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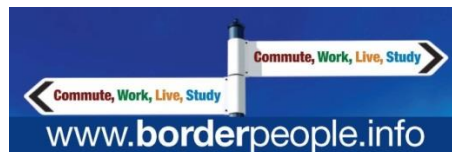
# Overcoming obstacles in border regions



The Centre for  
Cross Border Studies

and

**Border People Project**



Report compiled by Annmarie O'Kane  
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The Centre for Cross Border Studies  
39 Abbey Street  
Armagh BT61 7EB  
Northern Ireland  
Tel: +44 28 3751 1550  
Email: [a.okane@qub.ac.uk](mailto:a.okane@qub.ac.uk)  
[www.crossborder.ie](http://www.crossborder.ie)  
[www.borderpeople.info](http://www.borderpeople.info)

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## Introduction

This response has been prepared by the Centre for Cross Border Studies<sup>1</sup> as a contribution to the Public Consultation – Overcoming obstacles with border regions

### About the Centre for Cross Border Studies

The Centre for Cross Border Studies, based in Armagh, has a strong reputation as an authoritative advocate for cross-border cooperation and as a valued source of research, information and support for collaboration across borders on the island of Ireland, Europe and beyond.

The Centre empowers citizens and builds capacity and capability for cooperation across sectors and jurisdictional boundaries on the island of Ireland and further afield. This mission is achieved through research, expertise, partnership and experience in a wide range of cross-border practices and concerns.<sup>2</sup>

### The Border People Project

The Centre for Cross Border Studies manages the Border People information service<sup>3</sup> which is recognised as an important source of **cross-border citizens' information and advice** on the island of Ireland (Republic of Ireland and Northern Ireland). It provides practical information for people crossing the border to live, work, study or retire. It acts as a portal to a wide range of (single jurisdiction) information sources, the most popular of which are in the areas of social security, taxation, welfare benefits, healthcare, pensions, and motoring.

The cross-border information is tailored to suit a wide range of **target groups**. They include workers, retirees, job seekers and the unemployed, students, motorists, families, migrants and consumers.

These target groups cross the border regularly, often daily, for many varied **reasons** e.g. to commute to work, to seek employment, to retire, for education or training, to access healthcare, to shop, to travel and for leisure, to move residence from one jurisdiction to another, etc.

The project provides online information, direct advice to the public and citizens advisors, training to advisors, and policy analysis. The response that follows, therefore, is closely informed by the experiences of citizens and advisors who have contacted the project for advice and support.<sup>4</sup>

***The Border People project considers the  
general lack of cross-border knowledge and awareness among citizens  
to be a considerable barrier to cross-border mobility.***

## What in your opinion are the main obstacles to cross-border activities?

### In the EU

Despite efforts from the EU to protect the right to free movement there remain many well documented obstacles to cross-border mobility encountered by citizens and frontier workers.

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<sup>1</sup> Prepared by Annmarie O'Kane, Border People Project Manager, Centre for Cross Border Studies

<sup>2</sup> For further information please visit [www.crossborder.ie](http://www.crossborder.ie)

<sup>3</sup> For further information please visit [www.borderpeople.info](http://www.borderpeople.info)

<sup>4</sup> Examples of basic tax issues presented to the project included on page 4

The 2012 AEBR report<sup>5</sup> on *information services for cross-border workers* highlights some key obstacles to mobility found in numerous EU border regions. They include:

- Absence of information or insufficient information
- Differences between social care and tax systems
- Cultural and language differences
- Problems with mutual recognition of qualifications
- Interpretation and application of EU legalisation at national level
- Lack of cross-border data and statistics

In response to these and other issues many European countries have established citizens' information services that provide tailored cross-border information and advice and guidance. For example INFOBEST is a network of four information and advice centres based in the Upper Rhine region. The centres are a contact point for: citizens, clubs/associations, businesses, administrations and politicians. It functions as a link between the administrations of the three jurisdictions to support the communication and the co-operation between the different administrations.

While many Citizens Information Services were first established with the support of EU funding e.g. Interreg, many are now struggling to survive without EU support.

## **In Ireland / Northern Ireland**

The AEBR findings are comparable to cross-border obstacles identified in Ireland / Northern Ireland by the Border People project. They include:

- Lack of **awareness** of cross-border rights, entitlements and obligations
- Lack of clear **information** suitable for a wide ranging audience
- Differences in **social welfare** systems and in the practical application of EU regulations, directives and decisions at national level.
- Complex **tax** systems
- Access to **healthcare** and differences in systems
- Recognition of **qualifications**
- Access to trained cross-border **advisors**
- Limited statistical **data** and analysis on cross-border mobility
- **Cultural** differences and mistrust
- **Language** barriers

## **What form do these obstacles take in daily life?**

### **Lack of awareness**

The Border People project has found a general lack of knowledge about cross-border rights, entitlements and obligations among citizens in Ireland / Northern Ireland. The lack of knowledge is varied and citizens' questions to the Border People project covers a wide range of topics:

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<sup>5</sup> [www.aebr.eu/files/publications/121030\\_Final\\_Report\\_EN\\_clean.pdf](http://www.aebr.eu/files/publications/121030_Final_Report_EN_clean.pdf)

- **Taxation:** e.g. declaring cross-border income, claiming tax relief, completing cross-border tax returns, unexpected penalties and tax bills
- **Commuting:** e.g. car registration, driver licencing, insurance
- **Social welfare:** e.g. cross-border unemployment, redundancy, retirement, illness benefit entitlement
- **Healthcare:** e.g. provision for cross-border workers and retired cross-border workers

### **Lack of locally relevant information**

High level information from Europe, e.g. Your Europe, is very helpful and outlines basic rights and entitlements as per EU legislation. However how that legislation is implemented locally is often complex and differs between Member States. Practical, local information is needed and is required for a wide ranging audience including:

- Citizens
- Advice sectors and information providers
- Businesses and organisations
- Local government agencies e.g. social welfare offices

### **Cross-border social security**

The practical implementation of EU legislation at local level frequently differs by the Ireland / Northern Ireland (UK) administrations. E.g. the decision on which Member State is competent for the payment of family benefits differs, as does the application process for claimants.

Many citizens in Ireland / Northern Ireland region are required to understand the social security systems of both jurisdictions and the complexities that arise due to cross-border mobility. Unfortunately the level of misinformation provided to citizens by front-desk administration drives a lot of the questions to the Border People project:

Examples of misinformation given to individuals by officials:

- Job seekers having their benefit stopped when they take part time work in the other jurisdiction
- Benefit recipients being told they cannot continue to receive their benefit if they move across the border
- A cross-border worker being refused social welfare due to living across the border
- Illness benefit being refused due to insufficient social insurance payments, EU aggregation not considered
- Cross-border Family Benefits incorrectly processed and/or payments unreasonably delayed
- Adoption Benefit refused due to the cross-border adoption being classed as 'foreign'

Unexpected complications can also rise; the predominant language may be the same but the meanings are sometimes different e.g. in Ireland the term Tax Credits refers to a tax bill reduction whereas in Northern Ireland it refers to a Family Benefit payment paid to low income families.

## **Cross-border taxation**

There is high level of cross-border labour mobility across the Irish border; however the Border People project has found a general lack of knowledge about tax obligations among cross-border workers and employers.

This is a substantial barrier to cross-border mobility resulting in lost opportunities and restricted economic activity. For instance

- Employers may not widen their search to include citizens living on the other side of the border
- Jobseekers in one jurisdiction find it so difficult to access clear information on employment in the other jurisdiction that are opportunities are not being considered

For workers who do take up cross-border employment they frequently do so without full information and without knowledge of the impact it will have on their social welfare entitlement and their tax obligations. Frequently workers think that as they have paid their tax and social insurance contributions directly through their (cross-border) employer that they have no obligation in their country of residence. This leads to financial hardship when tax penalties are applied to workers who had no knowledge of their obligation to also declare their income in their country of residence.

### **The main issues are:**

- Lack of general information on cross-border taxation issues
- Lack of awareness from both employees and employers regarding their obligations
- Incorrect information being provided to citizens from local tax offices

### **These issues result in:**

- Lost employment opportunities – cross-border employment not being considered due to perceived complex tax burdens
- Penalties and fines due to unawareness of obligations
- Overpayment of taxes due to unawareness of tax reliefs
- Pension savings reduced due to lack of tax relief
- Lost business opportunities as cross-border markets are not explored

### ***Other cross-border tax issues causing concern include***

- Inheritance tax
- Taxation of pensions
- Car registration
- Vehicle registration tax

## **Recognition of qualifications**

While considerable efforts have been made to align and cross reference the qualifications frameworks in the jurisdictions confusion remains for students, educational organisations, employers and jobseekers.

This restricts employment opportunities for jobseekers and reduces the skills pool for employers. It also limits the educational options for potential students e.g. some UK third level qualifications are not recognised for university placements in Ireland.

### **Limited access to trained advisors**

In comparison to other EU border regions Ireland / Northern Ireland does not have a physical cross-border office. Citizens cannot find all the answers under one roof. This is a major obstacle to mobility for citizens who need direct support from an advisor with cross-border expertise across a range for topics e.g. knowledge of how cross-border employment will affect social welfare entitlements and taxation obligations

Currently the Border People service puts importance on upskilling the long established advice sector in each jurisdiction however EU Interreg funding for this initiative ended in January 2015 so the provision of cross-border citizens' information is still limited within the mainstream advice sectors in the region. Continuous training programmes are needed as cross-border information changes and new advisors join the advice sectors.

### **Lack of cross-border data**

Limited statistical data and analysis on cross-border mobility is hindering high level strategic planning for information provision and dedicated resources for cross-border mobile citizens.

In 2010 the Centre for Cross-Border Studies prepared a report<sup>6</sup>, on behalf of EURES Cross-Border Partnership, which estimated that 23,481 people were crossing the Irish border to work. This compares with a 2001 report<sup>7</sup> by the North South Ministerial Council which estimated 18,000 crossed the border to work. However, given that many cross-border workers are not officially registered, with for example the tax authorities, it is likely that the actual figure is much higher than the above estimates.

It is clear that thousands of families on the island are affected by cross-border issues and they require access to reliable advice provision. Further evidence must be gathered to understand and successfully meet the cross-border needs of these groups.

### **Cultural differences and mistrust**

The Ireland / Northern Ireland region is emerging from a significant period of conflict. It is on the sensitive and sometimes difficult path towards a peaceful society for historically divided communities. The provision of helpful, practical, clear information for citizens will help to dispel cross-border myths, highlight the pitfalls and opportunities and will enhance the mobility of citizens in this region.

### **Language barriers**

A multitude of language barriers have also emerged with the migration of EU and non-EU citizens to Ireland and Northern Ireland. Many migrants are also cross-border workers as they move to one

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<sup>6</sup> [http://borderpeople.info/wp-content/uploads/2014/10/measuring\\_mobility\\_in\\_a\\_changing\\_island\\_-\\_ccbs\\_for\\_eures\\_2010.pdf](http://borderpeople.info/wp-content/uploads/2014/10/measuring_mobility_in_a_changing_island_-_ccbs_for_eures_2010.pdf)

<sup>7</sup> [http://www.northsouthministerialcouncil.org/index/publications/obstacles\\_to\\_cross\\_border\\_mobility.htm](http://www.northsouthministerialcouncil.org/index/publications/obstacles_to_cross_border_mobility.htm)

jurisdiction and work in the other. This can introduce complications for example if they need to claim social welfare benefits which require Right to Reside and/ or Habitual Residency. It is essential that clear information is provided so that migrants can make informed cross-border decisions.

## What could be done to surmount these obstacles?

### Provision of clear cross-border information

The existence of dedicated Cross-border Information Centres undoubtedly fosters cross-border mobility. Informed citizens are much more likely to consider options for employment, education, and retirement on the other side of the border. Guided by these services they are more likely to engage with social welfare, health and tax authorities in the relevant jurisdiction.

On 16 April 2014 the European Commission confirmed the adoption of Directive 2014/54/EU<sup>8</sup> which aims to remove existing obstacles to the free movement of workers, such as the lack of awareness of EU rules among public and private employers and the difficulties faced by mobile citizens to get information and assistance in the host Member States.

The Directive will ensure the better application at national level of EU Citizens' right to work in another Member State. The new rules aim to remove existing barriers to the free movement of workers, by providing **access to information, providing advice and support, and legal assistance where necessary**. Member States have until April 2016 to implement the Directive at national level. While this Directive is helpful how it will be implemented by Member States is still unclear. Will they continue provide single-jurisdiction information and simply signpost citizens to EU services e.g. Your Europe? This scenario would not meet the needs of migrants and cross-border citizens as they try to manage two or more local administrations. Information on how the **local** systems cross-over, how they complement or contradict each other is needed.

- Information should be tailored to suit the **local** cross-border region and to meet the needs of numerous target groups – students, workers, employers, retirees, families, etc.
- Local information should also be provided in multiple languages to meet the needs of migrants communities in the region
- Local information should be contained within one space or service e.g. a one-stop-shop

### Access to cross-border advisors

It is important that all members of society have access to information, not just those with access to internet and online services. Online information is important and is a useful starting point however online and new technologies should be used to support to face-to-face and telephone advice provision. An over reliance on email, social media and emerging technologies may lead to ineffective advice provision. By the very nature of these technologies communications are stunted whereas telephone and face to face interaction facilitates efficient information gathering resulting in appropriate and correct advice being provided to the client.

***Direct access to advisors, with expert knowledge of cross-border issues is essential.***

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<sup>8</sup> Directive 2014/54/EU of the European Parliament and of the Council of 16 April 2014 on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers  
<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0054>



The Border People project commenced solely as an online information source but driven by demand and the complex nature of the enquiries it was necessary to also include email, telephone and face-to-face service provision.

### **Training of existing advice sectors**

Basic cross-border topics could be added to current advisor training programmes in existing mainstreamed advice organisations. Upskilling the existing advice sector would ensure that citizens considering working or moving across the border receive credible advice and guidance from a reliable source. Informed citizens are much more likely to engage with social welfare and taxation authorities.

It is also essential that front desk administration is trained to deal with issues relevant to mobile citizens so that they can fully and accurately engage with the authorities.

### **Initiatives and direction from EU**

To deliver an effective Cross-border Citizens Information Service considerable cross-border collaboration is required. The Border People project requires the voluntary support and input of the Advice Sectors and Social Welfare Departments in both jurisdictions. Since 2007 strong cross-border relationships have been built up between the organisations. Providing a platform for this level of cross-border collaboration is essential and will be a key aspect of any future service. The project has developed into a high impact, low cost information service. However the reliance on short-term funding affects the impact of the project, it reduces long-term strategies to short-term planning and trained resources are lost due to staff resource instability.

EU initiatives are needed to secure commitment from regional and national governments and would ensure that strategies are put in place to meet the long-term needs of the cross-border region.

A coordinated EU approach could create a network of high quality services that are tailored to meet the exact local needs of each EU border region. Such an initiative would ensure that citizens are fully informed and therefore more confident to seek cross-border opportunities – employment, leisure, shopping, residence, healthcare etc. Such a network would enhance cross-border mobility, helping citizens to navigate around existing obstacles and potentially removing some barriers altogether.