

SGI

Sustainable
Governance
Indicators

2014 Norway Report

Stein Ringen, Ulf Sverdrup,
Detlef Jahn (Coordinator)



| Bertelsmann Stiftung

Executive Summary

Norway is a typical consensus-driven democracy. It performs well in most international comparisons of governance, economic and social conditions, and quality of life. Continuity is the most conspicuous quality of the country's governance, which is typically steady and kept orderly through the implementation of cautious, step-by-step legislative measures rather than by large, spectacular one-off reforms. The government has been able to avoid the financial crisis and subsequent economic turmoil that has affected most of Europe, and has pursued a healthy economic policy. During the period under review (and indeed since 2005) the government was a three-party majority coalition comprising the Labor Party, the Socialist Left Party and the Center Party, dominated by the Labor Party.

The Norwegian policy style has long been shaped by a state-centered tradition, resulting in a peculiar system of state capitalism. The state is by far the largest owner of capital in the country, holding about 40% of equity traded on the Oslo stock exchange. It also serves as virtually the sole funder of research, education, culture and other areas, including voluntarism. This makes Norwegian society oddly oligopolistic and nonpluralistic in a world where competitiveness is increasingly the order of the day. Its record with respect to major recent reforms is a mixture of effectiveness and failure.

Citizens are subject to a relatively heavy tax burden. A large share of tax revenues is spent on the welfare state's personal transfers, which contribute to making Norway a society with low levels of inequality. The government spends significant resources on infrastructure and the provision of public goods, with an emphasis on remote regions that is arguably excessive. The labor force is one of the most educated in the world, but the country's share of degrees granted in scientific disciplines is low by international standards, which limits the impact that public investment in education has on the nation's competitiveness and capacity for innovation. The performance of Norwegian students is poor by international comparison, notably in the area of scientific knowledge. The level of investment in research, development and innovation is low.

The defining event during the period under review was the brutal assault on 22 July 2011, in which a domestic terrorist killed 77 people. The response to this national trauma brought many qualities in Norwegian society to the fore, notably its abilities to find consensus and rally around the country's core values of democracy and tolerance, as well as the quality of its judiciary. However, it also put unexpected weaknesses in the country's system of democracy and governance on display. The independent commission of inquiry on the event concluded that the assault could have been prevented. The government compound where the attack took place should have had better security. The commission furthermore found that these faults had been well known. The government and its relevant agencies had made detailed analyses of security deficiencies, and had even made plans to rectify these problems long before the events in 2011. But for all this awareness, analysis and decision-making, implementation had failed. The commission found this to be the result of inadequate government follow-up, muddled lines of responsibility, poor leadership quality in administrative agencies, and a culture of ineffectiveness in those same agencies. Neither at the time of the event nor after the commission's report was any political blame assigned. Nevertheless, these were massive failures of governance insofar as the state was responsible for the basic responsibility of providing for its citizens' safety. The government accepted responsibility, but did not resign and was not made to resign. The failure to assign blame effectively for an avoidable catastrophe must count as a minus in the nation's democratic account, and the failures of planning and implementation subsequently uncovered must count as a minus in its governance account. In the aftermath, criticism of the country's governance has been increasingly evident in other areas of the public administration as well, such as the health care sector. In the present exercise, these minuses are reflected in lower rankings on a range of democracy and governance indicators, in particular in the indicators of executive capacity, than would otherwise have been expected.

Key Challenges

The Norwegian political system functions well, and is characterized by continuity, a relatively high degree of trust and legitimacy, a sound economy, a generous welfare regime, and a relatively high degree of internal and external security. Revenues from the petroleum industry have only increased the sustainability of an already sustainable system. An effective public administration and well-developed, cooperative relations between the

government and various interest organizations (particularly those representing employers and employees) have contributed to reducing the level of conflict and increasing the ability to implement joint reforms and adaptations. International cooperation has also contributed to increasing the country's reform capacity.

The most important challenge ahead relates to maintaining good long-term governance of the county's economy and vast petroleum fund. To date, the Norwegian economy has been sheltered from the European crisis, but there are signs that the economy is becoming increasingly dependent on the petroleum sector. Ensuring that the mainland economy stays competitive over the long term will be is a key challenge.

The terrorist attack in 2011 revealed serious governance shortcomings in a system that had previously been considered well-nigh perfect. The specific shortcomings in terms of security and police routines are presumably being dealt with, but there seems to be less ability to confront and resolve systemic failures of implementation and coordination. The political system failed to assign proper democratic responsibility for the event, and a system of management that allowed inertia and complacency to lower its guard with respect to its most basic responsibility, that of protecting its citizens, has subsequently responded in large part with continued complacency. These events have called aspects of the system itself in question, in particular its capacities for management, implementation, learning, adaptability and reform. The soul-searching that should have followed a shock of this scale has not yet materialized.

Various other issues pose additional continuing challenges:

- National leadership. The state-centered tradition in Norway is a burden on the county's capacity for encouraging enterprise, innovation and reform. In a world of global economic and social competition, there is a need, particularly in a small country, for pluralism and diversity of leadership in order to provide the necessary pressures for modernization, change and competitiveness.
- Conflict between central and local government. An increasingly centralistic approach in public-policy decision-making can become a burden on the country's capacity for modernization and reform. While the quantity of economic transfers to the municipalities has been increased – if perhaps with limited effect thanks to local-government inefficiencies and lax budget discipline – public-policy decision-making has not been correspondingly

decentralized. Whether the additional transfers have materially improved local-government finances is an open question. Municipalities appear to have adjusted the level of their activities to their new means without delay, and at least according to their own propaganda remain as financially squeezed as ever. If decentralization is to become viable, local governments' accountability and fiscal responsibility must be improved.

- Education. Norwegian governments need to worry more about the quality of education. This Student incentives must be strengthened, teaching quality should be monitored and improved, and a currently lacking culture of excellence must be introduced. The current demand-driven system of university access, under which students can choose their preferred field of study with little constraint, fails to take labor-market needs into account and should be reformed. In the current system, a significant part of educational expenditure represents a subsidy to consumption rather than true investment in human capital. The problem is made more severe by the wage compression that weakens students' incentive to self-select in the most socially productive areas.
- Research policy. Investments in research and development (R&D), both public and private, must be increased. Investments in academic and basic research should also be increased, promoting more joint activity between private and public actors. This is a major area of dormant necessary reform.
- Infrastructure and regional policy. Norway's stress on regional redistribution is excessive. Large infrastructural investments are made that benefit only very small communities. In contrast, infrastructural investments in national networks and around the major cities of Oslo and Bergen appear insufficient. The railway system, including commuting services, remains dysfunctional and in perpetual crisis. The policy of agricultural subsidies is costly and should be at least partially reconsidered.
- Industrial policy. The government should avoid the temptation of protectionism. Government interventions to prevent Norwegian companies from being bought by foreign owners appear anachronistic, and violate the principles of a modern market-oriented economy. Outside the petroleum and petroleum-based industries, the economy struggles with problems of low competitiveness. Employment is strongly dependent on the public sector.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 9

Norway's public finances are solid, the state budget effectively running a massive and durable surplus as a result of vast petroleum revenues from the North Sea as well as healthy budgetary discipline. The country has long enjoyed strong economic growth and near-full employment, and has benefited from a well-functioning system of tripartite cooperation. The country weathered the recent world economic crisis with only modest adverse effects. Petroleum revenues are managed in a way that is seen internationally as exemplary, as they are used domestically with prudence and otherwise invested internationally through a sovereign fund focused on equity, bonds and property assets. The Norwegian krone is strong, and gained further strength during the recent international financial turmoil.

The state wields exceptionally strong influence within the economy. About 40% of the equity on the Oslo stock exchange is under state ownership. Combined with the additional 30% under foreign ownership, this means the remaining indigenous private-capital sector is relatively small. When the state makes its investments, it most often does so on market terms. Economic policy is generally considered to be fair and transparent. Regulatory arrangements are generally seen to be sound, although the Oslo stock exchange is volatile, and has been plagued by rumors of insider trading.

The primary strength of Norway's economy lies in the public sector, particularly with respect to employment. The strongest areas are petroleum and petroleum-related industries such as maritime activities, as well as fisheries and fish-farming. It is a high-cost economy, both in terms of wages and taxes, and international competitiveness suffers in industries outside the petroleum sector.

Although the country has managed its petroleum wealth responsibly, the economy is strongly petroleum-dependent and entrenched at a high cost level. Some observers are concerned that a lack of competitiveness in the mainland economy might pose a future challenge to maintaining the country's high standard of living and to expectations for continued high public-service standards. The downside of a petroleum-dominated economy, critics argue, is an economy that lacks entrepreneurship, is weak in terms of conventional industries, and has less long-term strength than might be suggested by current favorable indicators.

Labor Markets

Labor Market Policy
Score: 9

Norway's unemployment rate is low and has remained low through the recent economic crisis. In 2012, this rate was just 2.5%. The aggregate level of employment is high by international standards, due mainly to the high rate of labor-force participation among women, often in part-time employment. But the level of absenteeism (short- and long-term illness and disability) is also high, potentially undermining the validity of unemployment statistics somewhat. The country's labor-market policy has traditionally been proactive, with an emphasis on retraining long-term unemployed workers. Unemployment benefits are generous. Employment-protection laws place limits on dismissal procedures. However, layoff costs are small for firms that need to downsize. This guarantees a certain amount of mobility in the labor force. Recent reforms have included the reorganization of the public offices serving job applicants. Salaries are often set largely through centralized bargaining processes and collective agreements. In general there is no minimum-wage policy. In most sectors, wage floors are set by negotiations between unions and employers. However, due to increased labor mobility, particularly from Eastern Europe, a growing number of economic sectors are now subject to a kind of minimum salary. The government has also engaged in several initiatives to prevent so-called social dumping. Recent economic literature portrays Norway and Denmark as successful examples of the flexicurity model, which combines high labor mobility (flexibility) with high levels of government-provided social insurance (security). However, there has been concern in Norway over workers' propensity to take early retirement, stimulated by early retirement incentives, some of which were marginally tightened as part of a comprehensive pension reform that came into effect on 1 January 2011. The aim is to reverse the trend toward early retirement.

Taxes

Tax Policy
Score: 9

Norway imposes a comparatively heavy tax burden on income and consumption (VAT). Corporate taxation is in contrast moderate in comparison to other countries. The tax code aims to be equitable in the taxation of different types of capital, although residential capital remains taxed at a significantly lower rate than other forms. In general the tax code is simple and equitable, tax collection is effective, the income tax is moderately progressive and tax compliance is high. Most of the tax collection is done electronically, with limited transaction costs, and the tax system offers limited scope for strategic tax planning.

A large share of the country's tax revenues is spent on personal transfers in the context of the welfare state. This contributes to making Norway a low-inequality society, and also enables significant investment in infrastructure and the provision of public goods; however, the efficiency of these expenditures is often low.

Budgets

Budgetary Policy
Score: 10

The Norwegian government has received a large flow of financial resources from the extraction of petroleum since the 1980s. This income is projected to remain substantial until around at least 2040, and in the case of natural gas, probably longer. Gas has now passed oil as the most important source of income, and the production of oil has been in decline during recent years. It is expected that by 2025 there will be a significant drop in revenue generated from the petroleum sector, requiring significant budgetary changes. In many countries, the abundance of natural resources has given way to corruption and irresponsible fiscal policies. Norway has so far avoided this resource curse. One important achievement has been the establishment of the so-called petroleum fund, created in 1990 by the Norwegian parliament as a means to share oil proceeds between current and future generations, as well as to smooth out the effects of highly fluctuating oil prices. This is today designated as a pension fund. The fund is administered by Norges Bank Investment Management (NBIM), an arm of Norway's central bank, and invests exclusively in non-Norwegian assets. Under current rules, the government is required to invest all petroleum revenue in the fund. Each year, at most 4% of the fund's value is made available for current expenditure. This principle is supported by all political parties except the populist Progress Party, but has no constitutional protection. Including the petroleum fund, the Norwegian

government's net asset position amounts to about 120% of GDP. This surplus is sufficient to cover outstanding and future pension liabilities, putting the country in a unique position relative to most other Western countries. However, the increased divergence between the petroleum-based economy and the remainder has been a source of concern.

Research and Innovation

R&I Policy
Score: 5

Despite its high GDP per capita, Norway spends comparatively little on research and development (R&D), even compared to its Nordic neighbors. Research policy is nonpluralistic, government-led, and is not strongly oriented toward enterprise or innovation. One notable exception is in innovative company-based research on the elimination of CO₂ emissions in gas exploitation, particularly with respect to carbon capture and storage. The country's strength lies in applied economic and social research rather than in basic and hard science research. Research funds are mainly public, distributed through a single research council, and are politically directed from above. Recent reforms have not been very successful, and the government is frequently criticized for insufficient investment in research. The country's private sector also engages in comparatively little research funding. This low aggregate investment level is reflected in the relatively low number of patents that are granted. It is also interesting to note that the share of degrees granted in science and technology is low, and that Norwegian children have fared especially poorly in scientific knowledge, at least in relative terms, in the OECD's Program for International Student Assessment (PISA) study. The country would certainly benefit from a higher absolute level of investment in R&D. However, the research council's centralized allocation of funds and state subsidies, with only limited participation by private donors, has also been criticized as a model. The council's selection of priorities has often been narrow. There is thus ample scope for increasing investment in academic and basic research, as well for promoting more involvement by private- and public-sector actors.

Global Financial System

Stabilizing Global
Financial Markets
Score: 8

Being a small country, Norway is not a major actor in international financial regulation. However, it is a notable player in financial markets as a result of its sovereign wealth fund. In this area, it has set standards of good international financial governance. The fund itself has been a conservative voice in international financial discussions, for example in respect to accepting participation by finance institutions in EU bail-outs of weak governments. This

has no doubt constrained the government in similar issues. Norway is supportive of international efforts to combat corruption, tax evasion and the like.

II. Social Policies

Education

Education Policy
Score: 6

Norway has a tradition of very high education attainment. The Norwegian labor force is one of the most educated in the world, as measured by the share of its working population that has completed secondary or tertiary education. Like other Scandinavian countries, the Norwegian government spends a comparatively significant share of its budget on public education. The emphasis of the primarily public school system is on free access and ensuring equal opportunities. Students with difficulties in learning or socialization receive a high level of attention. In contrast, there is little emphasis on excellence or on providing specific attention to the most gifted pupils.

In spite of the high levels of educational attainment, there are shortcomings evident within the system. The share of degrees granted in scientific disciplines is low by international standards, which limits the impact of public investment in education on the country's competitiveness and capacity for innovation. It is also worrying that a significant share of youth who start a course of education drop out before completing their degree programs.

Another source of major concern is the quality of education in certain subject areas. In the OECD's PISA study, Norwegian students' performance was below the OECD average in mathematical, problem-solving and scientific knowledge. In order to improve these performances, the country's teaching establishment may need to put more emphasis on providing students incentives to achieve, improving teaching quality, and instilling a culture of excellence.

Social Inclusion
Policy
Score: 9

Social Inclusion

Like other Scandinavian countries, Norway is a relatively equitable society. Poverty rates are among the lowest in the world. The Norwegian government has assumed responsibility for supporting the standard of living of disadvantaged and vulnerable groups. As a result, expenditures for social policy are well above the EU average. Government-provided social insurance is strong in almost all areas. Family-support expenditures exceed 3% of GDP, in the form of child allowances, paid-leave arrangements and child care. Social-insurance spending related to work incapacity (disability, sickness and occupational injury benefits) is also generous.

A major reform of the social-security administration was launched in 2006, the implementation of which has proved more protracted and expensive than anticipated and remains fraught with administrative problems.

Health

Health Policy
Score: 7

Norway has an extensive health care system, providing high-quality services to its resident community. Anyone who is resident in Norway has a right to publicly provided economic assistance and other forms of community support while ill. Health care for mothers and children is especially good, as in other Scandinavian countries. Infant mortality is the sixth-lowest in the world. Per-capita health expenditures in Norway are more than 50% higher than the OECD average. The country's total health care expenditures total about 12% of GDP, a third more than the OECD average. The public share of this expenditure in Norway is also high, with 84% of health care spending financed by the government.

Yet though Norway offers high-quality health care services to the entire population, the efficiency of this system is questionable. In a major structural health care reform in 2002, ownership of all public hospitals was transferred from counties to the central state. Subsequently, new health care regions were established, which were larger than the previous ones. These regions were given responsibility for managing service delivery, but without ownership. The intention was for these regions to streamline and coordinate health care services, thus imposing a stricter regime of budget discipline. However, reorganization has been slow and costly; the process remains ongoing, and even after more than 10 years, is nowhere near complete. Vast amounts of resources are being consumed by procedural work and pervasive conflict, while

efficiency gains, if they are to come, have yet to be identified. This reform has been uniquely unsuccessful by Norwegian standards. A previous reform, which came into effect in 2001, established a general-practitioner system for the first time, thus ensuring that all persons and households would have a designated primary-care doctor or practice. This was implemented with relative ease, and contributed to a notable improvement in access to high-quality primary health care.

Families

Family Policy
Score: 9

The labor-market participation rate for women in Norway is among the highest in the world; at above 70%, it is only slightly lower than the male participation rate. However, there is clear gender segregation in the labor market, with much of the increase in women's employment rates coming in the form of public sector and/or part-time jobs. The fertility rate is close to two children per woman, just below the replacement rate. As such, it ranks among the highest such rates in Europe.

The country's family policy is oriented toward promoting equal opportunity and an equitable representation of women in leadership positions, particularly in political and business settings. There is a 12-month maternal/paternal leave program that provides parents with 80% of their salary. Six of the weeks are reserved for the father. These reforms have increased paternal involvement in the first years of children's lives (about 90% of fathers now take these six weeks).

Government policy treats married and nonmarried couples in a nondiscriminatory way. For example, tax declarations for labor income are filed individually, irrespective of whether a citizen is married or not. Informal cohabitation, as compared to formal marriage, is widespread. Almost all new unions start in informal cohabitation, and about half of children are born to unmarried parents. About one in 10 children are born to single mothers, and institutional support for these women (e.g., the provision of day care and cash transfers) is stronger than in most countries.

Pensions

Pension Policy
Score: 9

Norway's pension system is well-positioned to sustain the aging of the population expected in coming decades. With birth rates that have been persistently high by European standards, the demographic burden is less than in most comparable countries. Future pensions are essentially guaranteed by the

massive savings accumulated in the petroleum fund, now renamed the Government Pension Fund – Global (Statens pensjonsfond – Utland).

A pension reform passed in 2009 came into effect in 2011. This has further strengthened the sustainability of the system. The crux of the reform was to introduce more choice and flexibility into the system in terms of retirement, while adding new mechanisms of gradual demographic adjustment. One major goal, in addition to improving financial sustainability, was to redesign contribution and benefit rules so as to encourage employment and discourage early retirement. This reform was carefully prepared, starting with the appointment of a cross-party pension commission in 2001; this body reported its findings in 2004, leading to a five-year process of political implementation that culminated in the 2009 reform, which drew widespread approval. During the process, the proposed reform was criticized as being “too little, too late,” but that criticism has largely subsided today.

Pensions are by international comparison generous and equitable, and are set to remain so. The universal basic minimum pension is large enough to essentially eliminate the risk of poverty in old age. The recent reform has strengthened the link between contributions and benefits for earnings-related pensions, while improving the system’s intergenerational equity. The population has broad confidence in the adequacy of future pensions from the state system, and there has hence been no significant move toward private-sector pension insurance.

Integration

Integration Policy
Score: 8

Integration policy is well-organized and well-funded in Norway, but the effects of immigration represent a new challenge in this country, and policies have to date been less than fully effective. Non-Western immigrants experience higher unemployment rates and lower wages than do native Norwegians. There are frequent complaints of discrimination in both the labor and housing markets. There is notable social unrest related to problems faced by second- and third-generation immigrants.

Integration policies include free language training and additional school resources allocated to immigrant children. Some of these resources are devoted to preserving cultural identity. For instance, children are offered additional classes in their mother tongue. The acquisition of Norwegian citizenship is relatively quick. Applicants must have lived in the country for at least seven out of the last 10 years, and either be fluent in Norwegian or have attended

courses in Norwegian (or Sami) for 300 hours. Immigrants with permanent residence status are entitled to vote in local elections.

An autonomous Directorate of Integration was created in 2006, distinct from the preexisting Directorate of Immigration and Integration, a change that was generally regarded as a sensible and successful reform. However, the challenges of multiculturalism stemming from immigration remain relatively unfamiliar in this traditionally homogenous society, and policies remain unsettled and in some respects immature. For example, the country continues to deny the right to dual citizenship. The privileged position of the Lutheran church stands in the way of religious equity, particularly in the eyes of alternate religious groups. Islam has become the largest non-Christian religious denomination, with the country home to about 112,000 Muslims out of a total national population of 5 million.

The country's "old minorities," mainly the aboriginal Sami population, have in the course of two or three decades gone from facing severe discrimination to a state of equity and integration. This status has been institutionalized in their formal recognition as an aboriginal people, with group rights written into the constitution and the creation of a Sami parliament, elected by the Sami population, which possesses some legislative authority.

Safe Living

Safe Living
Conditions
Score: 7

Norway is traditionally a safe country. The country's security is not seriously threatened by crime. For example, the number of homicides per capita is the third-lowest in the world, and incarceration rates are also small. Police presence is rarely significant, and incidents of police activism are rare. The police continue to be predominantly unarmed. Prison sentences are relatively mild, and Norway has relied instead on long-term crime-prevention policies. Theft and petty crimes are relatively infrequent, although there has been some concern over increasing levels of narcotics- and gang-related crimes. There is a perception that knife- and gun-related crimes are increasing in frequency and brutality. In recent years, various reforms have sought to enhance cooperation between various police and intelligence units, both internally and with respect to cross-border cooperation.

The police service is decentralized, organized in 27 relatively small police districts. In 2001, a central police directorate was established, but this was mainly a matter of moving the central police authority bureaucratically from under the Ministry of Justice. The directorate is small, with about 120 officials.

The head of the directorate has recently proposed a merger of police districts into larger units, but no such action has as of the time of writing taken place.

In the aftermath of the 22 July 2011 terrorist assaults on the government compound in Oslo and the summer camp of the Labor Party youth organization, the police service was severely criticized for not having put necessary precautions in place. This revealed shortcomings in police organization and logistics, including a low capacity for planning and implementation within the central police directorate.

Global Inequalities

Global Social Policy
Score: 8

Norway is a leading contributor to bilateral and multilateral development cooperation activities, as well as to international agencies focusing on development issues. Its activities in these areas actively seek to combat poverty, exclusion and discrimination.

On the other hand, it maintains a high level of protectionism with respect to the import of agricultural products.

III. Environmental Policies

Environment

Environmental
Policy
Score: 8

Norwegian public opinion is highly sensitive to environmental issues and the government regularly promotes international cooperation on environmental issues. There is a wide range of laws regulating various aspects of environmental policy and the use of natural resources, including specific laws on building regulations, pollution controls, wildlife and freshwater fish, municipal health, environmental protection and motorized vehicles.

Norway's share of renewable-resource use is among the world's highest. Air and water quality are among the best in the world, largely due to the country's low population density and the fact that Norway's main energy source is hydroelectric power, which is in turn due to the natural abundance of water in the country. Less positively, Norway does not have a good record on waste management, and has received international criticism for its policy concerning whale hunting. In addition, energy demand and usage per capita are higher in

Norway than in the rest of Europe. This is partly attributable to a legacy of inexpensive energy, a factor that international energy markets have now made a thing of the past. The government is committed to energy efficiency. To this end, conservation standards for new buildings have been tightened, and new taxes have been added to the use of electricity and gasoline. However, there is significant scope for improvement in this area.

Moreover, Norway is a major oil and gas producer, and it is therefore directly and indirectly contributing to increased global CO₂ emissions. The government's plans for achieving its climate goals have sparked national and international controversy. The intention is to rely strongly on the purchase of international CO₂ quotas to a degree that appears to be beyond what is acceptable by EU standards (to which Norway is committed despite not being an EU member itself). In the course of this plan, it has been involved in projects to save forest land in Africa, Asia and South America. Environmental groups have criticized the country for attempting to buy its way out of the problem rather than enacting appropriate and lasting economic and organizational reforms.

Research performed by government-owned companies has led to pioneering technological innovations aimed at reducing and ultimately eliminating CO₂ emissions associated with gas exploitation, focusing on the storage of CO₂ in the seabed. These initiatives are currently moving from the research to the large-scale experimentation stage.

Global Environmental Protection

Global
Environmental
Policy
Score: 9

The Norwegian government promotes itself as a lead actor in international environmental efforts, and in international climate negotiations. Norway is also involved in the United Nations Collaborative Program on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD). However, the country has also been criticized for buying itself out of burdensome domestic environmental obligations, by purchasing international CO₂ quotas instead of reducing emissions. Norway has been a leading actor in the development of carbon-capture technologies in the use of fossil fuels in energy production and she is also involved in diffusion of technology related to renewable energy.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

Procedures for registering candidates and political parties are considered to be fair, and have not been questioned or debated publicly in recent years. No candidate or party faces discrimination. The only requirement for starting a party is that at least 5,000 signatures from Norwegian citizens who have the right to vote must be collected. Parties nominate candidates.

Media Access
Score: 8

Candidates and parties are free to purchase political advertising in print publications and on the Internet. Advertisements from political parties are not allowed on television or radio. This ban has been subject to some controversy, with the populist Progress Party advocating a removal of the restriction. The other political parties are opposed to changing the law.

Television and radio broadcasters, both public and private, organize many electoral debates, to which all major parties (those with a vote share larger than 3% in the previous election) have fair access. There is no direct government interference in choosing the teams of journalists that conduct debates. In general, however, representatives of the larger parties are interviewed more often and participate in more debates than do small-party candidates. Political advertising during election campaigns is extensively regulated to ensure that voters are aware of its source.

Voting and
Registrations Rights
Score: 10

All Norwegian citizens who are 18 years old or older have the right to vote in parliamentary elections. In local elections, permanent residents who have resided in Norway for at least five years have the right to vote. There is no requirement of prior registration. Each eligible citizen receives a voting card sent by mail. It is possible to vote before the election through the post or at specific locations, including at Norwegian embassies abroad. There has been no allegation from any political party that the electoral process is not inclusive. Election turnout is high and discrimination is rarely reported. Young voters “learn” voting behavior in schools, through participating in a school vote prior to reaching the age of voting eligibility. Some municipalities have experimented with a voting age of 16 in local elections.

Party Financing

Score: 9

The funding of political parties in Norway is predominantly public. On average, parties receive about three-quarters of their revenues through state subventions (ranging from 60% to 80%). Membership fees are now an insignificant source of party finances. Parties also receive private donations; for example, the Labor Party receives funds from particular trade unions, while the Conservative Party receives donations from individuals and business organizations. State support for parties is proportionate to the results of the last-held election, but even parties not represented in parliament have access to state support.

Since 1998, political parties have been obliged to publish an overview of the source of their revenues, with detailed reports required since 2005. Thus, all party organizations, central and local, are today obliged to submit detailed income reports, with full information on the source of income, on an annual basis. Information on contributions of NOK 30,000 or more must be provided separately, with the identity of the donor included. Income reports are submitted to the Central Bureau of Statistics and are published in detail. A new provision under consideration as of the time of writing would oblige parties to report expenditures, property holdings and debt as well as income.

Popular Decision-Making

Score: 2

Government decision-making is inclusive in that organized interests have access to and are incorporated in regular processes of planning and implementation. The system makes no provision for direct citizen participation in the form of legally binding public votes or citizen referendum initiatives. Referendums have been used, but only in exceptional issues (the last time in the vote on European Union membership in 1994), and even then are constitutionally only consultative (through in practice are treated as binding).

Access to Information**Media Freedom**

Score: 10

Norway's dominant TV and radio corporation is state-owned, but the media market is also populated by significant private TV and radio stations. Newspapers are entirely in private hands, but receive state support. The state-owned broadcaster (NRK) is organized in a way that ensures considerable autonomy. The NRK is independent in its editorial policy, and the government does not intervene in the organization's daily practices or editorial decisions. However, since NRK is a non-commercial actor, it is largely financed by a fee that is compulsory for all citizens who have a television. The amount of the fee is set by parliament. The head of NRK reports to a board of directors. Board members are appointed by the government. An institution called the Broadcasting Council (Kringkastingsrådet) plays an oversight role, monitoring, debating and expressing views about the management and activities of the

state-funded broadcast media. It can also provide advice on administrative and economic issues. The issues debated by the council can originate with the chairman of the state broadcasting organization or from the public (often in the form of criticism and complaints). The opinions expressed by the Kringkastingsrådet carry substantial weight, and recommendations from this council are usually implemented. Eight council members are appointed by the parliament, and an additional six by the government.

Newspapers are free from any government interference. The freedom of the press is explicitly guaranteed in the constitution; the constitutional article addressing press freedoms was amended and strengthened with a constitutional amendment in 2004.

Media Pluralism
Score: 9

The state-owned broadcast channels control dominant shares of the country's TV and radio audiences. There are two private TV channels and various private radio channels, including local radio stations. The government does not interfere with the daily activities of the private media, but does monitor to ensure that they comply with their contractual obligations, which for national channels includes broadcasting throughout the entire country. A special body called the Norwegian Media Authority (Medietilsynet) is responsible for monitoring and regulating the market.

The stated goal of government regulation of the broadcast media market is to guarantee that quality remains high and that coverage is national. Cable TV is essentially unregulated beyond the effect of general laws (e.g., there is a ban on pornography).

Newspapers operate independently and express a plurality of views. Norway has the highest per capita newspaper circulation in the world. The total daily newspaper circulation is around 2.8 million, of which media company Schibsted controls around 850,000; A-pressen around 485,000; and Edda Media around 250,000. The two largest newspapers (Verdens Gang and Aftenposten) are owned by the same company, Schibsted, which is publicly listed. The owner does not currently exercise any significant influence on these newspapers' editorial decisions. In recent years, Aftenposten has established a leading role as a platform for national and informed political and cultural debate. As elsewhere in the world, newspaper circulation is on the decline, as is print advertising. As a result, many newspapers are under financial strain and have in recent years been forced to cut back on editorial staff. Web-based news outlets are replacing print newspapers. In the last few years, local newspapers in particular have come under increasing strain resulting from reductions in advertising income and subscription rates.

The concentration of ownership has not to date been perceived as a threat to media plurality. However, private ownership is becoming increasingly oligopolistic across print and broadcast media. The distributors of digital signals have also used their powers to change marketplace dynamics. Although there is a tradition of nonintervention by owners in editorial matters, the print media as a body has at critical junctures become politically biased. The media landscape as a whole, as well as the general public debate, demonstrates a noticeable and sometimes-narrow political correctness. Broadband Internet is widely used and accessible all over the country.

Access to
Government.
Information
Score: 10

Freedom of information legislation gives every person right of access to official documents held by public authorities. Official documents are defined as information that is recorded and can be listened to, displayed or transferred, and which is either created by an authority and dispatched or has been received by an authority.

All records are indexed at the time of creation or receipt. Some ministries make these electronic indexes available on the Internet or through e-mail. Requests can be made in any form (even anonymously) and must be responded to without undue delay, generally (according to Ministry of Justice guidelines) within three days.

Documents can be withheld if they are made secret by another law or if they refer to issues of national security, national defense or international relations, financial management, the minutes of the State Council, appointments or security measures in the civil service, regulatory or control measures, test answers, annual fiscal budgets or long-term budgets, or photographs of persons entered in a personal data register. If access is denied, individuals can appeal to a higher authority and then to the parliament's ombudsman for public administration, or to a court. The ombudsman's decisions are not binding but are generally followed. There have been very few court cases dealing with this issue.

The 1998 Security Act sets rules on the classification of information. It creates four levels of classification and mandates that information cannot be classified for more than 30 years. The Act on Defense Secrets prohibits the disclosure of military secrets by government officials, as well as the collection (in the form of sketches, photographs or notes) and disclosure of secrets by others, including journalists. Articles 90 and 91 of the criminal code criminalize the disclosure of secrets, and provide for imprisonment of up to 10 years for violations of these provisions.

In 2010 the government made it easier for citizens to access public documents by providing them with access to the government's electronic post journal.

Civil Rights and Political Liberties

Civil Rights
Score: 10

State institutions respect and protect civil rights. Personal liberties are well-protected against abuse by state and non-state actors. People cannot be detained without charge for more than 24 hours. A court decides whether a suspect should be held in prison during an investigation, a question given more serious consideration here than in some other countries. The issue of civil rights receives considerable attention in the media and from intellectuals, as well as from the government bodies responsible for the protection of civil rights.

Access to the courts is free and easy, and the judiciary system is viewed as fair and efficient. The most difficult recent court case was that of Anders Breivik, who on 22 July 2011 orchestrated domestic acts of terrorism, killing 77 people and causing massive material damage. This incident was regarded as a national trauma, but from a judicial perspective was handled scrupulously and according to due process. There is full freedom of movement and of religion. Respect for civil rights extends to asylum seekers.

Privacy is less protected than in some other countries. All residents are recorded in a compulsory population register with a unique number that is also used in all official and much private business, including banking.

Political Liberties
Score: 9

Political liberties are protected in the constitution and in law, although the constitution does not strongly articulate explicit protections for minority rights. The right to free expression was strengthened through a constitutional amendment in 2004. Norway has ratified all international conventions on human and civil rights. The European Convention on Human Rights is incorporated into national law. The right to free worship is ensured. The Lutheran church stills enjoys a privileged status, but its actual political influence is limited. Its status as a state church was reformed in 2012, increasing its autonomy of decision-making and introducing various forms of "democratization" in church affairs. Political liberties are respected by state institutions.

Non-discrimination
Score: 9

Equality of opportunity and equality before the law are firmly established in Norway. There is an ombudsperson for civil rights. The Sami minority living in the north of the country has some limited self-rule. Some contention exists over the use of natural resources in the Sami areas in the north, and legal issues over entitlements to land and water resources in these areas remain unresolved.

Men and women have essentially identical educational levels. Women's labor-force participation rate is comparatively high. There is some evidence of gender discrimination in wages, as women earn on average just 84.7% of what men earn. However, once specifics such as the number of hours worked, occupation, education and experience are taken into consideration, it is difficult to observe significant differences between the earnings of men and women. This finding does not per se imply that there is no gender discrimination whatsoever in the labor market (e.g., men may be more readily hired in high-paying occupations). On the other hand, affirmative action in favor of women has been used extensively in the labor market, particularly within the public sector. Even so, the labor market remains by international comparison strongly segregated by gender and occupation.

Day-care services are widespread and heavily subsidized. To a large extent, the supply of child-care services is today adequate to meet parents' demand. In 2006, a law went into effect introducing affirmative action in the selection of board members for publicly listed companies. Under this regulation, at least 40% of board members must be women. This goal was achieved in two years with surprisingly little difficulty.

Some discrimination against non-Western immigrants seems to persist. In some areas of the economy, immigrants find it comparatively harder to find work, while earning lower wages and showing substantially higher unemployment rates than native Norwegians. Although discrimination against immigrants (including in the labor market) is illegal, in practice very few cases are prosecuted.

Rule of Law

Legal Certainty
Score: 10

Norway's government and administration act predictably and in accordance with the law. Norway has a sound and transparent legal system. Corruption within the legal system is not a significant problem. The state bureaucracy is regarded as both efficient and reliable. Norwegian citizens generally trust their institutions.

Judicial Review
Score: 10

Norway's court system provides for the review of actions by the executive. The legal system is grounded in the principles of the so-called Scandinavian civil-law system. There is no general codification of private or public law, as in civil-law countries. Rather, there are comprehensive statutes codifying central aspects of the criminal law and the administration of justice, among other things.

Norwegian courts do not attach the same weight to judicial precedents as does the judiciary in common-law countries. Court procedure is relatively informal and simple, and there is a strong lay influence in the judicial assessment of criminal cases.

At the top of the judicial hierarchy is the Supreme Court. Directly below the Supreme Court is the High Court. The majority of criminal matters are settled summarily in the district courts (Forhoersrett). A Court of Impeachment is available to hear charges brought against government ministers, members of parliament and Supreme Court judges, although it is very rarely used. The courts are independent of any influence exerted by the executive. Professional standards and the quality of the internal organization are regarded as high.

Appointment of
Justices
Score: 9

Judges are formally appointed by the government. However, decisions are prepared by a special autonomous body called the Instillingsrådet. This independent body, composed of three judges, one lawyer, a legal expert from the public sector and two members who are not from the legal profession, provides recommendations that are almost always followed by the government. Supreme Court justices are not considered to be in any way political and have security of tenure guaranteed in the constitution. There is a firm tradition of autonomy in the Supreme Court. The appointment of judges attracts limited attention and rarely leads to public debate.

Corruption
Prevention
Score: 8

There are few instances of corruption in Norway. The few cases of government corruption that have surfaced in recent years have primarily been at the regional or municipal level, or in various public bodies related to social aid. However, a recent official inquiry uncovered various excessive claims on parliamentary pensions by previous members, some substantial and some criminal. This was in part the result of ambiguous rules, and in part related to lax enforcement of claims. As a rule, corrupt officeholders are prosecuted under established laws. The income declarations of all Norwegian taxpayers are available online. Newspapers often publicize such information, especially in the cases of members of parliament and figures holding influential public administration positions. There is a great social stigma against corruption, even in its minor manifestations. However, there has been growing concern over government corruption in specific areas such as building permits.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 7

Significant strategic planning takes place in the course of governmental decision-making. The typical procedure for major decisions entails the following steps: First, the government appoints an ad-hoc committee tasked with delivering a detailed report on a particular issue. Some of these committees are composed exclusively of experts, while others have a broader membership that includes politicians and representatives of interested parties such as unions, business confederations and other non-governmental organizations.

For instance, a report to the Ministry of Finance would typically be drafted by high-profile academic economists along with representatives of unions, employers and the central bank. When this procedure leads to legislative action, a proposal is drafted and distributed to interested parties, who are invited to make comments and suggestions (a period of three months for comments is recommended, and six weeks is the minimum period allowed).

Only after comments have been received will the government prepare a proposal for parliament, sometimes in the form of a parliamentary bill, but occasionally only as an initial white paper. Governments deviate from this procedure only in cases of emergency, and any attempt to circumvent it would lead to public criticism.

This tradition of careful, deliberate, consensual and slow decision-making has served the country well. The procedure leading up to the 2009 pension reform offered a case in point. However, two major recent reforms have turned out to be remarkable and costly failures: health care reform (certainly) and social security reform (probably, although more time is required for a complete

judgment). These failures may be attributable to a dogmatic overconfidence in the efficacy of bureaucratic centralization, and should raise serious questions about the country's strategic capacity.

There is an established procedure for the approval of the annual budget. Activity starts a year in advance, when the government holds three conferences on the budget proposal. The finance minister presents an initial proposal to parliament in the first week of October. A parliamentary committee plays an active role in the budget process, making concrete proposals for the distribution of resources. This proposal becomes the basis of parliamentary discussion. After the parliament approves a proposal for the allocation of resources, it becomes binding for subsequent, more detailed discussions that take place in various parliamentary committees. By December 15, this work is concluded, and the final budget is approved by the full parliament.

The shortcomings in governance that were revealed in the course of the July 22 terrorist attacks and their aftermath have resulted in a general downgrade in the scores associate with executive capacity.

Scholarly Advice
Score: 8

There is a significant degree of academic influence on policymaking in Norway. Economic and social research helps to guide policy to a significant degree. Academics are regularly involved in government-appointed committees for the preparation of legislation. On a more informal level, various departments regularly consult academic experts. Academics are active in public debate (e.g., by writing newspaper articles) and their views often prompt replies and comments from senior politicians.

Interministerial Coordination

GO Expertise
Score: 8

The Office of the Prime Minister has a small to medium-sized staff of 30 to 50 people, about 10 of which are political advisers, with the rest being professional bureaucrats. The office is not tasked with evaluating policy proposals in detail, but rather works to coordinate activities, ensure that government policies are roughly aligned, and monitor whether policy planning is adequate and is following prescribed procedures. The office has sufficient expertise and capacity for these purposes, and is considered to be an elite department with very highly skilled employees. A special minister was appointed in 2009 with aim of increasing the government's coordination capacity further.

GO Gatekeeping
Score: 9

The Office of the Prime Minister plays an important role in coordinating government policy and ensuring a consistent and coherent legislative program, especially in situations when line ministries are in disagreement. It is able to

and often does return materials to departments for further elaboration, and frequently works directly with departments on draft proposals. Both the gatekeeping and general policy-oversight functions are shared with the ministries of Finance and Justice.

Line Ministries
Score: 8

Responsibility for the preparation of policies lies with line ministries. As a matter of routine, they will involve the Office of the Prime Minister when addressing potentially controversial matters and for the purpose of coordinating with other policies. This interaction often involves ongoing two-way communication during the planning process. Initiatives lacking support by the Office of the Prime Minister would not win cabinet approval.

Cabinet Committees
Score: 1

There is little use of formal cabinet committees within Norway's political system. The whole cabinet meets several times a week, and generally works together as a full-cabinet committee.

The coalition partners have created a special subcommittee within the cabinet that coordinates issues on difficult or sensitive topics.

Ministerial
Bureaucracy
Score: 7

Senior civil servants and political appointees play an important role in preparing cabinet meetings. This process follows fixed procedures, and matters must be appropriately prepared before being presented to the cabinet. This includes the creation of documentation alerting cabinet ministers to the essentials of a proposal, thus allowing cabinet meetings to focus on strategic issues and avoid being distracted by routine business details. Most issues on the agenda have been prepared well before the meeting.

Informal
Coordination
Score: 7

Cabinet ministers meet frequently and keep in close touch with one other on issues of policy. Efforts have been made to encourage cross-ministerial relationships on the level of lower officials as well. There is extensive informal coordination between cabinet and parliamentary committees and party organizations.

Evidence-based Instruments

RIA Application
Score: 8

Norway introduced a system of regulatory impact assessment (RIA) in 1985, and revised it in 1995. The ministers and the government are responsible for providing comprehensive assessments of the budgetary, environmental, health and human-rights effects of their proposals. Consequences should be quantified as far as possible, including by means of a thorough, realistic socioeconomic analysis. A set of codified guidelines (the Instructions for Official Studies and Reports) governs the production of RIAs. However, the ministry in charge has some discretion to decide when an RIA should be conducted. There is no

formal rule establishing when a full RIA must be produced, and when a less detailed assessment is sufficient.

If performed, RIAs are included as a separate section in the ad-hoc reports commissioned from experts or broader committees, as well as in white papers and final bills. There is no central body in the government administration that conducts quality control on RIAs, although each department has issued guidelines on how RIAs should be conducted. An interministerial panel on economic impact assessments was established in 2005, bringing together RIA experts from various ministries; this continues to have an advisory function with respect to improving the quality of RIAs. The parliament may send back a proposal if it regards the attached RIA as unsatisfactory. This has actually occurred in a number of cases.

Quality of RIA
Process
Score: 9

The quality of RIAs associated with parliamentary bills shows great variation, but is generally good. At a minimum, parliamentary bills describe the financial and administrative (governmental) consequences of a proposal. Other costs are not quantified systematically or regularly when preparing bills. Affected parties will be also typically be invited to present their views in a public hearing, before a decision is being made. The RIA system is strong in terms of consultation, transparency and creating a broad political consensus around decisions. However, it is weaker in terms of technical quality.

Sustainability
Check
Score: 7

The government's Instructions for Official Studies and Reports require that a sensitivity analysis must be made if any appreciable uncertainty exists, and that alternative instruments should be assessed, including instruments not of a regulatory nature (e.g., economic instruments). In practice, the extent to which alternative options are given careful consideration and submitted to a systematic cost-benefit analysis varies from case to case. Quantification of the costs and benefits of different alternatives is relatively rare.

Societal Consultation

Negotiating Public
Support
Score: 10

Norway is a consensus-oriented society. Not only are interested parties fully informed of measures under discussion, but they also play an active role in the legislative process. In particular, there is a firm tradition of consultation with trade unions and business organizations. Interested parties are invited to express their views before new laws are presented to parliament. Social confrontations over policymaking (e.g., political strikes or violent forms of protest) have been almost nonexistent in recent years.

Coherent
Communication
Score: 8

Policy Communication

Norway has had coalition governments in recent years. These coalitions have worked effectively, but there will unavoidably be disagreements within any coalition, including in the current center-left coalition. The dynamics of party politics require that disagreements on important matters find some expression, leading to an occasional lack of clarity in government communications. On the other hand, Norway's coalitions have been remarkably cooperative and its cabinet members well-behaved, often going to great lengths to avoid airing disagreements in public.

Government
Efficiency
Score: 9

Implementation

Governments during the period under review have held parliamentary majorities and had no external constraint on the implementation of policies. The government can rely on a large, well-trained and capable bureaucracy to implement its policies. Any shortcomings in implementation have been the result of a lack of political willingness rather than a lack of government capacity. The potential for conflict between the three parties in government has represented one possible impediment to government efficiency, but collaboration between the three parties is in fact generally good. The main dimension of contention within the government has been foreign policy, as the Socialist Left Party is highly critical of Norway's participation in NATO's Afghanistan operation. However, it has lacked the ability to stop that participation. The domestic terrorist attacks of July 22 revealed serious shortcomings in efficiency, but these shortcomings were due to inertia rather than to problems of cooperation.

Ministerial
Compliance
Score: 9

There is a strong tradition of cabinet government in Norway. The cabinet meets several times a week, and government decisions formally need to be made in cabinet. The convention of close ministerial cooperation increases ministers' identification with the government's program and makes the government work as a team. As long as divisions between coalition partners are not strong, this system guarantees relatively strong cabinet cohesion, as has been the experience in recent years.

Monitoring
Ministries
Score: 8

Norway has a small, consensual and transparent system of governance. The Office of the Prime Minister knows what is going on throughout, or is assumed to know. The cabinet is quite cohesive. There is always a tug-of-war between line and coordinating ministries, but line ministries virtually never deviate from the government line. To do so would require a degree of intergovernmental disagreement and breakdown of discipline that has not been seen for a very

Monitoring
Agencies,
Bureaucracies
Score: 8

long time. However, the terrorist attacks of July 22 did in part represent a failure to follow up on government decisions made by the relevant line ministries.

Government agencies are subject to monitoring through direct bureaucratic channels and by the activity of the free press. As a rule, executive agencies do not act against the directives of the ministries, and there have been very few cases in which agency officials have taken action that could be seen as contrary to government policy. However, the terrorist attacks of July 22 were in part due to implementation failures by administrative agencies, in particular the central police directorate. The Office of the Auditor General (Riksrevisjonen), which reports to the parliament, plays a key role in monitoring implementation.

Task Funding
Score: 8

There is a constant tension between central and local government over the funding of responsibilities imposed on local governments. The present central-left government radically increased local-government funding during its first term in office. This policy was initially met with great satisfaction by local authorities; however, these bodies rapidly adapted their activities to these new financial flows, relaxed budget discipline, wasted new resources in inefficient activity and additional bureaucracy, and again began asking the central government for additional funds. In general, regional governments and municipalities are adequately funded. Their financial squeeze, certainly after the new central-government funding, is more attributable to a combination of locally generated ambitions and administrative inefficiency than to central-government tight-fistedness. Overall, the national government tends to establish universal rights and entitlements that must be implemented at the local level, causing tension when it comes to financing.

Constitutional
Discretion
Score: 6

There is ongoing tension between Norway's local and central governments over the discretion allowed to local governments. The central government has increasingly tied the hands of local governments, for example by controlling local-level expenditure by earmarking the transfer of funds for specific purposes. There is nothing to suggest any recent reversal of this trend.

National Standards
Score: 8

The Norwegian government is committed to providing public services that are as uniform as possible across the country. Given the large distances involved, and the remoteness of some regions, this implies that peripheral parts of the country receive large (and expensive) transfers, both directly and in the form of infrastructure investments.

Although services are reasonably uniform across the country, this has not been the case for local-government performance in all respects, in particular with respect to financial management.

A number of bodies including the regional prefects (fylkesmannen), the national ombudsman, and similar agencies in the fields of health, patients' rights and more have been established to ensure the effective and uniform application of rules.

Adaptability

Domestic
Adaptability
Score: 8

Government structures have remained fairly stable over time. There are some ongoing efforts to improve the institutional framework, although not primarily in response to international developments. It is common for new governments to reallocate tasks across ministries.

Examples of adaptation include the country's early establishment of an Environment Ministry, the strengthening of the political leadership devoted to development cooperation, and the recent establishment of a Directorate of Integration and Diversity separate from the body dealing with immigration issues. In general, interdepartmental coordination has increased as a result of international activity, particularly so in relation to the handling of European affairs. A decision by the Ministry of Foreign Affairs to create an anti-terrorism coordinator was never implemented.

International
Coordination
Score: 9

Norway is very diligent in adopting legislation passed on the level of the European Union. The country is not an EU member, but still participates in most forms of EU policy coordination through membership in the European Economic Area (EEA), with certain exceptions in the areas of agriculture and fisheries. This relationship does not give it a role in EU decision-making or policy formulation, however.

Norway has been an active participant in and promoter of various international conventions, forums and activities. Areas of particular interest have been human rights, development and peace. Relative to its size, Norway is a large contributor to U.N. and NATO peacekeeping operations, as well as to international organizations such as the IMF, the United Nations and the World Bank. The country participates in the Extractive Industries Transparency Initiative (EITI) and the Kimberley Initiative on so-called blood diamonds. Norway actively encourages developing countries to join the EITI, and is one of four contributors to the World Bank Special Trust Fund tasked with assisting in this program's implementation.

Organizational Reform

Self-monitoring

Score: 8

Self-monitoring takes place both informally and formally. On a formal level, there is a parliamentary committee devoted to monitoring whether government and parliamentary activity adheres to the constitutional framework. In addition, the Office of the Auditor General, which reports to parliament, has gradually made itself more assertive while expanding its policy focus. Informally, there is substantial monitoring of the way institutional arrangements affect government functions. For example, ministerial portfolios are shuffled when change is deemed necessary, notably each time there is a change of government.

Institutional Reform

Score: 8

Institutional reform is an ongoing process, with frequent reorganizations aimed at improving strategic capacity taking place. This includes changes in ministerial responsibilities and portfolios. For example, one notable reorganization merged the areas of labor policy and social-security policy into a single ministry. Another example was the creation of a Department of Ownership within the Ministry of Trade and Industry, which gathered responsibility for state-owned firms (including fully owned and partially owned firms) under a single unit. In the past, this responsibility had been scattered across various ministries. Recent reforms have also included a merger between the agencies dealing with climate policy and the preservation of natural environments.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge

Score: 9

The Norwegian public is generally well-informed about government policies, measures and operations. This is partly attributable to the country's small size, but also to the population's high level of education, the very high circulation of newspapers and the widespread access to Internet and television. Moreover, the Scandinavian tradition of transparency in government helps the free press to report accurately about public policies.

Legislative Actors' Resources

Parliamentary

Resources

Score: 8

Members of parliament do not have personal staff, but can draw on support from general staff allocated to each party and paid for by parliament. The

number of general staff members is related to party size. Legislators, all whom serve on committees, are also supported by committee staff; most of the legislative work is in fact done in committee. The parliamentary library is well regarded by representatives for its ability to provide support in research and documentation. Support resources are not lavish, but neither do they represent an impediment to the effective functioning of parliament or its individual members. The parliament has a limited capacity to independently collect and analyze information, but routinely asks the government to answer questions and to provide additional information.

Obtaining
Documents
Score: 9

Parliamentary committees have the de facto power to obtain government documents. The procedures for doing so are fast and effective. The parliamentary right of access to information is a very strong norm, which most members of the government are very careful not to violate. They thus work to ensure that the parliament is provided with adequate and timely information. Oral proceedings and consultations are sometimes used to supplement written procedures. There are no limitations to this right of access, except in specific cases of secrecy, which are not widespread. However, even in these cases, parliament has an extended foreign relations committee which has access to classified security information.

Summoning
Ministers
Score: 10

Parliamentary committees may summon ministers for appearances. Ministers regularly respond to invitations and answer questions. In addition, there is a weekly session in parliament where legislators can ask questions directly to the ministers.

Summoning Experts
Score: 10

Each party represented on a parliamentary committee has the right to invite experts to appear at committee hearings. This kind of invitation is becoming increasingly common, with experts coming from interest organizations, NGOs, businesses and academia to present information and views on various issues and policy proposals. Moreover, the parliament has a group of independent experts who assist legislators by collecting and analyzing information.

Task Area
Congruence
Score: 9

The overlap between the organization of the parliament and the government is not perfect. There are 13 parliamentary committees, as opposed to 17 ministries in addition to the Office of the Prime Minister. Some parliamentary committees therefore have a slightly broader task and mandate than others.

Audit Office
Score: 10

Norway has a national audit office, an independent statutory authority that is responsible to parliament. Its main task is to audit the use of government funds to ensure they are used according to parliamentary instructions. The audit office has 500 employees, and its governing council is made up of members of the main political parties. Decisions of the audit office have consistently been consensual.

Ombuds Office
Score: 10

Norway has a parliamentary ombudsman whose task is to investigate complaints from citizens concerning injustice, abuses or errors on the part of the central or local government administrations. The ombudsman is also tasked with ensuring that human rights are respected, and can undertake independent investigations. Every year, this office submits a report to parliament about its activities. In general, the ombudsman is active and trusted.

Media

Media Reporting
Score: 9

The mass media's treatment of government decisions and policy is accurate and informative. The two largest broadcast-television channels, NRK and TV2, both produce broad-ranging evening news programs that typically devote considerable space and time to governmental and political affairs. Both channels also regularly (almost daily) broadcast debates and discussions on current affairs.

Statistics show news programs and political debates to have a high number of viewers. Both large television organizations have recently strengthened their news coverage, in TV2's case by establishing a new news channel, and in NRK's case by reforming NRK2 into a news and facts channel. Political news is frequently featured on popular televised infotainment shows on Friday nights. The leading radio channels, NRK and to a lesser extent P4, also devote considerable time to political news.

Parties and Interest Associations

Intra-party
Democracy
Score: 8

All political parties give special preference to their members in terms of internal decision-making. Party manifestos are approved at annual meetings, while regional party meetings nominate candidates for elections. Non-party members can be nominated as electoral candidates, but this is rare. In most parties, attempts are made to anchor major policy issues among party members and party representatives. As of the time of writing, seven parties were represented in parliament, of which only three received more than 10% of the vote: the Labor Party (a traditional Scandinavian social-democratic party), the Conservative Party (Høyre, a moderate conservative party) and the Progress Party (a populist right-wing party). Two fringe parties, the Socialist Left Party, which is to the left of Labor, and the Progress Party, to the right of Høyre, have drawn more criticism than other parties for "irresponsibility." The Progress Party in particular has been criticized for fiscal recklessness and for engaging in some anti-immigration rhetoric, although this has recently been moderated. However, the Socialist Left Party proved eminently responsible when it joined

Association
Competence
(Business)
Score: 9

Labor and the Center Party in a coalition government in 2005 and its chairwoman became finance minister. Similarly, the Progress Party has worked hard in recent years to make itself “responsible” with a view to becoming a credible coalition partner with Høyre in a future government formation. None of the parties individually entertain policies that are systematically implausible.

The major interest associations all propose practical, plausible policies. Many interest organizations have competent and skilled staffs, enabling them to formulate policies and proposals. The Norwegian Confederation of Trade Unions and the Confederation of Norwegian Enterprise have for years been engaged in very close tripartite cooperation with the government. Through this process, these organizations – in combination with the government – have been able to prevent strikes, secure a moderate salary policy and ensure moderate inflation and interest rates.

This cooperation has also been regarded as important in promoting gradual governmental reforms in areas such as health insurance and pension plans. In their work, these interest organizations rely to a large extent on scholarly knowledge, and typically take a long-term perspective.

Similar patterns of organized cooperation are evident in many other policy fields. Employers’ association groups have traditionally been allied with the conservative parties, farmers’ groups with the Center Party, and trade unions with the Labor Party. These ties are most explicit between the Labor Party and the labor unions, with the head of the labor union confederation sitting on the party’s executive committee. The union confederation and the employers’ association both have academics as advisers, and their proposals normally aim at consensus rather than at social confrontation.

Association
Competence
(Others)
Score: 9

The government and the opposition parties listen carefully to the opinions expressed by business, farm-sector and union leaders. Intellectuals and academics also receive attention. Environmental groups have a substantial influence on environmental policy. The large organizations are professional in communicating their messages to politicians and to the public, and are sometimes able to set the political agenda.

In addition, there are numerous formal arenas for routine consultation between governments and various kinds of interest organizations. In many areas, such consultations are formalized and have become a routine mode of policy formulation.

This country report is part of the Sustainable Governance Indicators 2014 project.

© 2014 Bertelsmann Stiftung

Contact:

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh

Dr. Daniel Schraad-Tischler
daniel.schraad-tischler@bertelsmann-stiftung.de

Najim Azahaf
najim.azahaf@bertelsmann-stiftung.de