Norway Report

Sustainable Governance Indicators 2024

Kåre Hagen, Marit Sjøvaag, Jonas Lund-Tønnesen, Mi Ah Schøyen (Coordinator)





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Executive Summary

Norway is a consolidated multiparty democracy with a parliamentary constitution, where the rule of law guarantees fundamental civil and political rights. Policymaking is transparent, and corruption is minimal. Social and economic interests are well organized within a robust civil society, represented at the national level through media, political parties, and interest organizations. A tax-financed welfare state provides universal health and welfare services throughout the country, with social rights based on citizenship rather than employment. This contributes to high labor market mobility and economic modernization. Education, including university, is free, leading to a highly educated population.

This favorable situation can be understood through three key factors:

First, there is a historical tradition of democratic politics as a problem-solving enterprise, ensuring that all affected societal interests are heard. While political parties are positioned along a left-to-right ideological spectrum, coalitions and alliances can change, as coalition governments are necessary due to the constitutional rule requiring a majority in parliament. This fosters a political culture of pragmatic compromise.

Second, the state benefits from solid financial foundations, primarily through taxes from petroleum extraction and increasingly from income generated by the state's petroleum fund's global investments. Despite significant revenue from oil, gas, and financial assets, high taxation on income and VAT has been maintained. This strong fiscal position enables the state to address challenges such as the COVID-19 pandemic and the influx of refugees from the war in Ukraine without resorting to austerity measures.

Third, there is a high level of popular trust in the political system and a tripartite regime for economic policymaking involving the state, labor, and capital. Income distribution is relatively egalitarian, and policies promoting equal opportunities and anti-discrimination have been fairly successful.

Norwegian politics also has a territorial dimension, balancing the interests of the center and the periphery. The population of 5.4 million is spread over a large area, with significant portions sparsely populated. There are 357

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municipalities, half of which have fewer than 5,000 people. These municipalities have their own democratic systems and are responsible for providing education and welfare services according to national quality standards and citizens' rights. Tensions exist between local autonomy and national objectives, paralleling a similar tension between a financially robust central state and resource-constrained local authorities. Initiatives to merge municipalities, regions, and hospitals into larger units typically encounter strong local opposition.

The national governance system is fragmented. The government consists of 16 line ministries, each with defined sectoral responsibilities. The Ministry of Finance coordinates public expenditures, but each ministry is responsible for infrastructure investments, planning, research, and policy assessments within its sector. Cross-sectoral policy challenges often lead to coordination issues and weak implementation capacity at the national level. There is a significant backlog of investments in physical, digital, and social infrastructure. Consequently, while there are numerous good intentions and plans, there is no effective institutional mechanism to implement national policy.

Norway is a strong promoter of international cooperation and legal regimes, with a tradition of effectively incorporating such agreements into national legislation. This is most explicit in European cooperation. Although Norway is not an EU member, it is part of the European Economic Area and the Schengen Agreement. Almost all EU legislation, with some exceptions in agriculture and fisheries, is implemented into Norwegian law through effective national procedures. When international commitments are less binding and more aspirational, their incorporation into domestic law is less systematic and often left to sectoral authorities. All new national legislation requires a systematic assessment of EEA commitments, whereas the implementation of the UN's sustainability goals and climate commitments is more decentralized.

Overall, Norway's democratic institutions, rule of law, social protection system, and state finances are solid. On paper, this provides an excellent foundation for a future-oriented reformed system of national governance. However, because contemporary institutions have performed so well, there is hesitancy to reform core features of the Norwegian government. In practice, the drive for transformation to a sustainable society often becomes an elite message from the center, with little appeal throughout the country.

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Key Challenges

Norwegian politics faces three medium- to long-term challenges. The first is phasing out the petroleum extraction industries, which are the largest emitters of CO2, and developing new industries based on sustainable energy sources. Norway has committed to becoming a climate-neutral, low-emission economy by 2050. The second challenge is ensuring that the comprehensive welfare state remains demographically and economically viable. The third is securing growth in green and sustainable industries to create both jobs and income to replace those currently provided by the petroleum sector. To address these challenges effectively, it is imperative to overcome fragmentation and coordination issues within the political system, thereby enhancing the central state's capacity for reform.

Phasing out dependency on petroleum presents a strategic choice: either politically enforce downsizing of the sector, ultimately ending all production as demanded by environmentalist groups, or implement a broader set of policy measures to reduce Norway's CO2 emissions while continuing oil and gas extraction.

Key elements of the latter strategy include large-scale carbon capture and storage solutions, the purchase of emission quotas, and the electrification of extraction using hydro and wind energy. Developing new activities and employment opportunities in the green sector requires significant investments in research and innovation, along with the inherent economic and financial risks. This may also necessitate the introduction of more taxes and subsidies designed to promote the transition. Upgrading the skills and competencies of the workforce is essential, making lifelong learning more than just a slogan.

A significant increase in state support for research and innovation in new industries is necessary unless a more venture capital-friendly approach is adopted. However, this approach does not align well with established political traditions and is unlikely. There are comprehensive plans for constructing wind farms offshore in the North Sea, and factories for producing batteries are being built.

State interventions of this magnitude will inevitably raise fundamental questions about the role of the state versus market mechanisms as key drivers of economic development. This issue is becoming more salient as geopolitical tensions rise and states increasingly support domestic industries.

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The second challenge is to sustain the generous welfare state, particularly the high levels of health and social services. Government ministers consistently assert that "Norway will run out of personnel before we run out of money." The proposed solution includes three measures.

First, labor market participation must be raised relative to the number of economically inactive cash benefit recipients. The labor market needs to be more inclusive for younger cohorts, temporary absenteeism must be reduced, and the elderly must postpone retirement. Strong economic incentives are already in place in the pension system, but more is needed to adapt jobs to the preferences and capabilities of the elderly population.

Second, new technologies must be developed and implemented in health and welfare services. Significant efficiency gains are possible if the technological potential for user involvement in the co-production of services is realized, and routine operations may be replaced by technology.

The third challenge is to increase the capacity to implement national decisions in sectors requiring coordination between different actors. The fragmented political system, with strong local grounding and significant responsibility for policy implementation resting with municipalities, has been instrumental in maintaining high legitimacy of policies and sustaining trust levels in both national and local policymaking. However, this fragmentation often presents a significant obstacle to coordinated approaches for greening the economy. This issue spans both vertical and horizontal coordination.

This challenge becomes particularly evident in land use. Effectively communicating the nature crisis to the public requires a drastic rethink and new practices in area conservation, posing a direct challenge to the principle of local self-determination. Similarly, in welfare policies, maintaining service quality and controlling expenditures necessitates structural rationalizations in both responsibilities and service production. Digital technology may address some of these challenges by facilitating improved information exchange and automatic decision-making systems between public organizations (ministries and agencies) and in collaboration with private actors.

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Democratic Government

I. Vertical Accountability

Elections

Free and Fair Political Competition Score: 9 Any person or group able to mobilize 5,000 petition signatures from eligible voters is entitled to form a political party. The party is registered in a national register and may receive donations from private citizens. All donations and donors are registered and transparent to the public. Any political party that receives at least 500 votes in a single district or more than 5,000 votes nationally will receive economic support from the state. The support level is determined by parliament and is proportionate to the number of votes. Party representatives may run for office in national and local elections with no specific qualifying conditions if they have the right to vote. All members of parliament and government are required to report any economic interest they may have as owners or shareholders.

Free and Fair Elections Score: 10 All Norwegian citizens over the age of 18 have the right to vote in national elections. In local elections, individuals over 18 with at least three years of legal residence in Norway or those who are citizens of another Nordic country also have the right to vote. Elections are held every four years for both the national parliament (the Storting) and the municipal and county councils. Voting rights are generally based on objective criteria, with few disputes over individual voting rights. Municipal electoral committees, appointed by the democratically elected municipal councils (kommunestyrer), are responsible for the practical organization and administration of municipal and national parliamentary elections in Norway (Ministry of Local Government and Regional Development, 2017).

Electoral campaigns and the voting process are generally considered fair and transparent. Polling stations are traditionally located in primary schools, but other locations – such as old-age care institutions and kiosks in public spaces – are increasingly used. Political parties typically provide transportation to

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polling stations for those in need. Early voting has become popular; in the 2023 local elections, 42% of all votes were cast early. All voting requires personal attendance. Polling stations are plentiful, and queues are not a problem. The counting of votes is peaceful and typically uncontested. The distribution of seats in municipal and county councils, as well as in the national parliament, follows clearly defined and transparent rules, and electoral outcomes are typically undisputed.

In cases of reported misconduct, mistakes, or other irregularities, the Ministry of Interior may decide to repeal the original result and hold a new election. This rarely happens, but in the local elections in 2023, the Ministry of Local Government and Regional Development (2023) nullified the county council election results in one municipality due to an inadvertent error in the availability of ballot papers at one polling station.

Quality of Parties and Candidates

Socially Rooted Party System Score: 10 The electoral system at the national level consists of 19 election districts, each sending a fixed number of delegates to parliament under a proportional representation system. The distribution of the 169 delegates among parties and districts slightly favors large parties and rural districts. To address this imbalance, 19 of the 169 members of parliament are allocated based on national voting results. To secure any of these 19 "equalization mandates," a party must receive at least 4.0% of the total national votes.

In elections to local authorities, each municipality functions as a single election district. Representatives are distributed among parties in proportion to their share of the votes. All major parties are organized as national organizations; no party exists with only regional presence. In local elections, ad hoc parties and interest groups may also participate.

The party system is typically described as a tripolar system: On the left, there are three parties (Labour, the Socialist Left, and the Red Party); on the right, there are two parties (the Conservative Party and the Progress Party); and clustered in the middle are the Agrarian Center Party, the Christian Democrats, the Liberal Party, and the Green Party. In sum, it is fair to say that all major social and economic interests are represented in the party system. Party manifestos are fairly similar in their commitment to a democratic polity. All parties have comprehensive homepages on the internet, and party programs and other relevant policy documents are easily accessible.

Effective Cross-Party Cooperation Score: 10 Rule of law, democracy, and human rights are the foundation of all political parties. On the extreme left, the Red Party – historically inspired by Mao's China – abandoned its program of armed revolution two decades ago. On the

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extreme right, the populist Progress Party has significantly modified its antiimmigrant rhetoric and entered into a coalition government (2013 – 2020) with the Conservative and Liberal parties. This suggests that, in a comparative perspective and although parties are easily positioned on a left-to-right dimension, the degree of polarization is modest. Center-left and center-right coalitions are the norm at the national government level. In local authorities, all combinations of coalitions and alliances are found. The solid commitment to liberal democratic values by all parties also reflects the opinions found in the electorate. Anti-democratic and extreme populist sentiments are rare, and if voiced at all, are met with massive condemnation by all political parties.

Access to Official Information

Transparent Government Score: 10 A Freedom of Information Act was introduced in 1970, and the right for citizens to obtain information about the process of decision-making in public affairs was enshrined in the constitution in 2004. The main principle is that all documents are public, unless otherwise explicitly specified in the law. The existing restrictions are broadly considered legitimate, as they typically aim to protect private matters and national security.

Any refusal of an access to information request must be followed by a reconsideration by the body to whom the request was directed. If the refusal is maintained, the citizen can make a request at the next level of authority, and eventually to the court system for a final decision. A request for information shall be met without delay, normally within a couple of days. In general, access to information seems to work well. The right to information is most frequently used by the media, and there are few cases of denial and appeal.

In 2023, the government proposed amending the Freedom of Information Act to reduce the obligation to maintain a publicly available register including not only official case documents but also internal, preparatory documents elaborated by public administration at all levels (Ministry of Justice and Public Security, 2023a). The proposal faced considerable opposition and protests from a broad range of societal actors, including Norwegian media outlets. Although access to case documents would still be possible, there were concerns that removing the requirement to record cases in a publicly available register could hinder critical journalism, as issues that merited investigation might be overlooked in the future (Håndlykken et al., 2023). After assessing the written responses from the public consultation on the proposal, the government decided not to pursue the proposal further (Ministry of Justice and Public Security, 2023b).

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II. Diagonal Accountability

Media Freedom and Pluralism

Free Media Score: 10

The freedom of the media is protected within the general legal framework for free speech and by laws regulating commercials. An important institution of press self-regulation, the Ethical Code of Practice of the Norwegian Press, was first adopted by the Norwegian Press Association in 1936 and most recently revised in 2020. All traditional media outlets, both broadcast and print, operating under editorial oversight have committed to this set of normative principles.

The national public broadcaster, the Norwegian Broadcasting Corporation (NRK), has been organized as a limited state-owned company financed through taxes since 1996. Its board members are appointed by the Ministry of Culture and by NRK employees. To provide authoritative public assessments of NRK publication policies and handle complaints raised by individuals, a separate independent body, "Kringkastingsrådet," was established in 1992. This legal framework is intended to ensure NRK maintains sufficient independence from the state as its owner.

The financing of mass media through advertising is strictly regulated. Only one private actor is allowed to operate at a national level, and a license, granted for a six-year term, is awarded through a bidding process. Since the system's introduction in 1991, one company – TV2 – has consistently won all the licenses, effectively functioning as a private monopoly.

All media are generally regarded as independent from political control. There are no institutional restrictions or cases of political interference in the work of journalists and media.

Pluralism of Opinions Score: 9

A plurality of political and cultural views and expressions in the public sphere is valued by both the general public and political parties. This objective is pursued through three measures: first, a state scheme to financially support newspapers and magazines threatened by commercial competition; second, a self-binding commitment by the media industry to provide access to a plurality of views and interests; and third, funding the state-owned NRK through state grants to maintain at least one significant actor independent of commercial financing.

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The increasing presence of digital and internet communication channels, along with broadcasting from abroad, enhances the pluralism of the media landscape. However, more intense competition may lead to content biased toward entertainment and commercial objectives rather than serving public debates, an important goal for the NRK. To address this, a separate public authority, the Norwegian Media Authority, was established in 2005 with two main tasks: first, through research and reports, to monitor the media market and address developments that may undermine ideals of media diversity and pluralism of political and cultural views; second, to administer an extensive system of state economic support to newspapers and other media channels from socially and economically disadvantaged groups and regions, promoting diversity.

In recent years, the issue of media illiteracy has been raised, focusing on the capacity of the population, particularly among the elderly and the young, to identify fake news and disinformation (Norwegian Media Authority, 2021; Wikipedia, 2024).

In sum, the Norwegian media landscape, with its significant state presence as a public service broadcaster and regulatory authority, provides a solid foundation for a public sphere where all political parties and opinions have a fair and equal chance of expression. Criticism of political and other elites is commonplace, and any attempt by the government to limit the operations of a free media will likely be punished by voters.

Civil Society

Free Civil Society Score: 10 The right of citizens to form organizations and express opinions through collective action has been secured in the constitution since 1814. There is a long historical tradition of organizing cultural and economic interests in civil society. This tradition began with the first religious, linguistic, and rural interests, and the temperance movement from the 1840s, followed by political parties from the 1880s. Subsequently, trade unions and other economic interest organizations emerged. Additionally, there is a comprehensive array of organizations promoting sports, cultural, and leisure activities. Though not political by nature, these voluntary organizations are regarded as "schools in democracy" and receive state economic support.

In Norway, gambling is a state monopoly (Norsk Tipping), and all profits from gambling are redistributed to civil society organizations. The voluntary organizations have their own interest organization, Voluntary Norway. Seventy-eight percent of the adult population are members of at least one organization, and half the population are members of two or more

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organizations. Forty-four percent of the income of voluntary organizations comes from state or local government sources.

Effective Civil Society Organizations (Capital and Labor) Score: 8 Half of all employees are members of trade unions, with 80% in the public sector and 38% in the private sector. The largest organization is the Confederation of Trade Unions (LO), which includes roughly half of the unionized workers. On the capital side, the Confederation of Norwegian Enterprises (NHO) is the dominant organization for companies across all business sectors. State policies promote organization, and membership fees for individuals and companies are tax-deductible.

Although the LO and the NHO do not have a monopoly on organizing workers and companies respectively, they enjoy a privileged position in policymaking. The tripartite system of collaboration among the state, labor, and capital, with its historical roots in the 1930s, remains a cornerstone in public policymaking across all policy fields, not just economic matters. These organizations are resourceful and can mobilize significant expertise to serve their interests.

Influence on public policies occurs through participation in problem analysis, expert committees, and policy preparations, as well as in the consultation process before legislation is proposed, rather than through direct interaction with legislators. There is a long-standing culture of balancing cooperation and conflict between labor and capital. All governments, irrespective of ideology, listen carefully to the social partners. Government policy proposals opposed by both labor and capital will likely suffer weak support among the general public and will most likely be shelved or significantly changed.

The dominant roles of the LO and the NHO are frequently criticized by other less resourceful organizations. In particular, public sector employees are critical of the roles of these dominant organizations in the system of wage setting.

Effective Civil Society Organizations (Social Welfare) Score: 9 The public sector is the primary provider of social welfare services; however, civil society ("nonprofit") organizations (CSOs) have played a pioneering and significant role in developing many of the social and health services now provided by the state. Currently, 10 - 12% of welfare services, measured by expenditures, are provided by CSOs, primarily within a contractual relationship with, and financed by, the public sector. Service production by non-public organizations is subject to the same laws and regulations as public and private providers.

CSOs enjoy a high degree of popular support but are almost entirely dependent on state financing. In some areas – most notably within activation of the elderly and actions targeted at the very poor – unpaid volunteer work is SGI 2024 | 12 Norway Report

crucial. Their high legitimacy and extensive knowledge in working with socially and economically marginalized groups give them significant influence on public social policies. Policy proposals from civil society organizations are frequently considered by the government and add legitimacy to public policies. In areas such as active labor market measures, refugee centers and settlement, and childcare services, private (nonprofit) providers operate in a contractual relationship with the public sector.

In the provision of welfare services through contractual arrangements with the public sector, there is a distinction between CSOs and what are called "commercial" welfare producers. While the role of CSOs ("nonprofit" organizations) enjoys broad popular support, the presence of commercial ("for-profit") organizations is ideologically controversial. At the local government level, there are examples of favoring nonprofit CSOs in public tenders. Political parties on the left argue for a system in which service producers with economic surplus as one of their objectives should be excluded from publicly financed welfare production.

Effective Civil Society Organizations (Environment) Score: 7 In Norway, the role of civil society organizations (CSOs) in environmental protection is intrinsically linked to energy production. Since the mid-1960s, accelerated development of hydroelectric facilities has led to the redirection of natural rivers and waterfalls into pipelines and dams, often to the marked protest of environmentalists and agricultural interests. A conflict between economic growth and the preservation of nature has since dominated the relationship between CSOs and the government. An important actor is the 150-year-old Norwegian Trekking Organization, which has consistently voiced the interests of pristine nature (DNT, 2023).

The discovery and exploitation of significant oil and gas resources on the Norwegian continental shelf intensified the tension between economic and preservation concerns. Questions about the pace and areas of exploitation heightened the conflict between industrial interests, jobs, and an alliance of environmentalists and conventional fishers. A third layer of conflict emerged in the tension between nature preservation and climate needs, illustrated by current debates about the location of windmills. The push for sustainable energy production requires more renewable energy from hydro, wind, and solar sources, which in turn necessitates grid extensions. These developments threaten the traditional use of land for recreational and agricultural purposes.

The environmental CSOs are typically underfunded, reliant on membership fees and donations. The impact of their activities on public policy is mainly indirect, achieved through organizing protests that receive substantial media attention. When protests influence policy development, they have so far

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typically led to postponements of planned projects or procedural changes rather than a reevaluation of policy goals. An example is the massive protests against onshore wind farms in 2019, which resulted in the government shelving plans for a national search for "appropriate areas" for wind farms and instead calling for better coordination between the Energy Regulatory Authority (which issues operation licenses) and municipalities' area planning processes. This aligns with other observations about the potential dilemmas that arise from the principle of local self-determination.

In 2021, Norway's supreme court – the country's highest court – determined that some wind power plants were violating the South Sami people's human right to cultural practices by hindering reindeer herding. As a result, Sami people and other activists blocked entry to the Ministry of Oil and Energy in 2023. In December of that year, a compromise was adopted: the windmills would stand for 25 years, and the Sami people would have the right to veto future expansions. This demonstrates that smaller actors can also influence policies regarding climate and environmental matters.

III. Horizontal Accountability

Independent Supervisory Bodies

Effective Public Auditing Score: 10

Norway's independent statutory authority, the Office of the Auditor General (OAG), is named in the constitution and 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 the attainment of reform goals and the effectiveness of new laws have become increasingly important. The operations of fully and partially state-owned companies are also scrutinized. The OAG has 450 employees and is governed by a board of five directors, all selected by parliament for four years. The auditor general, appointed by parliament for a four-year term, leads the OAG. Decisions of the OAG have consistently been consensual. The government is required to follow up on all OAG reports. Failure to do so may result in a vote of no confidence in parliament.

Since 1962, Norway has had a Parliamentary Ombud appointed by parliament. This office investigates complaints from citizens regarding injustices, abuses, or errors by central or local public administrations. Additionally, the Ombud ensures that human rights are respected and conducts independent

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investigations. Every year, the Ombud's office submits a report to parliament documenting its activities. Generally, the Ombud is active and trusted.

However, the Ombud has recently expressed concerns about the risk of losing funding and popular legitimacy because too few of its recommendations are taken seriously and implemented. Since 1962, the Ombud institution has been extended to other policy areas. The Ombudsperson for Children was established in 1981, followed by the Ombudsperson for Nondiscrimination in 2006, and the Ombudsperson for Older People in 2021.

Since 2017, all ministries have been required to formally assess the impacts of their policies on civil protection and emergency preparedness. The purpose of these written instructions was "to reinforce society's capacity to prevent crises and to deal with serious incidents by means of comprehensive and coordinated work with civil protection and emergency preparedness" (Norwegian Ministry of Justice and Public Security, 2017). Although this instrument is not implemented or assessed by an independent body, it serves as an example of horizontal coordination. However, the OAG might, on its own initiative, assess whether ministries comply with the regulation.

Effective Data Protection Score: 9 The Norwegian Data Protection Authority (DPA) is responsible for holding the government accountable for data protection and privacy issues, and for safeguarding individuals' privacy rights. Established in 1980, the DPA currently has 68 employees. Although the Director is appointed by the government, the DPA operates with legally granted autonomy. The primary legislation guiding the DPA's work is the Personal Data Act (PDA), which establishes the general principle that individuals should be able to control how their personal data is used. The PDA implements the EU GDPR in Norwegian legislation.

Through information, dialogue, the handling of complaints, and inspections, the DPA monitors and ensures that public authorities, companies, NGOs, and individuals comply with data protection legislation. For example, the DPA effectively halted the use of a COVID-19 contact-tracing application due to inadequate personal data protection relative to infection numbers at the time. In 2023, the DPA imposed a substantial fine (NOK 20 million) on the Labor and Welfare Administration for failing to operate the legally required procedures for handling sensitive personal data. Media attention to data protection is generally high, especially when public bodies fail to comply with their legal obligations.

Nevertheless, the number of cases that the Norwegian DPA must manage has increased in recent years. These cases relate both to transparency issues, where

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companies, media, and individuals request access to documentation about the agency's work, as well as data leaks and privacy incidents in public and private organizations. This has forced the agency to prioritize some matters over others, as it simply does not have the resources to follow up on all cases and conduct as many inspections as desired.

Rule of Law

Effective Judicial Oversight Score: 9 Norway's government and administration are predictable and operate in accordance with the law. The country has a sound and transparent legal system with minimal corruption within its judiciary. The state bureaucracy is considered both efficient and reliable, and Norwegian citizens generally trust their institutions.

Although the supreme court can, in principle, test the constitutional legality of government decisions, it has not done so for many years. The court system provides mechanisms for reviewing executive actions and follows principles of the Scandinavian civil law system (Norwegian Bar Association, 2023a). Unlike other civil law countries, Norway does not have a general codification of private or public law. Instead, comprehensive statutes codify central aspects such as criminal law and the administration of justice.

Norwegian courts do not place as much emphasis on judicial precedents as do courts in common law countries. Court procedures are relatively informal and simple, with significant lay influence in the judicial assessment of criminal cases.

At the top of the judicial hierarchy is the supreme court (Høyesterett), followed by the Court of Appeal (lagmannsrettene). The majority of criminal matters are settled summarily in the District Courts (tingrettene) (Norwegian Bar Association, 2023b). 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 last time someone was charged and convicted was in 1884.

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. All judges are formally appointed by a government decision based on a recommendation issued by an autonomous body, the "Innstillingsrådet." This body is composed of three judges, one lawyer, a legal expert from the public sector, and two members not from the legal profession. The government

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almost always follows the recommendations. Supreme Court justices are not considered 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.

There are 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.

Access to the court system is relatively easy, but the risk of potentially high legal fees may prevent many from bringing their issues to court.

Universal Civil Rights Score: 9 State institutions respect and protect civil rights. Personal liberties are well protected against abuse by both state and non-state actors. People cannot be detained without a formal charge for more than 24 hours. A court decision is needed to hold a suspect in prison during an investigation, a matter 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 public as fair and efficient. However, losing a case in court can result in having to pay the full cost of the proceedings. This financial risk, along with the prohibitive fees lawyers may charge, can deter citizens from bringing cases to court. For those with extremely low incomes, there is a state program to cover legal costs. Additionally, most labor union memberships – which are widespread – include insurance against high expenses.

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 hate speech or 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 is ensured.

The historical tradition of a privileged, state-owned Lutheran church ended in 2017, and now all religious communities are treated equally. Political liberties are respected by state institutions. Equality of opportunity and equality before the law are firmly established in Norway.

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There is a Parliamentary Ombud for civil rights (established in 1962) and one for Equality and Anti-Discrimination (established in 1972). There was also an Ombud for the Elderly (established in 2021, repealed as of July 2023).

The Sámi minority living in the north has a limited right to self-rule, though there are still some unsettled issues over the use of natural resources in this area. Men and women are nearly on 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 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 necessarily imply that there is no gender discrimination in the labor market; for example, 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. However, affirmative action in favor of women has been used extensively in the labor market, particularly within the public sector. Despite this, the labor market remains strongly segregated by gender and occupation compared to the situation in many other countries. 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 among native Norwegians. Although discrimination against immigrants, including in the labor market, is illegal, it does take place in some areas of Norwegian society, though very few discrimination cases are prosecuted.

Effective Corruption Prevention Score: 9 Norway emphasizes transparency in its civil service to minimize the risk of corruption. This involves providing access to public information and ensuring transparency in decision-making processes. The general public – and hence the media – has access, in principle, to all documents in any case through the Freedom of Information Act. Any party directly involved in a case also normally has extended rights to information. A principle of transparency also regulates public procurement processes.

Government agencies are required to implement internal control systems to prevent and detect corruption. Regular audits of financial transactions and processes are conducted to ensure compliance. Independent oversight bodies, such as Økokrim (the National Authority for Investigation and Prosecution of Economic and Environmental Crime) and the Office of the Auditor General, play a crucial role in monitoring and enforcing laws related to corruption.

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Whistleblower protection mechanisms are in place, allowing employees to report suspicious activities without fear of retaliation.

The financing of political parties is strictly regulated, and all donations from private individuals must be declared and open. The economic interests of all members of parliament and cabinet members are publicly accessible through a separate register. Political commitment to combating corruption is crucial. Norwegian authorities have consistently expressed their dedication to addressing corruption and have taken steps to strengthen legislation when necessary. Continuous efforts are made to reform and improve public sector practices to minimize corruption risks. This includes streamlining processes, enhancing efficiency, and reducing bureaucratic obstacles. The use of data analytics and technology is increasingly employed to identify irregularities and potential corruption within government operations.

Transparency International, an international civil society organization, has an active Norwegian branch that surveys the situation in Norway and provides training for public sector officials on how to implement anti-corruption measures.

Legislature

Sufficient Legislative Resources Score: 9 In the Norwegian parliamentary system, the legislature – the Storting, at the national level – has a monopoly on determining taxes and deciding any public expenditure. Formally, the legislature may allocate the resources it regards as necessary for its own activities. However, according to the constitution, the executive is responsible for preparing the knowledge base for new policy proposals.

The Storting's administration consists of seven departments and 29 sections, including a Knowledge and Documentation Department, and employs a staff of about 450 (the Storting, 2024). Compared to the apparatus in the ministries, the resources available to the legislature and the members of parliament are modest. If the legislature wants an issue investigated, the normal procedure is to require this from the government, rather than initiating it on its own. It is the obligation of ministers to come to the parliament to answer any questions the legislature might have. In recent years, a special parliamentary committee may require ministers and others involved in a case to come to a separate hearing to answer questions from the members of parliament. The control of the legislature over the executive is not so much a matter of material resources, but rests in the legal and procedural controls embedded in the parliamentary system.

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Effective Legislative Oversight Score: 10 The 169 members of parliament are divided into 12 committees, roughly corresponding to the ministries. Norway is a small country, and the processes of policymaking are generally open and transparent. The conditions under which the government may withhold a document from a parliamentary committee are clearly specified and very rarely a matter of dispute. Ministers are required to come to parliament and answer any questions committee members may have. If dissatisfied with the response or with any other aspect of how the office of being a minister is executed, a vote of no confidence may be proposed.

Effective Legislative Investigations Score: 10 According to the Norwegian constitution, the government must have the support of a majority of members of parliament. Any initiative from opposition parties to investigate government actions would require a parliamentary majority, as there is no institutionalized right for a minority to take action. If an allegation of misconduct is raised by the opposition but not followed up by the government, the case would likely attract the interest of the media and independent agencies. However, for the opposition to impact the government, it would need to secure a majority vote in parliament. Given the fragmentation of the Norwegian party system and the reliance on party coalitions, any proposal to investigate alleged unconstitutional activities will most likely secure a majority in parliament.

Legislative Capacity for Guiding Policy Score: 9 The members of parliament are divided into 12 committees, which roughly correspond to the ministries in the government. The workload is substantial but not so high as to prevent effective oversight of government activities. The chairs of the committees are distributed according to the relative size of the parties in parliament, with the parliamentary majority – either as a formal or de facto coalition – naming the committee chairpersons. Since there are 12 chairs to fill, a parliamentary majority of fewer than 12 implies that some committees must be chaired by members of the opposition. It is an informal norm that the vice chairperson belongs to the opposing party or coalition of the chairperson. The conventional order of proceedings in a committee is that a government proposal is debated, and changes are common.

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Governing with Foresight

I. Coordination

Quality of Horizontal Coordination

Effective Coordination Mechanisms of the GO/PMO Score: 8 The office of the prime minister (PMO) in Norway is small in size compared to the line ministries. Of a total of 4,500 employees in the ministries, only 190 work at the PMO. The formal task of coordinating policy proposals from the line ministries lies with the Ministry of Finance (MoF). Because most policy proposals have fiscal implications, the MoF must consent to any new policy that results in rising public expenditures. However, if new policies can be financed within existing budgetary constraints, the MoF typically does not interfere. Most formal coordination takes place as an integrated part of working on the annual state budget, with two regular conferences: one in March and one in August, before the budget proposal is sent to parliament in mid-October.

Coordination of new policy proposals is systematic but informal, occurring through two mechanisms.

The first mechanism is the formation of coalition governments. Executive power requires a parliamentary majority and, given the existing party structure and the actual distribution of votes, all governments must be coalitions of two or more parties. To form a stable coalition government, the participating parties negotiate a common policy program. Even in cases of a one-party minority government, clarifications with supporting parties take place before presenting a parliamentary program. This process of producing a program effectively has a significant coordination impact.

The second mechanism of coordination is the frequent use of ad hoc collaboration between junior ministers. If a policy problem or proposal cuts across conventional lines of sectoral responsibilities, the coordination challenge is handled by junior ministers from each of the involved ministries.

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Implementation of the UN SDGs and efforts toward sustainable development challenge the bureaucracy in new ways. Norway's 2021 SDG Action Plan recommends using the OECD framework for policy coherence for sustainable development. However, implementing this framework is not straightforward in all countries (Ministry of Local Government and Modernisation, 2021). Moreover, action plans do not always lead to behavioral change (Stave 2022). Proposed tools for increasing policy coherence include systematic environmental impact assessments (EIAs) and new indicators for policy coherence as an independent target (OECD, 2023).

Effective Coordination Mechanisms within the Ministerial Bureaucracy Score: 7 Despite the formal coordination role of the Ministry of Finance and the informal mechanisms of inter-party cooperation in coalition governments, the Norwegian governance system is generally regarded as highly sectorized rather than fragmented. Each ministry is responsible for research and policy development within its specific area of formal responsibility. There is no tradition of job rotation within the civil service, nor is there a central effort to use new technologies to enhance cooperation. Additionally, most interactions with policy stakeholders and interest groups are structured according to traditional sectoral lines.

This sectorization is increasingly seen as a challenge in developing new policies that cut across traditional divisions, such as measures to expedite the transition to a low-emission, sustainable economy and digitalization (see Szulecki and Kivimaa, 2022). A new Ministry of Digitalization will take effect in January 2024, while the responsibility for contributing to the "green shift" remains a sectoral responsibility for the line ministries.

The government and all ministers meet formally every week in so-called government conferences ("regjeringskonferanser") to discuss issues. These conferences are the primary forum for formal coordination between departments, ensuring that the government is united in its policies.

Digital technologies are extensively used to facilitate coordination across ministerial areas. They are more commonly employed in ministries than in agencies and more often by managers than by lower-ranking officers. Civil servants working on transboundary tasks and policies use these technologies more frequently and view them as helpful in enhancing coordination.

Complementary Informal Coordination Score: 9 Norwegian politics is best characterized as consensus-driven rather than partisan and confrontational. A symbolic expression of this is the seating arrangement in parliament, where members are seated by geography rather than by party affiliation. The political system's capacity to forge broad policy compromises on important issues is significant. Examples include a radical

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pension reform, the system of value-added and income taxes, foreign policy, and the decision to accumulate state income from the oil and gas sector into one of the world's largest sovereign wealth funds. Another example is the response to the COVID-19 pandemic, where there was broad consensus across the political spectrum to provide sufficient economic support for both corporations and unemployed citizens during the crisis.

Informal meetings between party leaders from different ideological backgrounds are not formalized but still occur frequently when national compromises are needed.

Meetings between ministers largely take place in formal settings, particularly during the weekly government conferences.

Quality of Vertical Coordination

Equal access to high-quality public services across the country for all citizens is a national policy objective. The provision of these services is decentralized to 356 local authorities and, for specialized health services, to four regional state enterprises. The legislation regulating service production is based on the principle of providing citizens with rights to services of high, professionally defined quality.

The combination of local responsibility for provision and national quality standards creates tension within the system. A comprehensive system of central state economic transfers to local authorities aims to match the amount given to each municipality with quantitative indicators of service needs. For medical general practitioners and childcare, the state also transfers resources directly to the service providers. This system is intended to ensure equal and high service quality for all citizens. However, national performance and quality indicators are controversial and exist only for some diagnosis-related treatments in hospitals.

The tension between central standard-setting and local service provision is not restricted to traditional welfare services; it is also evident in the provision of other public goods, such as well-functioning ecosystems and area planning.

There is a well-established link between the national and local levels in Norway. Municipalities are independent legal entities and do not form part of the state hierarchy. Consequently, the central government does not have instructional authority over the municipalities and can only intervene based on legislation or budgets adopted by the parliament (Storting).

Effectively Setting and Monitoring National (Minimum) Standards Score: 8

Effective Multilevel Cooperation Score: 8 SGI 2024 | 23 Norway Report

The line of responsibility from national policymaking to service delivery starts at the ministry and its corresponding directorate, while local authorities are legally responsible for service provision. Political objectives and priorities are set by the government. The directorate has a dual function: it produces the knowledge base and provides scientific advice to national policymakers, and it monitors all professional aspects of service production at the local level. This includes offering professional advice, setting standards, certifying professional staff and production units, and planning for crisis management.

Local authorities are organized as an interest group called the Norwegian Association of Local and Regional Authorities (KS). Hospitals, organized as state enterprises, have their own interest organization, Spekter.

The primary pattern of interaction between the local and national levels involves these interest organizations and the respective ministries. The provision of welfare services is labor-intensive, with wages constituting 70-80% of expenditures. In Norway, wages are set through national negotiations, making it necessary for the central state to compensate the local level for rising labor costs. Additionally, the changing needs of target groups for national welfare policy are expressed in this interaction.

The agenda is relatively consistent: local authorities assert their need for increased state transfers to meet national standards, while the central government remains restrictive, focusing on maintaining growth in public expenditures and keeping inflation at acceptable levels.

II. Consensus-Building

Recourse to Scientific Knowledge

Harnessing Scientific Knowledge Effectively Score: 8 By law, all major decisions and reforms must be based on the best available knowledge. According to the investigation instruction from 2016, all new policies must be preceded by an investigation phase in which the following six questions must be answered:

- 1. What is the problem, and what do we want to achieve?
- 2. Which measures are relevant?
- 3. What fundamental questions do the measures raise?
- 4. What are the positive and negative effects of the measures, how lasting are they, and who is affected?

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- 5. Which measure is recommended, and why?
- 6. What are the prerequisites for a successful implementation?

(Norwegian Government Agency for Financial Management, 2018)

Additionally, the investigation instruction requires that all those affected by the problem and the policy measures be involved early in the policy process. According to the government, involving affected individuals and coordinating different views and perspectives from various organizations is important to ensure the quality of the investigations and to safeguard democratic rights in developing public policies (Norwegian Government Agency for Financial Management, 2018).

The most important and systematic mobilization of expert knowledge in policymaking is carried out by government-appointed expert committees, which produce Official Norwegian Reports (Kommunal – og moderniseringsdepartementet, 2019). These committees vary in size, typically comprising 10 to 15 members, though they can be as small as two members. The committee members act in their personal capacity as experts, but considerations of gender equality and geographical representation are taken into account when forming the committee.

These committees hold a relatively formal status, working according to a fixed procedure and usually having a secretariat of employees from the relevant ministry at their disposal. The committee may commission reports from other experts. They often arrange open hearings and seminars involving stakeholders from the relevant policy area, and they may travel to and conduct site visits at relevant institutions and locations.

The final report from the committee is, according to a standardized procedure, circulated to interested parties with an invitation to comment on the analysis and policy proposals. Normally, a comment period of three months is recommended, with six weeks being the minimum period. After the hearing, the government prepares a presentation for parliament. This sometimes takes the form of a parliamentary legislative proposal, and sometimes as a White Paper. Governments deviate from this procedure only in cases of emergency; any attempt to circumvent it would lead to public criticism.

The purpose of engaging expert committees is to establish, as far as possible, a consensus on the actual situation and the consequences of various value-based policy options. Government decisions may differ from expert advice, but more often than not, criticism from expert communities leads to modifications or postponements of reforms.

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Involvement of Civil Society in Policy Development

Effective Involvement of Civil Society Organizations (Capital and Labor) Score: 9 In Norway, both employees and enterprises are well-organized. On the labor side, the Norwegian Confederation of Trade Unions (LO) is the largest, while on the capital side, the Confederation of Norwegian Enterprises (NHO) dominates. Due to their historical roles and significance, these two organizations enjoy a privileged position with frequent, informal access to government and national policymaking. This is in addition to their formal roles, which they share with other organizations for capital and labor. Their privileged status is particularly evident in economic and industrial policymaking and wage determination.

The cooperation between these social partners and the government produces a less transparent tripartite system of consensus-oriented policymaking, frequently criticized by other, smaller trade unions and employer organizations. It is a solid norm that the government never expresses any opinion on internal conflicts within or between the organizations.

A separate regime for cooperation between the state and organized interests exists in the agriculture sector. Norwegian farmers and food production (excluding fish) are protected from international competition and imports, and a significant proportion of farmers' income comes from state subsidies. A consensus norm dictates that a man-year in agriculture should earn an amount equal to that in manufacturing. Each year there are negotiations between the government and farmers' organizations to determine the level of subsidies required to fulfill this norm.

Effective
Involvement of
Civil Society
Organizations
(Social Welfare)
Score: 8

In the social welfare sector, it is important to distinguish between organizations that provide services within a contractual relationship with the public sector and organizations that represent the consumer and client side of the services ("users"). Most legislation regulating (tax-financed) welfare services grants users the right to be heard and to partake in the development of new policies. In expert committees, hearings, and performance monitoring, CSOs are well represented. In public opinion, user organizations hold high "moral authority," which provides legitimacy to social welfare services. Critiques of services, often voiced in alliance with professionals working in the services, are taken seriously and may significantly impact policy decisions. Disputes between different CSOs are rare; if they occur, governments are careful not to express any opinion.

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Effective Involvement of Civil Society Organizations (Environment) Score: 7 Civil society organizations (CSOs) frequently participate in relevant public hearings. Expert and other public commissions typically consist of individuals who collectively provide both expert knowledge and representation from central interest groups. However, there are no strict formal requirements for the composition of these bodies, except on the basis of gender. The Norwegian bureaucracy and policymaking environment is generally open and accessible, and the involvement of CSOs (environmental and others) is perceived as enhancing legitimacy in policymaking. The consultation process is transparent, though it is important to note that Norway is a small country with relatively flat hierarchies and a mix of formal and informal arenas.

It is challenging to distinguish between CSOs' discontent with "token participation" in the policymaking process and their dissatisfaction with the current outcomes of decision-making on contentious political issues. Examples of the latter include continued oil and gas exploration, wind power stations – where the state lost a case in the Norwegian supreme court in 2021 – and wolf hunting.

Environmental organizations are generally critical of government central plans, regardless of whether the government is center-left or center-right. These organizations often sue the state because they believe the environmental consequences will be more serious than previously thought and that the knowledge base about these consequences has not been sufficiently investigated. Additionally, youth organizations often encourage boycotts of products and industries that damage the ecosystem. For example, salmon farming in Norway is believed to pose significant environmental challenges.

Openness of Government

Open Government Score: 8 The government in Norway has developed clear plans over several years to publish data and make it user-friendly and accessible. This initiative is managed at the political level by the Ministry of Digitalisation and Public Governance, and at the agency level by the Norwegian Digitalisation Agency in cooperation with other public organizations that extensively use data. These include the Norwegian Tax Administration, the Norwegian Labour and Welfare Administration and Statistics Norway, which are the main actors facilitating data sharing as they collect most of the data about citizens and businesses.

Sharing and reusing data is a core principle of digitalization in the Norwegian government. The rationale behind this principle is that by sharing public data,

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society can benefit from all the information managed by the public sector, leading to increased knowledge, innovation, efficiency, transparency, and value creation. The government views it as a prerequisite for optimizing and automating work processes and developing efficient public services. To a large extent, users only need to provide information to the public sector once. The general strategy in the public sector is that sharing data leads to better data quality, as more people can detect and provide feedback on potential errors. Moreover, all data is generally provided in standardized and readable formats. The Norwegian government offers a service called eInnsyn, allowing anyone to search for any document in the public sector and receive them by email. This includes everything from meeting minutes in ministries to project documents in specific agencies.

III. Sensemaking

Preparedness

Capacity for Strategic Foresight and Anticipatory Innovation Score: 7 The Norwegian central government is relatively rigid and predictable in its approaches, but many organizations have innovative cultures and units dedicated to anticipating future events, often related to digital transformation. Many agencies collaborate closely with research institutes to improve their services. For example, the Norwegian Labour and Welfare Administration invests significantly in using artificial intelligence and machine learning for decision-making to enhance services, in collaboration with various research institutes.

Many regulatory agencies have developed regulatory sandboxes, allowing government entities and private corporations to experiment in a controlled test environment. The Labour and Welfare Administration, for instance, has worked closely with the Norwegian Data Protection Authority to explore how different types of personal information can be utilized to improve services. Other regulatory agencies, such as the Financial Supervisory Authority of Norway and the National Archives of Norway, also use regulatory sandboxes.

The Norwegian Tax Administration is considered one of the most innovative organizations in the country. It is relatively advanced in digital transformation, encourages experimentation, and maintains a long-term perspective on innovation and public sector changes. It collaborates closely on digitalization with universities, including the Norwegian School of Economics and the Norwegian University of Science and Technology, and is a significant actor in the Open AI Lab.

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At a general level, the Norwegian Digitalization Agency is the primary organization responsible for improving the public sector and facilitating more coordinated digital activities. The agency has high ambitions for innovation and collaborates with government agencies, municipalities, the private sector, and voluntary organizations to achieve this. Overall, the government can be considered innovative, though it is not uncommon for IT projects to take longer than planned. Such projects don't always produce effective policies and can be criticized by the public. One example is the Health Platform (Helseplattformen), intended to improve patients' health records, but it has been criticized by health personnel for numerous reasons, including poor technical systems.

Analytical Competence

Effective Regulatory Impact Assessment Score: 8 Norway introduced a system of regulatory impact assessment (RIA) in 1985, which was last revised in 2016. The ministers and the government are jointly responsible for providing comprehensive assessments of the potential budgetary, environmental, health, and human-rights effects of their policy proposals. Consequences are to be quantified to the extent possible, including through a thorough, realistic socioeconomic analysis. A set of codified guidelines, the Instructions for Official Studies and Reports, governs the production of RIAs.

However, the ministry in charge has some discretion regarding when an RIA should be conducted. There is no formal rule establishing when a full RIA must be produced and when a less detailed assessment is sufficient. If performed, RIAs are included as a separate section in the ad hoc reports commissioned from experts or broader committees, as well as in white papers and final bills. There is no central body within the government administration that quality-controls RIAs, although each department has issued guidelines on how RIAs should be conducted. Parliament may send back a policy proposal if it regards the attached RIA as unsatisfactory. This has occurred in a number of cases.

A complete RIA is required to list private parties and interests that will be affected. While it is not legally required, it is standard procedure for policy proposals to be sent for a public hearing. In principle, any private party may comment on the proposals.

In 2017, an additional legal requirement was introduced to ensure that consideration for the environment and society is accounted for during the

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preparation of plans and initiatives, as well as when deciding on what conditions those plans or initiatives may be implemented.

To systematically assess the impacts of new legislation on economic activity and enterprises, and to remove "unnecessary" regulations, a separate body, The Norwegian Better Regulation Council, was established in 2015. The Council is an arms-length oversight body issuing advisory statements on proposals for new regulation of the business sector at the stage of public consultation. The goal is to contribute to the reduction of the regulatory burden on businesses and achieve overall more efficient regulation.

Effective Sustainability Checks Score: 6 There is no formal requirement for sustainability checks in the Regulatory Impact Assessment (RIA) regime. Sustainability impact assessments, as defined by the OECD, should include all three dimensions of sustainability. Since the inclusion of considerations for both society and the environment in the Norwegian RIA regulation in 2017, one could argue that sustainability checks are being performed, even without an explicit formal requirement.

In practice, two indirect mechanisms strengthen the de facto sustainability assessments. First, all new policy initiatives must align with Norway's commitments to adopt EU policies, as laid out in Norway's EEA agreement with the EU. Second, new policies must not violate Norway's international commitments and obligations. This implies that sustainability assessments are being conducted, but not in a nationally standardized manner, nor are they systematically monitored.

Effective Ex Post Evaluation Score: 7 Evaluations are mandatory for government ministries and agencies in Norway. The government utilizes evaluations across most policy sectors and issue areas. Each ministry is responsible for evaluating policy results within its domain. Evaluations are conducted either by external experts or internal ministerial review bodies. Sometimes evaluations are intended to measure the effect of reforms, although more frequently, they serve as a starting point for future reform processes. There is broad support for evidence-based policymaking, and the results of policy evaluations tend to attract considerable attention. Research indicates that the volume of evaluations has decreased over the last decade and a half, and that evaluations are increasingly performed by consultants rather than research institutes. A possible consequence may be that information relevant to policymaking is less publicly available than before.

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Sustainable Policymaking

I. Economic Sustainability

Circular Economy

Circular Economy Policy Efforts and Commitment Score: 6 The 2021 Norwegian Circular Economy Strategy identifies seven central value chains: electronics/ICT, batteries and vehicles, packaging, textiles, plastics, construction, and food, mirroring EU initiatives. The current government has signaled a new national strategy, but this has not materialized as of December 2023. Generally, the current government uses the term "the green transition" rather than the circular economy.

Several sectoral strategies have been developed by interest associations and various coordinating networks, sometimes involving representatives from public sector authorities, such as Statistics Norway and the Environmental Agency. The most important driver for regulatory change regarding the circular economy in Norway is the EEA agreement, which integrates Norway into the internal market. Most legislative changes related to the Commission's Circular Economy Action Plan are likely relevant to the EEA, making all related regulations applicable to Norway. The formal Norwegian reactions to proposed policy changes have been mostly positive.

There are binding legislated targets for material recycling in household waste: for organic waste, 55% by 2025, increasing to 70% by 2035; and for plastics that can be materially recycled, 50% by 2028, increasing to 70% by 2035. The Tax Reform Commission (Skattelovutvalget) of 2022 mentioned tax reform for a circular economy, but as of December 2023, this has not produced any observable consequences.

The EU Court of Auditors Special Report 17/2023 concludes that achieving circularity targets in EU member states will be challenging given the current pace of transition. This is likely also true for Norway, which starts from a very low level of circularity in its economy.

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Viable Critical Infrastructure

Policy Efforts and Commitment to a Resilient Critical Infrastructure Score: 6 Key infrastructures in Norway include transport (roads, ferries, harbors and rail), energy (hydropower stations with dams, generators and grid), and protection against natural disasters (landslides, avalanches and flooding). In recent years, reliable digital infrastructure and cybersecurity have been added to the list.

Norway has no central ministry or administrative body with national responsibility for maintaining and developing infrastructure, and thus, no overarching national plan for infrastructure modernization. Responsibilities are sectoral, often split among national, regional, and local agencies. This fragmentation, along with a lack of investment and modernization in many areas, has been acknowledged as a challenge.

The Total Preparedness Commission's comprehensive situation analysis from June 2023 proposed a radical change and centralization of all aspects of the security and safety of the population. The title of the report is telling: Now it is serious – Prepared for an insecure future.

To understand Norwegian politics regarding infrastructure investment, two factors are important: The first is the long tradition of Keynesian-inspired economic thinking that public expenditures in infrastructure are key instruments in countercyclical policies. When growth and employment are high and market-driven, public investments should be low and vice versa. The second factor is the tension between the economic interests and needs in urban and rural areas and between national regions. Any ruling government coalition needs the support of center and agrarian parties, whose bases are outside the central regions. The combined effect of these two factors is too low an investment in infrastructure in the central regions, where it is most needed, and often too high investments in remote areas. The low degree of maintenance of critical infrastructure over decades has resulted in a maintenance backlog that will cost substantial sums (estimates from 2021 are at NOK 3.2 trillion) to clear.

Several investment plans exist within different line ministries and sectors, but not all are binding. The most comprehensive and binding plan is the National Transport Plan (NTP). This plan covers a 12-year period and is reviewed by parliament every four years. The overriding objective for the National Transport Plan 2022 – 2033 is an efficient, environmentally friendly, and safe transport system by 2050. A new plan for increased investments in the

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electricity grid was launched in April 2023. Private businesses have voiced the need for a national plan for digital infrastructure, which the government is currently working on.

In this field, the coordinating agency is the Norwegian Directorate for Civil Protection (DSB). The agency seeks to maintain an overview of vulnerabilities in Norwegian society. Its job is to ensure good preparedness and crisis management capacity throughout the Norwegian government, and it is the de jure coordinator among ministries in crises. However, its de facto status has not really been tested.

Decarbonized Energy System

Policy Efforts and Commitment to Achieving a Decarbonized Energy System by 2050 Score: 7 Norway's per capita electricity consumption is the highest in the world. Households overwhelmingly use electricity, including for cooking and heating, as there is no public residential gas infrastructure. Electricity consumption accounts for approximately half of total energy consumption, a figure that has remained relatively constant since 2010. Total final energy consumption has increased by 17.9% since 1990.

Electricity production in Norway is almost entirely (99%) hydro-based. Electricity dominates energy use in manufacturing, the household sector, and service industries, while petroleum products account for a large proportion of energy use in sectors that make heavy use of transport and machinery. District heating and natural gas account for only a small share of energy use, but this has been increasing in recent years. Consumption of district heating has risen, particularly in service industries and households, while there has been an increase in the use of gas in manufacturing industries and the transport sector. These energy carriers have been replacing fuel oil for heating and coal, coke, and heavier petroleum products in industrial processes.

The transport sector causes approximately one-third of Norwegian emissions to air. Other large emitters are the petroleum industry and other energy-intensive industries (approximately 25% each). While most of the petroleum industry and the energy-intensive industries (chemicals, steel, paper, mining) are covered by the EU ETS, most of the transport sector is not (the exceptions being aviation and marine transport, which will be included from 2024). The government makes a clear distinction between support and intervention in the non-ETS and the ETS sectors.

Norway has worked to reduce emissions in the transport system for 15 years. The first cross-party Climate Agreement from 2008 stipulated that increased

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transport needs from urbanization should be met through improved public transport, walking, and cycling. Zero-emission vehicles have been targeted by economic incentives, including zero toll, lower taxes, free parking, and the building of charging infrastructure in urban areas. As a result, more than 80% of newly registered personal cars were EVs as of 2023, and EVs constitute just under 25% of the total number of personal cars in 2023.

Despite this increase in zero-emission vehicles, emissions have not been reduced accordingly due to an increase in population and transport activity. The government's Green Book (Climate Status and Plan) from 2023 stipulates that emissions from road traffic will decrease by the required 40% (from 8.7 MtCO2e in 2022 to 5.4 MtCO2e in 2030) because of the continued increase in zero-emission vehicles, technological developments that will make zero-emission possible for heavier vehicles, and increased use of biofuel.

Discussion about reducing emissions from the petroleum sector primarily centers on using electricity for offshore installations. Currently, about half of these installations use electricity from the national grid. There are plans to extend this to another 10 projects by 2030, indicating a significant increase in electricity consumption by the petroleum sector.

Norwegian energy-intensive industry has been relatively successful in reducing emissions, achieving a 40% reduction in 2022 compared to 1990 levels. Future emission reductions, therefore, will require significant technical developments. Hydrogen is frequently mentioned as one possible solution to hard-to-abate sectors, but the technology is still underdeveloped.

Significant capital is allocated to support industry in their decarbonization efforts. Enova and Innovation Norway support projects for the development of new technology and production processes. One important part of the Norwegian decarbonization efforts is the decade-long support for CCS technology. This was touted as "Norway's moon landing" by then-Prime Minister Stoltenberg in 2009. Currently, there is one major project close to launch for carbon capture at Heidelberg Norcem's plant in Brevik and one at Celsio in Oslo. Moreover, Equinor is involved in the Longship project, providing a storage solution for captured CO2 in geological formations on the Norwegian continental shelf. Contracts have been signed with several countries for storage.

It is justified to conclude that Norwegian authorities are committed to decarbonizing the energy system, provided that this can happen without ending Norwegian oil and gas production, significantly reducing the

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> competitiveness of Norwegian industry, or inflicting too stringent restrictions on the population's need for mobility, which carries a very high political risk of popular revolt.

> The preferred policy instruments are primarily economic: the EU cap-andtrade system, support for technology development and innovation, and reform of taxes, duties, and levies to encourage consumption of low-emission alternatives where they exist.

Adaptive Labor Markets

Policies Targeting an Adaptive Labor Market Score: 9

Responsibility for full employment for all individuals with a willingness and capacity to work lies within the Norwegian Labor and Welfare Administration (NAV), which operates employment offices in all local authorities (Ministry of Labour and Social Inclusion, 2008). NAV also administers social security rights for the population and is responsible for all active labor market measures. Employment policies are guided by three objectives: full employment, high levels of job mobility and efficient assistance for individuals facing difficulties in obtaining or maintaining employment due to skill or health challenges.

For the past decade, welfare state employment policies have been quite successful. Total employment rates are high, the level of unemployment is low, and mobility rates are also high. On average, 15% of the workforce changes jobs every year. However, the number of vacant jobs has remained higher than the number of unemployed, indicating a structural skills gap. To help companies and workers manage short-term losses in demand for their products, there is a lay-off scheme that is partly employer-funded and partly state-funded, providing income security for employees. This program was extensively used during the pandemic in the 2020 – 2021 period.

Generally, responsibility for providing a workforce with the necessary skills for the economy lies within the state education system. However, a widespread shortage of key personnel in many occupations incentivizes companies to invest in lifelong learning programs and the skills upgrading of their employees. Furthermore, there are state incentives for the education system and universities to offer more programs and courses for older segments of the workforce.

Since 2001, Norway's social partners and public sector employers have maintained an Agreement on an Inclusive Labor Market, which is updated every three years. All parties have committed to reducing sickness absenteeism, increasing the participation of individuals with disabilities and/or

Policies Targeting an Inclusive Labor Market Score: 8

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low skills, and raising the average retirement age. The overall objective is to bolster the economic base for the welfare state by increasing labor force participation from all population segments and reducing dependencies on social security cash transfers.

Efforts to reduce temporary work absences have been largely successful in the private sector but not in the public sector. The average retirement age has increased from 64 to 66 years, while attempts to include more individuals with health or skills challenges have been less successful. The volume of active labor market measures, as an alternative to unemployment cash insurance, has remained relatively constant, providing training and supported employment to 70,000 - 80,000 people annually over the past decade.

In July 2023, a national program was introduced targeting individuals aged 16 - 30 who are not in education or work. These individuals are given the right to counseling and effective assistance to complete their education and secure a stable position in the labor market.

Policies Targeting Labor Market Risks Score: 9

The Norwegian welfare state protects individuals from four categories of labor market risks:

Unemployment: When one loses their job, a universal state-funded cash unemployment insurance system pays 60% of the former wage for up to 52 weeks for low-income groups and 104 weeks for higher-income groups.

Reduced working capacity: If one is unable to work due to health challenges, the National Social Insurance system provides sickness pay for up to 52 weeks if the health problems are temporary. If the health issues are permanent, a state-funded disability pension pays 66% of the former wage.

Work-family life squeeze: This occurs when one needs to balance work with caring for their own children or elderly, disabled parents. The system offers generous paid leave and job protection for parents. However, the rights to leave work to care for parents are limited.

Difficulty entering the job market: This risk affects individuals after education or immigration to Norway. There is no general scheme for economic support, only a needs-tested social assistance system at the local level. Various active labor market programs exist for different target groups, and some of these programs provide an attendance allowance.

The qualifying condition for benefits is based on employment, measured by income or time. Thus, rights and benefits are portable, not contingent on the

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employment contract with a particular employer or linked to union membership.

Sustainable Taxation

Policies Targeting Adequate Tax Revenue Score: 9 Taxes on income from work, payroll, and consumption (VAT) are generally high in Norway but are relatively similar to the OECD average. However, taxes on properties, financial assets, and company profits are modest.

A distinguishing trait of the Norwegian economy is that taxes on income and consumption constitute only half of the total public sector revenue. The other half comes from taxes on the extraction of natural resources (oil, gas) and from rent on global financial investments through the Government Pension Fund Global. Consequently, the traditional primary objective of a tax system – funding public expenditures – is relatively less important in Norway. Regarding macroeconomic policy governance, the state can vary its incomes and expenditures independently of domestic taxation levels. Therefore, issues related to incentive structures, economic behavior, and the rational use of resources are relatively more important in the design of the taxation system.

The collection of taxes is highly automated, as are tax declarations for employees. Tax evasion is considered a minor problem, and in general, the population accepts a high level of taxes. However, tax avoidance receives increasing attention both in the media and in national administration. The OAG reported in 2023 that the reporting of and control over wealth abroad, taxable in Norway, is suboptimal, resulting in substantial lost tax income.

Policies
Targeting Tax
Equity
Score: 8

Taxes on income from work are generally higher than taxes on financial assets, property, and profits. Since non-work income is the main source of wealth for the richest segments of the population, a separate wealth tax is implemented to ensure a just taxation system and collect taxes from the very wealthy. Unlike other taxes, the wealth tax is politically controversial. Critics argue that the strong growth in house prices extends the impact of the wealth tax to groups not originally targeted, as the value of homes is included in the tax calculation. In 2023, significant media attention focused on super-rich individuals who moved to countries with more favorable tax systems to protest the Norwegian wealth tax.

Distributional considerations (vertical equity) and a higher tax level for high-income earners (a progressive tax rate) have been central elements in the design of the work income tax system. Additionally, for low-income earners, the tax system is designed to avoid levying taxes on income below the poverty line, defined as 60% of the median income.

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Policies Aimed at Minimizing Compliance Costs Score: 8 The collection of taxes is fully automated and integrated with the collection of social security contributions. For most wage earners and the self-employed, the tax rules are perceived as relatively simple and easy to comply with. However, even though compliance is easy because of the high degree of automation, the rules themselves are complex, and the burden of proof largely falls on the taxpayer when automated reporting requires adjustment. This process remains very transparent, and it is easy to communicate with the Tax Administration in such cases.

Policies Aimed at Internalizing Negative and Positive Externalities Score: 9 Norway has a long tradition of using taxes and subsidies to influence the consumption of certain harmful commodities. Taxes on alcohol and tobacco are high, while a historical system of taxing luxury goods has been dismantled. As a policy instrument in the green transition, carbon taxes are being introduced for more product groups – particularly in sectors not covered by the EU ETS, such as waste incineration – and the government has signaled a gradual increase to NOK 2,000/tCO2e by 2030. A compensation system for industries at risk of carbon leakage continues to coexist. Incentivization of specific activities (for example, research and development) is generally done through direct support rather than through the tax system. However, the tax system has been actively used in combination with other economic incentives to introduce zero-emission vehicles, yielding effective impacts.

Sustainable Budgeting

Sustainable
Budgeting
Policies
Score: 9

The unique, solid finances of the state imply that the most important effort in the budgetary process is to keep expenditure pressures at bay. Two institutional mechanisms are important: The first is a rule of thumb labeled "the fiscal rule" (Handlingsregelen) that no more than 3% of the Government Pension Fund Global's value can be taken into the annual budget. This amount is roughly equal to the total welfare state health expenditures. The other mechanism is a rule that parliament, after the government has put forward its budget proposal in October, shall decide on the absolute total level of public expenditures for the following year before the bargaining over specific expenditures for different purposes begins.

Concrete proposals may be substantiated by reference to long-term plans as well as to the UN sustainability goals. The budget sets next year's priorities and does not, unless explicitly (and rarely) stated, allocate resources over several years. Since 2023, the national budget comprises a "Green Book" – an annual report on progress and future plans in relation to climate emissions reductions. The Green Book establishes emission targets for different sectors

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and outlines the government's action plans for individual sectors as well as for the economy as a whole.

The budget process is relatively transparent. The positions of the different parties are communicated to the general public, often through concrete alternative budgets. The budget must be approved by a parliamentary majority before the end of the calendar year.

Sustainability-oriented Research and Innovation

Research and Innovation Policy Score: 9 A long-term plan for research and higher education was adopted by parliament in 2019 and has since been updated twice. The current plan covers the period 2023 – 2032 (Kunnskapsdepartementet, 2022). It sets a goal of allocating 4% of GDP to research and development and defines three overarching objectives: improve national competitiveness and innovative capacity, ensure environmental, social and economic sustainability, and maintain high quality of and good accessibility to research and higher education.

Within these objectives, there are six thematic priorities for increased financing: relationships between oceans, marine environments, and food production; health and quality of life; climate and energy production; new technologies for a sustainable future; security issues and societal preparedness for crises; and interpersonal trust and social cohesion.

The plan and its priorities are clearly inspired by the European Union concept of "mission-driven" research and development. The message from the government toward research institutions and universities is clear: Within the academic freedoms granted by law, institutions are expected to direct their scientific and educational activities to enhance Norway's capacity to transform itself into an ecologically sustainable and still generous welfare society.

Stable Global Financial System

Global Financial Policies Score: 9 As a small country, Norway is not a major actor in international financial regulation. However, it is a notable player in financial markets because of its rapidly growing and large sovereign wealth fund – the Government Pension Fund Global (GPFG). In the field of institutional investors, it has contributed to setting standards for good financial and corporate governance. The GPFG itself has been a voice in international financial discussions and leads by demonstrating good practices. The Santiago principles have established procedures for increasing transparency related to sovereign wealth funds,

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which has undoubtedly constrained government action in similar areas. Norway is not formally a member of the International Forum of Sovereign Wealth Funds but fully supports its principles.

Norway is supportive of international efforts to combat corruption, tax evasion, and tax havens. The country has recently promoted initiatives such as the 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 and 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 sector remains robust and stable. This stability is partly due to the regulatory reforms introduced by the government.

Additionally, the fund has 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 achieving the Paris Agreement targets.

II. Social Sustainability

Sustainable Education System

Policies
Targeting Quality
Education
Score: 8

Education at all levels, up to Ph.D. studies at universities, is tax-financed and free in Norway. A state program of student loans and scholarships has existed since 1948. Combined with a generous, decentralized supply of educational institutions, this makes the Norwegian population among the most well-educated in the world. "Education for all" is a cornerstone of the Norwegian welfare state and an economic necessity for a small population to thrive in an advanced industrial society. Private schools and universities exist but are legally and financially integrated into the national system.

The needs for new and upgraded skills in the economy are regularly monitored, and there are strong incentives for colleges and universities to adapt to the skills required in the private sector and public services. Individual rights to education are limited to the 13-year-long basic education and a

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subsequent guarantee of work-related activity or adapted further training. While there are no legal rights to lifelong learning, most large enterprises have programs for continuously upgrading their workforce's skills.

The quality of higher education institutions has been regularly monitored by the independent Norwegian Agency for Quality Assurance in Education (NOKUT) since 2003. The latest White Paper on the education system, the "Utsynsmeldingen" from 2023, sets out four targets: ensuring competences for a productive and competitive economy, supporting the green transition, maintaining good welfare services throughout the country, and reducing exclusion from the workforce. These targets align comfortably with traditional national goals for the educational sector in Norway.

Policies Targeting Equitable Access to Education Score: 9 There is a significant social gradient in school results: Children, especially girls from well-educated upper-middle-class families, achieve the highest grades and thus have privileged access to the most popular higher education programs. This reproduction of social and economic inequalities is viewed by all political parties as a breach of the objective of equal right to education for all.

The first element in the education chain is preschool, for children aged 1 to 4. Since 2003, all children have had the right to attend preschool, and 95% of all children do so. Parents pay a co-payment, determined at the national level, which is currently NOK 2000 per month per child. Low-income families and parents in peripheral geographical areas pay less. There are regulatory requirements for the ratio of children to qualified teachers.

Primary school (for children aged 6 to 16) and secondary school (for three years, typically for children aged 16 to 19) are free and wholly funded through public budgets. Completion rates for secondary school are significantly lower than 100%, approximately 75% to 80%. Considerable resources have been deployed to increase completion rates, with limited success.

State universities are free, and 40% of women and 30% of men have attained a university-level education. At all levels, private alternatives exist. These are heavily regulated, tax-financed, and not allowed to generate profits for the owners.

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Sustainable Institutions Supporting Basic Human Needs

Policies
Targeting Equal
Access to
Essential Services
and Basic Income
Support
Score: 9

Norway does not have a legislated minimum wage. However, the combination of high employment levels and a universal system of income insurance for most social and economic risks ensures that no population segments systematically fall outside of a quite generous safety net. It is the obligation of the welfare state to provide decent housing for all and to ensure that all individuals have access to basic necessities. There is no official list of such necessities; rather, an informal norm operated by social services dictates that all individuals should be given a fair chance to participate in normal social and economic activities.

Policies
Targeting Quality
of Essential
Services and
Basic Income
Support
Score: 9

Norway has no official poverty line but operates with a definition of "problematic low income," defined as an income of less than 60% of the median income over three consecutive years. Income below this level may imply that the affected individual or family will need additional income to access the services, activities, and commodities that most other people have. Individuals and families in the problematic low-income category usually have access to the needs-based social assistance program. Economic support to low-income households is not earmarked for any specific goods; however, a separate means-tested program exists to help poor families with housing costs.

Sustainable Health System

Policies Targeting Health System Resilience Score: 7 Norway has universal health insurance covering the entire population for all health issues except dental care. The country is divided into four health regions, with hospitals organized as public enterprises financed by a combination of state grants, activity-related transfers, and patient co-payments. Primary care is the responsibility of the 357 local authorities. Ten percent of GDP is allocated to health services (2022 numbers). In general, the services are of high quality and accessible to everyone in need.

The aging population implies a need for better coordination of resources and responsibilities between local primary care services and specialized medical treatments in hospitals. Programs to implement new digital infrastructure for communication between different actors and administrative levels have been launched; however, they have failed to deliver expected results. Shortages of key personnel, particularly nurses and auxiliary staff, have fostered an interest in new technologies that may enable more efficient communication and allow patients to better manage their own health challenges. Innovation projects are ongoing, but so far, have not resulted in new general, cost-saving, and laborsaving practices.

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The Ministry of Health has long aimed to implement a modernized national system for recording and sharing patient information across different units in the health and social care sectors. However, this project has yet to deliver on its promise. A separate directorate for digitized health was established in 2016 and closed in 2023. No national information management system is forthcoming, and the various regional health enterprises have begun developing their own systems.

Policies Targeting High-Quality Healthcare Score: 9 Prospects of increasing demographic pressures on health services have intensified interest in preventive care and the relationships between behavior, lifestyles, and the demand for healthcare services. Local authorities are responsible for policy measures. No central government initiatives have been taken, except for a national program screening for some forms of cancer. In general, high-quality services are accessible throughout the country. Patients have the right to choose both their GP and hospital for treatment. Most people, however, choose to be treated at their nearby local hospital, even if this means waiting longer.

Policies Targeting Equitable Access To Healthcare Score: 7 Norway has universal health insurance, covering the entire population for all health issues except dental care. The country is divided into four health regions, with hospitals organized as public enterprises financed by a combination of state grants, activity-related transfers, and patient co-payments. Primary care is the responsibility of the 357 local authorities.

In 2022, 10% of GDP was allocated to health services. Generally, the services are of high quality and accessible to all in need throughout the country. Every citizen has their own GP. For 2024, the maximum patient co-payment is limited to NOK 3,165, which is so small that, in practice, no groups are excluded from the help they need.

There is a system of guarantees for treatment within a specified time limit for different conditions, but there are no formal sanctions if hospitals violate these norms. Social inequalities in health are significant and persistent. However, differences in social class lifestyles and behavior are more powerful explanations for these inequalities than differences in access to health services.

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Gender Equality

Policy Efforts and Commitment to Achieving Gender Equality Score: 9 Gender equality is pursued as a significant policy objective in all areas of public and private activity. There are no quantitative national policy goals, except for a legal requirement (effective 2023) stipulating that at least 40% of board members in all enterprises must be women. The first comprehensive law promoting gender equality was adopted in 1978 and was later revised and extended in 2016 to cover all forms of discrimination. A separate national institution, the Equality and Anti-Discrimination Ombud, oversees the implementation of the law and holds the legal authority to handle specific cases of discrimination.

The proportional representation of men and women in all societal arenas and activities is monitored through general statistical compilations and reports, although it is not the responsibility of any single national unit. While women are now quite well represented in politics and organizations, and increasingly so in business, the labor market and education system remain heavily gendered. Care work in the public sector – and the professional education leading to these occupations – is dominated by women, who typically occupy between 70% and 80% of both study places and jobs. Girls consistently achieve better grades in the school system, leading to high-prestige professions such as medicine, law, and psychology seeing the proportion of female workers increase to well over half. Universities regularly propose quotas for male students; however, there is currently no legal foundation for implementing such measures.

Strong Families

Family Policies Score: 9

Unpaid family care work is broadly associated with a traditional, subordinate role for women and stands in contrast to an official social and tax policy promoting female labor market participation. Economic benefits and tax incentives to sustain one-earner households have been abandoned and replaced with a generous system of child-related services and benefits for economically active parents. Full wage continuation is granted for 12 months of parental leave for a new child.

Ninety-five percent of children aged 1-5 attend preschool, and parents have a maximum of 20 days of paid leave in case of child sickness. If a child is chronically ill or disabled, more generous needs-tested schemes exist. Preschools are heavily subsidized, and there is a national maximum on parent co-payment.

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Gender equality objectives are reflected in the exclusive right for fathers to take four months of the parental leave period, and the right to stay at home with a sick child is equally distributed among parents. There is a universal, flat-rate child allowance paid per child until the age of 18. Single parents receive an allowance for an extra child. Rights to leave paid work to care for elderly parents are less developed and exist only as a needs-tested scheme administered by local authorities.

Sustainable Pension System

Policies Aimed at Old-Age Poverty Prevention Score: 9 Since 1956, Norway has provided a universal minimum pension to all individuals with little or no additional right to a work-related pension. In 2023 the level of the minimum pension for a one-person household was 60% of the median income of all those in full employment. This is largely sufficient to prevent poverty among many elderly.

However, minimum pensioners are constantly highlighted as a group with demanding financial living conditions, particularly for elderly individuals living alone. In general, if household expenditures on vital goods are extraordinarily high (e.g., heating in the winter, medicines), additional economic assistance can be received through a means-tested scheme.

Policies Targeting Intergenerational Equity Score: 9

The universal, tax-financed old-age pension system was radically reformed in 2011. The previous defined-benefit system was transformed to install a mechanism for adjusting pension rights in relation to increased life expectancy. This average increase in longevity results in a reduction in the pension received by those choosing to retire early. Consequently, future cohorts will need to work longer to receive the same generous level of pension as earlier cohorts. The economic incentives to work longer are strong.

The system remains a pay-as-you-go structure, where the younger, working population funds the pensions of the elderly. However, there are guarantees that if the elderly do not extend their working careers in line with increased longevity, pension levels will fall to avoid placing an undue burden on the younger workforce. This combination of intergenerational solidarity and a significant element of individual choice among the elderly is widely considered a fair system. It is economically sustainable and robust against a likely future increase in longevity.

However, for individuals with health challenges who cannot realistically choose between retirement and work, the system may produce socially unfair

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consequences. As a result, a new and separate disability pension has been introduced, paying roughly two-thirds of former income regardless of the number of years in employment.

Sustainable Inclusion of Migrants

Integration Policy Score: 8

Integration policy in Norway is relatively well-organized and well-funded. The key policy objective, which is legislated, is to ensure access to training, education, and employment for immigrants to prevent dependence on social security benefits. Rules for applying for citizenship vary depending on the migrant's country of origin. Despite comprehensive measures, non-Western immigrants experience higher unemployment rates, lower pay, and lower job security than native Norwegians and Western immigrants. There are complaints of discrimination in the labor and housing markets as well as in daily life. Nonetheless, Norway has been more successful than many other OECD countries in integrating immigrants into the labor market.

There is a tension between pursuing a policy of multiculturalism and respect for ethnic differences and the belief in strict principles of equal treatment, which, according to critics, can easily become a hidden pressure for assimilation. Opinions also differ on whether immigrants with a non-Western refugee background should be treated differently from European immigrants who legally seek employment within the common European labor market.

Integration policies include 300 hours of free language training for immigrants and additional resources for schools with a high share of immigrant children. The central government compensates local authorities for their integration costs over five years if they agree to receive and integrate immigrants with a refugee background. Some of these resources are devoted to preserving cultural identity and providing classes for children in their mother tongue. Applicants for citizenship must have lived in the country for at least eight out of the last 11 years (six years if their income is above a certain threshold, seven of the last ten years for asylum-seekers, but two years are sufficient for citizens of other Nordic countries). Immigrants with permanent residence status are entitled to vote in local, but not national, elections. Family reunification is a right for those able to verifiably demonstrate capacity for self-sufficiency. Political parties and other civil society organizations actively recruit individuals with immigrant backgrounds for key positions. There are no national target values for integration policies. Public attitudes toward immigration are monitored regularly. In the latest published study in March 2022, 53% of the population regarded immigration as positive for Norway, up 10 percentage points from 2021.

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Effective Capacity-Building for Global Poverty Reduction

Management of Development Cooperation by Partner Country Score: 9 Norway is a leading contributor to bilateral and multilateral development cooperation activities, as well as to international agencies focused on development issues. As a policy objective, Norway aims to allocate 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 its policies by increasing spending and promoting specific initiatives, such as education for women, global health, combating deforestation, and sustainable development of oceans. Norway's international aid activities aim to combat poverty and improve women's ability to participate fully in the economy.

In general, Norway favors global free trade arrangements, yet maintains a high level of protectionism with respect to importing cultural products. However, the 30 least developed countries have free export access to the Norwegian market, and imports from these countries have risen.

Monitoring the capacity-building in recipient countries has become systematic, with four objectives: 1) evaluate the results achieved in relation to specified goals and plans; 2) assess whether resource use aligns with the results achieved; 3) systematize lessons learned to ensure the quality of future projects and improve outcomes through effective learning processes; and 4) provide information to authorities and the general public.

III. Environmental Sustainability

Effective Climate Action

Policy Efforts and Commitment to Achieving Climate Neutrality by 2050 Score: 7 The Norwegian Climate Act from 2017 states that Norway shall be a low-emission society by 2050 and that greenhouse gas emissions in 2030 shall be 55% lower than in 1990. The national climate targets shall be achieved in cooperation with the European Union. Norway is part of the EU Emissions Trading System, and national targets are therefore set for non-ETS sectors (transport, agriculture, waste, and other).

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The Norwegian CO2 tax, first introduced in 1991, will gradually increase to NOK 2,000/tco2e.

The Climate Act mandates an annual update from the government to parliament, including a national plan and sectoral plans for emission reductions. Additionally, there are specific emission reduction plans for various sectors. For instance, in the transport sector, central policy instruments are electrification and increased use of biofuel.

Norway is an early adopter of electric vehicles (EVs). In 2022, more than 80% of new passenger cars were electric, constituting 21% of the total number of vehicles. Electrification of larger vehicles has progressed more slowly but is beginning to gain momentum. In 2022, 4% of vans were electric.

For the energy sector, CCS remains a central part of the solution.

Norway has had a Climate Act since 2017, which legislates that Norway shall be a "low-emission society" by 2050. "Low-emission society" means that national emissions shall be consistent with the target in the Paris Agreement. The target is for emissions to be 90% - 95% lower in 2050 than in 1990.

The Climate Act mandates that emissions in 2030 be 55% lower than in 1990. Norway will fulfill its climate policy in cooperation with the EU. Approximately half of Norwegian emissions are covered by the EU ETS. For emissions reduction in the remaining sectors, mainly transport, construction, waste, and agriculture/forestry, the Effort Sharing Regulation and the LULUCF Regulation are included in the EEA agreement, giving Norway binding targets for national non-ETS emissions until 2030.

The polluter-pays principle remains a cornerstone of Norwegian climate strategy, with carbon taxes and the EU ETS placing a price on emissions across various sectors. The government has expressed its ambition to gradually and linearly increase the CO2 levy to NOK 2,000 per metric ton by 2030. This general levy covers most non-ETS emissions, with a few exceptions such as fisheries and greenhouses, which pay a lower levy. The petroleum sector is also included under this general levy.

The Climate Act requires the government to report annually on progress and future plans. This "Green Book" contains sector-specific targets for various sectors: transport, agriculture, waste and f-gases, industry and energy production, petroleum, and forestry and area use.

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The transport sector, which constitutes the largest portion of non-ETS emissions, has well-developed action plans. Goals include halving emissions from both land-based and marine (domestic) transport by 2030, relative to 2005 levels. Although these goals have been discussed by parliament, they have not yet been formally adopted. Targets include the transition to zero-emission vehicles – all new small cars should be zero-emission by 2025, and larger vehicles/lorries by 2030 – and an increase in biofuel usage from the current 13% to up to 32% by 2030. Additionally, policies aim to reduce the need for transport through area planning and urbanization, and shift transport to less polluting forms by improving public transport. Decisions on public transport improvements often reside with local authorities; the government plans to support schemes and pilot projects for "urban development" (byvekstavtaler).

For the agriculture sector, the action plan includes a "letter of intent" (intensjonsavtale) between the government and the "agriculture organizations."

The track record of Norwegian climate policies shows that, despite being a front-runner internationally with CO2 taxes in the 1990s and a strong advocate for international agreements, Norwegian emissions have not significantly reduced since 1990. While the carbon intensity of the economy has declined, increased consumption in goods, transport, and other services has resulted in emissions being only 4.6% lower in 2022 than in 1990. The cornerstone of the national policy has always been to work for a global price on emissions. With the CBD agreement from 2023, there has been increased focus on nature protection; however, Norway is far from the goal of protecting 30% of representative areas, currently at 17.4%.

The Law on Public Procurement of 2017 requires public procurers to use climate and environmental criteria "where relevant." Five years after the law was adopted, the resulting contribution to a green shift was unimpressive, according to the Office of the Auditor General. Therefore, the government introduced a regulatory change to require weighing climate and environmental criteria at a minimum of 30% in all procurements, effective January 1, 2024. Examples of effective green public procurement can be found in Norway, such as the procurement of ferry services and emission-free construction sites. In 2014, parliament required the government to mandate zero-emission technology for all national ferry services. Similarly, the Oslo municipality first demanded fossil-free, then emission-free operations for construction sites. These ambitious tenders have facilitated technological development through market dialogue between procurers and bidders, while also creating risk-reducing conditions for progressive suppliers.

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The Oslo example has been challenged in courts, but there are now plans to legislate so that all municipalities have the right to make similar demands. The Anskaffelsesutvalget published its first report in November 2023 and proposed to change the act's mission statement to incorporate sustainability into its purpose. They also suggested using the terminology "green transition" to emphasize public procurers' role in transforming the economy.

There are very few cases of climate litigation brought before courts in Norway. Two environmental NGOs, Greenpeace and Natur og Ungdom, initiated a case against the state in 2016, claiming that granting petroleum licenses in the North Sea was unconstitutional, particularly breaching Para 112. The supreme court issued its final verdict in 2020, ruling in favor of the state. The NGOs launched a second court case in the autumn of 2023, with a ruling expected from Oslo County Court in January 2024.

Effective Environmental Health Protection

Policy Efforts and Commitment to Minimizing Environmental Health Risks Score: 8 Norway has a long tradition of environmental regulation to protect the public from environmental health risks. Current legislation aligns with EU regulations through the EEA agreement. Norway is also a signatory to international agreements such as the Stockholm Convention on Persistent Organic Pollutants, the Basel Convention on Hazardous Wastes, and the Minamata Convention on Mercury. International cooperation is crucial for Norwegian policies on protecting against environmental health risks.

Central EU directives, such as the Industrial Emissions Directive (IED) and the Directive on Urban Wastewater Treatment, are undergoing revision, and these processes are being closely monitored. Proposed revisions to the IED by the EU will necessitate changes in Norwegian regulations but not legislation. In contrast, the proposed revisions to the Directive on Urban Wastewater Treatment could have more significant implications for Norway due to its long coastline and cold climate. The rapid pace and volume of regulatory changes in the EU may explain why Norwegian authorities seem to be undertaking few independent initiatives. Ensuring compliance with revised EU legislation will be challenging, requiring better data, improved coordination among governance levels in Norway, and potentially a redefinition of responsibilities among different governance levels.

A government White Paper (Meld.St. 14-2015-16), titled "Natur for livet," set out an action plan for preserving biodiversity. Binding actions include a 10% target for the protection of forests, the protection of "representative" marine areas, and the regular revision of ecosystem-based marine management plans. As of 2023, the target for forest protection has not been reached.

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An Action Plan for Non-Toxic Lives (from 2021) emphasizes Norway's active involvement in international forums to reduce pollution and ban toxic materials. Prioritized policy areas include improving factual knowledge through monitoring and research, enhancing international cooperation to ban several materials (explicitly mentioning PFAS), and emphasizing that the strategy is nonbinding. The Norwegian Environmental Agency and Norwegian municipalities are working to stay abreast of regulatory developments in the EU, which will become binding.

The risk of premature death from air pollution is relatively low in Norway, but air quality leads to serious health problems in some urban areas. Attention to this issue increased significantly after Norway lost in the EFTA Court in 2015 for breaching the air quality directive. National targets for air quality are currently under revision to reflect stricter targets from the WHO. Both national and local authorities are engaged in improving air quality. Existing targets were missed by between 17% and 26% in 2022.

Municipalities bear primary responsibility for implementing air quality policies. The Norwegian Environment Agency (NEA) coordinates stakeholders and disseminates knowledge. Alongside the Norwegian Institute for Public Health, the NEA monitors status and progress. Municipalities have increasingly engaged in improving local air quality.

The quality of biodiversity in freshwater is generally good, although approximately 25% of rivers and lakes are in less-than-good condition. Much of the country consists of forests and mountains, which benefit water quality. However, in regions with higher population density and/or agricultural activities, water conditions are worse. A 2022 report on lake eutrophication concluded that trends are heading in the wrong direction (Solheim A.L. et al., 2022). Similar to much of Europe, biodiversity in Norway's water bodies has plateaued since 2010.

An assessment of the ecological condition of three marine ecosystems conducted in 2023 concluded that two out of the three ecosystems are substantially impacted by human pressures. Management plans exist for all areas.

There are strict limits on the release of environmental contaminants from various industries in Norway, including those on land, the offshore oil and gas industry, aquaculture, wastewater treatment, and other sectors. Over the past 15–20 years, releases from these sources have been significantly reduced. However, there are sites in Norway where the soil and sediment are heavily

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polluted. High levels of environmental contaminants at these sites, if released into water, can cause toxic effects in the aquatic environment. Information about known polluted soils is publicly accessible through the NEA, which enhances transparency.

The NEA develops action plans for several problem areas or ecosystems, such as plastics, chemicals, air quality, and noise. There is a "priority list" for dangerous chemicals that is updated regularly. The requirements from the EU Zero Pollution Action Plan and ensuing legislation are being implemented within the appropriate national regulatory framework. This may partly explain the authorities' tardiness in presenting national updates and follow-up reports for the EU action plan.

Effective Ecosystem and Biodiversity Preservation

Policy Efforts and Commitment to Preserving Ecosystems and Protecting Biodiversity Score: 7

Norwegian governments have presented several action plans for biodiversity, most recently in 2015. The Natural Diversity Act, introduced in 2009, is a crucial cornerstone for biodiversity work and ecosystem protection and is legally binding. The act has been evaluated multiple times, with conclusions indicating that it has not caused the deterioration of ecosystems but has not significantly improved them either.

The Kunming-Montreal framework establishes a 30% target for preservation areas. The former target of 15% preservation by 2020 was not reached until two years later, in 2022. With the 2023 CBD agreement, there has been an increased focus on nature protection, but Norway is still far from the goal of protecting 30% of representative areas, currently at 17.4%. While the 30% target is challenging, processes are underway to preserve an additional 600 square kilometers of "valuable nature," representing a diverse set of nature types in addition to marine areas and forests, which have separate preservation targets. So far, this has resulted in the creation of one new preservation area of 70 square kilometers.

Norway has 24 environmental and climate goals, three of which explicitly target "well-functioning ecosystems," while another three focus on polar regions and Svalbard. There are action plans for a variety of ecosystems, species, and geographical areas. The Norwegian Environmental Agency (NEA) monitors 22 indicators for "well-functioning ecosystems" and 14 additional indicators for the polar regions.

The Kunming-Montreal framework requires parties to present new and updated action plans in 2024. The Norwegian government is planning a White

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Paper for 2024, based on an extensive process with input from stakeholders. The NEA is also working on establishing systems for ecosystem accounting based on the UN SEEA, with a first version envisioned to appear in 2026.

Responsibility for implementing biodiversity preservation is shared between municipalities, which have primary responsibility for area planning, and national agencies, with the NEA being central among them. Norway's tradition of local autonomy and its more than 350 municipalities – half of which have fewer than 5,000 inhabitants - challenge the effective implementation of harmonized and universal standards for environmental protection. The regulatory framework is occasionally conflicting, and this, coupled with lacking or low-quality datasets for local conditions, results in a fragmented structure where public administrative processes can yield widely different results in various geographical locations. This problem is not specific to Norway. Methodologies for ecosystem accounting are under development, and implementing a common global standard will necessarily take time. While improvements are expected over time, evaluations from a decade and a half of specific legislation for biodiversity and ecosystems suggest that Norway's fragmented politico-administrative system may not be sufficiently equipped to ensure very high-quality preservation of ecosystems and biodiversity.

Effective Contributions to Global Environmental Protection

Policy Efforts and Commitment to a Global Environmental Policy Score: 10 Norwegian governments are highly supportive of international initiatives to address global challenges such as the climate and nature crises. The Ministry of Climate and the Environment is responsible for negotiating, implementing, and following up on international climate and environmental conventions. Norway is a key driving force in international negotiations, such as those under the Paris Agreement for climate and the Convention on Biological Diversity for biodiversity. It actively participates in global efforts to reduce emissions of short-lived climate pollutants through organizations like the Climate and Clean Air Coalition and the Arctic Council.

Norway engages in multilateral work for sustainable development, including initiatives such as the UN Partnership for Action on Green Economy and the Global Green Growth Institute, for which it was a founding member. Norway is a significant supporter and donor to international climate initiatives, with the Climate and Forest Initiative (NICFI) being the most important and longest-running program under UN REDD+. Norway is also a key donor to the Green Climate Fund and the Global Environment Facility, and it contributed to the establishment of the "&Green" fund, which aims to attract risk-taking capital to strengthen investment in sustainable supply chains. Additionally, Norway

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contributes to multinational development banks and has established bilateral cooperation agreements with environmental authorities in China, India, and South Africa. Priority topics for bilateral cooperation include nature, climate and environmental toxins, marine litter, and the sea. These projects, mostly aimed at administrative cooperation, involve the Norwegian Environment Agency as an important partner and are primarily financed by the Ministry of Foreign Affairs.

Norway works to ensure that international trade regulations in the World Trade Organization (WTO) and its other free trade agreements promote green growth and support climate and environmental considerations. The government closely follows regulatory developments in the EU. Through the EEA agreement, the framework for sustainable finance, which ensures the financial industry contributes to the transition to a low-emission society and mitigates climate change, environmental, and social problems, will also apply to Norwegian actors.

As the home country of Gro Harlem Brundtland, who famously chaired the UN-appointed World Commission on Environment and Development in the 1980s, Norway has a long-standing tradition as an international champion of sustainable development. Over the past decades, various governments have sought to maintain this role. In this spirit, the current government also aims to be an important driving force for international efforts to mitigate and adapt to climate change, protect nature, and preserve biodiversity.

The political rationale for this approach begins with the observation that Norway is a relatively small and very open natural resource-based economy with a high reliance on global markets and international trade. Binding international agreements serve as protection against free-rider problems, making capital allocation to support and advance international regulatory frameworks highly legitimate. Additionally, Norway is a "lower-carbon economy than many others" (IEA, 2017: 38). As a result, domestic carbon emission cuts are relatively costly, making mitigation efforts abroad financially more attractive. Norway channels its resources through a broad and multifaceted set of agencies. In addition to Norfund (the government's investment fund for business in developing countries) and Norad (the directorate for overseas development assistance) – both crucial channels for financial capital – specialists in various fields provide expert knowledge.

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Address | Contact

Bertelsmann Stiftung

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

Dr. Christof Schiller

Phone +49 30 275788-138 christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann

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

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