



Norway Report

Ulf Sverdrup, Stein Ringen,
Detlef Jahn (Coordinator)

Sustainable Governance Indicators 2018

©vege - stock.adobe.com

Executive Summary

As a typical consensus-driven democracy, Norway performs well in most international comparisons of governance, quality of life, and economic and social conditions. Continuity is the most conspicuous quality of the country's governance, which is typically steady and based on the implementation of cautious, incremental legislative measures rather than spectacular, one-off reforms. Norway has been able to avoid the worst of the global financial crisis and subsequent economic turmoil, which severely affected most of Europe, and has pursued a healthy economic policy.

The country's economy is heavily dependent on oil and gas revenues, and its maritime and technologically advanced petroleum-services industries. Many in Norway are concerned about the risks posed by an excessive dependence on the petroleum sector, and in recent years greater emphasis has been placed on developing and maintaining adaptability. In 2017, the government, together with the managers of the country's oil fund, Norges Bank Investment Management (NBIS, an arm of the Norwegian central bank), decided to divest from investments in petroleum-related industries.

Since 2014, the drop in oil prices has had a significant impact on the economy, exposing its vulnerability. Unemployment is rising due to reduced investment and increased economic uncertainty. Governance is responding to changing economic circumstances, and there is a greater awareness of the need to diversify the economy and reduce its dependence on petroleum. It remains to be seen how successful these efforts will be. For now, the country's economic base remains strong but weakened and the country's currency has depreciated. Public finances have tightened, but there is still a conspicuous continuity in economic policy, which includes relatively high levels of public spending, taxes and welfare services. There has been no shift toward austerity in economic policy.

Norwegian policymaking has long followed a strongly state-centered approach, 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. The state is virtually the sole funder of research, education and culture, among other areas. Nevertheless, the country has remained open to globalization and free trade, with some minor exceptions, and has been keen to ensure that the benefits of international trade are fairly distributed.

Citizens are subject to a relatively heavy tax burden. A large share of tax revenue is spent on welfare transfers to individuals, which contribute to low levels of inequality in Norway. The government spends significant resources on infrastructure and the provision of public goods, with an arguably excessive emphasis on remote regions. Policymaking is generally effective but often inert when it comes to implementation. The labor force is one of the most educated in the world. However, the country's share of science degrees is low by international standards, which limits the impact that public investment in education can have on economic competitiveness and innovation. International education rankings such as PISA show an improvement in Norwegian students' performance. The level of investment in research, development and innovation remains quite low. An aging population and increased migration, combined with a more challenging financial outlook, have increased pressure on the government to engage in welfare reforms and reduce welfare spending.

Key Challenges

The Norwegian political system functions well, and is characterized by continuity, a sound economy and a generous welfare regime, as well as a relatively high degree of trust and legitimacy, and internal and external security.

Revenues from the petroleum industry have further strengthened the sustainability of the system. An effective public administration and well-developed, cooperative relations between the government and various interest organizations (particularly organizations representing employers and employees) have helped mitigate conflict and enhance the ability of stakeholders to implement joint reforms and adaptations. Nonetheless, the process of implementation has been subject to inertia. Though Norway's engagement in international frameworks has improved the country's reform capacity.

The most critical challenges involve reducing the country's dependence on the petroleum sector, managing the effects of a potentially long period of

significantly lower oil and gas prices, and ensuring the sound management of the country's economy and vast oil fund. Ensuring the competitive viability of the economy over the long term will be a key challenge. Norway's economy and policymaking will suffer if global oil prices remain low for long and the risk of stranded assets grows as the effects of climate change intensify.

The terrorist attack in 2011 revealed serious shortcomings in an otherwise robust governance system. Specific shortcomings in security and police routines have been addressed, although concerns remain over the ability to confront and resolve systemic implementation and coordination failures. A governance system that allowed inertia and complacency to negatively affect its most basic responsibility (i.e., protecting citizens) in the first instance, has compounded this failure by responding slowly in the aftermath of the attack. This has led to widespread public questioning of the governance system, in particular the system's management, implementation, learning, adaptability and reform capacities.

The recent election demonstrated that voters are increasingly concerned about how to manage immigration and integration. Labor mobility from the European market has brought talent and resources to Norway and has reduced incentives for businesses to outsource production. However, it has also created a slight downward pressure on salaries, and increased tensions between trade unions and business. In addition, Norway, along with many European countries, faces many challenges stemming from a largely heterogeneous population.

Other persistent challenges include:

- **National leadership.** The state-centered tradition in Norway has many strengths, but is also seen by some as a burden on the country's capacity for encouraging enterprise, innovation and reform. In a world of economic and social competition, there is a need, particularly in a small country, for pluralism and diversity of leadership in order to drive modernization, change and competitiveness. However, Norway has demonstrated considerable adaptability to changing global markets, and its consensus-based culture featuring high levels of trust has been instrumental to fostering effective reforms and changes.
- **Economic restructuring.** There is renewed awareness of the need to restructure the economy to sustain a high level of wealth, decrease dependency on the petroleum sector, and ensure a more diversified and internationally competitive economy. This transition is now underway and new initiatives are being introduced to further stimulate developments in the maritime, seafood

and green-tech sectors, among others. The high labor costs in the oil service sector are being reduced and a weaker currency has helped strengthen economic competitiveness.

- **Education.** The Norwegian government must direct more attention toward the quality of education. The government must do more to strengthen student incentives, monitor and improve teaching quality, and promote a culture of excellence. As Norwegian society becomes more heterogeneous, securing high-quality education, promoting effective integration and ensuring equal access to the job market for immigrants have become increasingly important.

- **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 public and private actors. This major area of reform is currently widely neglected.

- **Infrastructure and regional policy.** Norway's stress on regional redistribution is excessive. Yet, infrastructural investments in national networks, and around the major cities of Oslo and Bergen have been insufficient. The railway system, including commuting services, is inadequate. The policy of agricultural subsidies is costly and should at a minimum be reconsidered.

- **Security and defense.** Norway is a founding member of NATO, and its security depends to a large extent on a well-functioning transatlantic alliance and good cooperation with European partners. Norway has committed to increasing its defense spending to meet NATO targets, although Norway has not yet met its targets. In the new geopolitical security climate, it is necessary for Norway to increase its spending on security. However, this will be demanding and likely come at the expense of further welfare spending.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 7

The decline in oil prices has affected the Norwegian economy, with the sharp fall in prices over the last two years creating a strong impact. The economy is in transition and greater emphasis is being placed on diversification to reduce dependence on oil and gas revenues. The economy has been struggling with reduced investments in the offshore industry, with the implications being felt across the economy. Yet, as prices have started to increase, activity picked up again in 2017. There are growing concerns that rising housing prices and private debt levels will pose a challenge if interest rates increase.

The economy remains strong. Public finances are still solid, although the parliament has had to relax its self-imposed constraints on the use of petroleum revenues to cover current spending. The country has long enjoyed strong economic growth and near-full employment and has benefited from a well-functioning system of tripartite cooperation. However, growth rates are slowing and unemployment has increased in the country's western region, which is most affected by reduced activity in the petroleum sector. The management of petroleum revenues – which are used domestically with prudence and otherwise invested abroad through a sovereign fund focused on equity, bonds and property assets – is held in high regard by international standards.

The state wields 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. However, the high level of welfare benefits and high costs also represent challenges in a period of declining revenues from petroleum activities.

Although the country has managed its petroleum wealth responsibly, the economy is strongly petroleum-dependent and entrenched at a high-cost level, although costs have dropped significantly. 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. It also makes the economy vulnerable to changes in petroleum prices in world markets. These problems have now become strongly visible in the economy and a factor in economic policymaking.

Citation:

I see no sign that the economy has improved. Therefore I do not change the score.

Labor Markets

Labor Market
Policy
Score: 8

Norway's unemployment rate is low, and remained so through the recent economic crisis. But due to declining oil prices and the postponement of planned investments, unemployment rates have increased in certain sectors of the economy, in particular in oil and petroleum-related industries, but the rate of unemployment has fallen in 2017. The aggregate level of employment is still 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. There is also some concern relating to the export of welfare benefits, in particular in relation to mobility within the Single Market and the European Economic Area. The government has 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. High levels of migration from European Union countries and increasingly as a result of the instability in the Middle East are likely to become more challenging in a labor market with increased unemployment rates. However, as the Norwegian labor market is expected to contract, the number of incoming migrants from other European countries is expected to drop.

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: 9

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 over the next few decades. However, the price drop in oil and gas markets led to a significant reduction in state revenue in 2015 and 2016. Due to technological changes and climate change, there is also more uncertainty regarding the long-term viability of oil and gas-based revenues. Fears of stranded assets are growing as carbon pricing approaches and the complexity associated with offshore oil fields could render extraction costs ineffective. However, extraction costs have dropped significantly in Norway, the country's fields are competitive by international standards and the investment climate remains politically stable.

Gas has now surpassed oil as the most important source of income and the production of oil has been in decline over the last few years. For some time, significant drops in petroleum revenue have been expected at least by 2025, requiring significant budgetary changes. The recent oil-price declines have necessitated earlier reforms.

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 oil fund, created in 1990 by the Norwegian parliament as a means to share oil proceeds between current and future generations, and smooth the effects of volatile oil prices. The fund is administered by Norges Bank Investment Management (NBIM), an arm of Norway's central bank, and invests exclusively in non-Norwegian assets. As the fund has grown, Norway has gradually moved from being a petro-state to being more of an investor state. It might be less exposed to the risk of volatile oil prices, but has become more exposed to volatile financial markets.

Public finances remain sound, but are notably more strained. As revenues are expected to decrease, adjusting welfare spending and economic diversification will grow increasingly important. It is expected that marine industries and sea food production will play an increasingly important role for Norway.

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. The low level of spending is partly due to limited government funding but also due to the fact that Norwegian industry and business spend less on research. However, government spending has increased slightly in recent years. Research policy is nonpluralistic, government-led and has historically not been strongly oriented toward enterprise or innovation. The country's strength lies in applied economic and social research rather than in basic and hard science research. However, there are some excellent research groups and networks in the so-called STEM subjects. Research funds are mainly public, distributed through a single research council, and recent reforms have moved in the direction of adopting a center of excellence approach.

In international comparison, the country's private sector provides little in the way of 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. However, the international rankings of some of the country's most important universities have improved in recent years. 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 too 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, and leads by demonstrating good practices. The set of so-called Santiago principles have established procedures for increasing transparency related to sovereign wealth funds, which has undoubtedly constrained government action in similar areas. Norway is supportive of international efforts to combat corruption, tax evasion and the

like. Although the financial sector is heavily exposed to the petroleum and shipping sectors, both of which have had to navigate difficult economic times, the financial sector remains robust and stable, which is in part a result of the regulatory reforms introduced by the government. In 2016, the fund also supported the G20-based initiative of carbon risk financial disclosure and joined a working group to explore how sovereign wealth funds can contribute to the achievement of Paris Agreement targets.

II. Social Policies

Education

Education Policy
Score: 7

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 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 greater emphasis on providing students with incentives to achieve, improving teaching quality and instilling a culture of excellence.

Social Inclusion

Social Inclusion
Policy
Score: 9

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.

As Norway's population is becoming increasingly heterogeneous, debates regarding the rules governing access to welfare benefits, the level of such benefits, and whether it should be possible to export benefits have grown. Increased immigration and unemployment rates are also likely to increase inequalities which, though having increased somewhat in the last decade, remain low compared to many other European countries, the United States and China.

Health

Health Policy
Score: 7

Norway has an extensive health care system, providing high-quality services to its resident community for free. All residents have 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 is the case 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 the government financing 84% of health care spending.

Although the entire population has access to high-quality health care services, the efficiency of this system is questionable. A major structural health care reform introduced in 2002 transferred ownership of all public hospitals from individual counties to the central state. This shift involved the creation of new and larger health care regions that were tasked with managing the delivery of services delivery, but without ownership. The reform objective was to institute a stricter budget discipline by streamlining health care services and promoting regional coordination. In recent years, new reforms have been introduced, closing down or integrating several smaller hospitals with larger hospitals, and

encouraging more cost-effective treatment and equitable access to expertise. However, this reform has met with some local protest, as citizens prefer not to have to travel too far to a hospital

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 participation rate for men. However, there is still a 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 unmarried 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 the country's 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

Aging represents a significant challenge for public finances in Norway, as across all European countries. Nevertheless, Norway's pension system is well-positioned to sustain an aging population, based on current expectations, over the next few decades. With birth rates that have been persistently high by European standards, the demographic burden is less than in most comparable countries. However, since pensions in Norway are fairly generous, the burden on public finance remains high. Future pensions are essentially guaranteed by the massive savings accumulated in the oil fund, which since 2006 has been officially renamed as 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. The government recently created incentives for older citizens to postpone their retirement age from 67 to 70 years.

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 sustainability of state-funded pensions, and there has been no significant push for private sector pension insurance. However, there are concerns that funding the scheme will prove increasingly costly in the long run.

Integration

Integration Policy
Score: 8

Integration policy is fairly 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 complaints of discrimination in both the labor and housing markets.

Immigration and integration policies are increasingly contested, and were one of the key issues during the recent elections. There is some social unrest related to problems faced by second- and third-generation immigrants. In 2011, a terrorist attack damaged a government building in the center of Oslo as well as the youth camp run by the Labor Party on the island of Utoyo. This terrorist attack was carried out by a Norwegian right-wing extremist. And although many voters are expressing concerns regarding immigration, Norway does not have a significant political party on the political far right pursuing an

openly xenophobic or anti-immigration policy. Increased integration in 2015 and 2016, due to the civil war in Syria, has added to this. However, in 2017, Norway experienced a significant drop in the number of immigrants arriving.

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. Islam has become the largest non-Christian religious denomination.

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: 9

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.

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. Notable improvements have since been made, including efforts to make better use of resources by requiring the police and military to coordinate their resources allocated for anti-terrorism measures and situations requiring special forces.

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. Many Norwegian NGOs play a prominent role in international aid.

Norway's activities in these areas actively seek to combat poverty, exclusion and discrimination. It is also engaged in global health issues, the promotion of global education and efforts to prevent climate change as well as promoting gender rights and good governance. On the other hand, it maintains a high level of protectionism with respect to the import of agricultural products.

As a response to the increased number of migrants that came to Norway during 2015, the amount of money allocated to developing countries will likely be reduced somewhat. At the same time, voters and politicians alike increasingly recognize the need for development aid in Africa and the Middle East in securing resilient, sustainable and fair development. Similarly, there is a growing awareness of the need for social support measures as part of creating a safe, secure society.

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 highest in the world. 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 involving CO₂ storage in seabeds that is aimed at reducing and ultimately eliminating CO₂ emissions associated with gas exploitation. However, these initiatives have proved difficult and costly in the transition from research to large-scale experimentation.

Recent positive developments include the announcement that the state petroleum fund will stop investing in petroleum-related businesses and the effects of subsidies for electric cars on car sales. In 2017, more new electric cars were sold than new petroleum-fueled cars in Norway.

Global Environmental Protection

Global
Environmental
Policy
Score: 9

The Norwegian government promotes itself as a lead actor in international environmental efforts and climate negotiations. As an oil and gas producer, it is also a substantial emitter of CO₂. Norway is 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 invested in carbon-capture technologies, but positive results are not yet broadly evident. The country is additionally involved in helping to spread technology related to renewable energy. The Norwegian Government Pension Fund is increasingly concerned about climate risks. The fund has recommended diversifying away from oil and gas production, and has promoted the carbon risk financial disclosure initiative.

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 sources.

The Norwegian media landscape is rapidly changing as digital media replaces print media, which is struggling to survive. In parallel, traditional media houses see that revenues from ads are moving away from Norway to global companies (e.g., Google and Facebook) which contribute little in terms of tax revenues and the promotion of Norwegian culture and language.

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 by 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

Funding for 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: 9

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.

Increased numbers of competing digital publications and other changes in the media world have burdened many of the media houses. Some major media houses have experimented with new combinations of marketing and journalism that might in the long run undermine consumers' faith in the independence of journalism. New technology is rapidly changing the media landscape, drawing audiences away from TV and newspapers to digital media. Social media platforms such as Facebook and Google increasingly draw advertisement revenues away from traditional media in Norway and elsewhere. Concerns about the long-term impact of this shift have increased. In addition, there are pressures to reduce state aid to media (pressestøtte). In sum, these factors might over time undermine the quality of the media and reduce its capability to engage in high-quality reporting.

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. 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, and are accounting for a steadily growing market share of media advertising. 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 power to change marketplace dynamics. Since digital distribution is becoming increasingly important, the structure of ownership in this channel has a larger negative implication for media plurality. 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 and dispatched by an authority 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 oversight 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. The court system is, however, not always effective. It may take considerable time for a case to be handled in the courts.

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 the rights of 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

Non-
discrimination
Score: 9

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.

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). In 2017, several instances of gender-based discrimination were disclosed as a result of the #metoo campaign. 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, it occurs in some areas of Norwegian society, though very few discrimination 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 a rather marginal 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, which is followed by 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 internal organization are high. The selection of judges is rarely disputed and is not seen as involving political issues.

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 well-known 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. As a rule, corrupt officeholders are prosecuted under established laws. There is a great social stigma against corruption, even in its minor manifestations. However, there are concerns about government corruption in areas such as building permits. During the last few years, some incidences of corruption related to investments and overseas Norwegian business activities have been revealed.

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 7

Significant strategic planning takes place in the course of governmental decision-making. The Ministry of Finance is a key actor in the long-term planning process, and also presents views during the annual budget cycle on how best to cope with long-term economic challenges and the financing of the welfare state.

The typical procedure for major decisions or reforms 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.

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 associated with executive capacity. However, these shortcomings have been mostly rectified in the past several years.

Scholarly Advice
Score: 8

There is a significant degree of academic influence on policymaking in Norway. Economic and social research helps 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 from a range of academic disciplines. 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. The tradition of coalition governments in Norway involves strong coordination activity among the government coalition partners.

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, line ministries will involve the Office of the Prime Minister, the Ministry of Finance and the Ministry of Justice, 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.

However, there are meetings in subcommittees, such as the subcommittee dealing with security issues. There is also coordination between key officials representing the political parties that form the coalition government. The coalition partners have, for instance, created a subcommittee within the cabinet that coordinates issues on difficult or sensitive topics and a special subgroup for European affairs.

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 potential budgetary, environmental, health and human-rights effects of their proposals. Consequences are to be quantified to the extent 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 a 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. Some also consider environmental and climate effects. 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. Interested parties are typically fully informed of measures under discussion and 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. Indeed, parliamentary hearings have become more frequent and social confrontations over policymaking (e.g., political strikes or violent forms of protest) have become rarer in recent years. However, as the speed of decision-making is increasing, public-hearing processes often have to cope with short deadlines, limiting the actual influence of external societal actors.

Policy Communication

Coherent
Communication
Score: 8

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 conservative-liberal 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. It is also common for ministries to offer their opinion on issues – sometimes publicly – which allows for the demonstration of differences of opinion across ministries regarding problems and their solutions. Communication of government policies is often dealt with by the line ministry responsible for the issue at stake.

Implementation

Government
Efficiency
Score: 8

The government is a minority government and they depend on support from at least two smaller parties in the parliament. A negotiated agreement governs this relationship, but the agreement has limited influence over budgetary policies. However, it can be expected that this agreement will become increasingly strained and in some instances these support parties will oppose government policy, causing minor “losses” for the government. The potential for conflict between the parties in government has represented one possible impediment to government efficiency, another challenge is gaining support in the parliament. The government can rely on a large, well-trained and capable bureaucracy to implement its policies. However, major educational, health care and local vs regional government reforms have exposed the difficulties in implementing such reforms and demonstrated the need for the government to carefully navigate the needs of different stakeholders and veto players. The government has recently implemented structural reforms of local governance, health care, the police, and the defense and military sector. Though the government faced considerable opposition in some of these areas.

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

Norway has a small, consensual and transparent system of governance. The Office of the Prime Minister knows what is going on throughout, or is

Score: 8

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 long time. The terrorist attacks of July 22 did in part represent a failure to follow up on government decisions made by the relevant line ministries, but these failures have subsequently been by and large rectified.

Monitoring Agencies, Bureaucracies
Score: 8

Government agencies are subject to monitoring through direct bureaucratic channels and by the activity of the free press. As a rule, executive agencies have autonomy when it comes to their “expertise,” but they rarely 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, it is not unusual that an environmental agency will have different views to an agency responsible for fisheries or oil exploration. The Office of the Auditor General (Riksrevisjonen), which reports to the parliament, plays a key role in monitoring implementation. However, administrative inertia in policy implementation is more prevalent than would be expected in such a well-organized system.

Task Funding
Score: 8

There is a constant tension between central and local government over the funding of responsibilities imposed on local governments. As welfare policies move more toward ensuring universal rights, the financial and administrative demands placed on the various local units have become more challenging, particularly for some of the smaller units. As a result, local-government funding has been increased. This policy was initially met with great satisfaction by local authorities; however, these bodies rapidly adapted their activities to these new financial flows and relaxed budget discipline which, in turn, led to growing public debt at the local level. Local governments later again began asking the central government for additional funds. In general, regional governments and municipalities are adequately funded, but there have been efforts to promote voluntary structural reforms that would create larger units. However, these reforms have been slow and some have been rejected by voters in local referendums.

Constitutional Discretion
Score: 6

Norway is a unitary state with a tradition of considerable local autonomy. There is ongoing tension between Norway’s local and central governments over the extent of local government’s discretionary powers, and we have observed a long trend of gradually increased centralization around the larger urban areas. Some claim that the central government has increasingly tied the hands of local governments. For example, central government partially controls local government spending by earmarking transferred funds for specific purposes. As part of the current reform agenda, the government has offered to grant greater autonomy to those units that decide to merge and form larger units.

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 (fylkesmenn), 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. Norway is not a member of the European Union, but is a member of the European Economic Area. EU policies are therefore routinely transposed and implemented in Norway. EU regulations and legislation affect Norwegian ministries and public administration in much the same way as EU member states are affected.

There are ongoing efforts to improve the institutional framework and further strengthen e-governance, 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.

International
Coordination
Score: 8

Norway is a small state dependent on a stable and predictable international order. Over time, Norway has invested significantly in the development of a fair international framework. Norway is active in several international cooperation arrangements, including the United Nations and OECD, and cooperates closely with the European Union. Norway is very diligent in adopting EU legislation. The country is not an EU member state, but still participates in most forms of EU policy coordination as a member of the European Economic Area, with certain exceptions in the areas of agriculture

and fisheries. In addition, Norway has numerous agreements with the European Union in the field of internal and external security. However, while the agreements with the European Union are seen as important, they do not give Norway a role in EU decision-making or policy formulation.

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 founding member of NATO, and an active member of several 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 with the fund's implementation. Norway also supports the initiative on climate risk financial disclosure.

However, in 2017, Norway suffered a setback in its international standing and authority. In order to “normalize” government-level relations with China, the Norwegian government was forced to accept, in a joint statement with the Chinese government, a commitment to not undertake any action that might damage the now good relations between the two countries. This has prevented the Norwegian government from criticizing the Chinese government's record on human rights and related issues.

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.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 9

The Norwegian public is generally attentive, and well-informed about government policies, measures and operations, and citizens tend to trust decision-makers. 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. However, in Norway, as in many other countries, the pace and complexity of policymaking is increasing, while media habits are rapidly changing and the various media platforms attract different readers and consumers. Although media pluralism is growing, the informational basis for a shared and common understanding of events and developments is weakening.

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 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. The parliament has increasingly exercised its right to hold hearings.

Obtaining
Documents
Score: 9

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 some limitations to access to information rights, for instance, in cases related to security. However, even in these cases, parliament has an extended foreign relations committee which has access to 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. If a minister is found to have misinformed parliament, he or she cannot expect to continue as a minister for long.

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

There is considerable overlap between the organization of the parliament and the government. Though this arrangement is not perfect, it is broad enough to enable parliamentarians to hold ministers to account. Cross-cutting issues regarding EU and European Economic Area concerns have historically posed some challenges.

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 fairly 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, over time, maintained and to some extent strengthened their news coverage, in TV2's case by having a new news channel, and in NRK's case by developing a strong brand for news,

documentaries and public debate. 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.

Changes to the media economy – including digitalization, the need for new funding mechanisms and the increasing domination of Facebook and Google – has posed massive challenges to many Norwegian media outlets. Staff cuts have resulted in a reduction of news production, which will likely undermine reporting quality and the media's role as the fourth pillar. At the same time, social media has become a key source of news. Powers and resources have therefore also shifted from the professionally edited media, to new digital media actors and to a more complex mix of edited and unedited 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 party meetings, while regional party meetings nominate their constituency's electoral candidates. Non-party members can be nominated as electoral candidates, but this is rare and happens mostly in small municipalities in local elections. In most parties, attempts are made to anchor major policy agendas in the views of party members and party representatives. Although there is some variation, membership in political parties has been in a decline for some time. Recently, a few new initiatives were launched by party leaders, without prior consultation within the party membership. Concerns have recently been raised about structural biases in nomination processes that favor active party members' preferences over those of average voters who rarely have or take the time to become active in political nomination processes. Some political parties have therefore begun experimenting with new modes of nominating and picking candidates.

Association
Competence
(Business)
Score: 9

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' associations 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.

In addition to traditional corporatist actors, several consultancy firms have been launched in recent years that seek to influence policymaking. Some, but not all, of these firms disclose their list of customers. Interest associations, which do not employ their own staff to influence policymaking, can hire lobbying services from consultancy firms. However, weaker economic groups do not have the sufficient available resources and are unable to pay for professional support.

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.

Address | Contact

Bertelsmann Stiftung

Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Daniel Schraad-Tischler

Phone +49 5241 81-81240
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christof Schiller

Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann

Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini

Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org