

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MEASURES FOR ASSISTING ADJUSTMENTS IN THE STRUCTURE AND PATTERN OF PRODUCTION AND TRADE

Addendum

By letter of 5 April 1965, the Swedish authorities have sent to the secretariat the following communication relating to adjustment assistance measures applied by Sweden, which is circulated for the information of contracting parties.

SWEDEN

As a result of Sweden's liberal trade policy Swedish industry has in general had to meet a hard competition from abroad and not least from the less-developed countries. As a result of this competition and of the changing situation on world markets there have been adjustments, mergers, fusions and close-downs within the Swedish industry as well as in other countries. This development can be regarded as a continuous process of structural or sector rationalization which is considered to constitute a healthy development from a long-term economic point of view.

There are no specific legislative or governmental regulations in Sweden related to structural adjustment assistance. The adjustment that has taken place has been spontaneous. It has however been facilitated by general official policies such as an active labour market policy. In this connexion reference can be made to the decision of the OECD Council in May 1964, to recommend that member States re-examine their manpower policies with a view to increasing their ability to solve employment problems created by technical and economical developments.

A short account of the aims and objectives of the Swedish policy in this field is given below (cf. "Labour market policy in Sweden", published by OECD in 1965).

Labour Market Policy in Sweden

The National Labour Market Board is responsible for questions relating to labour market policy in Sweden. The Board has been provided with great personal and financial resources enabling it to take prompt and effective measures. The parties of the labour market, workers and employers, are represented within the Board as well as within its regional agencies - the County Labour Boards.

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The Swedish employment policy comprises many different measures. The most important administrative condition for a successful labour market policy is considered to be an effective public employment service.

A system of vocational guidance has been formed whereby vocational guidance throughout the country is organized and supervised. Guidance is given in direct relation to the employment opportunities available in the country and is based on the right of free choice of the individual.

Short and long-term forecasting through the employment service contacts and an "advance warnings" system makes it possible to adapt the labour market policy in order to meet changing conditions.

A further aspect of employment policy entails measures designed to create employment. Among the measures used in Sweden to maintain a steady level of employment the following may be mentioned:

- Emergency works can be started quickly and ended just as quickly in order to even out fluctuations in manpower demand. Governmental construction and public works can be increased in the event of unemployment (and decreased in the event of over-employment). Industrial activity can be stimulated by means of additional public contracts, etc.
- Housing construction is used both as a means of general financial policy and for its selective influence on employment.
- Investment funds are used to encourage enterprises to take measures with the aim to even out business fluctuations. According to existing provisions the enterprises may set aside a certain portion of their profits free of tax for future investment.
- Geographical mobility is facilitated by means of placement offices throughout the country.
- Retraining courses are arranged. The programmes of these courses are worked out jointly by the employment authorities and the educational authorities in close consultation with the organizations of workers and employers.

In addition to these measures there are special schemes for the location policy in Sweden.

