

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## ADJUSTMENT ASSISTANCE PROGRAMMES

### Addendum

#### Statement Submitted by the Government of Norway

The national assistance schemes for both industry and labour facing readjustment difficulties apply generally and are not specifically designed for difficulties arising from an intensification of competition as a result of increased imports. A brief account is given below of these schemes:

#### A. Assistance to Industry

There are two national facilities for providing assistance to industry:

##### 1. Assistance to structural readjustments in the home industries

The fiscal budget provides for direct assistance to joint measures covering an entire branch or groups of firms in co-operation to ease the adjustment of the home industries to new market formations. Such actions shall normally be financed in part by the firms themselves, while national assistance is limited to whatever measures may be necessary to get desirable action started. The appropriations are based on the assumption that readjustment assistance will be spread over several years and it is intended to supplement this appropriation with further allotments as may be required.

These public funds may be used for all types of joint actions designed to aid the home industries to make necessary adjustments, including measures to expand sales abroad and such innovations as will promote a rational production and a suitable structural development in the branches concerned.

Assistance of this kind cannot be provided for individual firms. The availability of these funds is limited to projects which will benefit whole branches.

##### 2. Industrial Development Fund

The purpose of this Fund is to provide guarantees, acting for the State, for loans granted by the Bank of Industry and other credit institutions to finance industrial projects.

Priority shall be given to guaranteeing loans to projects in sectors where it is of particular importance to expand Norwegian industry. The Fund shall also assist industry in overcoming the adjustment problems arising out of Norwegian membership in the European Free Trade Association. High priority shall also be given to rationalization measures, particularly actions covering several firms in co-operation and also measures designed to develop new products or production methods.

Guarantees can be given to industrial enterprises and to other projects closely associated with industry.

The Fund is required to base its decisions on considerations of industrial policy. It is the task of the Fund to promote the development of a rational and competitively strong industry throughout the country.

The assistance schemes mentioned in the foregoing may be said to be "active" in nature, i.e. they are designed to facilitate a structural adjustment in Norwegian industry.

B. Assistance Designed to Alleviate Unemployment and Underemployment

In order to secure the equilibrium and facilitate adjustment on the labour market the State Labour Agency applies a number of economic measures to further the mobility of manpower. Assistance may be granted to workers who are without suitable employment (or expected to be so in near future) and who take work found for them through the services of the labour agencies at a place where it is considered that there is need for the manpower. Various forms of such economic assistance are available:

Travel allowances: There is no limitation, either geographic or industrial, on qualification for such assistance. It is, however, a prerequisite that the worker has exhausted his rights to get these expenses covered by his employer before assistance is obtained from Government funds. Travel allowances, including per diems, are also granted for interview visits with prospective employers. Furthermore the travelling costs for visits at home are covered in cases where the worker is obliged to maintain two households for a transitional period. Workers with family responsibilities who get an apartment at the new job, will also be eligible for assistance to pay for transport of the family and necessary belongings.

Family support and installation allowances: Payments to support their families can be made from the unemployment fund to workers with such responsibilities. To qualify for such assistance the worker must show that he has to maintain two households and that this imposes on him a heavy financial burden. Furthermore the duration of the work must be at least four weeks. This form of assistance is only available to persons occupied in certain sectors like manufacturing, handicrafts and land-transport.

Assistance in the form of installation allowances from public funds is designed to help meet the costs involved in getting started at a new place and thus ease the difficulties faced by the individual worker in the early period before his ordinary wages enable him to get along on his own. A worker is only eligible for installation allowances if the work is such that it must be expected to have a duration of at least four months.

Effective from the winter of 1958/59 has been a scheme for extraordinary vocational training for adults. This scheme is planned to increase the supply of better qualified manpower so that adjustments within industry involving the transfer of labour from one branch to another can be facilitated.

Adult training is intended for persons who need training in order to get suitable and stable work. The courses are given in a number of trades, as in manufacturing, building and construction, commerce and office work, seafaring, as well as in hotel and restaurant service, farming, fishing, transport, etc. The courses last from one to ten months depending on the subject.

These courses are free and participants receive financial assistance while attending them.

In addition to the above-mentioned measures which aim at increasing mobility and easing adjustment to new permanent work, a brief account is given below of certain other aid schemes which can be used in a transitional period while the prospects for reassignment to new work are being investigated.

Special appropriations on the fiscal budget makes possible extension of current public works on main and country roads and also permits the starting of new projects on public building and construction.

Under the act concerning unemployment insurance, assistance may be given from the unemployment funds by way of wages to unemployed persons with the right to daily payments from this fund, and who are working extraordinary local authority aid projects.

Allowances have also been made from the special employment appropriations way of "aid orders" with factories in temporary difficulties due to market conditions. This is in the nature of an acceleration of orders from the Central Government which would have been placed in any event at a later date. "Aid orders" have not been used as a labour market incentive in recent years.

In certain cases where firms of document importance for the local labour market have run into acute difficulties, short-term loans have also been granted from the special employment appropriations.

It should be added that if the various assistance provisions mentioned in the foregoing cannot be applied at once, workers who become unemployed because of production cuts, for example in firms which have hit difficulties due to increased competition resulting from imports, will normally have worked up the right to a certain amount of payments from the unemployment insurance fund, which will ensure them a reasonable income in a transitional period.