



Mental border obstacles

A study of how Norwegian and Swedish companies experience and constitute work across the border

A summary



Photo: Erik Johnsen

Crossing the Norwegian-Swedish border in Morokulien.

WHAT IMPEDE BUSINESSES FROM GOING CROSS-BORDER?

The Norwegian-Swedish border is unique in many ways. It is not only one of the world's longest national borders, but also the EU's external border. The people on each side have through generations back had a big exchange with each other - and once before belonged to the same nation. Sweden and Norway still have a well-integrated business community and are extremely important trading partners for each other. But despite that, cross-border enterprise faces many challenges in the future - although the potential is enormously high.

Business activity across the Norwegian-Swedish border is extensive. But the variations in how the transnational activities along the 1600 km-long border are perceived are also considerable, and they differ in different locations and sectors. In this study, we identify mental border obstacles that impede people or businesses from moving between countries or regions. This is a summary of the study.

Cultural boundaries do not necessarily correspond to national borders, but can instead be based on local or regional cultural patterns, sometimes with deep-seated historical roots. However,

neither the idea of a transnational camaraderie with historical foundations nor important Inter-reg efforts have meant that the national boundaries between Norway and Sweden have dissolved.

In light of previous research on the dynamics and complexity of the Norwegian-Swedish border, as well as research on how national boundaries are charged with significance, in this analysis we have arrived at a definition of the – to-date relatively unknown – concept of mental border obstacles.

Based on in-depth interviews with 50 entrepreneurs from small- and medium-sized companies

THE DEFINITION OF “MENTAL BORDER OBSTACLES”

- Borders that are created, upheld and reproduced in the everyday and that – consciously or unconsciously – impede people or companies from moving between countries or regions.
- These borders can, but do not have to, be related to physical obstacles (e.g. a wall); geographic obstacles (wide rivers, mountains, impenetrable forests or long distances); legal or political obstacles (e.g. tax- and duty policies).
- They are, however, always related to past experiences (one’s own or those of others); they are often collective; and they are passed on through narratives about the past and stereotypical images of “the Others”.
- Mental border obstacles are thus cultural (they are shared, and they are learned), and they are performative (they are enacted).

along the entire Norwegian-Swedish border, as well as from larger localities in both countries and 13 border- and business organisations, the following six mental border obstacles for business owners between Norway and Sweden have been identified:

1. National attraction

Factors such as e.g. educational systems, politics, trade organisations and cultural services both mentally and physically draw people and companies from the border and toward the nation’s core.

2. It never occurred to me – the importance of surroundings and network

Surroundings, context and network influence the degree to which the possibility to work transnationally occurs to entrepreneurs.

3. Staying in one’s comfort zone

A lack of contacts and knowledge about the market and regulations raise the threshold for companies to consider working in the other country plausible. Many entrepreneurs feel that the first step is a very large one.

4. Experiencing concrete problems and formal border obstacles

Formal border obstacles and practical problems create an image of transnational work as difficult and complicated. An entrepreneur’s personal attitude to the obstacles also influences how they are experienced.

5. The image of “The Others”

Stories about the differences between Norwegians and Swedes contribute to reinforcing the border and the feeling that there is something different and unknown on the other side.

6. Differences in business culture

There is a risk of misunderstandings and frustration in the meeting with the other country’s business culture and traditions; such experiences and stories also contribute to increasing the border’s significance.

We have, however, also identified forces that motivate companies to work transnationally. They are primarily personal relationships, geographic proximity and communications, as well as cultural and linguistic similarities. But also experiences from working on the other side of the border, national stereotypes with a positive function, as in the “service-minded Swede”, and differences in traditions that benefit companies from another country.

One sector in which we have seen numerous examples of transnational cooperation is the tourism industry.

The attitude to business activity across national boundaries differs depending on how close to the border a company’s headquarters is located. Cultural affinities with e.g. neighbouring towns on the other side of the border tend to be greater near the border, particularly in certain stretches



Photo: Øresund Institute

The geographical situation and the Norwegian tradition of going to Sweden to go to the spa are factors that benefits us when attracting customers from the other side of the border.

Strömstad Spa & Resort

Linda Einarsrud, CEO at Strömstad SPA & Resort who are using the cultural differences to their advantage.

of the border; in this respect, Kiruna-Narvik stands out as a remarkably close-knit region. Even in a number of other border regions, from Nord-Trøndelag and Jämtland in the north, via Hedmark, Värmland and Dalarna, to Østfold and Bohuslän in the south, the transborder contact is frequent – which also benefits transnational business activity.

Cities that are located further from the border occasionally have a tradition of turning in another direction, e.g. away from their country's capital city. Oslo and Stockholm are distinctive in that businesses there lack a network in the neighbouring country to a greater degree than towns along the border do; this is probably in part a symptom of geographic distances, and in part because the capital cities “are enough on their own”.

Sector identity also plays an important role in the mental border obstacles that businesses consider most inconvenient, and for how the opportunities to move over borders are perceived. The ma-

nufacturing sector, for example, often invests in a sales department of its own, with knowledge and understanding of the market on the other side of the border. Consultant businesses within IT, business development and communications emphasise the importance of networks and client proximity; thus, many conclude that they have to establish a new company and an office on the other side of the border.

Construction- and civil engineering firms are hit hard by practical border obstacles regarding e.g. customs, which leads to their perceiving them as difficult. The service companies that we interviewed appeared to be less offensive than many other sectors – they receive clients who cross the border regardless, without additional marketing.

The female entrepreneurs that we interviewed reported that they experience working across the Norwegian-Swedish border as more difficult than male entrepreneurs reported. However, we have not seen any gender-related differences as regards the number of companies that operate across the



Photo: Lansstyrelsen Värmland

The 1610 kilometers long Norwegian-Swedish border consists of a lot of forest in rural areas. Far away from customs and services.

Norwegian-Swedish border. In contrast, men and women differ in terms of the extent to which they use stereotypical imagery when talking about people from the other country. Men tend above all to express stereotypes more often than women, but also express that they perceive differences in the countries' business cultures.

Our analysis shows that many phenomena interplay to create a national force of attraction that draws people and businesses away from the border and toward the nation's centre, both physically – for instance, through education programmes – and mentally – for example through culture consumption.

An additional important factor in that respect are the news that businesses access. In an analysis of how the media reports on the other country's business and economy, we have been able to confirm that transborder monitoring of that area is

low. Business on the other side of the border is often brought up in reference to something that happened in one's own country, and larger businesses dominate the reports. Because of this, entrepreneurs risk missing out on valuable information about potential markets and clients on the other side of the border; furthermore, a simplistic representation of business may increase the perceived distance from the other country.

Norwegians and Swedes both feel that the Norwegian interest in Sweden is greater than Sweden's interest in Norway. The media analysis, however, reveals a greater number of Swedish articles on Norway than the opposite.

In conclusion, we provide 23 recommendations on how a continued effort to reduce the mental border obstacles between Norway and Sweden might look.

Geographic variations, industry affiliation and proximity to the border affect the extent to which entrepreneurs experience mental barriers

POSSIBLE INITIATIVES...

...for increasing transnational thinking among businesses

- Bring together businesses from both countries that are close to the border with workshops and seminars.
- Arrange more sector-specific networking meetings for transborder work in cities located further from the border.
- Let "mentor companies" share their experiences.
- Recommend that companies bring people from the other country into their administrative boards in order to create a network across the border.
- Create company registers for different regions and sectors to increase the chances of finding transnational collaborative partners.
- Organise contact events with speed dating for businesses that are looking for collaborative partners.
- Create a "dating site" where businesses can look for clients, contract assignments and partners in both countries.
- Allow public procurements to be sent to businesses on the other side of the border as well.
- Reduce formal border obstacles, as they contribute to the perception that working transnationally is complicated.

...for increased information

- Provide information about business activities on the other side of the border, as well as about border services and Hallo Norden.
- Direct this information at sectors, regions and businesses according to size.
- Generate more information about mental border obstacles and research them in order to reduce them.
- Investigate whether generally accepted preconceptions of e.g. price differences and administration in Norway and Sweden are correct.
- Discuss how stereotypes about Swedes and Norwegians can be addressed and/or used in a positive way, for example in marketing.

...to increase knowledge about the other society in general

- A transborder news service with news from the business sector would increase knowledge and the perceived sense of closeness.
- An independent organisation that promotes knowledge and exchange in the business sector could serve as a basis for a news service and networking meetings.
- Transborder cultural collaborations can lead to greater reciprocal knowledge and reduce stereotypical images.

..for increased knowledge and exchange in education

- Promote studies abroad in Norway and Sweden in order to create contacts, increased knowledge about the neighbouring country, and a sense of closeness.
- Promote exchange in educational programmes to increase knowledge about the job market and regulations in the other country.
- Increase information in vocational education programmes about the job market and regulations in the other country.

...for trans-border social networks

- School twinning and pen-pals between the countries, as well as shared activities close to the border, build networks for the future.
- Shared extracurricular activities in music and sports can reinforce the trans-border social network.
- It is believed that trans-border work is related to personal relationships; a Swedish-Norwegian dating site could contribute to this.



ABOUT THE PROJECT

BORDER OPPORTUNITIES

- an integrated labor market along the 1610 kilometers
Norwegian-Swedish border

Border Opportunities (Gränsmöjligheter) is a three-year project with the intention to increase cross-border activities between Norway and Sweden. The project is funded through Interreg Sweden-Norway, which is an EU-program for cross-border cooperation.

The goals are:

- to increase opportunities and mobility for companies in Norway and Sweden to easier move across a larger cross-border market.
- to coordinate and structure work on border barriers for businesses across the Norwegian-Swedish border between the border service and existing border committees.
- to destroy mental border obstacles by informing small and medium-sized companies about the possibilities of working cross-border.
- to enlarge the market and to increase the conditions for growth and competitiveness for small and medium-sized companies in Sweden and Norway.

The project is being implemented in close cooperation between the Värmland County Administrative Board (SWE), Hedmark County Council (NO), County Governor of Hedmark (NO), Svinesunds committee (SWE), Norway-Sweden border service (Grensetjänsten Norge-Sverige) and border committees in both countries. In addition to the partnership, cooperation will be conducted with the Nordic Council of Ministers and several other actors working with business issues.

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