

LEGISLATURE: Storting (modified unicameral)

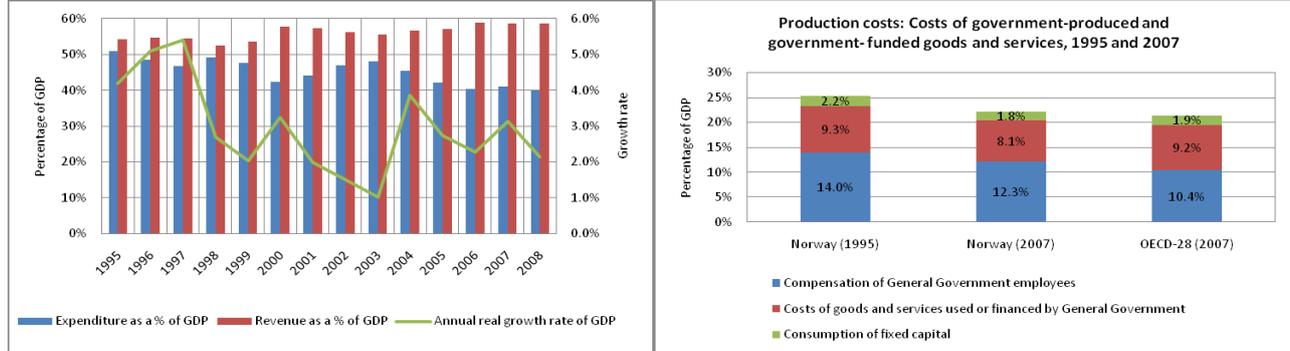
- Upper house: none
- Lower house: elected using Proportional Representation

SYSTEM OF GOVERNMENT: Parliamentary

- No. of ministries: 18 (2008)
- No. of ministers: 19 (2008)

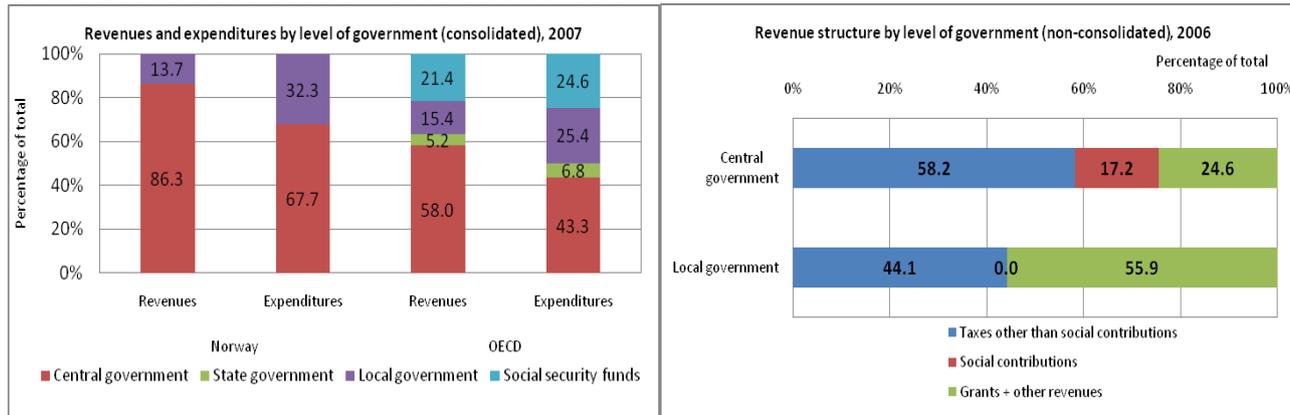
STATE STRUCTURE: Unitary

In Norway, revenues have hovered between 55% and 60% of GDP since 2000, driven by strong sales of oil resources. Over this same time period, expenditures have decreased as a share of GDP, falling to about 41% of GDP in 2008 from a high of 51% of GDP in 1995, in part due to strong GDP growth over this period. This is unique among OECD countries. Total production costs as a share of GDP decreased between 1995 and 2007, although the relative portion of goods produced by the private sector remained the same.



Source: OECD National Accounts and Economic Outlook. [Revenues] [Expenditures] [Production costs]

The Norwegian central government plays a larger role in collecting revenues and in expenditures than in most other OECD countries. Almost 90% of total revenues are collected at the central government level, although this includes social security funds. While local governments have a smaller than average share of total revenues collections, they comprise a much larger share of total expenditures than most other OECD countries. In addition, local governments raise a fairly significant amount (44%) of their own revenues from taxes. As a result of its oil assets, Norway is one of the few OECD countries with significant revenues from non-tax sources at the central government level. Oil revenues are transferred to the Government Pension Fund – Global.



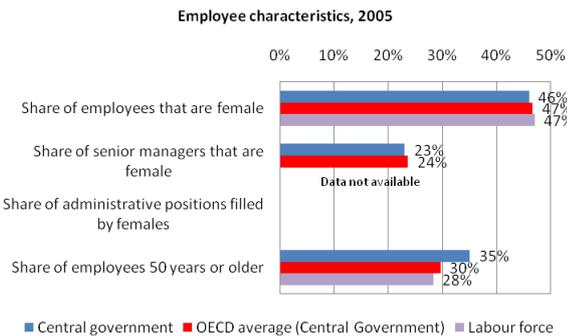
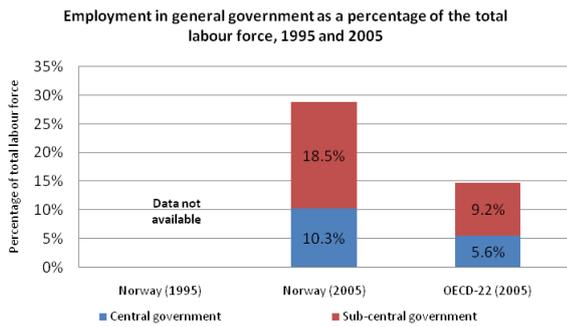
Source: OECD National Accounts [Revenues] [Expenditures]

Compared to the OECD average, Norway spends a smaller share of resources on general public services and economic affairs, and a larger share of resources on health and social security. Health, education and social affairs comprise a large portion of local government expenditures, whereas a large portion of central government expenditures are for social protection since it includes social security funds.

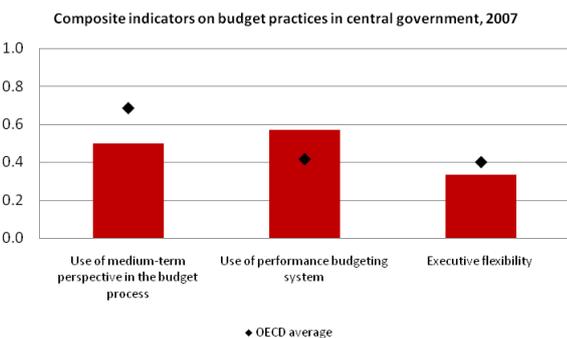
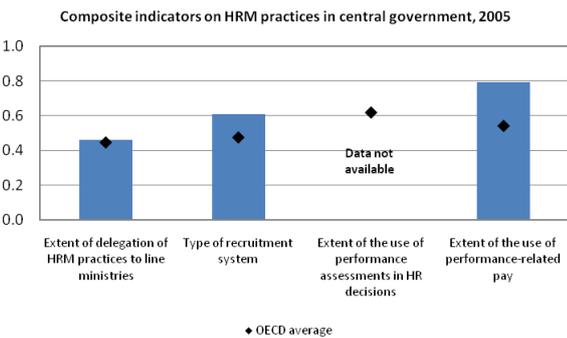
Expenditure structure by function of government (non-consolidated), 2006	Norway (2005)			OECD-26	EU-19
	Central government	Local government	General government	General government	General government
General public services	17.3%	8.8%	9.4%	13.8%	13.9%
Defence	4.6%	0.0%	3.7%	3.4%	3%
Public order and safety	2.6%	1.1%	2.4%	3.8%	3.7%
Economic affairs	9.8%	5.8%	8.9%	10.6%	10.1%
Environment protection	0.3%	3.7%	1.4%	1.7%	1.5%
Housing and community amenities	0.2%	4.4%	1.5%	2%	1.9%
Health	16.4%	16.0%	17.2%	15.1%	14.1%
Recreation, culture and religion	1.3%	5.4%	2.6%	2.6%	2.5%
Education	6.2%	29.7%	13.9%	12.9%	11.6%
Social protection	41.2%	25.1%	38.9%	34.2%	37.7%

Source: OECD National Accounts [General government] [Central, state and local]

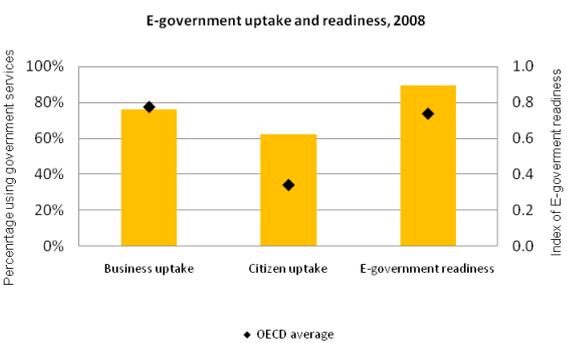
GOVERNMENT EMPLOYMENT: SIZE AND CHARACTERISTICS



COMPOSITE INDICATORS: PUBLIC MANAGEMENT PRACTICES



E-GOVERNMENT



Government employment in Norway is decentralised, with almost two-thirds of staff employed at the local government level. However, this is already the result of a relative recentralization of staff, a unique phenomenon among OECD countries. The share of general government employment in the total labour force is the highest among OECD countries, double the OECD average of 14%.

Source: *OECD Comparison of Employment in the Public Domain Survey and Labour Force Survey*
[\[General government employment\]](#) [\[Distribution by level\]](#)

Female participation in central government workforce is very similar to their overall participation in the total workforce. Women represent close to one quarter of senior managers, very close to the OECD average. An ageing workforce is a challenge for the Norwegian central government, as employees 50 years and older are over-represented in government employment and their ratio exceeds the OECD average.

Source: *OECD Strategic HRM Survey and Labour Force Survey*
[\[Female participation\]](#) [\[Ageing\]](#)

HRM practices in the Norwegian central government are rather delegated to line departments and line managers. Norway also operates a primarily position-based recruitment system, where most jobs are open to both internal and external candidates. There is also a high use of performance-related pay compared to the OECD average. Norway is also characterised by a cadre of senior civil servants that are managed separately.

Source: *OECD Strategic HRM Survey*
[\[Delegation\]](#) [\[Recruitment\]](#) [\[Performance management\]](#)

The medium-term expenditure framework in Norway is not as comprehensive as it is in other countries. The budget documents contain three year rolling estimates which take into account expected budgetary consequences of demographic changes, investment programmes and new policy initiatives, although they are usually based on relatively mechanical extrapolations. Norway does not use multi-year targets or ceiling. Norway has developed a government-wide performance budgeting system. Performance targets are integrated into the budget process and are used when developing the executive's budget. Each ministry and each agency receives one lump sum appropriation wages and one for operating expenditures within which reallocations and carry-overs are possible with Ministry of Finance authorisation.

Source: *OECD International Budget Practices and Procedures Database*.
[\[Medium-term\]](#) [\[Performance budgeting\]](#) [\[Executive flexibility\]](#)
 OECD Journal on Budgeting: www.oecd.org/gov/budget/journal

Overall, Norway exhibits a high-degree of e-government readiness with a notably high use of e-government services by citizens – the highest among OECD countries. A large number of services are available on line and the Norwegian government has a relatively sophisticated online presence. Norway's efforts to become a leader in the use of ICT in government have been supported by a high level of Internet penetration in Norwegian society and a burgeoning Information Society.

Source: *United Nations E-Government Readiness Knowledge Base, Eurostat*.
[\[Readiness\]](#) [\[Uptake\]](#)
[\[OECD E-Government Publications\]](#)

INTEGRITY

Types of information central government decision makers are required to disclose and level of transparency, 2009

Requirements for disclosure	Prime Minister	Minister	Starting
Assets and liabilities	DP	DP	DP
Loans	D	D	D
Sources and level of income	DP	DP	DP
Outside positions	DP	DP	DP
Gifts	DP	DP	DP
Previous employment	DP	DP	DP

D= Disclosed; DP= Disclosed and publicly available; ND= Not disclosed; NA= Not applicable.

Compared to other OECD countries, Norway requires decision makers to publicly disclose a large amount of information on private interests. Notably, Norway has paid particular attention to post-public employment and issued specific guidelines for politicians. It is one of a growing number of countries to require decision makers to disclose information on previous employment and outside positions, which can help countries manage “revolving doors”, or the movement between the private and public sectors.

Source: OECD Survey on Integrity
[\[Disclosures\]](#)

REGULATORY MANAGEMENT

Requirements for Regulatory Impact Analysis (RIA) processes used by central governments

	2005	2008
Required for draft primary laws	Always	Always
Required for draft subordinate regulations	Always	Always
Required to quantify costs	Only for major regulation	Only for major regulation
Required to quantify benefits	In selected cases	In selected cases
Required to publicly release results	Always	Always
Quality reviewed by body external to Ministry preparing rules	No	No

The 2005 and 2008 surveys of Indicators of Systems of Regulatory Management examined the extent of governance practices designed to improve the quality of regulation in OECD countries. Among the most important practices are: the use of regulatory impact analysis (RIA) to assess the cost and benefits of new regulation and the institutional oversight of the quality of regulations, and; the design of programs to reduce the costs of administrative activities on business and citizens.

In Norway, an assessment of the impact of new regulations on the budget, small businesses, regions, the public sector and gender is always required for new regulations, though this assessment is not always required to be quantitative. Norway has measured the time that business employees are required to spend on reporting obligations, and estimates that administrative burdens have been reduced by 1 199 full-time equivalent employees since 1997. Three-quarters of the reduction occurred between 2005 and 2007, mostly through the introduction of electronic reporting and a dedicated Internet portal for businesses. The remaining reporting obligations are estimated to impose a total administrative burden on businesses of almost 5 000 full-time equivalent employees, equivalent to 0.3% of total business sector employment.

Source: OECD Survey on Regulatory Management.

[\[RIA\]](#) [\[Administrative simplification\]](#)

Regulatory Management Indicators: www.oecd.org/regreform/indicators

EU 15 reviews on Regulatory Reform: www.oecd.org/gov/regref/eu15

Background reports on Regulatory Reform: www.oecd.org/regreform/backgroundreports

Extent of programs for reducing administrative burdens at the central level of government

	1998	2005	2008
Explicit programme exists	Yes	Yes	Yes
Includes quantitative targets	No	Yes	No

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, the costs of goods and services produced by private entities funded by government (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Structure of government expenditures: Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2009*.

Employment characteristics: The OECD averages refer to the following number of countries:

- Share of employees that are female: OECD-23
- Share of senior managers that are female: OECD-22
- Share of administrative positions filled by females: OECD-17
- Share of employees 50 years or older: OECD-25

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- **Delegation index** gathers data on the delegation of determining the number and types of posts needed in an organization, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- **Type of recruitment system index** includes policies for becoming a civil servant in general (*e.g.* competitive examination or direct application) and for recruiting senior civil servants, and systems for appointing entry-level positions and for allocating posts across departments. This index describes a spectrum of recruitment systems in place in OECD member countries. Countries scoring closer to 0 have career-based systems whereas countries scoring closer to 1 have more position-based systems. The index does not evaluate the performance of difference systems.
- The **performance assessment index** indicates the extent to which it is used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.

Budget Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- The **medium term budget perspective index** contains information on whether countries develop and present multi-year expenditure estimates in the annual budget, the number of years the estimate covers, how often estimates are updated; and whether there are multi-year targets or ceilings and how often these are revised. This index measures the extent to which countries have developed a medium-term perspective in their budget process. However, it does not evaluate whether this perspective has been effective at achieving budget outcomes such as fiscal discipline and allocative efficiency.
- The **performance budgeting index** contains information on what type of performance information is developed; the processes for setting goals and targets; the process for monitoring and reporting on results; and if and how performance information is used in budget negotiations and decision making processes by key actors including the central budget authority, the line ministries and politicians. This index examines the degree to which OECD member countries have put a performance budgeting system in place. However, it does not measure how successfully these systems operate in practice.
- The **executive flexibility index** contains the following variables: the extent to which lump sum appropriations are used; the number of line items in the budget; agencies' ability to carry-over unused budget allocations between years, borrow against future appropriations, reallocate between line items and keep efficiency gains; and constraints on the executive's ability to increase spending during budget execution. This index looks at the different levels of flexibility provided to the executive during budget execution. However, it does not measure whether this flexibility is used effectively or appropriately.

E-Government:

- The **UN e-government readiness index** ranges between 0 (low level) and 1 (high level). It measures the capacity of governments to implement and develop e-government services. Developed within the framework of the UN global e-government survey, the indicator consists of three sub-indices: (1) the web measure index, (2) the telecommunication infrastructure index and (3) the human capital index. The web measure index ranks countries based on the coverage, sophistication and availability of e-services and e-products. The index categorizes countries as having either an emerging, enhanced, interactive, transactional, or networked e-government presence. The telecommunication infrastructure index is a weighted average of 5 measures of ICT infrastructure capacity: PCs/100 persons, Internet users/100 persons, Telephone lines/100 persons, Broad-banding/100 persons and Mobile phones/100 persons. The human capital index is a weighted average of the adult literacy rate (two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (one-thirds weight).
- The e-government take-up by citizens indicator measures the percentage of individuals (aged 16-74) who used the Internet to interact with public authorities in the 3 months preceding the survey. Data are collected through Eurostat's annual Community Survey on ICT Usage in Households and by Individuals, and are only available for European countries.
- The e-government take-up by businesses indicator measures the percentage of enterprises using the Internet to interact with public authorities. Only businesses with 10 or more employees are included. Data are collected by national statistical offices based on Eurostat's annual Model Survey on ICT Usage and E-commerce in Businesses.