

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Assistance Measures

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ADJUSTMENT ASSISTANCE MEASURES

Information Supplied by Governments

Addendum

In response to the questionnaire circulated in GATT/AIR/859, the following information has been provided by the delegation of Denmark.

I. While the Danish industry may be eligible for some forms of assistance under general legislation aimed inter alia at facilitating adjustments in industry, Denmark has no legislative authority to apply adjustment assistance measures in favour of domestic industries specifically with a view to providing larger opportunities for imports of products of interest to developing countries. This must be seen in the light of the fact that Denmark pursues a liberal trade policy - characterized i.a. by low import duties, no restrictions on imports of industrial products, tropical products and a large number of other products within BTN Chapters 1-24 - and a corresponding industrial policy according to which industries directly affected by changes in world market competition have to adjust themselves continuously to such changes.

A consequence of these adjustments has been that, while the total number of industrial workers increased by 22.7 per cent between 1951 and 1970, the number of workers in the textile industry and in the footwear and clothing industry fell by 40 and 24 per cent respectively in the period mentioned. The output of industry as a whole increased two and a half times during the twenty years in question, while the output of these two branches of industry only increased by nearly 100 per cent and 62 per cent respectively. Within the cotton sector a considerable decrease has taken place during the period 1951-70.

It is in line with this policy that the Danish scheme of tariff preferences in favour of the developing countries includes all goods within BTN Chapters 25-99. These goods are exempted from customs duty and there are no a priori ceilings or other restrictions on the imports under the system.

II. The Employment Service and Unemployment Insurance Act provides in its sections 12-19 for measures aimed at furthering the mobility of labour.

With regard to retraining of labour in Denmark the programmes for adult vocational training comprise training of semi-skilled workers, subsequent training of skilled workers etc., and retraining.

The training of semi-skilled and skilled workers aims at giving a systematic education within broad sectors of work with the same educational programmes for the entire country and based on the principle that the planning, development and execution of the courses are left mainly to the labour market organizations while the Government pays the major share of the costs.

For semi-skilled workers, training programmes comprising more than 200 courses within ninety different sectors of work have been established. The duration of each course is normally three weeks. The number of participants in 1970-71 was about 29,000.

In the field of subsequent training, courses covering approximately thirty different trades have been established. A considerable part of the courses are of two to three weeks' duration, while some are either of shorter or of longer duration. The number of participants in 1970-71 was nearly 10,000.

A participant in the various courses is granted a compensation for the loss of earnings corresponding to the daily allowance paid by his unemployment fund. If a participant has had a higher income during the last four weeks prior to his enrolment, the compensation is equal to that, but cannot exceed 125 per cent of the daily allowance of the unemployment fund.

The two above-mentioned forms of training are supplemented by a special retraining programme, more directly aimed at concrete offers for occupation or possibilities of work. It may, therefore, to a larger extent, be used as an instrument for filling immediate needs for retraining of labour as a result of changes in the industrial structure. This programme is mostly for use in the regional development areas.

Assistance may be granted for courses aimed at retraining either for lasting occupation in specific firms or in such areas where a shortage of labour has been found to exist.

Outside the regional development areas, financial assistance for retraining courses may only be granted if the working conditions within specific local or vocational sectors are temporarily very difficult, or where the courses are held for the benefit of special groups of labour, which are difficult to place.

Within the regional development areas assistance may also be granted for retraining of newly hired labour in productive work in either newly established companies or in companies which are increasing their capacity or reorganizing their production considerably.

Retraining courses are open to persons who find themselves in a retraining situation. These persons must either (a) be unemployed, (b) expect to become unemployed, (c) expect to leave their trade, or (d) expect to return to work after a long absence.

Economic assistance may be granted participants in the retraining courses along the same lines as mentioned above.

Economic assistance is granted to workers in productive work receiving retraining so as to supplement the salary during their period of reduced productivity.

In 1970-71 retraining was carried out within seven trades and the number of participants was 483. In evaluating this figure, it should be borne in mind that the retraining system was introduced in 1969 and has not yet been utilized extensively.

For redeployment facilities during the calendar year 1970/71 an amount of DKr 4,816,096 was granted.

The accounts for 1970/71 and appropriations for 1971/72 for training of semi-skilled workers, subsequent training of skilled workers etc., plus retraining are as follows:

	1970-71	1971-72
	DKr	DKr
Training of semi-skilled workers	97,562,170	98,814,900
Subsequent training of skilled workers, etc.	25,098,799	29,300,000
Retraining	3,238,794	10,600,000
	125,899,763	138,714,900