movement of goods, people, services and capital across borders, as well as the weak state of Nordic co-operation. Official co-operation between the Nordic countries facilitated these freedoms much earlier than the EU, starting its process of integration in 1954 with the Nordic Passport Union. However, the closed borders, the different measures adopted and the evident lack of coordination between countries during the pandemic pose challenges for the Nordic partnership. They also threaten the 'Vision 2030' process, which states that "[t]he Nordic region will become the most sustainable and integrated region in the world" (Nordic Vision, 2030).

The rush to close borders constitutes a typical example of applying the "us and them" logic, when a threat is seen to come from the outside, according to Böhm (2020). It is in accordance with this logic that unilateral measures to 'defend' the wellbeing of those *within* are justified, neglecting the needs of those *outside*, including opportunities to act together. Unilateralism and inward-looking responses to the pandemic have been the norm in virtually all countries in Europe so far in the pandemic and, surprisingly, this approach has become widely accepted (Böhm, 2020). Supranational governance structures appear not to play any major role. Neither the EU nor Nordic co-operation seems capable of delivering an alternative. In this situation, cross-border collaboration became, if not outright impossible, then largely ineffective, at least at the beginning of the crisis.

While hard borders could not be justified under other circumstances, the general acceptance of them during a global health crisis threatens to normalise their presence. After more than six decades of Nordic collaboration, freedom of movement was interrupted for the first time in 2015 due to the refugee crisis. A lack of consensus within the Nordic family led to a unilateral decision to introduce passport controls between Sweden and Denmark, as well as strict border crossing measures between Sweden and Finland and Norway. According to interviews, the situation in 2015, however, is far from comparable to the COVID-19 pandemic, during which Nordic co-operation has hit an all-time low. It was clear that the Nordic Council of Ministers was not going to interfere in these matters, indicating that it was not a crisis-management organisation.

The coronavirus, however, knows no borders. It is by nature a transboundary issue, and stopping it requires global action. Measures to cope with the pandemic have an impact far beyond health. It is leading to a historic economic crisis and is having profound effects on society, in all possible ways – from feeding nationalist sentiment and damaging trust within and between communities, to creating psychological distress and increasing domestic violence. Apart from fuelling negative sentiments, the crisis is also accelerating other trends, some of which are



positive. Most noticeably, the digital transition has taken a giant leap forward. The structural transformation of the economy is also favouring a green transition in various ways.

Right from the start, the pandemic has greatly affected the lives of people across the planet. What was initially a health crisis has developed into a much wider social and economic crisis. In the Nordic Region, with every country choosing its own strategy, we are witnessing something reminiscent of a diplomatic crisis. Although border municipalities in the Nordic Region are reaching out in an attempt to mitigate the social crisis through para-diplomatic fora, such as cross-border committees, the image of a well-integrated macro-region is starting to crack.

The effects of unilateral decision-making have been particularly evident in border communities, which have been divided and caught in the middle of different infection mitigation strategies. In a way, border communities represent the epitome of Nordic co-operation, an excellent example of virtually borderless societies. However, in the light of the uncoordinated responses to the pandemic and increasingly inward-looking policies, it is fair to ask what has happened to the cooperative Nordic alliance.

From an institutional perspective, the responses to the crisis represent a major blow to supranational institutional structures. Both the EU and Nordic co-operation are witnessing member states reverting to a state-centric path. In the retreat from international collaborative structures, the committees and councils established to facilitate cross-border collaboration have been virtually forgotten. Their ability to leverage influence in national politics is to some extent non-existent, despite some of these councils and committees playing an important role in monitoring the emerging problems and reporting them to the Freedom of Movement Secretariat at the Nordic Council of Ministers, which in turn has brought them to the attention of the national authorities.

This situation calls for an investigation into the role of multi-level governance structures – both supranational institutions, and the cross-border committees in the emerging geopolitical arena. In some ways, the current situation exposes the weaknesses of Nordic co-operation and poses questions about its future. What do we mean when we talk about Nordic integration, and what role do border communities play in it?

Regardless of the future of Nordic integration and co-operation, border communities will continue to exist. This report takes a look at the situation in these areas during the pandemic (in the period between March and October 2020), particularly in the Bothnian Arc and the Svinesund border areas. Specifically, it looks at the immediate social and economic impact of the measures implemented and at the role of cross-border collaboration. The study applies an institutionalist framework to analyse the way governments and different supra- and sub-national institutions reacted to the pandemic. By doing so, it sheds some light on the degree of resiliency of the different institutional and multi-level structures in place.

# 1. Theoretical framework and approach

## 1.1 Testing institutions

Institutionalism may be a lens from which to conceptualise and understand the changing dynamics of what seem to be unprecedented times for Nordic co-operation. In general, institutionalism is the study of the interplay between states which, through their relations, cooperate when there is significant shared common interest (see e.g., Keohane & Martin, 1995). In the Nordic Region, the phenomenon has seen investments in shared institutions. From a modest start in 1952, this has led to the passport union in 1954 and the establishment of the Nordic Council of Ministers in 1972, in an attempt to tackle global trends in a concerted Nordic manner (Nordic Co-operation, n.d.). The role of institutionalism is firmly established in the common Nordic vision for a strong and unified macro-region, guaranteed by the right and opportunity to live, work and trade across the countries and by efforts to overcome obstacles to working together. Nordic co-operation has since displayed the hallmarks of liberal institutionalism, whereby the facilitation of reciprocity (such as the reduction of transaction costs, the strengthening of commitment, and coordination between states) may unfold (Keohane & Martin, 1995). However, the global health crisis is putting Nordic co-operation to the test as a forum for peaceful negotiations and solidarity based on a common vision, interests and history.

According to Keohane & Martin (1995), institutions move with changing conditions on the global stage. Although not perfectly correlated, the conditions within which institutions operate are established *a priori* and set the precedent for institutional action and behaviour (*op cit.*, 1995) while in a perpetual state of anarchy on the international stage (Keohane, 1984). In a way, states in this cooperative but ever-changing 'game' are simultaneously both the game regulators and its pawns (Brown & Ainsley, 2009). With changing conditions, states should therefore follow suit and change their own positions and rules when it is in their mutual interests in order to retain institutional rigour. However, with the lack of a coordinated response to the pandemic and the absence of impactful communication, Nordic co-operation is seemingly in disarray and its institutional power has been significantly reduced. As an institutionalised system based on trust and historical ties, Nordic co-operation, across its intergovernmental and interparliamentary platforms, possesses the tools to identify common ground and agree on common approaches to global trends and situations that affect all aspects of Nordic society. However, the absence of a common response to changing conditions in a global scenario destabilised by a health crisis, bears witness to an institutionalised system that is ill-equipped to deal with crises – at least beyond meta-conversations on integration and sustainability, two objectives that would indicate both stability and truly concerted approaches – to whatever exogenous shocks that may appear.

Although little power was ceded to Nordic institutions, to begin with, the *symbolic* power of the 'Nordic way' has been significant. It is beyond the scope of this study to take a closer look at the power dynamic in order to better understand and determine the impact of co-operation *internally* in the countries. What this report will consider more closely below, however, is the question of how the pandemic has unveiled the state's role as a key player in its own right.

## 1.2 The re-emergence of the state

The EU's gradual decentralisation of power in its efforts to address emerging public discontent, its emphasis on territorial governance and 'bringing the EU closer to its citizens' may be evidence of the changing role of the state (see e.g., Castells, 1996 in Arts *et al.*, 2009). "Processes of economic globalisation, political integration and sub-national regionalisation have had a weakening, or at least a decentring, impact on the state", Lagendijk *et al.* (in Arts *et al.*, p. 5-6, 2009) contend. They go on to suggest that the current state of affairs can be understood as "'glocal' forms of governance, resulting in a vertical diffusion of politics and power". The concept of 'territoriality', shifting and dispersing power to the EU and metropolitan regions, points to ongoing changes in the set of political-institutional fields in which states operate. Predating the dramatic changes of the pandemic, this shift was interpreted as the 'retreat of the state' in politico-economic governance (Albrow, 1996; Ohmae, 1996; Strange, 1996 in Arts *et al.*, p. 5-6, 2009). It brought with it "new forms of coordination and participation, induced by societal pressures for stronger public engagement, accountability and performance, [and] has changed the status and role of the state in political and policy processes, resulting in a horizontal diffusion of politics and power". More recently, this has become the objective of the EU, a means to connect the Union's objectives through regionalisation and its citizens.<sup>1</sup> In summary, an increasing emphasis on the role of institutions over states, politics and power has led to two major changes in Europe: 1) a vertical dispersion of power, albeit omitting of the state; and more recently, 2) a horizontal diffusion in terms of accountability and territorial governance on the regional level.

An opposing school of thought contends that the state remains "the main political power container ever [*sic.*], irrespective of globalisation, decentralisation, privatisation processes, and the like" (Hirst, 2000, in Arts *et al.*, p. 5-6, 2009; Kranser, 2001). Similarly, in light of the pandemic, Hwang *et al.* (2020) argue that the pandemic is "a strong reminder that we are still living in the age of the nation-state" (2020, p. 295). While some degree of power has been diffused vertically, the state retains sufficient power to override international conventions, particularly when sovereignty is at stake, even if at a merely perceived level. At the same time, the retention of state power is often seen in relation to security politics, but aspects of security and force are becoming less important in international relations (see e.g., Hwang *et al.*, 2020; Keohane & Nye, 1998). What emerges is a 'complex interdependence' between states based on increasingly intricate social and political relationships and connections (Keohane & Nye, 1998). In spite of differing views, there is a general consensus about the "fundamental transformation of the state in the current globalised network society" according to Castells (1996, in Arts *et al.*, p. 6, 2009).

Applying this analysis to the Nordic countries, the pandemic strategies adopted here give some indication as to the role of the state in security issues (Hwang *et al.*, 2020). It's the differing strategies adopted that make it clear that the pandemic is not only a question of economics or health and welfare in the Nordic Region, but also a question of national security. Based on state sanctioned responses, national security is taking precedence over the freedom of movement here and now in order to safeguard the possibility of a free movement of people and services in the future. The loss of these freedoms for national security purposes is most acutely felt in the border areas of the Nordic Region. Contrasting Sweden with the likes of Denmark, Finland and Norway, it may seem that the historical liberal institutional paradigm firmly integrated into Swedish society has remained static, despite changes in the underlying conditions.

Institutionalism may be a lens with which to perceive the strengths and weaknesses of Nordic co-operation and the role of the state in the new security landscape. However, the pandemic cannot be understood solely in terms of static units of power. In the Nordic Region, border municipalities uphold the true notion of Nordic integration. As described above, frustration with the impact of rash decision-making and uncoordinated national responses to the pandemic manifest themselves in border areas. To understand their inability to act independently to ensure normality within their communities, it is worth taking a closer look at the role and promises that

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1. Programmes such as LEADER, CLLD, and Smart Specialisation are examples of such efforts at the EU level.

arose with the shift from *government* to *governance* cumulated in multi-level governance approaches (MLG).

### 1.3 The role of multi-level governance in a state-centric era

Multi-level governance (MLG) was first discussed as a way of describing the relationship between different levels of power in a state-system, and in relation to the EU, in the early 1990s. According to MLG scholars, "the European integration process has radically altered the system and nature of governing in Europe" (Avesti, 2007). In doing so, MLG challenges the state-centric, inter-governmental understanding of European collaboration by adding supra-national and sub-national levels, plus non-state actors, to policymaking processes (*ibid.*). While the state is still held to be the most important arena for policymaking, MLG theory rejects the notion of nested political arenas where the state is "the exclusive channel through which domestic political actors channel their interests" (Marks *et al.*, 1998, in Avesti, 2007). Instead, it assumes that political arenas are interconnected at different levels, often bypassing the state.

The role of local democracy is strong in Nordic states, and at both the regional and particularly the local levels, it enjoys high levels of autonomy and power. These devolved systems of governance are evidence of both the vertical and horizontal diffusion of power. Moving power closer to people is often perceived to be a way of solving issues of political legitimacy. That is, moving power from the centre and out to the regional and local levels, according to the political economist and sociologist Max Weber (see, e.g., Heywood, 2007).

In this study, the analytical and empirical approach of MLG is useful for investigating the way in which the pandemic has contributed to a re-centralisation of power within the state. Since the outbreak of COVID-19, border communities and local authorities in these areas have noticed a significant stripping away of power, as national security concerns and utilitarian policies trump local nuances. This notably interrupts people's daily lives. In other words, the recent concentration of power in the state, despite its intents and purposes, "limits the self-rule of participating groups" and local authorities (Hooghe & Marks, p.825, 2020). Simultaneously, the nature of the pandemic hampers quick decision-making. In their article on agile versus adaptive governance in the pandemic, Janssen and van der Voort (2020) state that the nature of governance in times of crises "requires a high tolerance for paradox. It involves both rapid and sound analysis for decisions. It requires both centralized and decentralized mechanisms, innovation, and bureaucracy, and both science and politics" (Janssen & van der Voort, p. 6, 2020). This necessary paradox may again spur questions about the ability of the state to draw up timely and suitable policies for uniquely situated border communities, and may lead to the re-emergence of the question of political legitimacy.

A soft version of MLG may also be found in the way Nordic co-operation is constructed, with the sub-national regional units responding to a shared Nordic vision and objectives. This is manifested in the creation of cross-border committees, associations of border municipalities or regions, and other forms of bilateral agreements between municipalities, regions and states. Although the structure of these organisations differs, the committees receive funding from the Nordic Council of Ministers, but are also, in most cases, reliant on membership fees. The role of the EU's Interreg is also becoming increasingly important for funding cross-border activities and projects. These funding channels bypass the state, and create a direct link between sub-national levels, supranational bodies like the EU, and intergovernmental actors such as the Nordic Council of Ministers.

Cross-border committees and organisations are made up of border municipalities and regional authorities working together to overcome hurdles to co-operation, and by extension, to contribute to the further integration of the Nordic Region as a whole. The elimination of barriers across states, along with a high degree of decentralisation, has facilitated direct ties between sub-national authorities in border regions. For example, these connections have led to agreements for the joint delivery of public services on both sides of a national border in the Torne



Valley. The absence of barriers obstructing local decision-making power through the commitment to Nordic integration has made this possible. Dismantling barriers to cross-border integration remain one of the most important objectives for cross-border committees to tackle, but the committees also play an important role in providing a platform for dialogue and collaboration.

The pandemic and its paradoxical requirement for both rapid and sound decision-making and both 'centralised and decentralised mechanisms of governance, makes for a difficult situation in border regions. The lack of co-operation during the pandemic suggests that the Nordic states are willing to forego the nature and interconnectedness of the border areas. The lack of a clear response to COVID-19 resonates with the border municipalities and amplifies the destabilisation and current fragility of Nordic institutions.

Recovering from this crisis will require investigation of both the institutional mechanisms for, and purpose of, Nordic co-operation. Creating resilient institutions will be crucial for its very survival, which will rest on the authorities' ability to guarantee free movement and trade in order to ensure effective coordination of public services – and the ability to encourage the people to trust each other again.

## 1.4 Resilience

Resilience literature constitutes the third block of theory relevant to analysing the multifaceted impact of the pandemic on border regions. As the pandemic has been, in full effect, a shock to our social, economic, and political systems, resilience thinking may be useful for understanding how such systems are affected and what facilitates transition and recovery.

Resilience thinking has its origins in ecology and physics. It has been applied to different fields, including the social sciences. The Latin root *resilience*, to leap back or to rebound, refers to the ability of an entity or system to recover elastically, following a disturbance or disruption (Martin, 2012, in Giacometti *et al.*, 2019). Resilience literature identifies two alternative pathways for recovering from disruption: namely, 'bouncing back' and 'bouncing forward'. Bouncing back entails resuming pre-shock conditions or getting back to 'normal'; while bouncing forward implies transitioning into a new 'normal' (Bonß, 2016; Muštra *et al.*, 2016). In addition, in the social sciences, 'evolutionary resilience' provides a more dynamic understanding of development paths. The evolutionary approach rejects the idea that societies and economies can be in a state of equilibrium, and instead envisions economic trajectories as being complex, non-linear, and dynamic (Giacometti *et al.*, 2019; Sensier *et al.*, 2016; Martin & Sunley, 2015). Based on this assumption, the ability to absorb a shock requires a certain degree of reorganisation and change (Muštra *et al.*, 2016). This is known as 'adaptive resilience', where changes are not seen as the last resort but are part of a continuous process of adaptation. Adaptive changes to foundational structures of a given system are therefore imperative to maintaining or restoring previous development paths, or transitioning to new sustainable paths (Muštra *et al.*, 2016).

The COVID-19 pandemic has exposed the weakness of global governance and supranational institutions in delivering coordinated solutions and reaching consensus, particularly when dealing with a global threat. In this light, it is worth asking: How resilient are the existing political systems and institutional structures in a world that is deeply globalised? A follow-up question in the context of this study is: How effective are soft governance approaches in securing border communities' resilience? And what needs to be done to ensure adaptability?

Answering these questions requires posing yet another set of questions about trends in global politics. Is the state-based approach to the pandemic surprising, or is it one more (yet overwhelming) manifestation of a politically divided western-society? If the latter, are we seeing the fall of multilateralism?

These are key questions to be asked when planning for the recovery of border communities after the current crisis. If we plan to 'bounce back' to pre-shock conditions, can we expect a new wave

of enthusiasm for international collaboration? Equally, if nationalistic forces continue to take precedence, may we be at a turning point in relation to Europeanisation, Nordic co-operation and other forms of international partnership? If this is the case, the state will re-emerge as the main unit for political, social, and economic organisation. Cross-border collaboration may then need to be of the 'bounce forward' variety, and plan to create a fundamentally different playing field.

The objective of this study is therefore to identify ways in which border communities may be strengthened in a post-pandemic world. It has become evident that, in the absence of multilateralism or some form of inter-governmental collaboration, centrally-made decisions can be highly disruptive to the normal functioning of border communities. Border communities' resilience is therefore fragile and intrinsically bound to national decision-making concerning borders.



**Svinesund bridge**  
Rainer Prang



**Haparanda - Tornio**  
Daniel Falldin

## 2. Methodology

The overall objective of this study is to create an understanding of the immediate effects and impacts of COVID-19 on the border communities in Svinesund (SE-NO) and Bothnian Arc (SE-FI). The case studies were selected and based on the cross-border committees represented in the [Nordic Thematic Group for Innovative and Resilient Regions, 2017-2020](#).

Using case studies to investigate the impacts of closed borders on border communities provide an entry into understanding the complexity of the situation while adding to the general understanding of supporting evidence (Yin, 2018). This report additionally offers two different typologies. While Bothnian Arc is located in the north of Sweden and Finland, Svinesund is centrally located on the border between Norway and Sweden – between Oslo, the capital city of Norway, and Gothenburg, the second-largest city in Sweden. Although these two border areas share similarities regarding, for example, their high dependency on tourism, rural and coastal areas, strong industries and cross-border trade, there are also differences with regards to, for instance, their relative population density and demographic development. It is also worth mentioning that the border area in the north of Sweden and Finland is home to the twin-city Haparanda-Tornio, whereas Svinesund does not have a similarly interwoven border town. Additionally, with Norway outside the European Union (EU), Svinesund is part of the outer border of the Union. Sweden and Finland are both EU member states. The research project additionally interviewed representatives from the Greater Copenhagen and *Øresund Direkt* – cross-border organisations, representatives from the Association of European Border Regions, the Nordic Council of Ministers, and a researcher working with cross-border issues in the Czech-Polish border. The case studies in this report represent the following:

1. Cross-border areas in two contextually different regions.
2. The cross-border areas that have been deeply affected by a social, economic, and political level by the pandemic.
3. Identification and substantiation of common cross-border issues hampering the vision of Nordic integration through a cross-case and thematic analysis.

The following research questions guided the project:

**RQ1:** What have been the immediate effects of the COVID-19 pandemic on border communities: social, economic, and political aspects?

**RQ2:** What are the key challenges and opportunities emerging from the crisis?

**RQ3:** What can be learnt from the situation in the Bothnian Arc and Svinesund?

The report is largely based on a qualitative method through semi-structured interviews with key stakeholders as well as civil society in the border regions. The cross-border cases are therefore formulated through a story-telling approach. The interviewees were suggested by the cross-

border committee members in the thematic group and represented different categories – including business and trade organisations, healthcare and emergency services, civil servants on both the municipal and regional level, cross-border committee members, employment services, civil society, and information services. The total number of interviews was 36.

The interviews were supplemented with an online conference and workshop on 12 November 2020. Input from the conference workshop added to the broader perspective, focusing on the new possibilities following the closed borders. A total of 81 people attended the conference, around forty of whom attended the integrated workshop.

In the discussion section, we also incorporate the findings of the responses to a Nordic-wide border barrier survey conducted in summer 2020 by the Freedom of Movement Secretariat at the Nordic Council of Ministers. By July 2020, 1,669 people had responded to the survey, shedding light on some of the most pressing issues and challenges for people living in the border areas. The majority of the respondents live around the Norwegian-Swedish border and the Swedish-Finnish border, but a number of respondents also live in the Swedish-Danish border areas.

The report also builds on desk research using secondary resources (including newspaper articles, existing research on cross-border issues, policy briefs, academic articles, etc).

## 2.1 Limitations of the study

This study is largely empirical and based on the interviews. It relies on a limited sample of cross-border regions, and only aims to give an idea of some of the most pressing issues in these areas. The authors do not claim that the findings are universal but suggest that they might be symptomatic of the challenges faced by cross-border areas in the Nordic Region. This is an ongoing crisis, and therefore it is impossible to draw any final conclusions. Since our interviews, new rules have been implemented. The pandemic is a moving target with new recommendations and policies introduced as the situation develops. This also means that our economic assessments with regard to impact, unemployment, etc. are based on estimates.





News Øresund - Johan Wessman

### 3. Border closures and uncertainty: Empirical findings from cross-border areas

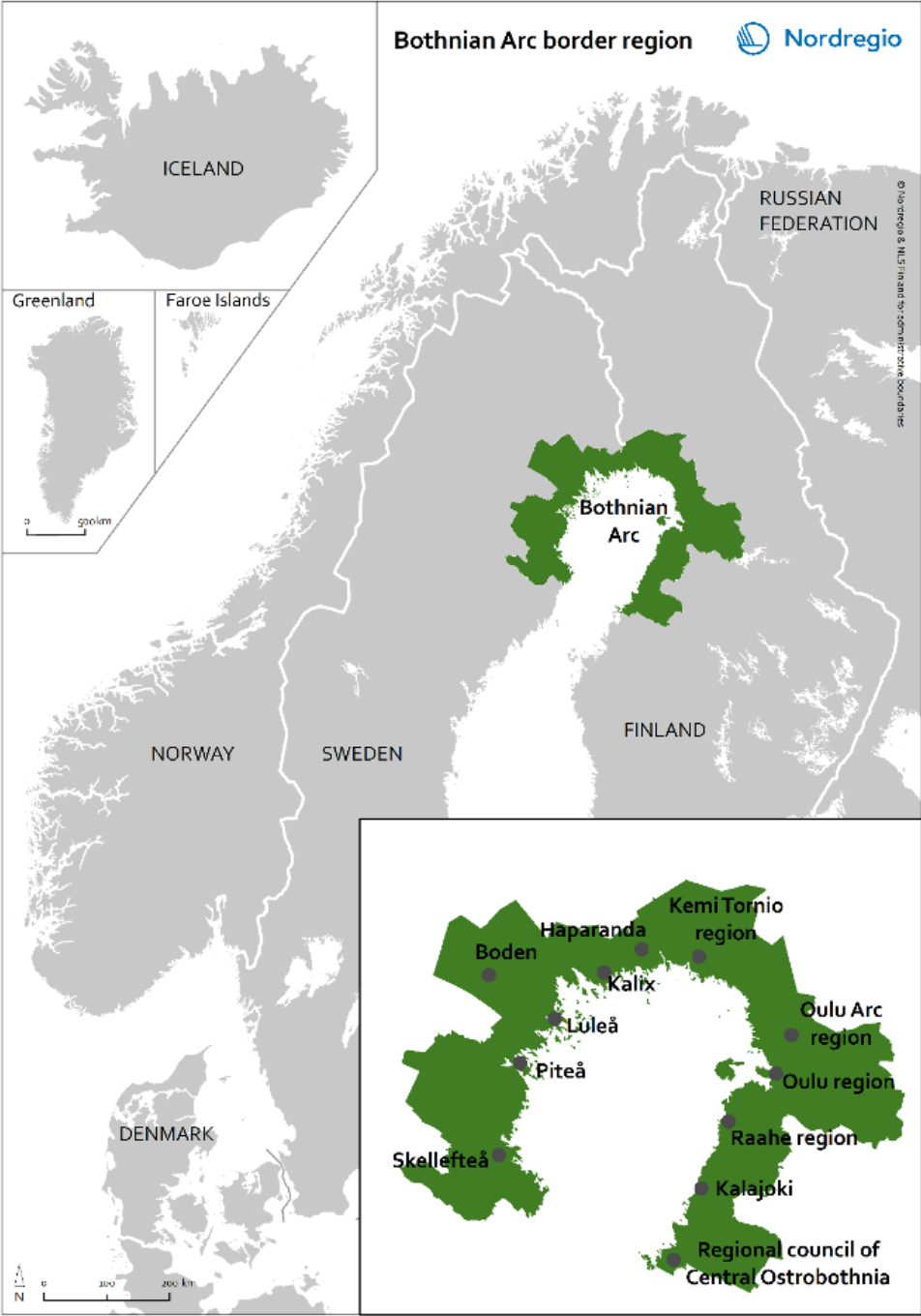
COVID-19 has challenged border communities across Europe in a variety of ways. Conversations with representatives from the Association of European Border Regions (AEBR), researchers and cross-border committees, suggest that the situation remains uncertain and difficult for those living and working across borders. In a joint effort with border information services, the Freedom of Movement Secretariat at the Nordic Council of Ministers "identified 44 different types of disturbances and obstacles in the cross-border regions", explains Sandra Forsén, Senior Advisor to the Secretariat. "Around half of them – [she adds] – affected those commuting across the border, 14% had an impact on cross-border businesses, and 20% affected personal or family relations across the borders." This illustrates the complexity and diversity of the challenges that emerge when borders are closed. Martin Guillermo Ramírez, Secretary General of the AEBR, explains that, "many of the nation states in Europe decided to close their borders to contain the pandemic, but in some cases, they were reopened less than 24 hours later because of the high level of interaction in the border areas."

However, the measures implemented during the pandemic have exacerbated the already challenging landscape faced by border communities. According to Ramírez, cross-border collaboration is significantly threatened by ongoing political developments such as Brexit and the growing nationalism throughout Europe.

The pandemic has also put borders and border communities in the spotlight and has led to a realisation of the importance of integrated border communities, putting them higher up on both the national and European agendas, according to Ramírez. This was confirmed by studies conducted on the Polish-Czech border during the summer of 2020 (Böhm, 2020). Indeed, Ramírez explains that "this represents an important turn of events, considering that we started the year with the announcement that there would be a budget reduction for cross-border co-operation in the EU; and now there is a proposal on the table to increase funds for territorial co-operation from the recovery package." This provides an opportunity for border committees and organisations working for cross-border collaboration to make their voices heard. Yet in an increasingly inward-looking political arena, Ann-Sofi Backgren from the Association of Rural Advisory Centres and Chair of AEER emphasises that in addition to local efforts, they will have to work much more actively at national and European levels. Backgren concludes that "it is time that we boosted this Nordic brand of cross-border co-operation as a tool to strengthen integration in border regions, both in the Nordic countries and in Europe."

The following sections will delve into the situation that emerged in the two border regions of Bothnian Arc and Svinesund. They provide an example of the situation faced by Nordic border regions due to measures adopted to cope with COVID-19. Experiences have been similar in many parts of Europe and the world, in some places worse than others.

### 3.1 Bothnian Arc and Torne Valley border region



Map 1: The Bothnian Arc border region. Map by Julien Grunfelder, Nordregio.





Tornio river  
Shutterstock.com

### 3.1.1 Social aspects of a closed border

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“In the past, the river was the road, not the border” (interview)

At the Swedish-Finnish border, the differences between national responses were felt acutely. During the first weeks of the pandemic, life around the border continued much as normal, except that people were asked to limit their daily outings. Soon, however, the situation changed radically. That invisible line dividing Tornio from Haparanda became a physical barrier, with temporary fences raised on the streets and at Victoria Square. “It was like the Berlin Wall went up across our town square”, Swedish lawmaker Ida Karkiainen told *Politico* (2020). North of the city, barricades were placed on the bridges along the Torne River, which forms a natural boundary between the two countries. The Finnish Border Guard was deployed to watch the border and to register every crossing if any were allowed. Some locals said that even during World War II, heavily armed guards had not been deployed on the border. As one interviewee recounts: “This has been one of the most peaceful borders in the world, but when Finland closed the borders, they brought in the military”. They were “very rude and searched the car while being heavily armed; it felt scary, like we were in a war,” he concluded.

By contrast, Sweden placed no restrictions on Finns or anybody else entering the country. Even so, most activities around the borders ground to a halt. According to the Finnish Border Guard, a total of 113,000 border crossings were recorded nationwide between 18-24 May 2020, which represents a 91% drop compared to the 2019 average (Raja, 2020). No exceptions were granted to border communities, nor were any specific considerations made to attend to their needs in the early weeks of the pandemic. Frontier workers were eventually allowed to cross, but only after legal disputes were Finnish citizens and business personnel allowed to cross. Swedes had to wait much longer.

The seemingly ‘borderless’ regions between Sweden, Finland and Norway have meant, in practice, that social relations, work, trade, and businesses crossed borders on a daily basis, as

they had done for centuries (Yle, 2020a). Haparanda-Tornio is a fully amalgamated and co-dependent cross-border city, despite having different governments, rules and languages. People from either side cross the border to work, study, shop, access different types of services, visit family and friends, and use their holiday homes. This level of co-dependency exists, to a varying extent, in communities along the 'Tornedalen' (Torne Valley, the border region divided by the Torne River). Certain shops, products or services can often be found on one side of the border only, especially in less populated areas. The IKEA store and the Språkskolan/Kielikoulu bi-national school are in Haparanda, for example; whereas the swimming pool, the shopping mall, and the only photo-shops in the area are in Tornio. Further north of the twin-cities there may be just one shop to serve communities on both sides of the border – such as the grocery store in Pajala (Swedish side), which serves residents from the Finnish side. According to interviews, 35% to 50% of retail customers in Finnish border municipalities come from Sweden or Norway. In the municipality of Utsjoki, in northernmost Finland, more than 75% of company turnovers come from cross-border trade, and 90% of customers are from Norway.

Closed borders have hit border communities heavily. According to one interviewee, "for some time, families could not visit each other, and parents with shared custody of their children had to exchange them at the border, without putting one foot on the other country themselves." Swedish kids could still attend the SVEFI bi-national school, while their Finnish classmates stayed home. Once they were allowed to attend school again, border guards demanded to see their ID cards before they were allowed to cross. One person recalled that "a 10-year-old kid forgot his ID card and could not remember his identification number – so he was not allowed to go to school." Like SVEFI, Utbildning Nord, is another example of successful cross-border co-operation. The tri-national school located in Övertorneå offers professional education to adults from Norway, Sweden and Finland. Yet when the pandemic arrived, Norwegian and Finnish students were ordered to return immediately to their countries, despite many of them living on campus. According to the school director, "Princess Victoria visited the school on Tuesday, and by Friday all the students had to leave... It happened so suddenly, in a panic," he added.

Once the borders closed, several shops began to deliver products to private homes across the border, but this was suddenly prohibited, too. In response, "shop-owners sued the border guards, with reference to Finnish law which states that transit cannot be stopped, even if there is war". "All hell broke out" when people realised their rights had been trampled underfoot, one interviewee recalls, adding that "Finns started to cross, and stores were able to make deliveries across borders again". However, while Finns were allowed to cross the border, Swedes were not. In one case, a person had to drive 130km from Haparanda to Luleå in order to get a picture taken, despite there being three photo-shops in Tornio, all at a walkable distance from the border. This type of conflict became a recurring feature of life. According to interviews, this resulted in "lots of legal actions [being] taken against the border guards, claiming that there has been a breach of people's rights."

This situation has not only generated mistrust and anger towards the authorities, it has also created a great deal of tension among people themselves, most interviewees conclude. Swedes have found their cars vandalised or have experienced other forms of rejection when visiting shops in Finland. Nationalistic sentiment has overflowed onto social media platforms. A public official recounts that "there are lots of negative things on social media from both countries." Someone else points out that "national identity predominates in times of crisis, and this brings the worst of people out to defend themselves." At the same time, many people commented that this "is strange for a community that is bi-national". One Swedish resident said that "half of my family is in Finland, and this is very natural, because we used to be the same people". "In the past, the river was the road, not the border," he concluded.

### 3.1.2 Economic impact

For businesses and workers, the consequences of closing borders, and other measures to cope with the pandemic quickly became evident. It is still too early to provide a full picture of the economic impact of the pandemic. However, it is clear that the crisis is profound and that it will have lasting effects. At this point, it is worth highlighting that the impact is largely asymmetric, affecting certain regions and sectors of the economy differently. The different regions' economic structures, therefore, determine the extent to which they are affected by the crisis, as well as the effectiveness of the national and local measures to provide relief for businesses. Along the Finnish-Swedish border, the economic structure is to some extent similar, with tourism, trade, and process industries constituting the main sectors. The public sector is also a key employer, particularly in the education and healthcare sectors.

For border regions specifically, what has determined the extent of the economic shock is the degree to which businesses and trade are tied to a neighbouring country's market. According to an official from the city of Tornio, crossings "went down by 75% between Tornio-Haparanda [by May 2020] – which has had a huge negative impact on hotels, IKEA, and many other businesses." Finland's national public broadcasting company, Yle (2020a), reveals that by June 2020 grocery trade had decreased by around 25-30%, and in speciality goods by about half in Finnish border municipalities. As one company owner puts it: "My Swedish customers could not visit my company in Tornio, which significantly reduced the business."<sup>2</sup> In this case, the shop owner adds, "this group makes up 30-40% of the customer base, so the impact on sales was very large." One interesting observation from this company is that "most of these customers are Finns, but live in Haparanda".

Despite these significant economic losses, the region of Norrbotten had the lowest unemployment rates in Sweden (6.8% in August 2020). Even so, the demand for labour declined significantly from March onwards. Unemployment also increased rapidly in the hospitality and service sectors, while public sector jobs remained largely stable. The situation, however, was significantly better than in other parts of the country. The main explanation given by the public employment services (Arbetsförmedlingen) is the severe lack of available workers, which means that even when demand goes down, it still exceeds the region's needs. This is particularly so in the health and education sectors, and in the mining and IT industries. Another reason is that many employers have not made rushed decisions, but instead have "waited to see how the situation evolves". Increased unemployment was therefore expected a few months after the start of the pandemic "when businesses could not hold on anymore". However, state and municipal financial relief, as well as the mild restrictions imposed by the Swedish government, have been instrumental in slowing down unemployment trends. Indeed, the impact on the labour market in Norrbotten and Sweden has been less dramatic than expected. By summer 2020, the Swedish employment service predicted that unemployment would continue to rise until 2021. However, figures in the autumn showed a mild improvement, with the rate falling from 9% to 8.8% in Sweden. The employment services explain that projections were based on employers reporting that they planned redundancies. In many cases, however, employers did not proceed with the plans.

Just across the border, in Finnish Lapland, the situation is different. Lapland's economy is highly reliant on tourism, which was among the hardest hit by the pandemic. Additionally, Finland's strict lockdown left less room for businesses to operate than in Sweden. Unemployment rates increased rapidly in the early months of the pandemic. Table 1 shows the rise by April 2020 compared to the same month in 2019, both at a regional level in North Finland and Sweden. See Map 3 in section 7.2 for unemployment registrations (April 2020) at a municipal level. While the percentage increase is only a few points higher than in Norrbotten, the increase is significantly higher considering the population size (the number per 100,000 inhabitants). Additionally, pre-pandemic unemployment rates in Lapland were much higher than in Norrbotten. That said, the largest increase in unemployment in Lapland was still expected at the time of writing (November-December 2020), which is the high season for tourism. The relative improvement of the health crisis during the autumn gave some hope that the tourist season could be rescued.

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2. From the survey launched by the Freedom of Movement Secretariat at the Nordic Council of Ministers.

However, by early November, most packages for the season had to be cancelled.

Region	Number of registrations		Additional registrations, April 2020		Change (%)	Population (2019)
	April 2019	April 2020	Total	Per 100,000 inhabitants		
Norrbotnen	3839	4608	769	307	20.0	250,497
Lapland	8465	10406	1941	1087	22.9	178,522
Northern Ostrobothnia	16896	20731	3835	930	22.7	412,161

**Table 1: unemployment registrations in the Swedish-Finnish land-border regions (April 2019-2020).**

Tourism represents 5.7% of Lapland's GRP, and 25% (rising to 70%) of municipal revenues (Lapin ELY-keskus in Tiina Keränen, 2020) Additionally, 70-80% of visitors come from abroad, particularly from East Asia (*ibid.*). Many tourist attractions are designed mostly to cater for foreigners, and have thus been forced to target locals instead. Financial support from the Finnish Government provided some relief to companies throughout the pandemic, in addition to the support received at local level. For instance, Business Tornio launched a specific Coronavirus aid package, granting a one-time payment of €2,000 to self-employed people. Nevertheless, having doors closed during the peak tourism season is likely to have a devastating effect on the local economy. One interviewee warned that the majority of tourist companies "will go bankrupt; mostly small [ones], but also the big companies" if no substantial support arrives from government. According to this person, the effects will also spread to all the sectors that service the tourism industry. Young people are particularly at risk, because "many young people work in tourism", she concludes.

As the situation evolves, it is difficult to predict what the long-term economic effects of the crisis will be. However, structural transformations to the economy are surely imminent, with certain jobs disappearing quickly, and new and more sophisticated ones emerging. The transition is expected to lead to long-term unemployment for some and to make it difficult for young people and foreigners to find jobs.

When it comes to border regions, the disruptions inflicted on mobility can quickly lead to less integrated markets overall. According to our interviews, a good deal of uncertainty and fear has been sparked within the border community, particularly for frontier workers. As one person neatly put it: "At one point it was almost criminal to work on the other side of the border. I could not get to the doctor or do grocery shopping, and our children's friends could not visit us in the village, because we are frontier workers." Similarly, another person expressed the fact that she has "always found it exciting to live and work in two different countries, to speak two languages, to have the currency of two different countries, [to live in] two time-zones. But now I don't know, there are a lot of uncertainties and challenges ahead." Another person referred to the threat of imposing fines and even jail on those breaching the rules in Finland. Yet, "if commuters were to follow this rule, they would be permanently in quarantine." This, he believes, is not only unrealistic, but also undermines regional differences, since the infections in the Sweden-Finland border area were significantly lower than in other parts of the two countries. As this situation plays out, people come to an accommodation with the new conditions. Many are "rediscovering shops in their own country", when before they used to shop on the other side of the border. According to one expert, this pattern not only responds to pricing, but also to habits. This, he believes, will lead to permanent changes in shopping patterns. When it comes to the healthcare



and education sectors, municipalities in the Norrbotten region are heavily dependent on Finnish workers, many of whom are cross-border commuters. Reduced enthusiasm for working across borders could threaten the labour supply in these basic services.

### 3.1.3 Politics

National use of emergency laws, and other measures implemented at the beginning of the COVID-19 pandemic, offered no specific heed to the needs of border communities. The Finnish Minister of Internal Affairs travelled to Tornio to see for herself how the border guards were dealing with the situation, but local voices say that there was no dialogue with the local authorities or media. According to one interviewee, "from the beginning, there was very little communication between national level and local players." A representative of a border council claims that not even the Minister for Nordic co-operation was involved, much fewer border experts. "We are talking of a few people who have knowledge about these issues, so we talk to each other and share the frustration that we are not listened to," she adds.

When emergency laws were enacted in Finland, local authorities were obliged to respect and them. This prevented them from taking any substantial steps to counteract the negative effects of closing borders, at least in the beginning. However, they quickly realised the major consequences such measures had on families, commuters and the healthcare system. According to one official in Tornio, they had to "respect the national guidelines – but we saw the need to do something about healthcare, given how dependent Swedish healthcare is on Finnish workers". The Mayor of Tornio therefore "had lots of meetings in Lapland to inform local mayors about the importance of letting healthcare workers go to Sweden," he reveals.

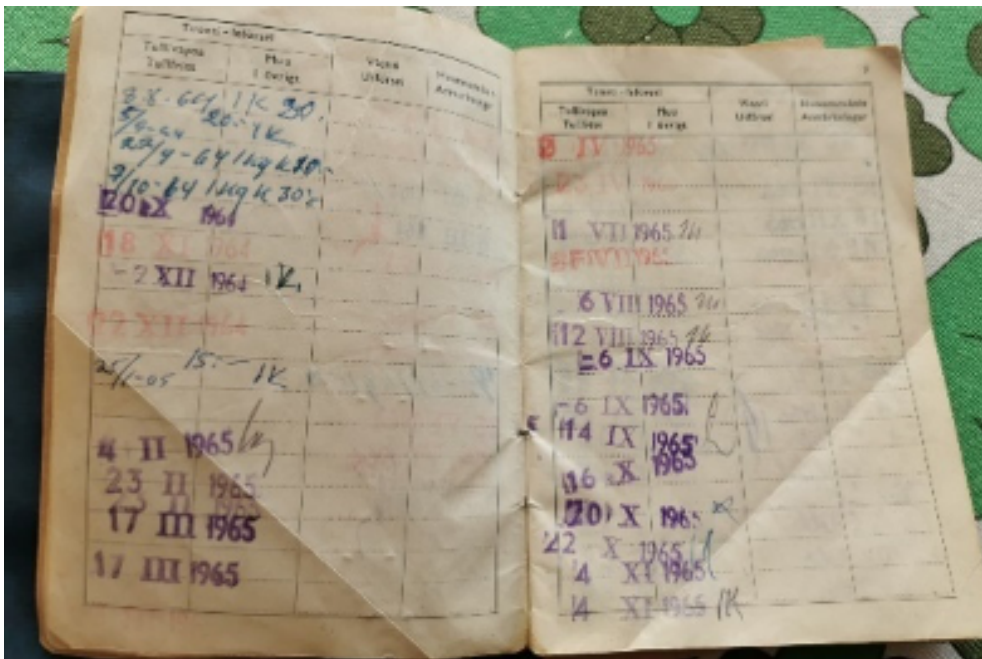
In early June 2020, the municipalities of Lapland and Lapland entrepreneurs issued a unified call for the government to open up the borders and ease restrictions as soon as possible (YLE, 2020a). In late June, the highest public officials in regions of northern Finland, Sweden and Norway also released a joint statement, demanding open borders (AVI, 2020). They asked for regional circumstances to be taken into account, rather than applying strict national restrictions. In parallel, a discussion broke out about the legality of the strict lockdown in Finland, which was said to breach the constitution. Eventually, the lockdown was relaxed, and Finns were allowed to cross the border. While Sweden imposed no restrictions on Finns entering the country, the Finnish border guards were instructed to judge for themselves whether people had valid reasons for crossing the border. Many claim that this led to personal bias coming into play, with different guards judging the situation differently, and people waiting for a change of guard before making a fresh attempt to cross.

These inward-looking approaches to the crisis have been heavily criticised. Even when the public debate was focusing on allegedly unconstitutional enforcement of the lockdown and border closure, "the Interior Minister said that this is the moral thing to do," according to one border expert. This, she believes, "shows how little understanding the government has of border dynamics".

By August, the Finnish government tried to offer a more sensible approach to handling the border regions, granting special rules to border residents in order to avoid quarantine when entering the country. This was partly a response to the proposal made by local authorities, coordinated by Tornedal Council (Tornedalsrådet) border committee. According to the head of that committee, they reverted to an old solution whereby border residents could apply for a customs clearance document that would enable them to cross the border and shop freely (See pictures 1-2).



TULLAUSKIRJA  
FÖRTULLNINGSBOK



**Pictures 1, 2: Customs clearance document granted to a 'border resident' in the 1960's for freely crossing the Finnish-Swedish land-border. Source: Tuula Ajanki, CEO Tornedal Council.**

Despite good intentions, this move sparked a fresh wave of criticism. The new rules were yet again considered blind to local realities because the definition of a border resident was based on a road seemingly chosen at random, and later changed to municipal boundaries. Drawing a line, be it a given road or a municipal boundary, created artificial divisions in terms of social dynamics and commuting patterns. According to our interviewees, many residents from Kalix and Kemi, which are not right on the national border, cross it daily to work, shop and visit family, for example.

Adding to this confusion, within the same month (August) the Finnish government announced new rules demanding quarantine for people arriving from abroad. According to one interviewee, "what is striking with yesterday's news is that the government has already heard and learned about the importance of cross-border regions, and yet again they do not announce anything related to border communities in the north".

### 3.1.4 Co-operation

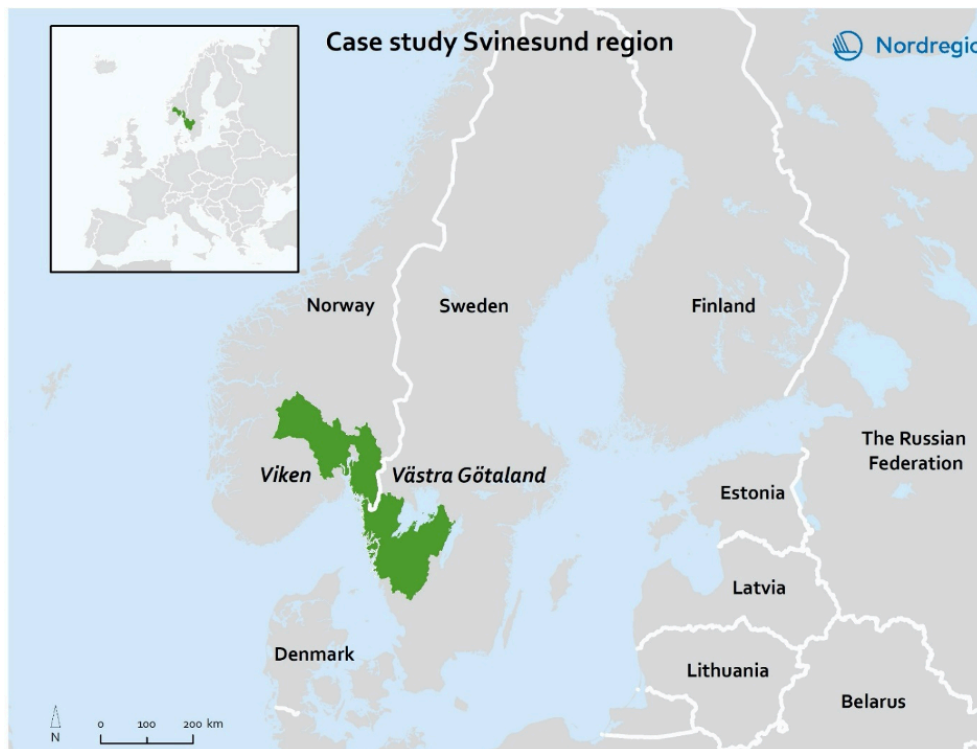
The Finnish-Swedish land border is normally known for close collaboration and a well-integrated border community. Besides social ties, there is a high level of mutual dependence across labour markets, and in the accessibility of goods and services. This has been also promoted through formal co-operation between border municipalities. According to one official in Tornio, "there are around 20 important agreements between the two cities – for instance, between our bus station and swimming hall located in Tornio and the bi-national school – Språkskolan in Haparanda." With the border restrictions arriving, however, residents in the neighbouring country could not access those services. This has threatened the sustainability of cross-border public services (CPS). In his words, "we may have to rethink having joint services." He adds that "I am pessimistic about some of them; we probably need some of them on both sides, such as the school; but I am optimistic about others, like the train and bus station."

Cross-border co-operation is reliant upon the national government's ability to guarantee

freedom of movement. However, one interviewee believes that "it is hard to trust that the border will be open, and it will be hard to build co-operation in the future." On a positive note, most interviewees concurred that this crisis has focused much more attention on border communities, and that governments have learned a good deal about them, too. This, many believe, will encourage closer collaboration in the future.

In the post-pandemic era, however, new ways of collaborating will need to be found. One border expert notes that "cross-border organisations are 40-years-old now, so the enthusiasm for working together is much lower than it was back then." However, he adds "we have now learned that the reality is very different from back then, so we need to adapt." Another border expert adds that physical interaction among stakeholders across borders cannot be underestimated, because "anyone who has worked in co-operation will note the importance of the social aspect." Finally, a third border expert concludes that they "need to do a lot of lobbying at the national level", since he believes that it is "the best way to get ministers to visit us".

### 3.2 Svinesund Region



**Map 2: The Svinesund region comprises Västra Götaland region in Sweden and Viken in Norway (2020). Map by Julien Grunfelder, Nordregio.**





**In 1910, the Nordic Peace Congress in Stockholm decided that a peace monument should be raised on the border between Sweden and Norway to celebrate 100 years of peace between the countries. The building of the peace monument was finished in 1914.**

Eda Kommun

### 3.2.1 Social aspects of the closed border

The situation on the Swedish-Norwegian border in the Svinesund area (Map 2) has been largely portrayed as an economic crisis since the pandemic hit and the border between Norway and Sweden was closed. Although the economic losses are formidable, and this is wreaking havoc on the Swedish side of Svinesund, closing the border has also had significant social consequences – that only seem to worsen over time.

There has always been a strong relationship between Norway and Sweden. The areas around the border are microcosms of Scandinavian life, with Swedes and Norwegians living side-by-side. This means that they have been brought up with 'border blindness' at a social level, with families living on either side. The labour and housing markets both stretch across the border, and people in the area are encouraged to pursue opportunities wherever they are, regardless of whether the country is Sweden or Norway – that includes summer jobs for teenagers, healthcare workers and business owners, for example. One interviewee representing civil society in Norway reminisced: "It is a very tight-knit community. Back in the day, when my dad was growing up, they even spoke the same dialect." Having lived by the border their entire lives, with family and friends on both sides, our interviewees found themselves shocked and outraged by the current, divided situation. "We were meant to be sick together," one interviewee stated.

Events since the beginning of the pandemic have shown, the two countries were not actually prepared to 'be sick together'. A border, which after the Second World War was never again to divide the 'Scandinavian brotherhood' (*broderfolk*), has effectively been resurrected, and this has had a much greater impact on society than merely the immediate effect of job losses. The reported growth of mistrust, hateful comments on social media and mutual suspicion among

people are causes for great concern.

On the Swedish side of the border, you have a conglomeration of grocery stores, shops and alcohol retailers on a scale designed for Norwegian border shoppers (*grensehandlere*). According to a representative from Strömstad municipality, the shopping facilities there would cater to a large Swedish city of around 150,000 people due to the swathes of Norwegians crossing the border. However, "it went from a bustling town to a ghost town overnight," one interviewee observed. The relatively imbalanced economic structure on the Swedish side of the border, and the current backlash it is experiencing, is an important lesson for future municipal and regional work in creating resilient local communities. The economic dependency on Norwegian border shoppers has had a great impact. "We thought we were unstoppable," as one Swedish representative put it.

Frustration with the inaction and lack of nuanced approaches to border communities has been expressed on both sides of the border in the interviews conducted for this report. Although Sweden's border technically never closed in 2020, the Norwegian border did, resulting in no travel across it without a subsequent ten-day quarantine. In a pandemic, with large numbers of casualties, social isolation and increased levels of anxiety and stress, this inability to travel across to see family and friends has been particularly taxing. Not being able to attend funerals has been trying for families, and students studying across the border – including minors – have not been able to see their parents without quarantining. For those who live in the area, the border is an arbitrary division of a tight-knit community, and so the lack of concessions for border areas has been astonishing for the people who live there. One interviewee representing a Norwegian municipality said: "This has been a community based on freedom of movement, and we have been working for a long time to bring down cross-border barriers. When [freedom of movement] suddenly comes to a halt, it becomes very noticeable."

However, what the interviewees noted was of particular importance, and which caused bewilderment, was the lack of explanation and the provision of good reasons for closing the borders to fight an invisible enemy, a virus. Based on our interviews, it is clear that there has been a lack of appreciation and understanding of either country's strategy. On the one side, Norway imposed strict measures, intervening in both business and people's lives in order to suppress the spread of the virus. The suppression of the spread of the virus was communicated through a message of solidarity. The Prime Minister and the Minister of Healthcare and Services implored people to take part in a nation-wide *dugnad* – a voluntary act for the common good. The strict measures involved initially curbed people's ability to travel within the country as well (for example to their second homes) in order not to put potential pressure on local healthcare services, which are designed to fit the number of permanent residents (see, e.g., Schnell & Skjulhaug, 2020). There was also a quarantine period for domestic travellers from the south of Norway to the north of Norway (NRK, 17 March 2020a). On the other side, Sweden's initial strategy was to continue as normal, in order to keep the economy afloat, and to pursue herd immunity. The ability of the Swedish government to impose strict measures on its population is made difficult by the protection of people's private lives stipulated in the constitution. General recommendations and individual responsibility were the main approaches.

It is understandable countries closed their borders so that national legislation applied, and according to one interviewee, it was the right move to stop sharing emergency services. The co-operation agreement between Västra Götaland and the former Østfold County regarding emergency services has been in place since 1974. Thanks to this agreement, up to 50 Swedish women are able to give birth at Kallnes Hospital in Norway every year for example. Anyone severely injured or suffering from acute and severe illness is also driven to Kallnes Hospital from anywhere north of Tanum municipality. On 17 March 2020, the agreement came to an abrupt halt. Ambulances no longer cross the border unless the accident is so serious that there is no other option. In general, this means that patients have to travel longer distances to receive the emergency healthcare they need. One interviewee said that, thankfully, there have been few seriously ill or injured patients since the beginning of the pandemic. This may be because people travel less, but there are also fewer Norwegians with acute emergencies on the

Swedish side. Otherwise, seriously ill or injured patients are driven or flown by helicopter to the town of Trollhättan. For Swedish emergency services, the newfound co-operation within Västra Götaland region has been largely positive. "It is no longer 'my patients' or 'your patients', but 'our patients,'" one interviewee remarked.

The loss of jobs that followed the closing of the Norwegian border also seems to have triggered more cases of domestic violence. According to interviews in both countries of the border, this is one of the main social concerns in the border municipalities. More generally, researchers at *Kilden* centre for gender research are worried that the stress of redundancy or being cooped up in the same house for too long, may have detrimental effects on women's lives during the pandemic (Kilden, 2020).

### 3.2.2 Economic impact

#### 3.2.2.1 Labour market impact

Unemployment rates change constantly, and the system in Sweden is also based on provisional furlough or leave figures – employers report if they expect to make people redundant within the week, or within the month. Changes in the labour market between April 2019 and April 2020 are listed in the table below. In this table, we can see a dramatic change in unemployment figures in Viken, Norway, in comparison to last year (79% change). We can also see that the Västra Götaland region is experiencing a nearly 50% change in its unemployment figures. However, in addition to being home to the Svinesund region, these regions are also home to large labour markets in the Gothenburg and Borås areas. Along with Viken, surrounding the Oslo-area, it is anticipated that the greatest effect has been in the more central area. According to the Norwegian government, since the pandemic hit, it is in general the central urban areas that have requested extra funding to alleviate the impact of the situation (NOU, 2020:12).

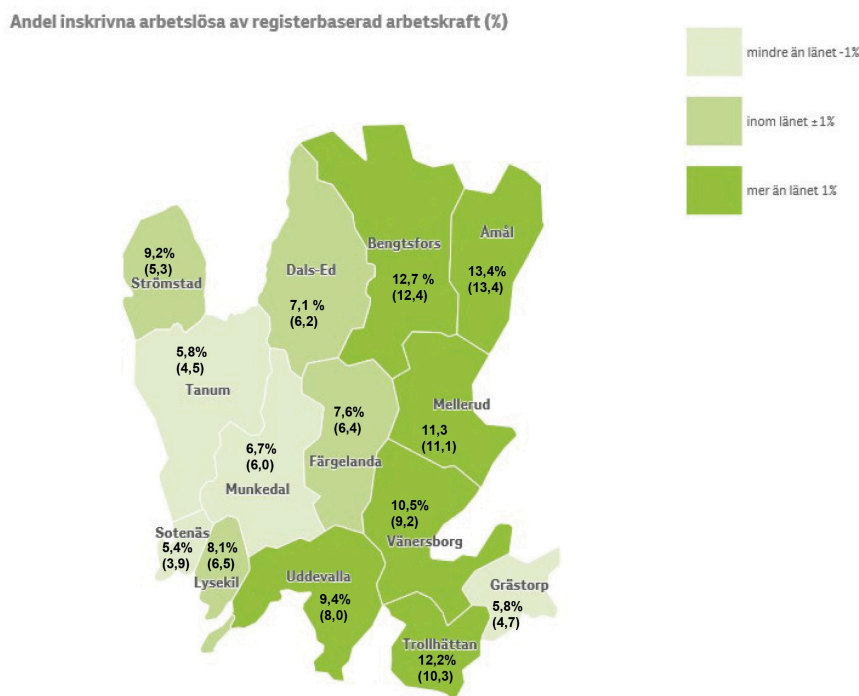
Region	Number of registrations		Additional registrations, April 2020		Change (%)	Population (2019)
	April 2019	April 2020	Total	Per 100,000 inhabitants		
Viken	14413	25806	11393	946	79.0	1,204,723
Västra Götaland	26565	39556	12991	760	48.9	1,709,814

**Table 2: Increased unemployment registrations in the Svinesund border region (April 2019-2020).**

In September 2020, the Swedish Employment Agency reported unemployment figures for the sub-region of Fyrbodal. These indicate that some municipalities further away from the Norwegian border have seen a marginal increase in their unemployment rate in comparison to the same, relatively high, figures last year (See Map 3), but also that a change in unemployment rates has occurred here, too. Looking at the unemployment rates in the municipalities closer to the border, these bear witness to a greater change, with a 3.9% increase in unemployment in Strömstad, for example. These figures are based on registered unemployed people as a proportion of the registered workforce in percentage terms. In November 2020, The Mayor of Strömstad reported that an increase of nearly 75% in unemployment over last year is more than the municipality can bear. In an interview with NTB, the Mayor says, "It is a matter of 1,500 –



2,000 people who have been warned that they will be laid off or otherwise lose their jobs. That is 20% of the eligible workforce in the municipality” (NTB for E24, 2020). After a meeting with the Swedish Minister of Trade and Nordic co-operation, called by the municipalities around the border, the minister called upon the Norwegian government to make concessions similar to those in the north of Sweden. This was met with a negative response from the Norwegian Ministry of Foreign Affairs (NRK, 2020b), however.



**Map 3: Registered unemployed people as a share of the total registered work force. September, 2020.**

*Source: Swedish Employment Agency Fyrbodan (2020).*

According to the Norwegian Labour and Welfare Service's figures for those registered as unemployed, Viken county seems to have had its most challenging months at the start of the pandemic, going from an unemployment rate of 2.5% in February 2020 to 11.1% in March 2020 (NAV, 2020a, p. 4; NAV, 2020b, p. 4). The percentage of unemployed people as a proportion of the total workforce gradually diminished over the following months, and in November 2020 the percentage was 4.3% – the second-highest in Norway, after Oslo (NAV, 2020c, p.4). Looking at the municipalities within Viken and paying special attention to the municipalities in Svinesund namely Halden, Sarpsborg, Fredrikstad and Hvaler, the largest increases in March 2020 seem to have been in Fredrikstad (from 1,506 in February to 4,546 in March) and Sarpsborg (from 1,006 in February to 2,858 in March) (NAV, 2020d, p. 11).<sup>3</sup> The figures in December show that the number of registered unemployed fell and was closer to the starting point (Fredrikstad = 1,859, Sarpsborg = 1,276).

Although the municipalities near the Swedish-Norwegian border vary in their unemployment rates, with Strömstad bearing the brunt of job losses, the effects can spill over into neighbouring

3. The municipal distribution of unemployed people is listed only in numbers, rather than as a percentage of the total workforce, in NAV's statistics.

areas. This was reflected in interviews for this report, and the feeling that smaller municipalities are taking a hit for what seems to be an issue for more densely populated urban areas is difficult for local people to accept.

Closing borders is problematic, and the effects on the labour market are expected to generate ripple effects for years to come, according to our interviewees. Following the initial panic-stricken atmosphere in March and April, the effects of the situation only became more apparent following the peak summer months and the early autumn, as the key industries (tourism and recreation) struggled. If the area around the Swedish border is not considered lucrative, or an area of opportunity, it will be difficult to incentivise people to move there. As one interviewee put it, "people move to find jobs". That, in turn, may have effects on future demographic developments, as an ageing population is a constant undercurrent, and there is general migration towards larger urban centres. Although the Svinesund area is advantageously positioned between Oslo and Gothenburg, finding ways of preventing internal migration towards these centres is important, both now and in the aftermath of the corona-crisis. Enhancing place-based attractiveness to draw people to the area will be important moving forward.

Outmigration due to a lack of jobs and development opportunities was a particular concern brought up in conversations with the local Swedish Employment Agency. Focusing on transferable skills and competences is considered key to a vibrant workforce. Education and training to develop people's skills to suit the local labour market have become one of the most important measures for counteracting some of the dire labour market trends in the Svinesund area. According to the local Swedish Employment Agency, the colleges and universities are seeing an increase in enrolments this year. One interviewee said: "We need to look at how we work with skills and what the needs in the local businesses are, in order to create the right actions for them." Working with a business mentor might be important for this, and the agency had also been in talks with Fyrbodalen and region Västra Götaland on the skills and competence supply in Norra Bohuslän. "We need to be proactive," our interviewee said.

The problems associated with closing a border are not only seen in national labour market statistics. There is also a large group of frontier workers in the Svinesund area, and as we will see in the Nordic study of frontier workers, the laws and regulations about the welfare benefits system are complicated. Although frontier workers have been able to travel across the Norwegian border from the Swedish side, as long as they work in key services such as health (§6b regulation on the exemption for key workers entering Norway, Lovdata, 2020), the situation has been trying; especially as the atmosphere changed. Swedish healthcare workers have to take coronavirus tests once a week, Norwegian healthcare workers do not. The stigma connected to coming from a country where the attempt to curb the infection rate is seen to have been more relaxed is also difficult, and people are reportedly reluctant to drive around with Swedish license plates, according to our interviewees. One of them said that "Swedish employees are sick of the testing and being considered suspects because [Norwegians] do not believe [Swedes] are taking the precautions needed for infection control." There are several Swedish employees in key social and healthcare services in Halden.

However, it is worth noting that at the time of the interviews, our interviewees felt it was too early to say much about the long-term effects of the economic impact on society. What is clear is that the economic repercussions of the closed borders will have a greater effect on the cross-border economic situation than the initial job losses. As we have seen, the repercussions are also manifesting negatively in the social consciousness of people living along the border.

#### *3.2.2.2 Local actions to bolster the economy*

Several actions were taken locally in order to respond to the imminent issues arising from infection rates. Since some of the Swedish municipalities are largely dependent on Norwegian border shoppers, the municipalities quickly took measures to ameliorate the situation, according to our interviewees. In the small border municipality of Strömstad, the local authorities introduced various measures, including street markings, protection screens for shop counters, encouraging restaurants to move tables apart and hiring 'ambassadors' to remind people in particularly busy areas to keep their distance. According to Strömstad's mayor, some of the

measures introduced even preceded those of the government to ensure 'Visitor safety in Strömstad' (*'Besökssäkert Strömstad'*). However, waiting for the green light from the Norwegian government delayed things. Once it was clear that the border would not reopen, the municipality found itself in a dire situation.

Other Swedish municipalities in the immediate border area, such as Dals Ed municipality and Tanum municipality, also took precautions. They predicted that businesses in their municipalities would suffer a blow with the closing of the borders, as well as from the general restrictions recommended at a national level. Although both Tanum and Dals Ed are less dependent on Norwegian border shoppers, the effect of their absence is still felt. For example, Tanum is a big second-home municipality for Norwegian property owners. The summer months are the most important ones for the municipality's businesses, although it has done targeted work to transform what is a largely seasonally contingent business sector by extending the season to cover both spring and autumn. Norwegians are not the only targeted customers, either. Tanum municipality is also expecting losses later in 2020 as the Southern Europeans who normally travel to the area will not come, according to an interviewee. The representative we interviewed also added that the municipality of Tanum was quick to get in touch with local businesses when the pandemic hit. Reacting to the immediate needs of the businesses has also been necessary to prevent a growing queue of businesses in need of support.

The inter-municipal association of Fyrbodal created additional emergency services for businesses in the area, with the state-owned business agency Almi supporting local enterprises with loans. Even though there have been state support packages for businesses in the area and across Sweden, our interviewees in Dals Ed, Strömstad and Tanum all pointed to how these support packages were insufficiently geared towards the nature of the businesses involved, and the situation along the Norwegian border.

Dals Ed municipality has been operating under the mantra of 'buy locally' throughout the pandemic, according to a municipal representative. The municipality felt that it was important to show its support to the local businesses and industries, and through a symbolic (but effective) act purchased vouchers from shops in the local area for its staff. Although the municipality has experienced fewer negative effects than its neighbours, most likely due to a more diversified economy, our interviewee said that it seems as though people have come to understand their power as customers in this situation. "We have actually had a café and a restaurant open during the pandemic. People seem to understand that they have the power to determine what [opportunities] they want in their local communities." Dals Ed has also experienced an upsurge in local people's spending patterns in relation to businesses typically catering for home refurbishment. The municipal representative explained that since the restrictions imposed in Sweden made people spend more time at home, the amount of money spent on home improvement stores has increased, and this has helped the sector. "Some stores are doing very well, especially paint shops," he said, adding that camp sites, hotels and the tourism sector have suffered more. "Most of the businesses that would not have survived much longer anyway have closed," the interviewee explained.

Although the initial phases of the pandemic were characterised by panic, the situation has since stabilised in Dals Ed. "Unemployment rates have not shot through the roof in the way that we expected them to," our interviewee said as the unemployment figures for the summer remained below both the regional and national average. Dals Ed municipality also seems somewhat less dependent on Norwegian customers, who amount to between 30-40% of the total turnover per year. As a border municipality, the absence of Norwegians in Dals Ed is noticeable, though perhaps not as bad as initially expected.

### *3.2.2.3 Trade and politics*

Behind the changing unemployment figures on the Swedish side of the border is an economic shift based on the dramatic drop in turnover due to the lack of border shoppers and tourists. The aforementioned scale of the shops and hospitality services available in Strömstad (for example) has had a big effect on the municipal economy. "It is not that the Swedes don't shop," one interviewee said, "but Norwegians shop differently. It's in larger quantities." This is evident on the

Norwegian side of the border, as local supermarkets have seen a formidable boost in turnover. With Norwegians spending approximately NOK 2 billion in the Swedish alcohol retailer *Systembolaget* each year, the effects of the border closure are felt at home in Halden. This is particularly clear in their turnover of tobacco and alcohol, where the Norwegian equivalent, *Vinmonopolet* in Halden, reported an increase of 200%, according to DnB and NTB in December (DnB Nyhteter, 2020).

Shopping on the other side of the border is nothing new, and nor are the streams of people travelling across to find the cheapest or best available option. However, the disproportionate number of Norwegians travelling across to Sweden in the 1990s led the then Norwegian Minister of Agriculture to introduce the term 'tacky' or 'cheap trade' (*harryhandel*) in 2002 (Verdens Gang, 2003). This was an attempt to deter Norwegians from crossing the border, and to prevent increased trade leakage to Sweden. During the COVID-19 pandemic, the desire to continue as normal despite the closed border reportedly led to old smuggler routes being opened across the Innlandet-Värmland border, according to the newspaper *Verdens Gang* (2020). The perception among people of cheap groceries in Sweden remains strong to this day, which may be seen in statements from the national enterprise organisations regarding the state budget for 2021 (see, e.g., Virke, 2020; NHO, 2020) One of our interviewees remarked: "It wasn't always like this. Swedes used to come across the Norwegian border to buy cheap food (...) It is constantly changing." In other words, people go where the opportunities arise.

Supermarkets are not the only ones experiencing difficult times in Sweden. In the interview with the mayor of Strömstad in September 2020, a loss of SEK 30 million in parking and docking fees alone was lamented. Ferry companies, such as *Fjordline* and *Colourline*, crossing the Oslofjord between Sandefjord in Norway and Strömstad, kept their vessels in the docks between March and May 2020. Since then, there have not been any crossings. Being the outer border of the EU has also brought constraints concerning the movement of medical equipment from Sweden to Norway. "There was a rule in the EU that no medical equipment was to leave the Union," one interviewee noted. "The trucks crossing into Norway were stopped at the border. The Swedish ambassador to Norway tried to fix it, but in the end, they had to get the Minister of Foreign Affairs to contact Von der Leyen, the president of the EU Commission, to let the trucks pass" (see more: *Dagens Næringsliv*, 7 April 2020).

The tourism and hospitality sectors have felt the effect of the closed borders gravely and are among the worst hit. Building the tourism and hospitality industry in Svinesund has been one of the major focuses of the Svinesund Committee in recent years. In a letter to the Ministers for Nordic co-operation in both Norway and Sweden respectively, the Svinesund border committee pleaded for a softer-touch approach to the border in order to alleviate the situation. In their letter, they write:

*The Svinesund Committee strives to support development, innovation and growth. One of our focus areas is the tourism sector, which is a very important industry on both sides of the border. Due to the closed border, companies in the tourism sector have reported a reduced turnover of up to 98% in comparison to previous years. The conditions faced by the tourism sector, which is a very important cross-border industry in the Nordic Region, have changed completely (...)*

(Svinesundskommittén, 2020, p. 2)

The problem lies not only with the lack of Norwegians visiting the border areas. Due to the number of Norwegians in the Svinesund area over many years, Swedes have been 'displaced', and areas such as Strömstad now attract very few domestic tourists. One interviewee observed that the campsites had been full of Swedes in Tanum and Dals Ed all summer, but they were virtually empty in Strömstad. "People are not used to travelling there because of the numbers of Norwegians," one interviewee remarked.

By not being able to guarantee open borders, our interviewee pointed out that the situation may well impact the willingness of local banks and future investors to support and fund cross-border entrepreneurs in the future. Although most of our interviewees believe that trade is likely to pick up again once the borders re-open, there are still a couple of issues that need to be considered. One is the role of e-commerce and e-trade. This may impact negatively on the border area and is

one of the concerns held by some people living in the Svinesund region (Halden Arbeiderblad, 2020). Unless such activity is registered in the local area of Svinesund, there is no value added for the community at large, because the money involved is neither spent nor made in the area. Income taxes may therefore be reduced, which in turn effects the municipal economy. How to handle this shift is important, since e-commerce is also likely to remain strong after the pandemic, according to one of our interviewees. Rethinking what the border area is, and what it can be, is pertinent here. There is, in fact, a good deal of added value in the border area. Showcasing this will be important in re-building a fractured community.

### 3.2.3 Politics and co-operation

In their written statement to the Ministers of Nordic co-operation, the Svinesund committee states that "everyone has been affected by the limited mobility in the wake of the pandemic, but that in border regions this has a double effect (...) The continued [Nordic] collaboration needs to pay attention to the importance of border areas for both its people and businesses" (Svinesundskommittén, 2020). In addition, the committee points to the role of cross-border areas as mechanisms to achieve the 'Nordic Vision 2030', which is to become the most sustainable and integrated regions in the world. Having lived as though there is no border for many years has resulted in a state of shock when that soft border – a line on the Svinesund bridge over the river Svinesund – turned into a hard one. In terms of collaboration between the two regions in various sectors of the economy and areas of society, the abrupt stop came as a shock. The inability to act with any real clout and leverage was sobering. "When the border closes it is suddenly clear that decisions are not being made locally anymore, but by others," one of our interviewees said.

The Svinesund committee has played an invaluable role as a cross-border platform for border municipalities to continue to meet regularly, despite the closed borders. Although keeping up social relations during a pandemic may seem trivial, it plays an important part in future co-operation between neighbours. This has been a significant issue, because the committee has experienced notable structural change during the pandemic. The former county of Østfold, Norway, ceased to exist on 1 January 2020. The Swedish region of Västra Götaland and the new Norwegian region of Viken, therefore, had to find their way in unfamiliar territory, one interviewee remarked. The role of the Norwegian municipalities along the border has also changed. While most municipalities had to deal primarily with the directorates of public health, the Norwegian border municipalities needed to deal with the Norwegian Ministry of Justice and Public Security as well, since they were suddenly tasked with border control on top of an already busy agenda.

Across municipalities on the Swedish side of the border, the resounding feeling is that there could have been more contact between the municipalities themselves, as well as with their Norwegian counterparts. The potential deterioration of communication between neighbours was also commented upon in the Norwegian newspaper *Aftenposten* on 30 November, looking at the situation in the border crossing area of Morokulien (*Aftenposten*, 2020). Similar feelings were detected in Svinesund. "Strömstad, Tanum and Dals Ed are just as much our neighbours as Fredrikstad and Hvaler," one interviewee said. The targeted work needed to overcome barriers to cross-border integration over the past 40 years, carried out through the Svinesund Committee<sup>4</sup>, plus the determined work to create a strong cross-border labour market, should not be "thrown out with the bathwater", our interviewees stated.

One concern frequently raised by interviewees was the role of the media. According to them, the media's perceived role in whipping up negativity is seen as damaging, because it continues to fuel a negative and harsh tone in exchanges between Norwegians and Swedes. A few of our interviewees even told us that they found they had to stop reading the comments sections in

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4. Initially called the Østfold-Dalsland-Bohuslän committee.

newspapers and on social media, due to the shocking attitudes and burgeoning nationalism present in these comments. The 'Doomsday'-style reporting about negative developments in Strömstad tried one of our interviewee's patience, too. "I'm sure I have had about 30 journalists from Norway in Strömstad since the pandemic hit, and I made sure that I showed them all the good things we are doing to make sure our customers are safe. Even so, all they wrote about was the sorry state of affairs in border trade," the interviewee said, adding: "It made me really quite sad."

There was some hope that the border to Västra Götaland could have re-opened during the summer of 2020, as Swedish COVID-19 cases flattened out and as the Norwegian government opened up for travel to a few specific regions with low infection rates. However, the green light was never given for the region, despite the low numbers in the Svinesund area. With the presence of large urban areas such as Gothenburg and Borås, there will never be a 'green light' for border crossing, a few of our interviewees believe. According to them, working together to fight the pandemic as one mega-region could have worked. Now, the current situation calls instead for finding ways to reconcile and heal a fractured mega-region on both the social and economic levels.



Meeting in The Freedom of Movement Council, 2019

Christiaan Dirksen / norden.org

## 4. Discussion

The Bothnian Arc and Svinesund regions provide a rich body of empirical evidence about the impact of various measures implemented to curb the COVID-19 pandemic. In this section, we will discuss the commonalities and findings from each of these case studies in the context of our overall conceptual framework. We will also supplement our findings with responses to a Nordic-wide survey on the barriers to cross-border integration that was compiled and sent out in summer 2020 by the Freedom of Movement Secretariat at the Nordic Council of Ministers. By July 2020, 1,669 people had responded to the survey, shedding light on some of the most pressing issues and challenges for people living in these border areas. In summary, the main issues are border controls, the inability to meet family members from other Nordic countries, increasing nationalist sentiment and uncertainty about the rules and regulations for cross-border working. On the whole, these responses correspond with evidence from our case studies. Other keywords or phrases – such as unpredictability and uncertainty, neglect, arrogance, prevailing political agendas, and one-sidedness – also featured on multiple occasions throughout the survey and in our interviews. Narrow nationalist sentiment, as previously mentioned, also gave rise to comments about the appropriateness of actions and strategies, i.e., whether strategies perceived to be based on ‘common sense’ or, as some called it, ‘populism’, have been more successful than those based on ‘professional advice’. This distinction was also raised in both our interviews and the Nordic survey. Pitching such strategies against each other is an issue in itself, but it also tells a tale about the complexity of the situation and the challenges that arise in the absence of a real inter-Nordic dialogue. The authors of this report do not intend to judge the particular merits or demerits of any of the strategies employed.



## 4.1 Uncertainty, fear and nationalism

The Bothnian Arc and Svinesund case studies reveal several common traits worthy of further discussion. As we have seen, the pandemic and the subsequent border closure came as a shock. As noted by border community dwellers throughout the pandemic, the way in which various lockdowns took place, and the general social disruption resulting, have had a different impact in different areas. Although many of the same sentiments are shared between people in both the Bothnian Arc and in Svinesund, due to their interconnected societies, the way border closure has impacted these areas has also manifested many differences. In Haparanda-Tornio, effectively a twin city with shared public services and social functions, the visual and symbolic impact of erecting a border fence and deploying military border guards has been huge, for instance. This is evidenced by our interviews and echoed throughout the large Nordic survey conducted from June to July in 2020. Additionally, the resurrection of hard borders on the Finnish and Norwegian sides is seen by people who live along with the Finnish-Swedish-Norwegian border areas as a clear sign of blatant neglect and disregard for cross-border collaboration and living (Nordic Survey: Freedom of Movement Secretariat, 2020).

The border closures and uncertainty that followed have brought people's lives to a halt. They are always ready to get going again, yet disappointed by the continuing 'red status' of their regions. From our interviews, it is clear that the incredulity about (despite the optimism for) a potential special grant for border areas was eventually replaced by deep-seated anger and frustration towards the national authorities. This anger was not merely directed towards the respective national bodies on either side of the border, but also aimed at the neighbouring country's strategies and the lack of clear information. As a result, despite significant inward-focused criticism, nationalism is creeping into social media. Our interviewees consistently pointed to their surprise and exasperation at people's increasingly harsh tone and words online. Social media is a great way for people to take part in public discourse, but we see in this case a spiral of wholly negative comments and sentiments that may be damaging over time. It is no longer just criticism of political decision-making, but rather something bordering on hatred. For example, the defacing of property, or 'corona shaming', are clear indications of a negative undercurrent that has been building up since the borders closed. Hateful comments and actions are taking place in, for example, Haparanda – Tornio (e.g., vandalised cars), despite this being known to be one of the most peaceful borders in the world. Communities that are closely interconnected cannot afford a rise in the 'us versus them' dichotomy. Polarisation in a region meant to be the most integrated in the world sets a dangerous precedent for future co-operation and goodwill between communities.

Our interviewees pointed a critical finger at the way the media has covered the pandemic, which is seen as employing sensationalist and one-sided views, and therefore contributing to increased and polarised feelings of 'right' and 'wrong'. Interviewees were also critical of the strategies adopted by their neighbouring country – particularly in the case of Sweden. With a strategy that stood out, not only in the Nordic countries, but in Europe at large, our interviewees pointed either to their inability to understand the justification for the Swedish strategy, or on the other side to the lack of a comprehensive approach in Norway, Finland, and Denmark. This has been exacerbated by the general tendency to read the news as it is reported on either side of the border, rather than keeping up with the news in the neighbouring country. Although that is to be expected, it was surprising to respondents to the Nordic survey that there seems to have been no effort to come up with collective forms of communication or action by the Nordic national governments. To the authors, the lack of coordination between Nordic countries is evidence of an increasingly inward-looking, state-based politics, as opposed to relying on supra-national institutions. This may indicate a turning point after seven decades of increasing Nordic integration.

## 4.2 The effects of closed borders on local economies

The economic situation has been difficult for all border communities in terms of trade and employment. The economic situation may also have wide-reaching structural effects on border societies in the future, potentially transforming the labour market and demographic composition of these areas. Since local economies are closely interconnected across borders, are often rather one-sided in their structure and dependent or co-dependent upon particular consumer groups, the immediate effects of border closures have been significant.

### Trade and industry

As the degree of dependence on border trade varies significantly between municipalities, so do the effects of restrictions. A larger percentage of retailers in North Finland depend more upon both Norwegian and Swedish consumers than vice versa. The one-sided dependency of trade between Norway and Sweden is much greater than it is in the opposite direction. The border closure has also led to suspicion of an intentional policy of stopping 'shopping leakages' to Sweden. In the Nordic-wide survey from July 2020, the closing of the border was commented upon as being a conscious political act, aimed to wean people off 'cheap alcohol and bacon'. The state budget in Norway for 2021 reveals clear efforts to appease border shoppers, while incentives to shop in Norway were still in the works. Lowering taxes on particularly alluring products, such as alcohol and tobacco, were among the government's proposals (Government of Norway, 2020). For this reason, some people in the Nordic survey believe the sustained border closure was politically motivated rather than specifically health related.

The sudden impact on trade has led to a realisation of what consumer power means in practice. Where you choose to leave or spend your money matters for what shops, goods, and services you have in your local area. Betraying the community dynamics that exist in border areas will have tangible consequences for individual choices and opportunities in the future. The feeling of being unwanted is already taking root. As one respondent to the Nordic survey puts it: "Finland's closed borders show how much Finland cares about cross-border collaboration. Since I am Swedish, and not welcome in Finland to shop, meet friends, or make use of other services, I will not do this in the future, either." At the same time, interviewees raised issues about the role of e-commerce and consumer power. At a time when e-commerce is on the rise, and an increasing number of people are shopping online, creating attractive shopping experiences that cannot be matched by the online retail experience is all the more salient. Positive changes, such as café and restaurant openings, demonstrate how people are willing to invest in their local community. However, there seems to be some uncertainty about the future of cross-border businesses and start-ups if risk-averse banks and investors withdraw their support because they fear that the return of open borders cannot be guaranteed. After the pandemic, re-building trust and belief in cross-border communities will be an important task.

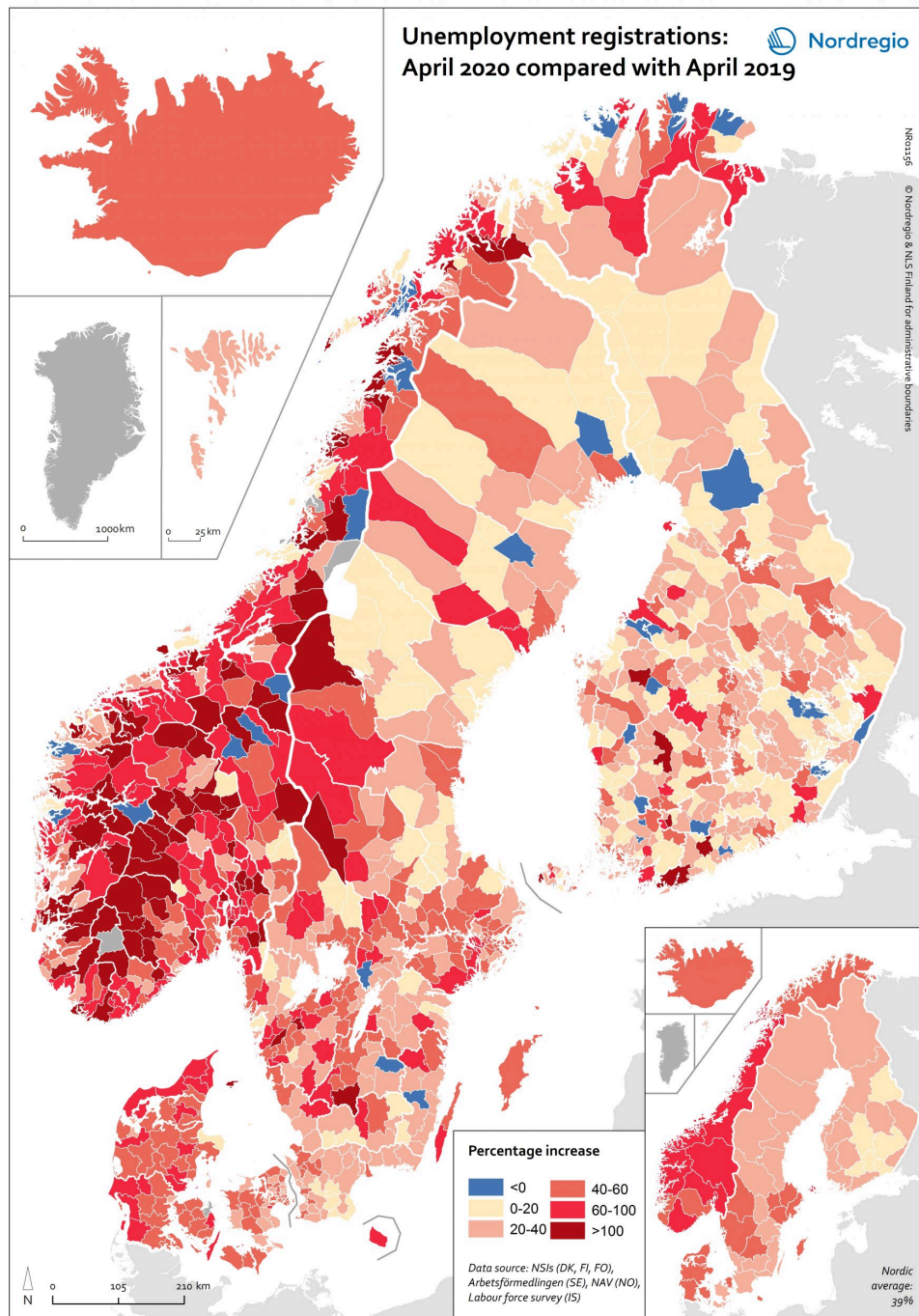
Insufficiently diversified industrial structures have also taken their toll on our case study regions. Both of them display, for example, relative dependence on tourism, and particularly seasonal tourism based on certain groups of people. Norrbotten, in Sweden, has a more diversified economic structure, making it more resilient to the interruption of the traditional tourist season. Lapland, in Finland, on the other hand, is struggling with its high dependence on tourism, given that its Arctic attractions very much target visitors from abroad. The situation in Svinesund is somewhat more nuanced. Whereas Swedish tourists still spent 'staycations' in Dals Ed and Tanum municipalities in 2020 Strömstad suffered from its longstanding reliance on Norwegian tourists. As we saw in the case study on Svinesund, our interviewees contrasted the near-empty camp sites in Strömstad with the relatively crowded ones in both Tanum and Dals Ed. The absence of southern Europeans in these two municipalities was also felt, particularly in the autumn. Turning both the Arctic region and the Svinesund region into all-year destinations has been a major objective for some time now, in both areas. After the pandemic, working together on matters like this will be key to rebuilding and strengthening both areas as a whole. It will also require a focus on skills and competences.

## Employment and structural transformation

As the situation is constantly evolving, it is difficult to predict the long-term economic effects of the crisis. However, structural transformations of the economy are imminent. According to the Swedish employment service a number of developments have been observed so far. Changes in the labour market are accelerating, with certain jobs disappearing more quickly than others. On the other hand, new jobs are emerging, or are expected to emerge over time. As part of this transition, work is rapidly becoming digitalised and more sophisticated. This in turn calls for new competences and new forms of skilled labour in order to ensure resilient regions and sustainable and attractive local communities (Nilsson, 2020; Giacometti & Cuadrado, 2020; interviews).

The consequences of all of this for society are many and varied, although the full effects may only be seen in a few years. Many of the jobs lost during the crisis are probably not coming back. This will generate imbalances in the labour market, with more people at risk of long-term unemployment (see e.g., NOU, 2020:12). Newcomers will find it difficult to integrate into the changed labour market – particularly young adults and foreigners. The economic impact of pandemic-related measures, and a lack of jobs, may accelerate negative trends if not addressed, especially since people often move to find work elsewhere. This may also impact on overall demographic development and age structure, which will particularly affect the ability to attract a younger workforce. Areas that had been considered as having common housing and labour markets might no longer live up to such labels.

Having more than one job in different countries is not unheard of in border areas. People choose to work where opportunities exist. Many shop where they find the most appropriate items for their personal needs. Travelling and working across the border in a border community is not so different from working in a neighbouring municipality in your own country. This makes being laid off on either side of the border, and not being able to determine where to seek social security, a challenging dimension of the current situation. The social security issue, and EU regulations pertaining to frontier working and allowances to 'work from home', was considerable concern when the borders closed initially. Tax issues also followed, and with them, anxiety. The border closure revealed some of the major issues associated with frontier working in the Nordic Region, making them clearer by the day. The idea that 'neighbours are neighbours' irrespective of land borders also seems to have been forgotten in decision-making about border closures. Some, people see the effects of closed borders as an unnecessary crisis.



**Map 4: Unemployment registration in Nordic municipalities and regions: April 2020, compared with April 2019 (% changes). Source: Gustaf Norlén, Nordregio.**

Map 4 shows the registration of unemployment across Nordic municipalities and regions in April 2020, compared to the same statistics for the comparable period, April 2019. As we can see from this map, there have been considerable changes to patterns of unemployment across the board, though in parts of northern Sweden and Finland the degree of change is less prominent. However, it is important to note that this map does not show whether unemployment was high or low (good or bad) in April 2020. It merely shows the *change* in unemployment registrations. In municipalities where the unemployment rate was already high, the change is often less dramatic (percentage-wise). This does not mean that the situation is better, compared to regions or municipalities where the change was greater. The map does, however, say something about the

rapid pace of change during the first months of the pandemic.

In previous chapters, Tables 1 and 2 showed the largest increases in new unemployment registrations in absolute numbers in the two study areas. Lapland had the highest increase, followed closely by Viken and Northern Ostrobothnia (both in April 2020). Västra Götaland also experienced a significant increase, albeit somewhat less dramatic than the latter regions. By contrast, Norrbotten had the lowest number of new unemployment registrations, and lowest unemployment rates, in Sweden. This is possibly due to an already challenging labour market situation – one in which supply is far below demand in all sectors of the economy. Lapland suffered the most from its less diversified economy and heavy reliance on tourism. Northern Ostrobothnia is somewhere in the middle, with a more diversified economy but with relatively high unemployment prior to the pandemic. The situation in Västra Götaland is evidently affected by a greater change. As it is a more populous region, perhaps this is to be expected. There are, however, great intra-regional and interregional differences in the two areas. Looking at the municipal level in Västra Götaland, it is clear that some municipalities along the border have relatively stable unemployment numbers, while others are facing more of a problem.

Yet, these numbers themselves have been changing significantly as the crisis has evolved. At the beginning of the pandemic, unemployment was rising day-by-day, week after week. However, in the autumn, this situation stabilised in most places. This was partly because the measures taken were relaxed, but also because many employers received financial support from the state. Being able to rely on the state meant that these companies did not make staff redundant as planned. The Swedish Employment Agency notes that many employers notified their intention to lay off employees but did not always do so. However, this was not the case everywhere. Lapland saw another spike in unemployment after hopes of re-opening tourism for the winter season faded as infection rates rose again after falling in the summer.

In addition, although commuting patterns and statistics related to frontier workers are virtually non-existent, border municipalities know that their population moves across the border on a daily basis. Harmonising data across borders is a prerequisite for a well-functioning society in the broadest sense, but it can also be crucial to our understanding of the impact closing borders has on the particular frontier worker population in question.

## 4.3 Co-operation for future resilience

Faced with potential crises, national authorities may invoke emergency or contingency laws. State of emergency legislation gives governments and national authorities the power to implement measures to stop situations deteriorating when they threaten to have a grave impact on society. The situations can be caused by people, e.g., wars, or they can be natural disasters. As the coronavirus broke out, emergency/contingency measures were applied at state level. However, as the situation was rapidly unfolding, these measures were employed swiftly and without any dialogue with other countries involved in Nordic Co-operation or the EU. Similar approaches are to be found elsewhere in Europe (Janssen & van der Voort, 2020).

Although there are no references to 'exceptional circumstances' resembling emergency laws in Norwegian law, contingency laws may be invoked in such circumstances. When COVID-19 infection rates soared in Norway, Parliament approved a temporary regulatory change following Prop. 56 L (2019-2020), enabling the government to act quickly in March 2020 to curb infection rates. These regulations became known as the 'Corona laws'. They were formulated in a broad way to take account of potentially new and unforeseen developments. These were later repealed in May 2020 (Ministry of Justice and Public Security, 2020). In Finland, the government announced a series of measures, and the Emergency Powers legislation was approved by parliament in mid-March 2020. Although Sweden has contingency laws for wartime, civil crises have received less attention in legal texts and laws remain relatively unchanged since they were passed in the 1970s (see, e.g., Ericson, 2019) and with the Swedish prohibition of the ministerial

rule<sup>5</sup> in matters that concern specific government agencies (see, e.g., Government Office of Sweden, 2015), the Public Health Agency was given relatively free rein to implement the policies it saw fit in curbing infection rates.

The regulations have been the subject of debate, however. Questions about the extent of the authorities' power to impose such legal measures have been asked, even leading to civil lawsuits against the state in both Norway and Finland, according to our interviewees. The measures raise questions about whether they take precedence over basic freedoms such as, freedom of movement – especially the so-called lockdown measures. The uncertainty associated with the measures makes life difficult and unpredictable for municipalities along national borders. The swift measures implemented and the subsequent issues that arose hark back to Janssen and van der Voort's (2020) study on the governance paradox that emerges during a pandemic – i.e. it is a situation in which rapid and robust analyses of decisions is needed to make progress but people need to have a high tolerance level for rapid changes in often contradictory policies.

As regards municipalities and regions along borders, the current national crisis regulation makes it abundantly clear that their relative autonomy and powers have been changed. Although some of these measures are arguably justifiable for the sake of controlling infection rates within state borders, concerns are undeniably increasing when it comes to their political legitimacy. Beyond the response to the pandemic itself, top-down national measures undermine the unique position of sub-national governments in matters pertaining to their local mandate. Backed by their autonomous powers, local authorities have in many cases made decisions about the provision of joint public services with their neighbouring municipality across the national border (e.g., Haparanda-Tornio). Cross-border collaboration is often essential for coordinating actions to prevent the spread of disease and mitigate the disruption of people's daily lives and business. According to the representative of one border committee, "People and authorities need to realise how difficult life is with closed borders." He goes on to emphasise that "we need to ensure that daily life goes on uninterrupted." Closing national borders suddenly cut off certain services that should be guaranteed under any circumstances (e.g. education). Undermining decentralised responsibilities means that municipalities may not be able to maintain co-operation agreements across borders.

The situation brought about by the pandemic brings to light the sensitivity of border communities in relation to the re-centralisation of power and unilateral decision-making. Decisions made at the national level focus on the interests of all those living within the borders. They often neglect the specific needs of different regions and their dependence on what lays beyond their immediate territory. This renders interconnected border communities vulnerable. It prevents them from becoming ever more resilient. This can lead to diminishing levels of trust in national authorities, and highlights the legitimacy question. As we have observed, cutting across subsidiarity principles in this instance has increased anti-government and sentiments and an undermining of trust in populations further away from the centre of power. This is also noticeable in the Barometer of Regions and Cities (European Committee of the Regions, 2020), which shows how people place greater trust in local authorities over national and EU level decision-making when it comes to solving local problems. Sentiments surrounding the inability of the authorities in capital cities to understand and act in a way that alleviates the pressure placed on peripheral, border areas fuels debates surrounding already sensitive centre-peripheries discourses, and the contempt some people feel for politicians.

In general, it is clear that all efforts towards further integration at the sub-national level are put at risk when the most basic local freedoms are denied by national policy, such as the movement of people, goods, and services. According to our informants, the ambiguous situation that emerged due to the responses to the COVID-19 crisis will lessen the enthusiasm for companies to operate across borders and for workers to apply for jobs on the other side of them. Several companies have already decided to relocate to other countries specifically because of restrictions imposed to cope with the pandemic. One respondent to the Nordic survey stated that "we (both

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5. The prohibition of Ministerial rule in Sweden means that: "The Government [including the competent minister]- [...] has no powers to intervene in an agency's decisions in specific matters relating to the application of the law or the due exercise of its authority". (Government Office of Sweden, 2015)



Sweden and Denmark) become nationalist as soon as some form of crises hits... [this] is depressing and frustrating." This lack of consensus at the national level generates uncertainty and polarisation at more local levels of society, threatening border communities' resilience.

## The role of cross-border committees

Cross-border committees, as platforms for collaboration between municipalities or regions, are also somewhat person-dependent, which makes them fragile. In the case of the border between Finland and Sweden, there are also several overlapping arenas for cross-border coordination at different scales and with different mandates. Namely, the Tornedal Council, the Bothnian Arc Committee, and the North Calotte Council. This is in addition to bilateral agreements at municipal, regional, and national levels. The North Calotte Council co-operation involves weekly dialogue with national representatives at the Nordic Council of Ministers (NCM). Local and regional authorities are also in constant dialogue with the national authorities.

In the case of Haparanda-Tornio, however, the state of co-operation was deteriorating even before the Covid-19 crisis. "There has not been sufficient interest from municipal officials in collaboration. There have even been discussions advocating a reduction in certain types of co-operation," one interviewee reported. After the person responsible for coordination stepped down at the end of 2019, there was a long gap in collaboration. A new person was appointed but not starting until August 2020 (Yle 2020b). This created a significant gap. According to various voices, this lack of political commitment is putting at risk decades of gains and programmes and practices that coordinate actions between the twin cities. This situation focuses attention on how person-dependent cross-border collaboration really is. Most cross-border organisations are run by one person or just a few people, making collaboration fragile in their absence.

The Svinesund committee's work has continued more or less as normal. Everything was moved onto digital platforms, and our interviewees were adamant that the necessity of continuing their work more or less as normal is important for future co-operation. The interviewees believe strongly in the committee's work. They believe that it will emerge from this crisis unscathed. Keeping up the dialogue and informing each other of developments on either side of the border has become an important part of maintaining co-operation and keeping personal relations going, especially considering the person-dependency of such collaborative platforms. The committee's meeting on the Svinesund Bridge, in September 2020, sent a strong message that their commitment to the region's development is as strong as ever. Anchoring the Svinesund committee politically among its municipal and regional representatives is also important for leverage in meetings with national authorities and agencies. This was exemplified in the letter sent to the Nordic co-operation ministers in both Sweden and Norway following the border closure in 2020. Para-diplomacy –region-to-region and municipality-to-municipality relations – should not be underestimated as a powerful social and political tool for keeping the system going in cross-border areas after the pandemic. A unified cross-border committee also sends a strong message to the national authorities. However, in the absence of the Nordic Council of Ministers coordinating responses, cross-border committees are suffering from the rather weak soft-power structures that would otherwise function well in normal situations, given that adherence to the principle of subsidiarity is strong. Nevertheless, they continue, though their resilience is highly dependent upon the willingness of committee members to continue pushing for normality.

The lack of any consensus at a Nordic level has also left border communities caught in the middle of conflicting infection mitigation strategies. Despite the lack of coordination at the state level, cross-border committees and information offices quickly started to monitor the effects of the crisis on everyday life in border regions. The Freedom of Movement Secretariat at the Nordic Council of Ministers, together with the North Calotte Border Counselling Board, Øresunddirekt, Grensetjänsten Sweden-Norway and Info Norden, have reported continuously to the Nordic Ministers for co-operation on barriers to cross-border integration arising from various restrictions. As part of a joint effort, they launched a public survey through different media and social media channels. This allowed citizens to relay what they have been experiencing as a result



of border restrictions. This work proved particularly effective in identifying some of the challenges experienced, and in communicating these to the competent authorities in different countries.

There is no doubt that decisive measures (even radical ones) needed to be taken to minimise the spread of coronavirus. However, many people disagree about the extent to which some of the negative impacts could have been avoided if there had been close coordination between the Nordic countries. "It's okay to be cautious, but the Øresund region is completely broken" one border resident commented in the survey. Among those border residents responding to the survey, only parts of their lives were as normal. In their words, "in other parts of the country, far from the border areas, people are still able to meet family members and friends, and carry on their daily activities within the limits of the restrictions." At the same time, border residents have been faced with contradictory information. "Information has been poor and misleading," argues one survey respondent. "Frontier workers have not been given clear guidelines," adds another. The consequence of this, as one person in particular argues, is that "faith in the rule of law has been put to the test." Respondents' grievances in the Nordic survey correspond closely with our own case study findings in the Bothnian Arc and Svinesund. Clear co-operation and coordination measures will be key to ensuring the resilience of border communities in the event of future crises. The reluctance to use Nordic institutions to coordinate these measures in a more strategic way raises questions as to the purpose of the platform for intergovernmental dialogue. Dialogue and coordination should not be equated with common approaches, but it may have prompted Nordic governments to consider border communities and the close relations between Nordic peoples in a more concerted way. Instead, a lack of multilateral action in favour of a more unified approach has baffled people living in border communities across the Nordic region. As one survey respondent put it:

*"(...) seeing the differences between our countries in the way they have handled COVID-19, it is clear that Nordic collaboration has not worked. All of the countries have come up with their own interpretations and rules, without speaking to one another. The Nordic Council of Ministers' vision of the Nordic Region as the world's most integrated region by 2030 has a thorn in its side. I have been affected by the way that Finland has confiscated my properties, since I am not allowed to visit them as a Swedish citizen. Suddenly, the world's most peaceful and integrated border between Finland and Sweden, the Torne Valley, has become a [hard] border between Finland and Sweden. Not even our border to Russia in 1809 was as impenetrable and guarded with heavy weaponry as [the Torne Valley border] is now. Where did Nordic collaboration go?" (Respondent, Nordic Survey.)*

Freedom of movement was the most important principle, and the founding one, when official Nordic co-operation began in the 1950s. We have effectively stepped away from that, not by common agreement but through unilateral, short-term actions. Whether or not this exhibits a panic reaction by states, it speaks loudly about the weakness of Nordic co-operation, and the inability of the Nordic Council of Ministers to mobilise coordinated actions. In a critical situation such as the current one, states would have been expected to show greater confidence in the Nordic Council of Ministers. Instead, they turned their backs, giving the message that the Council of Ministers is not a crisis-handling organisation. Coming back to institutional perspectives, this is a clear example of how Nordic countries have forgotten their role as regulators in the 'institutional game', as opposed to being mere 'players' in a pre-set game. As both regulators and players, Nordic countries failed to adapt the rules of their Nordic game to new and changing conditions on the global stage. Instead of adapting the Nordic Council of Ministers to be a possible co-operation platform during a pandemic, they seemingly turned inwards, moving away from their Vision of becoming the most integrated region in the world.

## 5. Key lessons so far

What can be discerned from this study is that the nature of the dynamics in border communities is poorly understood at the national level. This is despite local authorities and other key actors in border regions being actively encouraged to deliver shared services and to forge closer economic and social bonds. Beyond the economic incentives local administrations have for pulling resources together for delivering public services or adding to their market size by bringing shoppers and skilled workers in from the other side, there is a close-knit community oblivious to the national border. Closing borders severs these organically developed ties. The communication and actions taken at the national level, even if justified for infection control during a pandemic, takes little heed or advice from these areas when it comes to understanding the effect of the measures on people's everyday lives.

The various socio-economic effects of closing borders are grave at present. It is difficult to say with any certainty what the outcome will be as the pandemic is still going on. What is clear is that the immediate effects, including social unrest and jobs losses, are having a considerable impact on the population in the area. While life, in general, has changed dramatically in all regions, border communities have suffered enormously from the re-emergence of hard borders. Families are divided, trust in the authorities and between people has deteriorated, and nationalism has surged. Additionally, significant job losses in municipalities along the borders are clearly connected to border closures and to the halting of border trade and tourism. At the same time, the effects different communities have experienced have been asymmetric. Some border areas are effectively more interconnected than others. There is also a significant imbalance in levels of dependence upon border customers and cross-border trade, which is often one-sided. Border municipalities that have more diversified economies have therefore been more resilient to restrictions. However, the social effects of this are significantly more severe in areas where family ties and social bonds traverse national borders.

So far in this crisis, the lack of common response, or even some level of coordination between states, bears witness to an institutional system that is ill-equipped to deal with crises in practical ways that move beyond meta-conversations about integration and sustainability. The absolute disregard for local authorities' and cross-border committees' engagement also evidences a lack of awareness among national authorities of the role para-diplomatic relations and soft governance structures play in cushioning the effects of one-size-fits-all policies.

### **A shared Nordic vision?**

The shared Nordic vision is for a strong and unified macro-region in which people have the right and opportunity to live, work and trade across borders, a region that seeks to overcome obstacles to working together. Nordic co-operation has helped reduce transaction costs, encouraged commitment and coordinated action between states. However, the global health crisis has put Nordic co-operation to the test.

Before the pandemic, closed borders between Nordic countries seemed an impossibility. The region has long boasted of its integration. However, beyond its cultural and historical ties, there is little that resembles true integration between the countries and peoples. In the face of the COVID-19 pandemic, it is clear that the freedom of movement enjoyed by Nordic peoples and cross-border areas has been taken for granted. Where the cross-border co-operation structures should have functioned as a safety valve for the ending of free movement – by ensuring close co-operation – what happened instead was that the power to operate independently was removed and border communities were left with less power to influence. Efforts and hopes for integration are put at risk when the most basic freedoms are denied, such as the movement of people, goods and services. The general fear is that this situation will harm social integration in the longer run, lessening the enthusiasm for companies to operate across borders, and deterring workers from seeking jobs on the other side. A pre-pandemic lack of enthusiasm for cross-border

co-operation at the local political level was identified in some areas, while the effects of the crisis have strengthened commitments to work together in other areas.

In addition, the downright rejection of Nordic institutions as appropriate structures for working together, and as a problem-solving forum for battling the pandemic, demonstrates the fragility and weakness of these institutions as supra-national platforms. In this case, state sovereignty and security have taken precedence over a cooperative structure normally based on mutual interests and symbolic power. One year into the global pandemic, the Nordic states have seemingly forgotten to act on the precedent set for general Nordic co-operation. They have forgotten, indeed, that they are not only 'players', but in fact are also *regulators* of this new game, who ultimately shape the way institutions should act and behave. If conditions are changing, states need to follow suit and draw up the rules that promote mutual interest in order to retain their institutional vigour. Indeed, Nordic co-operation, across its intergovernmental and interparliamentary platforms, has the tools both to find common ground and to agree on common approaches to global trends and situations that affect all aspects of the Nordic societies. As the current situation has played out, however, it is clear that Nordic partners forgot to change their tactics and shape their institutions to work together for mutual interest. Instead, the silence from Nordic institutions has been deafening, and although co-operation is likely to continue post-pandemic, it may emerge wounded and significantly weakened.

By choosing to keep its borders open during the pandemic, Sweden came into the spotlight. While the Swedish approach was and is controversial, it was in concordance with the long-standing principle of free movement. This was in stark contrast to its Nordic neighbours, but also to most other countries, which opted to shield themselves behind closed doors – both internally, with widespread lockdown measures, and externally, with closed borders. The enforcement of strict unilateral measures on a country-by-country basis has led not only to a (heated) discussion of what the 'right approach' is among people, but also of the role of Nordic co-operation (see Nordic Survey; Freedom of Movement Secretariat, 2020).

While this report makes no judgement as to the 'right approach' to the health crisis, the lack of coordination between states provides considerable evidence of an increasingly inward-looking state-centred politics, which may indicate a turning point after several decades of globalisation and multilateralism. We are turning back to our own bubble, to defend what is 'ours', moving towards an increasingly dominant 'us and them' mentality. If true, this shift could lead to less reliance on supra-national institutions. The weakening of supra-national governance institutions and arenas would in turn weaken sub-national ones. Cross-border committees and co-operation projects are largely dependent upon Nordic and EU funding, which will struggle to survive if their support is discontinued. In addition, even if border municipalities and regions were to increase their membership fees, co-operation agreements and integration efforts will be largely ineffective if freedom of movement cannot be guaranteed. Unless that trend is reversed, the new game will increasingly be played by individualistically minded states.

## Soft governance and border communities

What unilateral top-down approaches to the pandemic have revealed is the sensitivity of border communities to centralised decision making. National authorities acting on behalf of all those living within their borders often neglect context-specific differences, including the inter-dependency of border areas with what lies beyond their territory. The lack of coordination between supra- and sub-national levels in designing responses to the pandemic has left border communities caught between conflicting regimes. Multi-level governance, and particularly para-diplomacy, the region-to-region perspective, and municipality-to-municipality relations have been largely underestimated as mechanisms for addressing the effects of the pandemic locally. Indeed, sub-national administrations are responsible for implementing the measures imposed at a national level, and are therefore confronted with the practical challenges of implementation. The lack of concessions to border communities during the pandemic, and the evident challenges that come with it, have brought local and regional actors together in demanding action from national authorities. While this was largely unsuccessful in lifting border restrictions altogether, Torne Valley earned an except for the border community from the Finnish authorities. Cross-

border committees and information centres were also successful in highlighting the many challenges regarding taxation, social security and commuting, ensuring that they received attention from national bodies.

The state of emergency was used to justify the re-establishment of state-centred decision-making, as opposed to decentralised, multi-level governance and para-diplomatic soft governance approaches. Beyond the response to the pandemic itself, top-down national measures undermine the unique position of sub-national governments in matters of their local mandates. Backed by their decentralised powers, many local authorities have made important decisions jointly with neighbouring municipalities, and across national borders. Some of these constitute long-term investments in infrastructure and public services.

With governments 'seeing' border regions for the first time, it is clear that the sovereign state is still alive and well. Those who were once considered neighbours, regardless of land borders, are now re-defined as firmly based in another country. What this may mean for future Nordic, or even European, integration is hard to tell, but using para-diplomatic platforms such as cross-border committees and organisations may be a worthwhile way of understanding the impact on such areas when borders are closed.

Cross-border experts recognise that they have found their allies at the supra-national level within the Nordic Council of Ministers and the EU institutions. However, they are in a void in terms of the national authorities. An overwhelming message from our online conference was that cross-border committees and local authorities need to redouble their efforts in seeking to become visible in national politics. In doing so, they need to show the added value of smooth coordination within border areas, which are also the borders of their closest allies – culturally, politically, and commercially.

## 5.1 Strengthening cross-border co-operation for a resilient future

Border communities and cross-border collaboration have been wounded and weakened by uncoordinated responses to the pandemic. So is the unity and identity of the Nordic community as a whole. Offsetting the uncertainty created by the sudden interruption of free movement is mostly in the hands of national governments. Re-establishing the key principle of trust puts significant pressure on national authorities. Violating freedom of movement sets a dangerous precedent in a region that is meant to be the world's most integrated. Failing to guarantee this basic principle will have direct consequences, namely in disintegrating existing social and business ties in border regions.

Nevertheless, strengthening border communities' resilience in the aftermath of the pandemic will strongly depend upon the ability of local and regional authorities to re-invent cross-border collaboration and to rebuild trust and a sense of affinity. There are many challenges in the way cross-border collaboration is organised today, and the political landscape post-pandemic will bring new challenges – perhaps an entirely new playing field. A crisis should never be wasted. Creative destruction provides the opportunity to replace old practices with new ones, better suited for the new conditions. In some ways, the timing of this crisis may even be considered good for cross-border regions, considering its coincidence with the new EU programming and budget period, as well as with the recovery funds made available. These provide border areas with a unique opportunity to rethink co-operation (Finnsson, 2020), all the while ensuring that the fluidity of border community identities prevails. Spending time finding new paths for development, generating fresh modes of operation and rethinking the purpose of co-operation while realising that a new normal is on the horizon: all this provides a great opportunity for cross-border actors to reinvent themselves and to build back stronger. Resilience theory is based upon the idea that development paths are dynamic. Daring to define a new development path for cross-border collaboration is the key to unlocking a new future for these areas and making

border communities more resilient.

Currently, cross-border committees and conventions play a valuable role in terms of soft-governance structures; that is, in securing smooth collaboration across borders, including political collaboration and consultation, but also in lobbying the relevant authorities for shared public services and increased social integration. However, these organisations remain at the mercy of the interest of local governments in collaboration, and their willingness to devote financial resources to this purpose. They are therefore heavily constrained, both politically and financially. Although international work is considered important for both regional and local authorities, the financial resources devoted to it is eclipsed by a number of other priorities. This also means that collaboration within border communities is extremely person-dependent, often with one, or just a few, people employed to facilitate it.

As a result of all of these factors, strengthening cross-border co-operation may require reinforcing soft institutions and giving them the tools and independence needed to increase their impact and influence, both at sub-national and at supra-national levels. Recovering from this crisis will require further investigation into the institutional mechanisms and purposes of Nordic co-operation. Part of building institutional capacity is the accessibility of information and data. Harmonising data across borders is necessary for a well-functioning society in the broadest sense of that term. It can also be crucial for understanding the impact of stopping mobility and cross-border commuting. At present, we do not even have reliable statistics on border commuting.

Delivering joint public services across borders has been one practical mechanism for pulling resources together, cutting costs, and boosting integration. While some voices have warned of the risks that come with this approach, few would have imagined that the borders could be closed and militarised overnight. Since many cross-border public services were suddenly interrupted, serious discussions have ensued about the future sustainability of these services. How to deal with joint services will be key for handling future crises in some Nordic border areas. It may be necessary to re-evaluate the risks of joint investments and public services, and to rethink them in order to overcome potential threats.

Border areas need to act with unified voices in order to raise awareness of their unique conditions, promote their interests in national and Nordic institutions, and help prevent devastating crises in the future. When there are no local tools and no toolbox to address big threats, the national level takes control, resulting in closed borders. Although our borders will reopen after the pandemic, the option of closing them again will always remain a threat. Questions surrounding guarantees of open borders seem likely to be key issues for cross-border areas in the future. Ensuring that there is an appreciation of cross-border areas in national politics will be important, as it is abundantly clear that this does not exist at present.

To strengthen the cross-border organisation in the future, cross-border organisations need to demonstrate their added value beyond short-term projects and abstract discussions. Joint projects need to lead to a sustainable, value-added change in the local community. Providing further support to these organisations and making them key players in local governance structures might help make institutionalise the work that they do. They also need to be made a key feature of Nordic integration. Responding to the Nordic Vision 2030, with its aim of creating the most integrated region in the world, border areas should be seen as a micro-laboratory for testing the feasibility of the vision. So far this is seemingly not strong enough to withstand crises, and it demonstrates the fragility not only of the cross-border regions themselves, but of the Nordic institutions, too.

The pandemic is also accelerating structural change. In an increasingly digital working environment, and with improved digital solutions and network connections, people may see real potential in settling wherever they choose. This may contribute to changing urban-rural dynamics, which could be positive for border areas. With a move towards the normalisation of e-commerce, e-health services, e-government, online education and the like, border areas may be able to capitalise on the situation by adapting to new practices quickly. With increased accessibility to services, areas further removed may be equally 'central' in terms of their online

presence. With such practices already in place in remote areas, developed out of evident necessity, the regions involved are in a position to harness their experiences, and to share them with similar areas across the Nordic Region. Increased digitalisation also makes communication among border actors easier – with less need for travelling and meeting in person. However, increased e-commerce also threatens border shopping and trade. Several border businesses have already realised the need to provide attractive experiences in addition to products that can just as easily be purchased online. The structural transformations may also demand new competences and new forms of skilled labour.

Standing at a crossroads between an 'old normal' and an emerging, future path, it is useful to apply resilience thinking in order to better plan for the development of border communities. 'Bouncing back', or resuming the pre-shock *modus operandi*, may be doomed to fail, given that the underlying conditions have now changed. The current context may not even be reasonably described as a 'new normal', since that would imply stability. Instead, we are living a period of rapid change and uncertainty. A more logical way to plan the future of border communities may therefore be to 'bounce forward', transitioning to a new path altogether. Yet again, this is a challenging exercise, one that involves looking ahead and taking aim at a moving target. New frameworks must take into account the uncertainties with which we live, reinforce the capacity of border communities to 'absorb' disturbances and to adapt. In the short term, border communities should focus on de-escalating fears and 'us and them' sentiments, in order to reunite people and rebuild trust. This will be essential if communities and authorities on both sides of borders are to work towards common goals again.



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