

## SECTORS OF ECONOMIC COOPERATION

Denmark is Schleswig-Holstein's first economic partner (14.3% of its imports, 7.6% of its exports) and carries out the bulk of its trade with Germany. However, German entrepreneurs' poor command of Danish and their lack of knowledge about their neighbour restricts cross-border economic relations. Recent disputes with the Danish trade unions, which were protesting against common practices in the domestic construction industry aimed at paying German employees lower wages have gradually given rise to a form of protectionism in Danish markets that keep their neighbours at a distance.<sup>76</sup> On the other hand, Danish economic players are more oriented towards Germany, which represents a prime economic outlet, and regard their development strategies in the border region as a first step to breaking into the Hamburg market.

This atypical situation notably led the INTERREG IV Syddanmark-Schleswig-K.E.R.N. programme to co-finance projects aimed at bringing businesses on either side of the border closer together in order to strengthen coordination and develop synergies in the region's two cutting-edge fields: renewable energies and logistics.

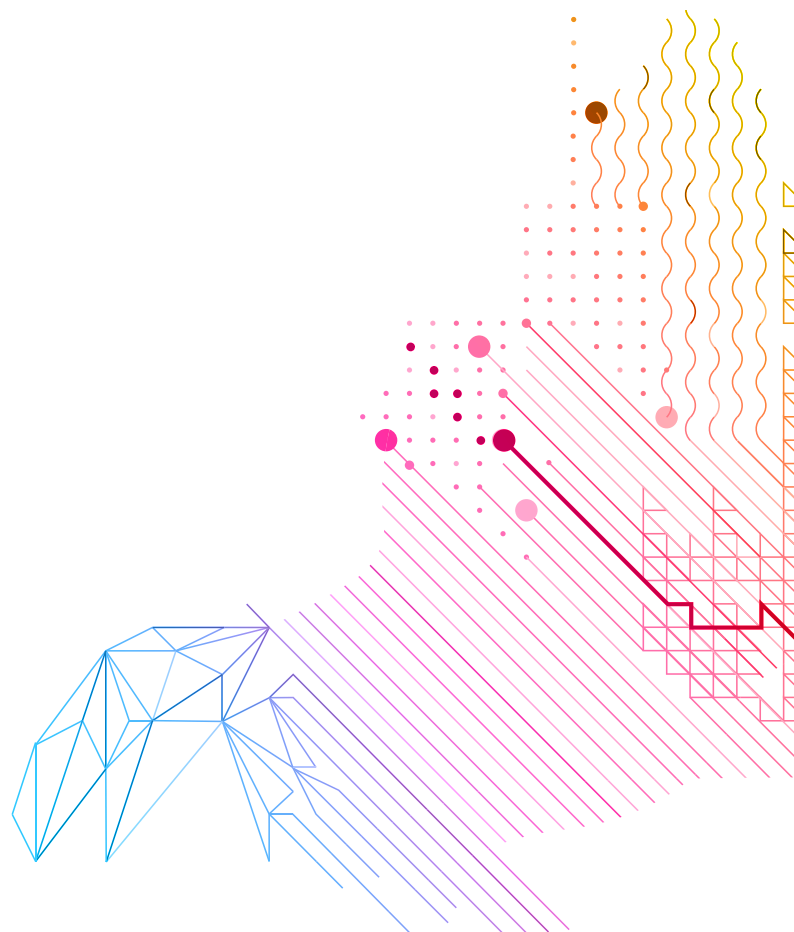
- **The FURGY project (2008-2013)**, led by the Flensburg Chamber of Commerce and Industry, thus sought to identify SMEs, research centres and development organisations involved in the energy sector on either side of the border and to create networks to connect them. The objective is to coordinate the activities of the German and Danish clusters, step up technological transfer and stimulate joint promotion of the sector internationally. In parallel, fostering research relating to the storage and energy efficiency of wind power was considered necessary to make the region a centre of excellence in this area.
- With regard to logistics, **the CB-Log (Cross-border Logistics – 2009-2012) project** helped to set up a platform that brings together representatives of the transport and logistics industry, as well as researchers/academics, with the aim of formulating an overall marketing strategy around the Jutland corridor. The multimodal transport hub in Padborg (through which 1.5 million heavy goods vehicles transit each year) has been reinforced, a rail company and combined rail-road terminal have been created in Neumünster, and actions to promote the sector among young people in their process of deciding their career direction have been carried out.

There is a second INTERREG IV programme concerning the German-Danish border – that of the Fehmarnbelt Strait, along the eastern part of the border. As it is a rural area, economic exchanges are poorly developed there. A tunnel to link the two sides of the strait, financed by Denmark (there will be a toll on this section), will be opened by 2020.

## LABOUR MARKET

Unemployment rates over the past few years have remained at around 6% in the Syddanmark Region and around 10% in the Land of Schleswig-Holstein.<sup>77</sup> These figures reflect the need for German labour on the Danish side, with the latter mainly occupying posts in the hospital, services and construction sectors. Flows of cross-border workers are greater from the south to the north of the border. Around 3,000 Germans are recorded as working on the Danish side, coming particularly from border municipalities and often on short-term contracts. The Germans' poor command of Danish probably explains these relatively low figures.

Opportunities for university students to complete part of their course on the other side of the border are few. However, a number of initiatives, notably that of the Lübeck Chamber of Commerce and Industry along the eastern part of the border, aim to expand cross-border apprenticeships above all for the German population.



<sup>76</sup> Source: Interview with WiREG – Wirtschaftsförderung Flensburg.

<sup>77</sup> Source: Operational programme of the INTERREG IV A Syddanmark-Schleswig-K.E.R.N. programme (2007-2013).