

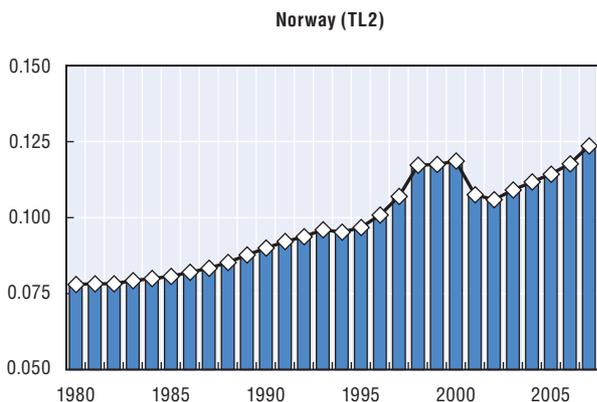
Norway

Population and territory	<ul style="list-style-type: none"> ● 4.7 million inhabitants, 304 281 km².
Administrative structure	<ul style="list-style-type: none"> ● Unitary country (constitutional monarchy). ● Two-tiered sub-national system: <ul style="list-style-type: none"> ❖ TL2: 7 <i>Landsdelen</i>. ❖ TL3: 19 <i>Fylker</i>, among which one predominantly urban region (Oslo og Akershus, 12% of total population, +0.9 pp over the past 18 years), 5 intermediate regions (40%, +2.1 pp) and 13 predominantly rural regions (49%). ❖ 434 municipalities (<i>kommuner</i>).
Share of sub-national government in total spending/revenues	<ul style="list-style-type: none"> ● Spending: 32.6% (2009). ● Revenues: 15.1% (2009).
Concentration and inequalities	<ul style="list-style-type: none"> ● Norway's economy is approximately 30% more concentrated than OECD average. Almost one fourth (22%) of Norway's GDP is produced in only one (Oslo) of its 19 TL3 regions. ● Inequality in GDP per capita among TL2 regions increased from 1980 to 2007. From the early 1980s to the early 2000s inequality increased steadily each year except from 1993 to 1994. Starting from 2000, inequality declined for two years and since 2003 it has been increasing again. ● Norway's increase in inequality is driven by Oslo og Akershus's strong economic performance, increasing its lead relative to other TL2 regions, and the falling behind of Agder og Rogaland, Sør-Østlandet and Nord-Norge. ● Over the past decade, Oslo og Akershus's GDP per capita grew faster (2.5%) than the national average (2.3%), increasing its level of GDP per capita further above the national average. Over the period 1980 to 2007, Oslo og Akershus's GDP per capita increased from 7% above the national average to 55%. ● The underperformance of Sør-Østlandet, Nord-Norge and Agder og Rogaland, recording the lowest (1.48%), second lowest (1.94%) and third lowest (2.22%) GDP per capita growth rates over the period 1995-2005, has pushed their GDP per capita levels below national standards. In 1980, Agder og Rogaland and Sør-Østlandet displayed above average GDP per capita levels (18% and 3% respectively) and 27 years later they fell below national average by 14% and 19% respectively. Nord-Norge's GDP per capita lagged only by 2% and in 2007 it declined to 26% below the national average. ● Despite the underperformance of Agder og Rogaland and Sør-Østlandet, their combined contribution to Norway's overall GDP growth over the period 1995 to 2005 exceeded one fifth (26%). The main drivers of national growth during this period are led by Oslo og Akershus (39%) and Vestlandet (17%).
Key challenges	<ul style="list-style-type: none"> ● Sparse population across much of the country. ● Population decrease in rural/peripheral areas. ● Accessibility: long distances, difficult topography, and weather exposed transport; lack of proximity to larger labour markets and services in peripheral areas. ● Mono-sector economic structure in many areas. ● Tax revenue disparities and cost differences in public service provision across municipalities and counties.
Objectives of regional policy	<ul style="list-style-type: none"> ● Ensure a real, independent choice in where to live. ● Provide equal living conditions across the country. ● Develop regional strengths and utilise the potential of all parts of the country. ● Maintain the main features of the settlement pattern (territorial structure).
Legal/institutional framework for regional policy ¹	<ul style="list-style-type: none"> ● 2009 White Paper on regional policy (every four years). ● White Papers on transport, innovation, agriculture, etc.; action plans on female entrepreneurship; entrepreneurship in education, etc. ● Annual budgets and guidelines. ● Planning and Building Act (1985, recently revised), Local Government Act (1992), and sectoral legislations, rules and regulations. ● Regional plans and strategies.
Urban policy framework	<ul style="list-style-type: none"> ● 2007 White Paper on the Capital Region (Oslo). ● 2003 White Paper on greater cities in Norway (six cities).
Rural policy framework ²	<ul style="list-style-type: none"> ● 2009 White Paper on regional policy (every four years). ● Part of agricultural and transport policy.
Major regional policy tools	<ul style="list-style-type: none"> ● Broad regional policy (<i>e.g.</i> accessibility, public service provision). ● Priority of rural/peripheral areas in transport, broadband, higher education, agriculture, etc. ● Action zone in North Troms and Finnmark (various measures). ● Block grant/General Purpose (redistribution) Grant Scheme. ● Extra grants to small/peripheral municipalities and to North Norway counties, municipalities and Namdalen. ● State localisation policy. ● Narrow regional/rural development policy (entrepreneurship, innovation, competence, networks, place of attractiveness, etc.). ● Geographically differentiated social security tax (the most important instrument). ● Geographically differentiated state regional development grants to counties. ● State schemes and programmes like Norwegian Centres of Expertise and capacity building at regional and local level (recently launched). ● Norwegian Centre for Rural Development (since 2008).
Policy co-ordination at central level	<ul style="list-style-type: none"> ● Co-ordination of regional and rural policy by the Ministry of Local Government and Regional Development. ● Cabinet sub-committee on rural and regional policy. ● Inter-ministerial collaboration, working groups, hearings, etc.
Multi-level governance between national and sub-national levels	<ul style="list-style-type: none"> ● Ministry of Local Government and Regional Development's consultation body with the municipal sector. ● Government's annual contact conference with the counties. ● Ministry's participation in meetings with county heads of regional development, of industrial development, etc. ● Innovation Norway's (national agency at regional level) participation in regional partnerships. ● A number of sectoral meeting points between the national and the regional levels, for example on national transport plans, regional research, agriculture, etc.
Policy co-ordination at regional level (cross-sectoral)	<ul style="list-style-type: none"> ● Regional plans and strategies. ● Regional partnerships.

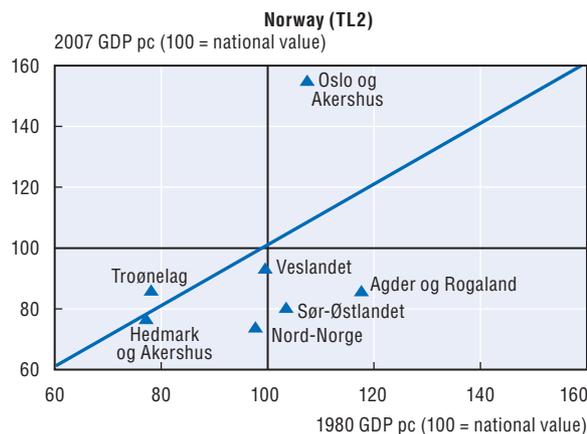
Policy co-ordination at regional level (geographic)	<ul style="list-style-type: none"> Regional plans and strategies. Inter-municipal and inter-county co-operative bodies.
Evaluation and monitoring	<ul style="list-style-type: none"> Regular on-going and <i>ex post</i> evaluations of all main measures and bodies. Annual reports from state implementation bodies and counties on inputs, activities and results. KOSTRA information system/database for municipalities and counties.
Future orientations of regional policy	<ul style="list-style-type: none"> Implementation of regional decentralisation reform.

- In all EU member countries, the National Strategic Reference Framework (NSRF) required by Cohesion Policy is also part of the legal/institutional framework.
- In all EU member countries, the National Strategic Plan (NSP) (and the regional Rural Development Plans [RDPs] in federalised and strongly regionalised countries) is a basic rural policy document required by EU Rural Development Programmes. Each member country has the choice of either submitting a single NSP for its entire territory or of breaking down its territory into regions and submitting a set of regional RDPs.

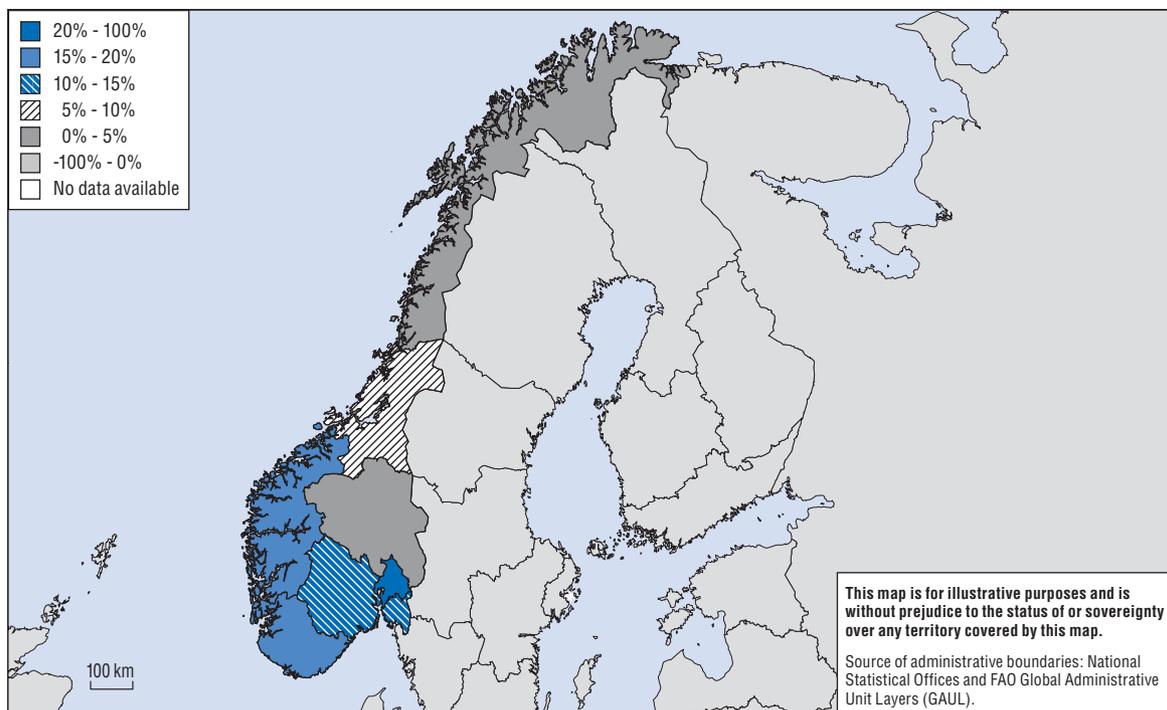
Gini index of inequality of GDP per capita across TL2 regions, 1980-2007



Regional performance in GDP per capita over time, 1980 and 2007



Regional contribution (%) to national GDP growth, 1995-2007



Source: Calculations based on Cambridge Econometrics and OECD Regional Database (2009).

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