

# Manpower Planning in Norway

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*Thirteen years ago, in the conclusions of a striking analysis of Norway's probable economic and social problems of reconstruction after the liberation, the then Minister of Finance of the Norwegian Government in exile in London wrote that "the Norwegian people will regard it as a primary demand on the national post-war economic policy that extensive unemployment shall be prevented".<sup>1</sup> In order to meet this demand the Norwegian authorities, as the present article shows, have evolved over the intervening years a comprehensive programme designed to use all the resources of the country, both human and material, to the best advantage. In this programme the Directorate of Labour plays an essential part not only in the field for which it is directly responsible, i.e. placement, vocational guidance, unemployment insurance and the like, but also through the vital manpower information it supplies to other official and private agencies.*

## GENERAL BACKGROUND

THE part played by a country's labour authorities in planning and achieving full and rational employment is determined in practice by numerous factors, some of them of a purely national character. In order, therefore, that the reader may appreciate Norwegian employment policy it will be advisable to start the present article with a brief review of certain geographical, demographic and administrative features of the country.

Norway has an area of 324,000 square kilometres and a population of only 3,400,000: apart from Iceland it is the most sparsely populated country in Europe. The coast stretches from north to south for 2,650 kilometres and is intensely broken up by fjords and islands. The ground is extremely rugged, the major part

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<sup>1</sup> Knut Getz WOLD: "Norway's Problems of Social and Economic Reconstruction", in *International Labour Review*, Vol. XLIX, No. 6, June 1944, pp. 585-607.

being covered by mountains, hills and barren uplands; 24 per cent. of the total land area is productive forest and only 4 per cent. is arable.

The climate, terrain and natural resources vary widely from one part of the country to another. South-eastern Norway offers the best conditions for agriculture and forestry and about half the total population live there. In the interior and north there may be frost for eight months in the year, but on the south-western coast the average monthly temperature never falls below freezing point.

Apart from the relatively dense population round the Oslo fjord, settlement is sparse and largely confined to the coastal areas: the present pattern was established in days when farming and fishing were the chief occupations and transport was almost entirely by sea. This sparsity hampers the development of industry, the establishment and operation of all modern communications, and the expansion of the electricity supply. In many parts of Norway economic expansion is bound up with the concentration of people's homes in the country town that provides each district with a centre. A considerable concentration of this kind has indeed occurred in the last 70 years or so; but the main increase in population has been in the cities, particularly those of the south-east.

The country's principal natural resources are hydro-electric power, forests, fisheries, metals and other minerals. Much of its water power is still unexploited, and mineral deposits also appear to offer great possibilities for future development.

The national economy is based on extensive commerce with other countries. To be able to pay for the large quantities of food, raw materials and production equipment which Norway needs to import, it has been of great importance to expand the country's export industries. Of special importance for Norway's balance of payments is the merchant fleet, now the third biggest in the world. Output per gainfully occupied person is among the highest in Europe.

### *Local and Regional Government*

The system of local government rests on the 64 urban and 680 rural municipalities. The country is also divided into 18 provinces, the rural municipalities in each province forming a secondary local authority with co-ordinating powers. The Norwegian municipalities are independent administrative units of long standing responsible, among other things, for education, health, road construction and electricity supply. They raise taxes and dispose of funds, their chief source of revenue being the personal income tax; they have, in aggregate, 8 to 10 per cent. of the national

product at their disposal—almost as much as the central Government.

The private sector of the economy is also well organised geographically, with associations of employers and workers and for the various trades and occupations; but the network of banks is inadequate in the outlying parts of the country.

### MANPOWER DEVELOPMENT SINCE THE WAR

Norway suffered severe economic losses during the Second World War, when the value of the country's capital goods fell by some 20 per cent. In order to reconstruct at a rapid pace and develop the country's natural resources, the rate of investment was kept very high after the war, the ratio to national output being perhaps the highest in Western Europe. Investment in the merchant fleet, power supply, housing and industry has been particularly great.

Although 1945 is not altogether satisfactory as a base year, because of its specially high rate of activity in civil engineering, the accompanying table gives a good picture of the main trends in the employment situation since the war. The salient features are the fall in employment in agriculture and the increase in industry: these are expected to continue, since the rationalisation of agriculture and fishing will liberate manpower for further industrial expansion; in both these primary occupations productivity has very much increased as a result of better production methods and extensive mechanisation.

The severity of the winter in Norway and the large volume of manpower engaged in building and civil engineering have created a special problem—the lower level of employment in the winter.

### PERCENTAGE DISTRIBUTION AND INDICES OF EMPLOYMENT BY PRINCIPAL BRANCHES AT 31 DECEMBER 1956

Branch	Percentage distribution	Index (1945 = 100)
Agriculture . . . . .	17	70
Forestry . . . . .	3	120
Fishing and hunting . . . . .	5	109
Mining . . . . .	1	136
Industry . . . . .	26	136
Building . . . . .	6	151
Civil engineering . . . . .	2	85
Sea transport . . . . .	4	166
Other . . . . .	36	115
Total (1,446,000 persons) . . .	100	109

However, total seasonal unemployment in the post-war years has not exceeded on the average 25,000 to 30,000 persons—some 2 per cent. of the active population—and over-all average unemployment has been under 1.5 per cent. But while winter unemployment has been kept at a low general level, it has nevertheless been keenly felt in some districts with a weak and ill-balanced economy. This is particularly the case in the northern parts of Norway, where building and civil engineering activity have been very great.

Taken as a whole the employment situation in post-war Norway may be described as one of manpower shortage. This applies particularly to skilled personnel for a number of industrial groups and for the merchant fleet; agriculture has also suffered from shortages during the summer months.

To cope with the situation outlined above the national "economic budget" for 1957 set the following main targets for the better use of manpower:

- (1) to reduce seasonal fluctuations in the volume of building and civil engineering;
- (2) to make the placement services more effective;
- (3) to expand vocational counselling and guidance;
- (4) to promote greater participation of women and older persons in economic life;
- (5) to bring more disabled persons into economic life;
- (6) to ensure an intake of Norwegian personnel for the merchant fleet.

#### STATUTORY BASIS AND ADMINISTRATIVE STRUCTURE

Before the war the public authorities played a relatively small part in the solution of employment problems. But the war and post-war years saw a change in general opinion regarding the duties and responsibilities that society should assume in this field. Nowadays "full and rational employment" is a generally accepted political objective, and various definite means of action have been developed to attain it.

In 1954, by unanimous decision of Parliament, the Government's obligation to conduct an active employment policy was embodied in the Constitutional Law of Norway as a new article, which runs as follows: "The authorities of the State shall so conduct affairs that each person capable of working is able to earn his living by his work."

This provision does not relieve the individual citizen of the responsibility and duty of taking independent action to earn a livelihood, but it does lay down the guiding principle that the

State must regard full and rational employment as an aim underlying all it undertakes.

The relevant Norwegian legislation now in operation is the Employment Act, 1947, as subsequently amended, which provides the basis for the existing public administrative machinery to deal with manpower questions: the Department of Local Affairs and Labour, at the apex; the Directorate of Labour, which is the co-ordinating, executive, technical agency for manpower matters; regional labour offices in the provinces; and local labour offices in all municipalities throughout the country. The Directorate of Labour and the regional and local labour offices receive guidance from multipartite boards or councils. The Directorate and the regional offices are government agencies; the local offices are municipal, but receive financial aid from the Government.

For the placement of seamen, government offices—18 in number—have been established in the more important seaports and recourse to this service is compulsory.

Under the Employment Act the Directorate of Labour is required to watch over the evolution of the manpower situation and to work for a high level of employment. It is responsible for the administration of placement, vocational guidance and unemployment insurance. In 1949 "area planning" was instituted under the supervision of the Directorate (see below), and in 1956 this planning was placed on a statutory basis by an addition to the Employment Act.

The Directorate, which thus has fairly wide terms of reference, carries out its duties through two main units—the "action" and "placement" divisions—which are themselves broken up into eight sections. Apart from those for administrative and legal affairs, there are special sections for works and expansion, area planning, statistics and reports, placement and vocational guidance, placement of seamen, and unemployment insurance.

The regional and local manpower agencies have functions in their respective areas which roughly correspond to those of the Directorate for the whole of Norway.

#### EMPLOYMENT POLICY AS PART OF ECONOMIC POLICY

An important lesson learned from Norwegian experience in the post-war years is that, if full and rational employment is to be really attained, every major decision of economic policy must be aimed at that objective. One of the chief tasks of the central manpower authority, the Directorate of Labour, has therefore been to provide the various technical departments and other government agencies with the advice and explanation—on the

employment market and the manpower situation and trends—which they require in preparing and executing their respective budgets, plans and programmes. This co-operation is so significant that it is worth mentioning a number of definite examples.

Each year since 1947 the Government has produced what is known in Norway as the “economic budget”. This covers the private as well as the public sector and is a programme and a prognosis of the “receipts” and “expenditure” of all national resources, broken down into industry and commodity classes of consumption, investment, production, etc. The economic budget and the Government’s budget properly so called are worked out in close association and both are laid before Parliament in January of each year. The two documents are put together by the Department of Finance on the basis of data provided by the various technical departments, the Directorate of Labour and other public and private sources.

The contribution of the manpower agencies to the economic budget is of primary importance because manpower and foreign exchange have been the greatest restricting factors in Norway’s reconstruction and resurgence since the war, and so the character and the extent of capital investment have been determined to a marked degree by manpower considerations. The data supplied by the Directorate of Labour also have a considerable influence on the production estimates set out in the economic budget for the various branches of the Norwegian economy.

Furthermore, the annual supply and expected distribution of manpower are set out in a special “manpower budget”, issued by the Directorate of Labour itself. This gives the level of employment at the beginning, middle and end of the budgetary year, with separate figures for men and women and for the various economic branches. It is based on corresponding regional manpower budgets. Both the economic and the manpower budgets are kept up to date and adjusted every quarter.

The framework fixed by the economic budget for the availability and disposal of economic resources and manpower serves as a standard, *inter alia*, for the determination of the various special budgets which go to make up the Government’s annual budget in the usual sense of the term. The Directorate of Labour is required to provide the technical departments with advice in elaborating employment plans for the Government’s building and civil engineering works (roads, railways, ports, water power, schools, hospitals, etc.) in such a way as to secure the best possible utilisation of manpower both in the geographical sense and over the various seasons of the year. The Directorate also acts in an advisory capacity regarding the provision of state assistance to

such private undertakings as require manpower and regarding the grant of special authority for the initiation of large-scale projects. This consultative and liaison work on manpower questions has contributed to obtaining a much better utilisation of manpower in building and civil engineering than was the case before the war.

The local and regional exploration and analysis undertaken in recent years through area planning have led to increased knowledge of Norway's natural economic resources and employment possibilities. This work is being continued. It has proved of great importance in enabling the central authorities to discover what areas require economic development or where employment should be provided. Indeed, the whole basis for determining and implementing special action in the field of employment policy has become more satisfactory than ever before.

#### ACTION AGAINST SEASONAL AND OTHER UNEMPLOYMENT

Since the war almost the only unemployment that has arisen in Norway is that due to seasonal contraction in the winter months ; this causes serious difficulties in economically weak districts, above all the three northern provinces (" North Norway "), which account for 35 per cent. of winter unemployment and only 12 per cent. of the total population. Reduction of seasonal unemployment and the establishment of a stable employment situation depend largely on greater economic expansion in this part of the country. It is particularly necessary to increase employment possibilities for the many heads of families who work in small-scale agriculture ; in addition, industries must be built up to provide year-round employment for workers who will no longer be required in agriculture and fishery once these occupations have been rationalised. The action being taken to place the economic life of certain districts on a sounder basis will be reviewed in the next section.

Owing to the long, hard winters and the natural seasonal cycle of production, it is impossible to avoid some reduction of activity in the winter months, particularly in building and civil engineering. These are at present responsible for half the registered unemployment, and the efforts of the labour authorities to reduce the harmful effects of winter contraction of employment have therefore been directed mainly towards spreading the activity of these industries more evenly throughout the year. Deliberately the authorities have sought to slow up construction in the summer and to stimulate it in the winter months. Where these efforts are not successful the Directorate of Labour and the local manpower agencies are responsible for planning and initiating special employment projects.

Action to deseasonalise employment in building and civil engineering has extended to the private as well as the public sector. A system of building permits—originally introduced to ease the burden on investment resources, which has been so heavy ever since the war as to necessitate a rationing arrangement—has been used as a major means of regulating private construction activity ; the annual quota for housing construction is allotted with particular insistence that a large part of the work shall start in the latter half of the year. Similar arrangements for spreading employment are applied to industrial construction.

As regards the Government's own building and civil engineering activity, it has been possible to spread employment to a considerable extent by adjusting expenditure under the government budget and—as stated above—by having the technical departments set up plans to determine the volume of employment in each quarter of the budgetary year. These departments are required to make a quarterly review of actual employment on their respective engineering works : in case of a major discrepancy between planned and actual manpower utilisation, the technical department concerned is required to start special discussions with the Directorate of Labour.

The Government has only limited control over the building and civil engineering activity of the municipalities. However, the latter are invited annually by the Department of Local Affairs and Labour to have due regard to employment considerations in preparing their building and civil engineering plans. The Government has also been able to exert an influence by approving municipal loans for construction purposes and by means of the financial aid scheme described below. In this connection the Department acts on information provided by the Directorate of Labour and on its advice.

The scheme of subsidies designed to keep up the volume of winter employment on municipal building and civil engineering just mentioned has been in operation since 1954 and is administered by the Directorate of Labour and its district agencies. Under this scheme the State covers certain additional costs incurred by municipalities that transfer building and civil engineering work to the winter months ; the subsidy amounts to 15 or 25 per cent. of expenditure on wages for such work, depending on whether the municipality concerned is classified as having a " fair " or a " weak " economy. This scheme has given good results : employment on municipal building and civil engineering has been much more uniformly distributed over the year than was formerly the case, and the cost to the State has been only moderate.

Special works with the direct object of eliminating existing



unemployment have been undertaken only to a limited extent in the post-war period. Recent expenditure on works of this kind amounts to some 15 million crowns a year, about 60 per cent. of which has been allotted to the three northern provinces. As there are many big construction schemes awaiting execution (roads, railways, ports, river works), it has not been difficult to find high-priority projects which it is technically possible to carry out in the winter. The manpower agencies co-operate in this regard with the technical departments of the Government and the municipalities. The latter are invited during the summer to send in proposals for winter works, which are then examined by the appropriate technical departments and the manpower authorities. Inevitably, however, the efficiency of projects which are to operate exclusively in the hardest part of the winter is rather low. In recent years the tendency has therefore been to give preference to the arrangements for spreading ordinary building and public works activity described above, rather than to such special projects.

The Employment Act gives the Directorate of Labour and its agencies another special function, that of preparing and perfecting plans for public works projects to be operated in case of general unemployment—due, for instance, to the over-all business situation. The Directorate is required to encourage the preparation, by government agencies and municipalities, of such detailed plans for public works as can be put into operation at short notice in various parts of the country; it is required also to assemble and keep a summary of such plans, and to endeavour to obtain the fullest possible information concerning private construction plans the execution of which will help to ensure a high level of employment.

The Directorate of Labour worked extremely hard at this task in the years immediately following the war, but it was found that "reserve plans" could easily grow obsolete and that extensive engagement in such action during a depression, regardless of other circumstances, might have undesirable economic by-products. Since 1948 an attempt has therefore been made to integrate special employment plans into the Government's ordinary long-term economic planning, the object of which is to forecast and, if possible, to establish a programme for economic expansion over a four-year period. The procedure for establishing the long-term plan is the same as in the case of the annual economic budget.

Fairly reliable data can be worked out regarding a number of items in this plan: it is possible, for instance, to produce respectable forecasts of the manpower supply and of the volume of state and municipal construction; the same holds good for some of the big private projects. It is therefore regarded as technically possible to increase ordinary state and municipal construction activity to a

considerable extent in case of general depression. This will enable the initiation of low-priority works to be avoided.

For the rest, it seems clear that unemployment during a depression can only be fought by means of general economic policy, under which a wide range of methods are available. The most valuable function of the manpower authorities at each phase of the business cycle is to provide employment information and to engage in consultation with all the relevant authorities regarding the most effective course of action.

#### AREA PLANNING FOR ECONOMIC DEVELOPMENT

As has already been pointed out the need to strengthen Norway's economy is particularly great in the three northern provinces and in some valley, hill and coastal districts in other parts of the country. Productivity is lower in these areas than in the rest of Norway, and they are responsible for a disproportionately large share of daily allowances from the unemployment funds and of government expenditure on special action to promote employment in the winter months. In addition these areas receive the greater part of the annual subsidy paid by the Government to municipalities that cannot meet ordinary local expenditure from their own tax receipts. It is therefore desirable for several reasons to render these weak areas more self-supporting.

Two main conditions must be fulfilled if this is to be done. First of all, the districts in question must show initiative and interest in exploring local resources and planning their development. Secondly, the central authorities must speed up the improvement of such public facilities as roads, ports, vocational schools, etc., must help to provide the necessary capital, and must seek in other ways to facilitate the financing of private projects. These conditions will be discussed in somewhat greater detail below.

Area planning was started under the guidance of the Directorate of Labour, as part of the process of stimulating local and regional expansion, in 1949. Economic exploration and analysis began in a number of provinces at that time. Special officials—mostly trained in social economics—were attached to the provincial labour offices in order to take charge of this work in close touch with the public and other technical agencies concerned. Up to 1956 inclusive, area planning was entirely financed from the central budget; but from 1957 onwards a large proportion of the expenditure and responsibility is to be borne by the municipalities. The area planning officials are no longer attached to the provincial labour offices, but the work is co-ordinated in joint "action committees". Area planning is now going on in all provinces except the three

lying around the Oslo Fjord ; its extension throughout the whole country is only a matter of time. The introductory regional exploration and analysis have been completed and a short over-all economic survey of each province is now to be made annually. These surveys will be of much the same character as the annual national economic budget ; they are to be elaborated by the area planning officials on the basis of material provided by the public technical agencies and private sources concerned and will be submitted to and discussed by the political organs of the provinces.

Area planning includes co-ordinating the work done by public authorities to expand the provincial economy, and also taking direct action for the same purpose. The area planning office of each province is required to do liaison work for the local "action committees" and to give advice and guidance regarding surveys and planning. A great deal of interest is taken throughout the country in exploring local possibilities of expansion and local initiative is being continually stimulated.

As credit facilities are inadequate in many areas several public funds have been established with the object of encouraging economic activity, particularly in the private sector. For instance unemployment insurance moneys have been placed at the disposal of two types of expansion funds, which are to provide direct financial support for projects undertaken in economically weak areas. In 1946 an "action fund" was established in each province to make low-interest loans on account of projects which it is considered will counteract unemployment ; they may also assist in the establishment of vocational schools ; the total amount at the disposal of these funds amounted to 78 million crowns. Secondly, in 1956 a special guarantee fund of 25 million crowns was established for the whole country ; this may endorse (up to a total of 75 million crowns) area projects which will provide more—and more varied—employment openings in areas where this is necessary. Both this and the above-mentioned provincial funds are administered by the "action committees" of the provinces, under the general guidance of the Directorate of Labour.

In order further to improve the credit situation in the economically weak areas, the question has been raised of mobilising the big capital reserves that have now been accumulated in the unemployment funds. This matter is at present under consideration by the competent technical authorities, and a decision of principle may be expected in the near future.

The economic expansion programme for North Norway, which was voted by Parliament in 1952, is of outstanding importance. It covers a ten-year period and provides for a number of special advantages and for assistance to promote economic expansion in that

part of the country. Large special grants are made from the central budget for the construction or improvement of roads, ports, electric power plant and vocational schools, and for action in various branches of the economy. Tax concessions have also been granted in connection with planned investment in the North Norwegian economy. Lastly, an expansion fund has been established which can make or guarantee loans up to an aggregate of 225 million crowns.

The expansion programme is administered by a special board at Oslo, which works in close collaboration with the Directorate of Labour. In each of the three northern provinces the programme is applied by the provincial "action committee" and the area planning office.

After five years' experience it can safely be said that the programme has benefited the region through increased industrial employment, greater efficiency in agriculture and forestry, and better electricity supply and communications. However, important tasks still remain, and much hard work will be required if the north is to have as favourable an employment situation and as high a level of productivity as the remainder of the country.

On the model of the arrangements for the North, a special expansion programme for 36 coastal municipalities in mid-Norway, with an aggregate population of about 60,000 persons, was set on foot in 1955. This programme also includes special government expenditures for the construction of roads, ports and vocational schools and assistance in various branches of the economy, but no special expansion fund has been established, nor have any tax concessions, similar to those accorded to North Norway, been introduced. The programme is applied by the area planning offices at the provincial level, while central authority lies with the Department of Local Affairs and Labour and with the Labour Directorate.

#### ACTION TO PROMOTE MANPOWER MOBILITY

Industrialisation and economic specialisation, and a consequent continued rise in the general standard of well-being, require some degree of both geographical and occupational mobility. Increased geographical mobility should enable settlement to be more closely concentrated and so permit each part of the country to sustain its fair share of the population.

Most parts of Norway have large unexploited natural resources which could be advantageously developed. But even with the aid of the expansion programmes described above it will be a long time before the economy of the various handicapped provinces can fully absorb the local supply of manpower; and so it will still

be necessary for workers to move from one part of the country to another. In Oslo and some of the other larger towns and industrial centres in southern Norway there are industrial plants which cannot adequately use their production capacity because of manpower shortage; it would be unreasonable not to seek to fill the vacant jobs in these undertakings with people who are unemployed or underemployed in other parts.

Travel and removal grants are one of the principal means of promoting manpower mobility. At present such grants are paid out of unemployment insurance funds to enable unemployed persons to take jobs away from their place of residence. They are also paid, out of an annual budgetary appropriation, to assist recruitment for certain important purposes—holiday replacement personnel for semi-continuous operations in the electro-chemical and electro-metallurgical industries, men and women seasonal workers for agriculture, summer workers for the brick industry, etc. Particularly in the case of the three northern provinces, travel and removal grants are usually made when workers are placed (inside or outside the province) if the operation is intended to combat or prevent unemployment. In order to meet the demand for personnel in the Norwegian merchant fleet, such grants are paid to applicants for maritime employment from any part of the country.

In the years immediately following the war a government subsidy was paid when workers were sent from North Norway for employment at timber felling in the southern provinces. Apart from travel and removal allowances wage subsidies were paid in respect of persons who had no experience of felling. The scheme has lost its object in recent years, since labour conditions in forestry have become more stable.

The importance of vocational training as a means of enhancing manpower mobility has been steadily increasing. Particular value is attached to training in industrial and handicraft trades, and work to provide more schools of this type has been going forward with the aid of considerable government subsidies. The action funds for the various provinces (drawn from unemployment insurance moneys) have also helped to finance the establishment of vocational schools.

In order to increase the number of trainees, vocational training fellowships have been granted both from unemployment insurance funds and under the state budget. The grant of vocational training fellowships to unemployed persons, instead of direct payment of an unemployment allowance, has become increasingly common.

Vocational guidance should also be mentioned in this connection, for it has been receiving more and more attention both as an

element in efficient placement and as part of general education. Particularly having regard to the large intake of young persons into the labour force expected in the next few years, it must be regarded as extremely important to expand vocational guidance and render it more effective. Work under a consolidated plan for vocational guidance in schools and for co-ordination between the education authorities and the employment offices has therefore been set on foot.

### CONCLUSION

As was stated at the beginning of the present article, the part played by the labour authorities in planning and achieving full and rational employment is determined in practice by numerous factors, some of them purely national: the country's geography, climate, stage of economic development and, not least, its administrative structure and tradition will determine the functions of these authorities and the conditions in which they operate. But there appear also to be a good many factors that are common to the various countries. This remark applies first and foremost to the functions of the employment authorities in the narrow sense—placement, vocational guidance, unemployment insurance. In such fields there will be relatively little occasion for difference of approach, and they have therefore been either omitted from the present article or only mentioned briefly in passing.

As regards the contribution that can be made in other fields to promoting full and rational employment, the approach may vary widely from country to country. Some have a strongly centralised administration, others have well developed regional and local machinery; the boundary between the field of action of public and private agencies may vary, and there may also be a wide difference in the strength of private initiative and in the skill and money at its disposal. However, there would appear to be one important common feature: the employment services of every country are the agencies with the best information regarding employment conditions, the supply of and demand for manpower, and the skills of the workers available.

The volume of employment is a function of activity in the various undertakings, industries, economic branches and regions of the country. Economic planning, including determination of the optimum volume of employment, must therefore be undertaken in close co-operation with the employment authorities. It is only natural that the labour authorities should be called in as active consultants before any important decision that will affect employment in the short or long run is taken. This appears to hold good whether the country is economically developed or

underdeveloped. Evidently there will always be bodies and institutions, public or private, whose work will involve reaching decisions of great significance for employment. It seems essential that these agencies should be fully aware of the possibilities and restrictions of the manpower supply and of the openings for its utilisation.

The Norwegian employment market is small. A small population limits the possible variations of industry and employment. Norway is—for this reason among others—interested in co-operation with other countries on manpower and production problems. The establishment of the common employment market among the Northern Countries<sup>1</sup> may be regarded as a step in the direction of a richer field for employment and a stronger manpower situation, for this expanded market comprises nearly 19 million persons. These countries have nothing but good experience from this co-operation. Workers from each of them may now seek accommodation, livelihood and experience anywhere in the northern region. The employment services give the information which these would-be workers require; each of the contracting States has undertaken to prepare, and to make available to all parties, data regarding present employment possibilities and other matters of interest to migrants for employment. However, the applicants are under no obligation to have recourse to the employment services. Under the agreement on this subject a Northern Employment Market Committee has been set up to supervise its application and to promote the common market. Furthermore, in 1957 Norway has revised and liberalised its regulations regarding entry of immigrants for employment from countries that do not belong to the northern group.

These efforts are made in the conviction that freedom for workers to seek jobs beyond their national boundaries will make the employment market richer and will help to improve production. But if this is to be achieved, there must be confident co-operation on the part of the employment services and representatives of economic life in all the countries; failing that, free international movement of workers may fall into discredit.

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<sup>1</sup> In this connection see Bertil Olsson: "The Common Employment Market for the Northern Countries", in *International Labour Review*, Vol. LXVIII, Nos. 4-5, Oct.-Nov. 1953, pp. 364-374. Also Kaare SALVESEN: "Co-operation in Social Affairs between the Northern Countries of Europe", *ibid.*, Vol. LXXIII, No. 4, Apr. 1956, p. 339.