



Norway Report

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Sustainable Governance Indicators 2022

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Executive Summary

As a consensus-driven democracy, blessed with generous natural resources managed in a responsible way, Norway performs well in most international comparisons of governance, quality of life, and in rankings of economic and social conditions. Continuity and pragmatic solutions are the most conspicuous qualities of the country's governance. Reforms and legislative measures are prepared through broad participation of societal interest and stakeholders, and implemented by cautious, incremental steps rather than through spectacular, one-off reforms.

The country's economy is heavily dependent on revenues from the production of oil and gas, and on the maritime and technologically advanced industries linked to the extraction of natural resources. A significant part of the state's income from taxes on oil and gas has been invested in financial assets globally, and the Government Pension Fund Global, also known as the Oil Fund, is now four times the nation's GDP. Income from investments and a broad tax base provides Norway with a solid economic foundation for a generous welfare state. The economic muscles of state finances explain why the financial crisis in 2008/10, volatile energy prices and the COVID-19 pandemic that began in the winter of 2020, have been handled without austerity measures or any dramatic rise in unemployment. A 2021 general election terminated eight years of conservative rule, and a new center/left government took over.

The gradual depletion of the petroleum reserves, global warming and policy targets of making Norway a climate neutral economy by 2030, have ushered in a new political agenda. Energy sources must shift from carbon-based to renewable sources. New jobs and employment opportunities must be created in green industries not yet developed. There is a broad political consensus that a combination of economic incentives, state-sponsored research and innovation, and a more extensive use of water and wind to produce electricity, are needed in order to transform the economy and achieve sustainability.

Norwegian policymaking has a long tradition of taking heavily state-centered approach, which results in a specific kind of state capitalism. The state is by far the largest owner of capital in the country, holding about one-third of the equity traded on the Oslo stock exchange. The state is virtually the sole funder

of research, education and culture. Social insurance and welfare services for all are tax-financed. Combined with progressive taxation, social class inequalities are moderate and general levels of trust are very high. Nevertheless, with the exception of a protected agricultural sector, the country has remained open to globalization and free trade.

Citizens are subject to a relatively heavy tax burden. The government spends significant resources on infrastructure and the provision of public goods, although arguably there is an excessive emphasis on remote regions. Policymaking is generally effective but often inert when it comes to implementation. The country's labor force is one of the most highly educated in the world. Nonetheless, 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 (e.g., PISA) show an improvement in student performance in Norway. 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 levels.

Key Challenges

Norway features a well-functioning democracy characterized by stability and continuity, a sound economy, a generous, tax-financed welfare state, a high degree of interpersonal trust, legitimate governance, and high levels of internal and external security. Effective public administration, and cooperative tripartite relations between government, employers and unions have helped mitigate conflict and enhanced the ability of stakeholders to implement joint reforms.

The overarching challenge in the coming decades is to shift the economic base from one that relies on producing oil and gas to one involving climate-neutral, sustainable green industries while, at the same time, maintaining high levels of employment and a generous welfare state.

Phasing out the dependency on petroleum raises a strategic choice between a politically enforced downsizing of the sector (with the ultimate goal of ending all production) versus implementing policy measures to reduce Norway's contribution to global CO₂-emissions from continued petroleum extraction and use. So far, the latter strategy has been followed with measures like carbon taxes, the purchase of emission quotas, plans for the electrification of the

industry by hydro and wind sources and in the future, carbon capture and storage. Tensions between environmentalist concerns and continued petroleum activity may grow, as well as the tension between concerns for nature conservation and the increased use of wind and hydro power.

Building up new industries and employment opportunities in so-called green jobs requires heavy investments in research and innovative, risk-taking developments and, potentially, the introduction of taxes and subsidies designed to promote this transition. An extensive upgrading of the skills and competencies of the workforce is also needed, lifelong learning must be more than a slogan. In Norway, only the state has the resources to fund investments of the required magnitude, this raising fundamental questions on the role of the state versus market mechanisms as the key drivers of economic development.

The state resources needed to facilitate a transition of the economic base for the public sector may easily come into conflict with a continued high level of welfare state benefits. State revenue from the petroleum sector may decline before new tax bases are established, while a rapidly aging population expect pensions, health and care services to be of high quality. This may highlight the question of productivity in the tax-financed production of welfare services, as well as the limits to the state's obligations. The role of private welfare providers has grown to be one of the most contested issues in Norwegian welfare policies, dividing the electorate and organized interests between those who see a cooperation between public and private providers as a means to sustain a more effective welfare policy, and those who fear that the high level of economic and social equality is undermined by privatization.

The handling of the coronavirus pandemic by the government has been largely successful; the initial phase was managed by a center-right government, which was followed by a new center-left government that came into office in October 2021. Public policy measures have consistently been based on achieving a consensus among all political parties. Vaccination rates are extremely high, and there has been no palpable opposition to the coronavirus-related restrictions placed on social and everyday activities. Fatality rates are very low, and those in need have received proper healthcare. Economic actors that have suffered financially from lockdown periods have received compensation from the state.

A more lasting effect of the coronavirus pandemic is likely to be a strengthening of the Norwegian political system's capacity to foster consensus-based decision-making. Also, as all governments have relied heavily on expert advice, and the fact that the experts themselves have been very active in promoting scientific arguments and advice across all media

channels, the legitimacy of evidence-based policies has been consolidated. However, it remains to be seen if this consensus will remain robust when bold decisions must be taken in environmental, energy and welfare policy areas.

Party Polarization

Norway's political system relies on a long tradition of consensus-building. The level of polarization between political parties is relatively low. Agrarian and Christian-Democratic parties in the center have, in order to produce a parliamentary majority, cooperated with those on the right as well as those on the center-left. There is a broad consensus on many key political issues (e.g., climate policy, pension reform, and security and defense issues) that includes the political left and right. However, the question of Norwegian EU membership and immigration policies divides the parties. For the last two years, the government's handling of responses to the coronavirus pandemic has strengthened the consensus-making character of Norwegian politics. (Score: 8)

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 7

The economy is in transition. The goal is to reduce dependence on oil and gas revenues, and to promote a transition to green, ecologically sustainable industries. The government has developed plans for raising taxes on carbon emissions and hydro and wind-based electrification of the petroleum extraction. 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 solid, but high welfare costs represent a challenge in the long term. The country has long enjoyed strong economic growth and near-full employment and has benefited from a well-functioning system of cooperation between the social partners.

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. 35 % of the equity on the Oslo stock exchange is under state ownership. Combined with the additional 30% under foreign ownership, this means that the share of the remaining domestic private-capital sector is relatively small. When the state makes its investments, it does so on market terms. Economic policy is generally considered to be fair and transparent. Regulatory arrangements are generally seen to be sound.

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 not related to 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 still heavily dependent on petroleum. 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 alternative industries and has less long-term strength than might be suggested by current favorable indicators. It also makes the economy vulnerable to changes in energy prices in world markets. These problems have now become strongly visible in the economy and a factor in economic policymaking.

Labor Markets

Labor Market
Policy
Score: 8

The aggregate level of employment is high by international standards, mainly due to the extensive labor-force participation of women (40% of employed women work part time). Unemployment rates are low, but the levels of absenteeism due to sickness and disability are also high, which potentially undermines the validity of low unemployment levels. The country's labor market policy is proactive and emphasizes training and competency-building measures for the long-term unemployed. Unemployment benefits amount to 60% of an individual's former wage, and are paid for 104 weeks. Employment-protection laws regulate dismissal procedures. Layoff costs are small for firms that need to downsize. This fosters a high level of mobility in the labor force; 20-25 % take up a new job each year. Wages in most industries are set through national, centralized bargaining between the social partners. In general, there is no legislation on minimum wages, however, due to increased labor mobility, particularly from Eastern Europe, and in order to prevent social dumping, all companies are by law subject to national agreements that have been reached between unions and employers. Social insurance coverage is universal, but benefits are wage- and employment-related. The combination of active labor market policies, high levels of mobility and generous social protection schemes makes Norway a prime example of a flexicurity model, in which labor is flexible and subject to market forces, but social security is guaranteed by the welfare state. However, there is concern in Norway over the tendency among workers to retire permanently from employment at a too low age. Since 2011, the country's old-age and

disability pension schemes have been subject to a series of reforms aimed at incentivizing prolonged economic activity and combining work with pensions. The anticipated effects on employment levels have yet to be verified.

Taxes

Tax Policy
Score: 8

Taxes on individuals, on income and consumption (VAT) are high, whereas taxes on assets and companies are comparatively low, apart from the natural resource extraction sectors, where taxes are extensive. The tax base for the public sector is broad and solid. There is a tradition for political compromises in the making of tax regimes, that aims to provide households and companies a simple and predictable system. Tax collection is conducted primarily electronically, which keeps transaction costs to a minimum. The tax system offers limited scope for strategic tax planning, and tax evasion is generally rare. Distributional regards are integrated into a progressive system of income- and payroll taxes and social security contributions. There are some subsidies for certain peripheral, geographical areas that are intended to promote investments and employment. A large share of the state's tax revenue is spent on personal transfers in the context of the welfare state. This helps keep inequality levels low in the country while making it possible to invest heavily in infrastructure and the provision of public goods. Corporate taxation is moderate in comparison to other countries. The tax code aims to be equitable in the taxation of different types of economic activities and assets, although residential capital remains taxed at a significantly lower rate than are other forms. As a means to transforming the economy to a more sustainable, green economy, taxes on CO₂ emissions are high and poised to rise further, whereas non-carbon based transport is favored by subsidies.

Budgets

Budgetary Policy
Score: 9

The Norwegian government has, since the 1990s, successfully managed the large flow of income from the extraction of offshore gas and oil. This income is projected to remain substantial over the next few decades, though it will decrease gradually as petroleum resources are depleted. This however, is partly compensated by the yield from the state petroleum fund, built up by income from petroleum taxes. The fund was created in 1990 by the Norwegian parliament as a means of sharing oil proceeds between current and future generations, and to soften the effects of volatile oil prices. The fund is administered by Norges Bank Investment Management (NBIM), an arm of Norway's central bank, which invests exclusively in non-Norwegian assets. As the fund has grown, Norway has gradually moved away from its "petro-state" status to become more of an "investor state." It might therefore be less harmed by fluctuating oil prices, but more exposed to global financial markets. As

revenues from the fund are used to cover the public budget deficit, the Norwegian economy is increasingly sensitive to volatility in global financial markets.

Public finances remain sound, but are likely to be significantly more strained in the future. Revenues from the petroleum sector are expected to decrease, whereas an aging population implies rising costs for health and pension expenditures. The state will also have to play a key role in the transition to a less carbon-based economy. However, the population's willingness to pay high taxes seems to be stable.

Research, Innovation and Infrastructure

R&I Policy
Score: 7

Norway is steadily increasing its spending on research and development (R&D), with 4% of GDP as a target. Innovation is limited by the fact that Norwegian industry and businesses spend less on research than their counterparts in other countries. Research policy is non-pluralistic, government-led and has historically not been strongly oriented toward enterprises or innovation in the market. 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. Research funding is predominantly public, and funds are distributed through a single national research council. New priorities have been given to research on marine issues and to green industries. Also, priority has been given to research and innovation that may contribute to improving efficiency and service quality in the public welfare services, including health services.

By 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 relevant to note that the share of university 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
System
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 rapidly growing sovereign wealth fund. In the area of institutional investors, it has contributed to setting standards of good financial and corporate governance. The petroleum fund itself has been a 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 tax havens, and it has recently promoted initiatives such as disclosure of financial risks related to carbon emissions, and supported efforts to compel companies to report on the impact of their activities on the SDGs, ocean health and secure sound water management. In its financial regulatory policies, Norway is part of the European Union’s internal market, and complies with EU rules and regulations. Although the financial sector is heavily exposed to the petroleum and shipping industries, 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. The fund also supported the G-20-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 high educational attainment and aims to ensure that all young people obtain 13 years of formal education. The Norwegian labor force is thus one of the most educated in the world, as measured by the share of its working population that has completed secondary or tertiary-level education. Like other Scandinavian countries, the Norwegian government spends a comparatively significant share of its budget on public education. Education is tax-financed and available without fees for everyone and at all levels, including PhD students at state universities. Free education for all is a shared, important policy objective. The state provides both grants and subsidized loans in order to achieve this objective. Most schools and universities are public. Private alternatives exist, but they are primarily

financed by the state and run on a non-profit basis. 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 concern is the quality of education in certain subject areas. In the OECD's PISA study, Norwegian students' performance have, for several years, been below the OECD average in math, problem-solving and general 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: 8

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 against social risks is strong in almost all areas. Family-support, in the form of child allowances, paid-leave arrangements and childcare, is generous. Social-insurance benefits related to work incapacity, old age, disability, sickness and occupational injury benefits are wage-related and provided at levels well above any poverty line.

The issue of poverty has gained political significance in the last decade. Exclusion from participating in the workforce is the primary cause of poverty, which affects immigrants and individuals suffering from inadequate health services to persons with drug addiction and mental conditions. When it comes to combating poverty, there has been a clear policy shift away from increasing cash transfers and toward the provision of social services designed to facilitate improved health and the acquisition of occupational qualifications.

Health

Health Policy
Score: 7

Norway has an extensive healthcare system that provides high-quality services to its resident community. All residents have a right to publicly provided services if needed. This applies both to treatment at hospitals organized as

state enterprises, as well as long-term care services provided by local authorities. There is a patient copayment system involving a upper limit of NOK 2,921 per patient per year. Local care services also include copayments that are set at local levels. Within this system of universal health insurance there is an anomaly: Dental healthcare is a market system, in which the state pays for children and a few other groups only. Despite the role of copayments and market elements, the system as a whole provides high-quality services for the entire population. Social inequality persists with regard to health and longevity. However, these inequalities are better explained by lifestyles and occupational hazards than by unequal access to and quality of the health services provided.

Although the entire population has access to high-quality healthcare services, the efficiency of this system is questionable. A major structural healthcare reform introduced in 2002 transferred ownership of all public hospitals from individual counties to the central state. This shift involved the creation of five healthcare regions that were tasked with managing the provision of services. The objective of the reform was to institute a stricter budget discipline by streamlining healthcare services and promoting regional coordination. In recent years, a reform involved 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 local resistance, as citizens balk at facing long travel distances to the next hospital. Like many other countries, Norway faces the challenge of meeting ever-higher expectations regarding treatment among a population with increasing living standards in a context of increasing health costs.

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 almost at par with that of men. However, there is a significant and persistent gender segregation of the labor market: women work part-time in the public sector, men work full-time in the private sector. The fertility rate has for several years been close to the population replacement rate, but has in the last few years fallen, coming closer to the European average.

Norway's family policy has been driven by a widely shared objective of providing women the same economic and career opportunities as those available to men. On the one hand, this has implied a gradual erosion of benefits and tax rules that favors the single-breadwinner family. On the other hand, a generous system of paid parental leave has been developed, now providing a 12-month leave during which one receives 80% of one's regular

wage. One-third of the paid leave is reserved for the father only. To promote labor market participation for parents with children of preschool age, a right to heavily state-subsidized childcare services has been introduced.

Pensions

Pension Policy
Score: 9

Aging represents a significant challenge for public finances in Norway, as it does for all European countries. Nevertheless, based on current expectations, Norway's pension system is fairly well-positioned to sustain an aging population over the next few decades. A radical pension reform was introduced in 2011. The reform involved basing one's future benefits more heavily on the wages received during one's economically active years as well as replacing a standardized mandatory pension age with a system of voluntary exit that is supplemented by strong economic incentives to postpone retirement. In addition, new principles to be applied in adjusting pensions to demographic factors implies a significant reduction in the future growth of aggregate pension expenditures. In sum, the new system will provide future generations with the same pension level as that provided for today's retirees, if they extend their working life by one-third of their expected rise in longevity. Even though the new system installed a closer relationship between one's economic career and one's retirement income, a guaranteed minimum pension for all has been retained. 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. The key policy objective is to ensure access to education and employment for immigrants, and by so doing, prevent dependencies on economic benefits. While people with an immigrant background have become hugely popular within sports and culture, non-Western immigrants continue to suffer higher unemployment rates and less paid, more insecure jobs than native Norwegians. There are complaints of discrimination both in the labor and in housing markets, as well as in day-to-day life. Nonetheless, Norway has proved more successful than many other OECD countries in terms of integrating immigrants into the labor market.

There is a tension between the pursuit of a policy of multiculturalism and respect for ethnic differences, and the belief in strict principles of equal treatment which, according to its critics, easily becomes a kind of hidden pressure for assimilation. Opinions also differ when it comes to the question of whether immigrants with a (non-Western) refugee background should be treated differently than European immigrants who legally seek employment within the common European labor market.

Integration policies include providing free language training to immigrants and allocating additional resources to schools with a high share of immigrant children. Some of these resources are devoted to preserving cultural identity. For instance, children are offered additional classes in their mother tongue. As a rule, applicants for citizenship must have lived in the country for at least eight out of the last 10 years (six years if their income is above a certain threshold), and either be fluent in Norwegian or have attended courses in Norwegian for 300 hours. Immigrants with permanent residence status are entitled to vote in local, but not at national elections. In order to prevent immigrants from concentrating in the largest cities only, local authorities are compensated economically by the central state if they can attract immigrants to settle in their community.

Although many voters express concerns regarding immigration, Norway does not have a significant political party that pursues an openly xenophobic or particularly strong anti-immigration policy. Surveys also report that the immigration issue has become less salient for voters in the last few years. At the same time, the political consensus has been to pursue a “fair but strict” immigration policy.

Safe Living

Internal Security
Policy
Score: 9

Norway is traditionally a safe country. The number of homicides per capita is among the lowest in the world, and incarceration rates are also small. Police presence is rarely significant, and incidents of police activism are rare. In general, police officers remain unarmed, although during periods of heightened security risks, police officers have carried arms.

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 drugs- and gang-related crimes. There is a perception that knife- and gun-related crimes, often involving youth, have risen in frequency and brutality, particularly in certain urban areas. 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 on 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. Norway allocates 1% to the OECD DAC-approved development aid mechanism. In addition, many Norwegian NGOs play a prominent role in international aid. Norway has further strengthened such policies by increasing its spending and promoting specific initiatives (e.g., education for women, global health, the fight against deforestation and the sustainable development of oceans).

Norway's international aid activities seek to combat poverty and improve women's ability to participate fully in the economy. In general, Norway favors global free trade arrangements, but still maintains a high level of protectionism with respect to importing agricultural products. However, the 30 least-developed countries have free access to the Norwegian market with their exports, and imports from these countries have risen.

As a response to the increased number of migrants arriving in Europe, the link between development in fragile societies and developments in domestic politics has become firmer. There is a growing awareness of the need for social support measures in creating a safe and secure society.

III. Environmental Policies

Environment

Environmental
Policy
Score: 8

Environmental policy has been a salient issue for voters, and policymaking is characterized by the political parties making broad compromises. It is a common goal to be more ambitious in national priorities than international agreements entail. Most clearly this is seen in the case of carbon emissions, where the national goal is to be carbon neutral by 2030.

Given the country's easy access to hydroelectric and wind power, Norway's share of renewable-resource use is among the highest in the world. Air and water quality are also among the best, largely due to the country's low population density and successful policies in reducing pollution from traditional industries. Less positively, Norway has a dismal record on waste management, and has received international criticism for its continued culling of whales. Laws protecting biodiversity are generally strict, often leading to conflicts between conservation regards and economic interests.

Norway is a major producer of oil and gas, thus directly and indirectly contributing to increased levels of greenhouse gases in the atmosphere. The strategy for becoming a carbon-neutral society by 2030 relies on four key elements: (1) Reduce global CO₂ emissions by purchasing international emission quotas and financing projects to fight deforestation in Africa, Asia and South America. (2) Reduce emissions related to the production of oil and gas by powering the offshore-oil rigs with electricity produced by hydro-energy and offshore windmills. (3) Develop technologies for, and the subsequent use of, "carbon capture and storage." The idea is to extract CO₂ from carbon-based energy production and store the CO₂ in the North Sea seabeds. (4) Shift away from carbon-based energy sources to electricity and possibly hydrogen in powering the transport sector. Taxes on oil are heavy and will increase. Thanks to success with subsidies, electric cars are now replacing diesel and gasoline cars.

The future of the petroleum industries is contested, and a transition to a green, carbon-neutral economy, will increase the demand for more energy. Ambitious plans for windmills as well as for more efficient energy usage have been announced. There are high hopes that research and development in new technologies will generate new jobs and develop sustainable industries.

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, Norway 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 domestic emissions. Norway has invested in carbon-capture technologies, but positive results are not yet broadly evident. The country is additionally involved in helping 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.

Robust Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

Procedures for registering candidates and political parties are considered fair and have not been contested or subject to public debate. The formal requirements for starting a new party is the registration of a unique name and the support of 5,000 persons with the right to vote. Parties nominate candidates for elections. After being elected, a candidate may change their party membership without losing their position.

Media Access
Score: 8

Candidates and parties are free to purchase political advertising in print publications and in social media. 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. Political advertising during election campaigns is extensively regulated to ensure that voters are aware of the sources behind such advertising.

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 government interference in choosing the themes of the debates. In general, however, representatives of the larger parties are interviewed more often and participate in more debates than do small-party candidates.

Voting and
Registration
Rights
Score: 10

All Norwegian citizens who are 18 years old or older have the right to vote in parliamentary elections. In local elections, individuals without Norwegian citizenship aged 18 years or older who have resided in Norway for at least three years have the right to vote. The three-year rule does not apply to Nordic citizens with a permanent residence in Norway. 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 mail-in-ballot 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

Political parties in Norway are funded primarily by public grants that are proportional to the number of votes received by a party during the last held parliamentary election. On average, parties receive about three-quarters of their revenues through state subsidies (ranging from 60% to 80%). Membership fees are 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.

Since 1998, political parties have been obliged to publish an overview of the source of their revenues, and detailed reports have been 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 35,000 or more must be provided separately, with the identity of the donor included. In election years, contributions of NOK 10,000 or more must be reported. Income reports are submitted to the Central Bureau of Statistics and are published in detail.

Popular Decision-
Making
Score: 2

Government decision-making is inclusive in that organized interests have access to and are incorporated into 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 held, but only on unique occasions, the last one was held in 1994 on EU membership. Formally, referendums are strictly consultative, though they are treated as binding in practice. Referendums have been more frequently held at the local level, on issues like alcohol restrictions, the primary language of instruction at schools, and on mergers with/separation from other municipalities. Local governments must formally take the initiative in order for a local referendum to be held.

Access to Information

Media Freedom
Score: 9

Media market and media consumption behaviors are rapidly changing in a country featuring the widespread use of digital media. The dominant TV and radio channel is the state-owned Norwegian Broadcasting Cooperation (NRK). It is a public service channel, financed by public grants set by the parliament. One national, commercially financed private TV channel receives financial compensation for producing a broad range of content, a condition that is

anchored in an agreement with the government. In addition, several broadcasters operate from other countries. Aside from commercials for tobacco, alcohol and gambling, and commercials directed at children, which are banned, there are no restrictions on content.

The state-owned broadcaster (NRK) is organized in a way that ensures considerable autonomy. It is independent in all aspects of editorial policy, and the government does not intervene in the organization's daily operations or editorial decisions. The head of NRK reports to a board of directors. Board members are appointed by the government. A separate 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 all privately owned. The freedom of the press is explicitly guaranteed in the constitution; the article addressing press freedoms was amended and strengthened with a constitutional amendment in 2004. In Norway there is a historical tradition of two or more local newspapers, often representing different political views. In order to maintain this pluralism, the state provides financial support for the smaller newspapers through unconditional grants.

All TV channels and media outlets have developed digital platforms. Increased numbers of 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 challenge 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 platforms. Social media platforms such as Facebook and Google increasingly draw advertisement revenues away from traditional media in Norway and elsewhere. In addition, the media landscape is becoming more diversified and national media increasingly competes with international digital news sources.

Media Pluralism
Score: 8

In terms of audience ratings, the state-owned Norwegian Broadcasting Corporation (NRK) dominates in TV, radio and, increasingly, digital platforms. There is a great number of private, commercial TV and radio channels, many of them based in, and sending from, other countries. A special

body called the Norwegian Media Authority (Medietilsynet) is responsible for monitoring and regulating the market, although foreign actors cannot be controlled.

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., bans on commercial for alcohol, tobacco, gambling and political statements).

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 to date not 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 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 across the entire country.

Increasingly, international companies such as Facebook and Google, have gained a huge share of the advertising market, and this has triggered a renewed debate about the role of monopolies in media.

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

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 a formal charge for more than 24 hours. A court decision is needed if a suspect is to be held in prison during an investigation, a question given more serious consideration in Norway than in many other countries.

Access to the courts is free and easy, and the judiciary system is generally regarded by the general public as being fair and efficient. However, if one loses a case brought to the court, one risks having to pay the full cost of the proceedings. This may deter citizens from bringing cases to court, in addition to the prohibitive fees that lawyers may charge. For those with an extremely low income there is a state program for funding costs, and most labor union memberships (which are widespread) include an insurance against high expenses.

Political Liberties
Score: 9

Political liberties are protected by the constitution and the law. The right to free expression was strengthened through a constitutional amendment in 2004. Limitations to freedom of speech (such as regarding hate speech/discrimination) are regulated by law. All citizens may comment on legislative proposals in hearing procedures. In 2014, the Sámi minority was granted explicit rights to their own language and cultural expressions. 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 and other religious activities are ensured. The historical tradition of a privileged, state-owned Lutheran church was ended in 2017, and now, all religious communities are treated equally. 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 and one for the right to non-discrimination based on gender, disability, ethnicity and sexual orientation. As of 2021, Norway also has an ombudsperson tasked with protecting the elderly from ageism. The Sámi minority living in the north have a limited right to self-rule, though there still are some unsettled issues over the use of natural resources in this area.

Men and women are nearly at par in terms of education levels. Women's labor-force participation rate is comparatively high among OECD countries. Women earn on average 87.5% of what men do. However, once specifics such as hours worked, occupation, education and seniority are taken into consideration, it is difficult to verify 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 for high-paying occupations). In 2017, several instances of gender-based discrimination were disclosed as a result of the #metoo campaign. That being said, 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.

Some discrimination against non-Western immigrants seems to persist. In some areas of the economy, immigrants find it comparatively difficult to find work and are generally paid lower wages. Unemployment rates are also substantially higher among immigrant populations than that seen among 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

Judicial Review
Score: 10

institutions. In principle, the Supreme Court may test the constitutional legality of a government decision, though it has not done so for many years.

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. 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

All judges are formally appointed by a government decision that is made based on a recommendation issued by an autonomous body, the Instillingsrådet. This body is composed of three judges, one lawyer, a legal expert from the public sector and two members who are not from the legal profession. The government almost always follows the recommendations. Supreme Court justices are not considered to be in any way political and their tenure security is 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: 9

There are few very few instances of corruption in Norway. The cases that have surfaced in recent years have been at the municipal level and are related to public procurement. As a rule, corrupt officeholders are prosecuted under established laws. There is a great social stigma against corruption, even in its minor manifestations. During the last decade, some incidences of corruption related to investments and overseas Norwegian business activities have been revealed.

Good 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 responsible for long-term planning, and also presents views during the annual budget cycle on how best to cope with long-term economic challenges and public sector financing.

The standard procedure for major decisions and reforms entails the following steps: First, the government appoints an ad hoc committee tasked with delivering a detailed report, a green paper, on a particular issue. Some of these committees are composed exclusively of experts, while others may have a broader membership that includes politicians and representatives of unions, business confederations and other non-governmental organizations. Since the 1970s, the number of academics in these committees has increased significantly, while the total number of committees appointed per year has decreased. The next step is to circulate the report to interested parties with an invitation to comment on analysis and policy proposals. Normally, a period of three months for comments is recommended, and six weeks is the minimum period. Third, 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 (majority in) the parliament.

Expert Advice
Score: 8

There is a significant degree of academic influence on policymaking in Norway. Economic and social research are mobilized to develop so-called knowledge-based policies. 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 and their views often prompt replies and comments from senior politicians. Increasingly, the parliament also arranges hearings, and invites experts to provide advice and recommendations.

Interministerial Coordination

GO Expertise
Score: 8

The Office of the Prime Minister has a staff of approximately 190 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 follows 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.

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 none to 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. Policy proposals which involve several ministries may be prepared by ad hoc committees consisting of state secretaries ("junior minister"), most often when the government is a coalition of parties. However, such ad hoc committees are rare, and should not be considered as part of standard procedures.

Ministerial
Bureaucracy
Score: 7

Senior civil servants and political appointees play an important role in preparing cabinet decisions. For all proposed decisions, a short paper describing the case, and the argument for the proposal, is circulated between all ministers in advance. 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.

Digitalization for
Interministerial
Coordination
Score: 9

Government ministries use similar digital platforms and share a digital platform for publishing information online. Ministries use digital technologies to coordinate activities, but the specific digital platform used depends on the specific security needs. Governance in Norway is highly digitized, which creates efficiencies. However, there is growing awareness of and sensitivity to managing cyber risks and ensuring secure ICT systems.

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. The last revision happened in 2016. 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.

In early 2022, the government promised to introduce a new system involving an annual report on Norway's CO2 emissions as well as its intent to develop a CO2 account for all major public sector activities.

Quality of RIA
Process
Score: 8

The quality of RIAs associated with parliamentary bills shows great variation, but is generally good. Parliamentary bills describe at the very least 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 do not explicitly mention the SDGs. The recently revised instructions on how to conduct economic impact analyses – which are to be conducted for major policy proposals – refer explicitly to calculating costs for greenhouse gas emissions. Moreover, supplementary guidelines specifying the examination of environmental impacts have existed since the early 2000s.

There is some evidence available on how the government applies RIAs. The overall picture is that policy alternatives are seldom evaluated, and that the quantification of the costs and benefits of different alternatives is relatively rare. While impact assessments may cover aspects included in the SDGs, depending on the policy in question, the implementation of SDG goals is not systematically covered in impact assessments.

There is no adopted strategy for a national implementation of the SDGs. Government, local and regional authorities are advised to integrate SDGs into their policies and planning. The progress of implementation is monitored by the Ministry of Local Government and Modernization.

Quality of Ex
Post Evaluation
Score: 8

The Norwegian government makes use of evaluations in most policy sectors and issue areas. Each ministry has the responsibility of evaluating policy results in its area. Evaluations are carried out by external experts or internal ministerial review bodies. Evaluations are sometimes intended to measure the effect of reforms, although more frequently evaluations serve as a starting point for a future reform process. There is broad support for evidence-based policymaking and the results of policy evaluations tend to attract considerable attention.

Societal Consultation

Public
Consultation
Score: 10

Norway is a fairly 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 very tight deadlines, limiting the actual influence of external societal actors.

Policy Communication

Coherent
Communication
Score: 8

There is a long tradition of coalition governments in Norway. The present government, elected in 2021, is a center-left coalition holding a minority in the parliament. 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 acting coherently, and going to great lengths to avoid airing disagreements in public, at least on key priorities. 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 or sectoral ministry responsible for the issue at stake.

Implementation

Government
Effectiveness
Score: 8

Norwegian governments are often faced with having to choose between forming a heterogeneous majority government or a homogeneous minority government. The current government is a two-party minority government. A negotiated agreement among the coalition partners serves as a platform for policy objectives, but this agreement has no formal influence over budgetary policies.

In general, the government can rely on a large, well-trained and capable bureaucracy to implement its policies. However, major educational, healthcare and local vs regional government reforms have exposed the difficulties in implementing such reforms, and have demonstrated the need for the government to carefully navigate the needs of different stakeholders and veto

players. Despite facing considerable opposition in certain areas and in particular with regards to regional policy, the government implemented structural reforms affecting local governance, healthcare, the police, and the defense and military sector in the last decade.

There is evidence of problems with implementation in various policy areas, including social security management, regional and education policy. The decline in government effectiveness in several areas is taking place slowly over time. In particular, this applies to decisions regarding the geographical location for state institutions like hospitals and universities.

Ministerial
Compliance
Score: 9

There is a strong tradition of united 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 is aware of what takes place within the each ministry. 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.

Monitoring
Agencies,
Bureaucracies
Score: 8

Government agencies are formally subject to monitoring through direct bureaucratic channels and informally by the activities of Norway's free press, which regularly exposes problems with implementation processes. There is a formal system of agency oversight in place, including regular top level meetings, the setting of priorities by ministries, and reporting by agencies. As a rule, executive agencies have autonomy when it comes to their areas of expertise, and can provide advice or recommendations to government. They rarely act against the directives of ministries and there have been very few cases in which agency officials have taken deliberate action that could be seen as contrary to government policy. However, it is not unusual that, for instance, 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 are 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 municipalities have become more challenging, particularly for some of the smaller units. As a result, local government funding has been increased. Resources from the central government to the local level is based on a standardized set of indicators assumed to represent expenditure needs in order to implement policy objectives.

This policy was initially met with great support 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, more robust 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. Some claim that the central government increasingly has tied the hands of local governments. For example, central government partially controls local government spending by earmarking transferred funds for specific purposes. Central government also defines specific standards on services and social rights. 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. This follows both from the legal rights all individuals have to tax-financed welfare and health services, and from a widely shared policy objective that the quality of public services should be the same all over 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.

Effective
Regulatory
Enforcement
Score: 8

Governance in Norway is closely linked to consultative processes with relevant stakeholders. Consequently, such consultations and close relationships might limit government autonomy. In a small and open economy, the government also seeks to ensure policies that will enable important industries to continue. Historically, various interest groups associated with agriculture and shipping have been particularly influential. The social partners representing employers and workers respectively, are routinely consulted in all major, national decisions. During the last decade or so, the interests of the petroleum business and the seafood industry have become more powerful. The key non-governmental actors that shape public policymaking are trade unions, the confederation of businesses and industry, and environmental groups. The unbiased application of laws and regulations is highly valued in Norway, and those interest groups will not only point out whether policies and their implementation are burdensome for their members, but also advocate for a uniform policy application in their own sectors.

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 and has signed numerous additional agreements with the European Union. EU policies are therefore routinely transposed into law 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. A recent scandal in the welfare sector has exposed weaknesses in the capacity to correctly apply EU policies, indicating room for improvement in this area.

There are ongoing efforts to improve the institutional framework for e-governance and to strengthen it, 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. There is also a strong tradition for Nordic cooperation and coordination on a range of policy fields.

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. In spite of its small 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.

Current geopolitical tensions and increased pressure on international institutions and norms represent a challenge for Norwegian foreign policy. In an age of increased power politics, it is to be expected that smaller states will play a less influential role in shaping global developments.

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 and proper procedures. In addition, the Office of the Auditor General, which reports to parliament, has gradually made itself more assertive while expanding its policy focus. There is also a ministry and an executive agency in charge of administrative policy questions, both of which monitor institutional arrangements. 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

Political 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 attributable to the country’s small size and high levels of social capital, as well as 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.

Open Government
Score: 10

The government publishes data and information, making it easy for citizens to be informed and to hold the government accountable.

Statistical data is easily available for free online and lots of public data is made publicly available on the internet. Many ministries and agencies help to interpret raw data and publish summaries to make the key aspects of the data more easily accessible for citizens, without providing too much spin. Most governmental bodies also publish annual reports, which cover financial statements, policy goals and achievements, and risk assessments.

In addition, the annual report from the general auditor, the Transparency Act, weekly parliamentary questions and a lively media landscape ensure that information about government activities (or the lack of activity) is made public.

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. As such, the system

creates a slight bias toward political parties rather than to the parliament and individual parliamentarians.

Legislators, all of whom serve on standing committees, are also supported by committee staff; most of the legislative work is in fact done in standing committees. 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 members of parliament 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 national security or information on a person's private matters. However, even in these cases, parliament has an extended foreign relations committee, which has access to more classified 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. Parliament is also increasingly exercising its right to call various hearings.

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 into standing committees and the government into ministries. Though this arrangement is not perfect, it is congruent enough to enable parliamentarians

to hold ministers to account. Cross-cutting issues regarding EU and European Economic Area concerns have historically posed some challenges.

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, the state-owned NRK and the private 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 that news programs and political debates have a high number of viewers/listeners. Both large television organizations have, over time, maintained and to some extent strengthened their news coverage, in TV2's case by having a separate 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 and major digital media publications also devote considerable coverage 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 of government." 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
Decision-Making
Score: 8

All political parties give special preference to their members in terms of internal decision-making. Party manifestos are approved at annual party congresses, while regional party meetings nominate their constituency's electoral candidates. Non-party members can be nominated as 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. Membership in political parties has been halved, from 15% to 7% of adult voters over the last 30 years.

In some instances, new policy initiatives have been launched by party leaders without prior consultation with the party members. 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. Compared to other European countries, the threshold for establishing new political movements in Norway is rather high, although the role of parties as political movements has decreased and voters are also increasingly demonstrating less loyalty to specific parties.

Association
Competence
(Employers &
Unions)
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 Enterprises 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, pursue a moderate wage policy and ensure moderate inflation and interest rates.

This cooperation has also been regarded as important in promoting gradual policy 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 always being a member of 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, farmers and union leaders. Intellectuals and academics also receive significant 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.

Independent Supervisory Bodies

Audit Office
Score: 10

Norway has an independent statutory authority, the Office of the Auditor General, that is accountable to parliament. Its main task is to ensure that the central government's resources and assets are used and managed according to sound financial principles and in compliance with parliamentary decisions. In recent years, evaluations of goal attainment of reforms and of the effectiveness of new laws, have become increasingly important. Also the operations of (fully and partially) state-owned companies are scrutinized. The audit office has 450 employees. Its governing council is a board of five directors, all selected by the parliament for four years. Decisions of the audit office have consistently been consensual.

Ombuds Office
Score: 10

Since 1962 Norway has had a parliamentary ombudsman tasked with investigating complaints from citizens concerning injustice, abuses or errors on the part of central or local government administrations. The ombudsman is also tasked with ensuring that human rights are respected and can undertake independent investigations. Every year, the ombudsman office submits a report to parliament documenting its activities. In general, the ombudsman is active and trusted. However, the ombudsman has recently expressed concerns that he and his office risk losing funding and the public ear, as too few of his recommendations are taken seriously and implemented.

The ombudsman-institution has since then been copied for other policy areas: In 1981 the Ombudsperson for Children was established, in 2006 for Non-discrimination and in 2021 for Older people.

Data Protection
Authority
Score: 9

Norway has a special body, the Norwegian Data Protection Authority (DPA), that is tasked with holding the government accountable for data protection and privacy issues, and with protecting individuals' privacy rights. The DPA is a public authority that was established in 1980. The main legislation directing

the DPA's work is the Personal Data Act, which sets out the general principle that individuals should be able to control how their personal data is used. Through information, dialogue, the handling of complaints and inspections, the DPA monitors and ensures that public authorities, companies, non-governmental organizations and individuals follow data protection legislation. In a recent illustrative example, the DPA effectively stopped the use of a COVID-19 contact-tracing smartphone application due to an insufficient level of personal data protection.

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