



# Unemployment in Norway

by

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*Although the outbreak of war caused some dislocation in the Norwegian labour market, the situation rapidly returned to normal. In 1919, however, unemployment again assumed considerable proportions and continued to increase. Special measures were adopted, including emergency regulations for unemployment funds extending the annual period of unemployment for which benefit might be paid and refunding two-thirds of the benefits paid out by the funds; establishment of state relief works; grants or loans to local authorities organising relief works; direct payment of allowances outside approved insurance societies; sickness insurance for the unemployed; training; and the establishment of unemployment committees in most of the communes. Credits granted by the government in order to deal with unemployment amounted to about 11,400,000 kroner from 1918 to 1920. In 1920-1921 the sums allotted by the state and local authorities reached about 20,000,000 kroner, while in 1921-1922 the state spent roughly 33,000,000 kroner and the communes 37,000,000.*

**T**HE outbreak of war in the autumn of 1914 was followed almost immediately in Norway, as in other countries, by stagnation in the labour market, necessitating the adoption of emergency measures by the state. A Government Unemployment Committee was appointed, and on its suggestion corresponding committees were set up in almost all the communes of the country, while the government employment exchanges were improved and extended. Steps were also taken to provide work for the unemployed as far as possible.

After a few months, however, it became evident that the industrial depression was merely transitory; in 1915 and subsequently there was a marked demand for labour, so much so that the returns of the government employment exchanges for the whole of 1916 show a greater number of vacancies than of applicants, which had never happened before since the opening of the first exchanges in 1898. The demand for labour remained satisfactory throughout 1917 and 1918, although in certain special branches of industry there was unemployment owing to shortage of supplies, rationing, and so forth; but this was gradually overcome. In 1919, however, especially during the last months

of the year, a slackness in the labour market appeared and increased in 1920, the situation growing very much worse towards the end of the year. This was followed in the beginning of 1921 by a complete collapse of industry, with a larger volume of unemployment than had ever before been known in the country.

### VOLUME OF UNEMPLOYMENT

The number of applicants per hundred vacancies notified at the government employment exchanges for the period 1 January 1918 to 30 June 1922 is shown in the table below.

Month	Men					Women				
	1918	1919	1920	1921	1922	1918	1919	1920	1921	1922
Jan.	164	166	219	850	1118	84	67	64	122	153
Feb.	173	176	218	935	956	74	58	60	131	150
Mar.	164	192	195	1028	1095	63	56	61	117	125
Apr.	136	165	156	610	836	64	48	55	101	103
May	118	136	148	1043	850	63	53	59	115	105
June	112	128	132	1046	580	67	52	63	124	105
July	116	121	145	669	—	73	55	67	109	—
Aug.	124	146	183	757	—	73	56	71	107	—
Sept.	116	146	187	874	—	72	65	73	105	—
Oct.	117	167	198	787	—	70	68	80	111	—
Nov.	147	196	263	1055	—	72	70	85	127	—
Dec.	160	209	500	1481	—	61	61	100	135	—

In considering these figures it should be recalled that in periods of great unemployment the number of vacancies notified to the employment exchanges is less than the total. Employers can fill their own vacancies, for most of the unemployed, besides registering at the exchanges, adopt the plan of going from one place of work to another so as to seize every possible opportunity. The proportion of registered applicants for work to vacancies in such periods is therefore always more unsatisfactory than a formal examination of the labour market would show.

Unemployment can also be measured by the percentage of unemployed in the trade unions. During the same period this percentage (men and women together) was as follows.

Month	1918	1919	1920	1921	1922
Jan.	2.1	2.3	5.9	11.3	23.5
Feb.	1.9	2.0	3.3	14.9	25.1
Mar.	2.1	2.2	2.6	16.1	25.1
Apr.	1.5	2.4	3.8	17.1	23.2
May	0.9	1.4	2.3	17.8	17.8
June	0.9	1.1	1.4	20.9	15.5
July	0.9	1.0	1.9	17.9	—
Aug.	1.2	0.9	1.8	17.3	—
Sept.	0.8	1.2	2.1	17.1	—
Oct.	1.6	1.0	2.8	17.1	—
Nov.	1.2	1.3	4.2	19.3	—
Dec.	2.0	2.6	9.0	21.0	—

The determination of the real extent of unemployment, however, must be partly based on estimate, as employment exchanges only exist in a certain number of communes, besides which the trade unions are far from covering all the workers in the country. There are in existence two other series of figures on which a general view of unemployment may be based. The first series, the reports from the employment exchanges, gives the position on the tenth and twenty-fifth of each month (or the following weekday), showing the number of applicants who have not found employment and the number of vacancies which have not been filled. These reports do not include persons employed on relief works. On the basis of various calculations which are too detailed to examine here, it has been decided that by increasing the number of applicants by 60 per cent. an approximately accurate figure of the total number of unemployed may be obtained. The accuracy of this figure varies, however, with the time of year, as fluctuations in the chief branches of industry may alter the proportion. The second set of figures, obtained in 1922 from the municipal unemployment committees, shows the number of unemployed persons over 18 years of age resident in the municipality at the end of each year, including persons employed on relief works: a separate statement gives the numbers of the latter. These figures have as little claim to accuracy as the former, since they are very largely based on estimates of the extent of unemployment in the commune.

The following table gives the returns of the employment exchanges for the twenty-fifth of each month in round figures, increased by 60 per cent., together with the numbers of persons employed on relief works, for 1921 and part of 1922.

Month	Totally unemployed		Employed on relief works		Total	
	1921	1922	1921	1922	1921	1922
Jan.	22,000	47,300	2,500	21,000	24,500	68,300
Feb.	27,000	47,000	5,000	22,000	32,000	69,000
Mar.	30,000	44,900	8,000	21,300	38,000	66,200
Apr.	30,000	43,000	10,000	18,000	40,000	61,000
May	28,000	34,000	10,000	13,600	38,000	47,600
June	36,000	27,000	9,000	14,500	45,000	41,500
July	28,000	21,000	9,000	12,000	37,000	33,000
Aug.	27,000	18,900	10,000	11,000	37,000	30,000
Sept.	26,000	20,800	11,000	12,200	37,000	33,000
Oct.	30,000	—	14,000	—	44,000	—
Nov.	32,700	—	17,300	—	50,000	—
Dec.	39,000	—	18,000	—	57,000	—

It may be remarked that the abnormally high figures for June 1921 are due to the general strike which lasted from 25 May to 10 June 1921.

The reports from the local unemployment committees for the first six months of 1922, in round figures, are as follows.

Month	Totally unemployed	Employed on relief works	Total
Jan.	66,500	21,000	87,500
Feb.	63,000	22,000	85,000
Mar.	57,200	21,300	78,500
Apr.	50,300	18,000	68,300
May	37,400	13,600	51,000
June	30,000	14,500	44,500

A comparison of the figures in the last column of this table with the estimates of total unemployment based on the reports of the employment exchanges gives the following results.

Month	Employment exchange returns	Local returns
Jan.	68,300	87,500
Feb.	69,000	85,000
Mar.	66,200	78,500
Apr.	61,000	68,300
May	47,600	51,000
June	41,500	44,500

The local returns give a higher figure for unemployment in the winter than that calculated on the basis of the employment exchange reports. This is presumably due to the disproportionate amount of winter unemployment among lumbermen and fishermen, affecting mainly country communes, in very few of which are there branches of the government employment exchanges. In spring and early summer the figures correspond more closely and in July they will probably almost coincide.

#### NATURE AND COST OF RELIEF

The next question to consider is measures for combating and relieving unemployment.

The first Act concerning government and local grants to unemployment funds dates from 12 June 1906, but only came into force in 1908, when six funds, with about 10,000 members, were approved and consequently became entitled to grants. The number both of funds and persons insured against unemployment increased during the following years; in 1914 there were 19 funds with 34,571 members, in 1918 the figures rose to 27 and 58,568 respectively, and in 1920 to 27 and 116,425. At the beginning of 1921 the figures were even higher for a short time, but the membership has since fallen so considerably that at the end of 1921 the 26 approved funds had a combined membership of about 84,000 only.

The emergency measures adopted as regards unemployment funds took the form of provisional legislation valid for one year

at a time, empowering the King (i.e. the Government) to extend the period of unemployment for which grants were given beyond the usual ninety days a year, to reimburse unemployment funds up to two-thirds of the benefit paid, and to allow newly established funds to pay benefit as from the date at which the fund opened, irrespective of the fulfilment of the members' obligation to have paid contributions for 26 weeks. In cases where this last exemption has been allowed (three or four funds) the fund in question has, as a rule, obtained a special government grant corresponding to 26 weeks' contributions by the total membership.

Owing to the extensive unemployment prevailing in 1921 the resources of the funds were so nearly exhausted that nearly all of them had recourse to the two-thirds refund from the Government, and it is expected that this will also be the case in 1922. The period of the grants has also been extended beyond 90 days for most funds.

In addition to the annual credits to cover government grants to the unemployment funds, a special credit was allowed as early as 1918-1919 of one million kroner for financing institutions for the prevention and relief of unemployment. A similar credit was granted in 1919-1920 and in 1920-1921. At the beginning of the financial year 1920-1921 about 1,600,000 kroner of the two million granted for the two previous financial years had not yet been used. In view of the threatening outlook in the labour market, an additional four million kroner was also made available in December 1920, while a credit of five million kroner was set aside in the year 1919-1920 for road construction. The total sum available was thus about 11,400,000 kroner.

The intention was to use the money as grants towards relief works started by the communes (generally on the basis of 2 kroner per day's work) or as loans to the communes for the same purpose, or for opening government relief works, and in exceptional cases as grants to communes paying direct allowances to unemployed persons outside the approved unemployment funds, or for courses of training for the unemployed, etc. The total sum employed for these purposes during the year 1920-1921 was about 10,000,000 kroner, of which 2,600,000 kroner were granted as loans to the communes, the remainder, or about 7,400,000 kroner, being directly expended. Expenditure of the communes during the year on relief works and similar institutions for meeting unemployment may be estimated at about 7,000,000 kroner (including the above-mentioned loan of 2,600,000 kroner), and refunds to approved unemployment funds by the Government and communes together at about 5,000,000 kroner.

The total sum thus used in the relief of unemployment in 1920-1921 was about 20 million kroner, of which about 14 million were used for relief works and the rest in allowances, a comparatively small sum being devoted to other purposes.

For the financial year 1921-1922 the Storting voted 7,000,000 kroner for various measures for combating unemployment

(excluding refunds to unemployment funds). Such measures included grants per working day to local relief works, allowances granted outside the approved funds, sickness insurance to the unemployed, courses of training for the unemployed, etc. A credit of 20,000,000 kroner was also allotted to the administrative authorities for making loans to local relief works, and one of 9,000,000 kroner for relief works and state railway construction. It was also decided that relief works other than railway construction (roads, harbours, etc.) should be established, government approval being necessary in each separate case. It was decided that expenditure on relief work should be regarded as an advance out of state funds and should be covered by future budgets.

With the figures now available, government and local expenditure for the year 1921-1922 on unemployment may be given in round figures as follows.

Object of expenditure	Amount of expenditure (in million kroner)	
	Government	Local
Relief works, etc.	23	30
Grants to local relief works	5	—
Other institutions	2	2
Grants to unemployment funds	3	5
Total	33	37

The expenditure of the communes on relief works — 30,000,000 kroner — includes loans granted by the Government for this purpose, amounting to about 9,000,000 kroner. About 58,000,000 kroner of the total sum has been expended on giving work to the unemployed in relief works, opened either by the Government or the communes.

Apart from the second half of 1920, when unemployment was not yet so widespread that general regulations were necessary, and the first months of 1921, when relief works were only in their inception, the approximate number of persons employed on relief works varies between 10,000 and 22,000, or from a quarter to a third of the total number of unemployed. It may further be assumed that about one-third of the total number of unemployed have been paid benefit out of the unemployment funds (with government and local grants) or by allowances direct from the communes (with government grants). In other words, it may be assumed that about two-thirds of the unemployed are assisted either by having work found for them or by relief allotted to them. It may be supposed, as a general rule, that the remaining third have been able to tide over their period of unemployment out of their own resources.

Government and municipal action for the relief of unemployment during the current year in the main follows the procedure adopted in the previous financial year. The Storting has granted

20,000,000 kroner for government relief works, expressly stating that if the sum proves insufficient the question will be reconsidered. In addition, 7,000,000 kroner will be granted for other measures for relieving unemployment.

As 8,400,000 kroner of the 20 millions authorised in the previous year for loans to local relief works remained unused, it was decided not to make any additional grants for this purpose in the current year. The authorities therefore have at their disposal 27,000,000 kroner for government relief works and other government organisations, and 8,400,000 kroner for loans to the communes.

#### REGULATION OF RELIEF

The main features of the regulations in force as to government unemployment grants are as follows.

When the question of establishing government relief works is raised, the procedure usually followed is that the commune in question which considers itself unable to deal with unemployment with its own unaided resources requests the Government to start relief works, usually road construction, within the commune. The proposal is then considered by various administrative authorities from the technical point of view, and with reference to the economic position of the commune, the extent of unemployment, etc., after which the Government decides whether the application shall be granted. As a rule, allocations of varying amount are demanded for public works from the local authorities.

Communes can obtain government grants of a fixed amount per day worked for works established to relieve unemployment, on condition that the wages paid for such work are less than those generally paid in the commune, that the wages are as far as possible graduated according to the family responsibilities of the workers, and that work is only given to persons who are out of employment through no fault of their own. It may be noted, as regards the rate of wages, that in the last financial year the maximum wage paid in relief works was 12 kroner per 8-hour working day for time work and 14 kroner for piece work. The Ministry of Social Affairs has power, however, to increase the maximum wage in the case of persons with heavy family responsibilities in communes where the cost of living is particularly high, the maximum wage in such cases being 14 kroner for time work. The government grant usually amounted to 2 kroner per day's work, but in several communes, where unemployment was particularly widespread, and great efforts have been made to relieve it, the grant was raised to 3 kroner per day's work. For the current year the rate of the government grants remains the same, but, in view of the fall in the level of wages as a whole, the maximum wages paid have been reduced to 9 kroner or in exceptional cases 10 kroner, the rates for piece work being based on this reduced figure. There are no limitations, however, as to earnings on piece work.

During the last financial year about half of the 706 communes in the country had established relief works with government grants; thirty of these communes received government grants of 3 kroner per day, the remainder 2 kroner.

Loans for relief works are granted to communes which meet with difficulty in obtaining the necessary resources in other ways. As a rule, the loans are free of interest for one or two years, after which interest is paid, while the loan must be redeemed in ten years. The rate of interest has so far been 5 per cent., which is lower than the general bank rate.

Government grants towards courses of training for the unemployed are made, up to one-half the total expenses. Similar government grants are made in the case of removal expenses paid by the communes to families or individuals who wish to return to their native commune. The government employment exchanges are also empowered to issue railway tickets at half-fare to workers who have obtained employment elsewhere or are likely to do so.

As regards allowances to unemployed persons outside unemployment funds, the communes can obtain government grants if the allowance does not exceed 18 kroner per week for single persons, or 30 kroner for persons with dependents. During the last financial year about 80 communes received government grants towards such unemployment allowances. These government grants amounted to one-half the total sums paid (for seamen three-quarters). The grant is reduced to one-third for the current year, but may be raised by the Ministry of Social Affairs to one-half in communes where there is much unemployment and in which everything which may reasonably be expected in the way of relief works has been undertaken; the government grant for seamen's allowances is still three-quarters of the total expenditure. Allowances for days in excess of the usual ninety days per year require authorisation from the Ministry of Social Affairs.

Communes which take over the payment of sickness insurance premiums for the unemployed are entitled to have one-half their expenditure refunded by the Government. The sickness insurance of unemployed members of approved unemployment funds is in the hands of the funds, which obtain government and local grants for such expenditure on the same terms as ordinary unemployment grants.

Central control of all measures connected with unemployment is in the hands of the Ministry of Social Affairs, assisted by the inspectorate for the employment exchanges and unemployment insurance, and advised by the Government Unemployment Committee. Unemployment committees have been set up in almost all communes to co-operate with the various local bodies in carrying out decisions of the local authorities and promoting local measures for fighting unemployment.

The initial purpose of the Norwegian Government was to facilitate the normal interplay of demand and supply on the



labour market by the institution of government employment exchanges. These now number 50, of which 43 are in towns and 7 in rural communes. Assistance is further given to workers who have to travel in order to take up their employment. As the organisation of exchanges was inadequate to cope with unemployment, the measures generally adopted in countries affected by the depression were put into force — grants to unemployment funds, relief works, special credits to local authorities, and similar measures. In consequence of the financial action of the Government the comparatively satisfactory result has been achieved that, as has been shown, about two-thirds of the unemployed have either found employment on relief works or received allowances from unemployment funds or direct from the local authorities.

