

SYSTEM OF GOVERNMENT: Parliamentary

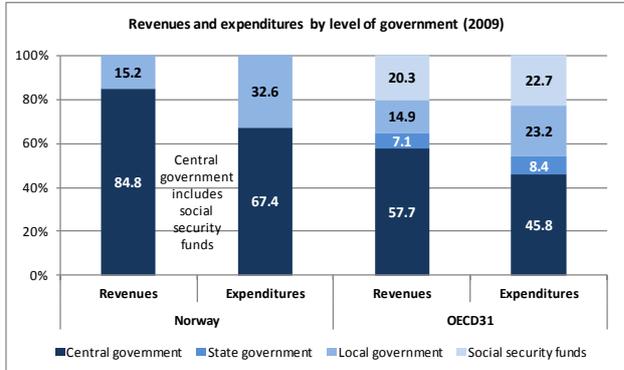
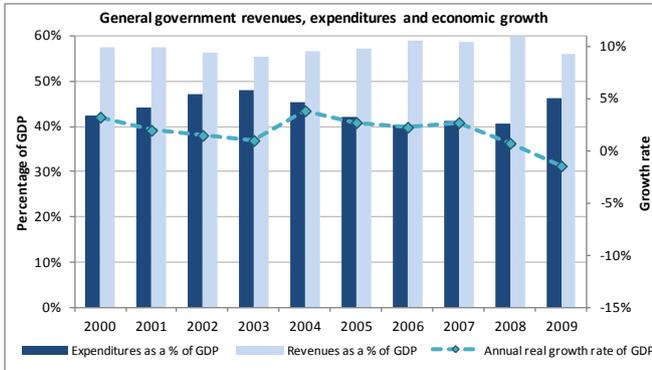
- No. of ministries: 18 (2010)
- No. of governments over last 20 years: 8
- No. of coalitions over last 20 years: 5

STATE STRUCTURE: Unitary

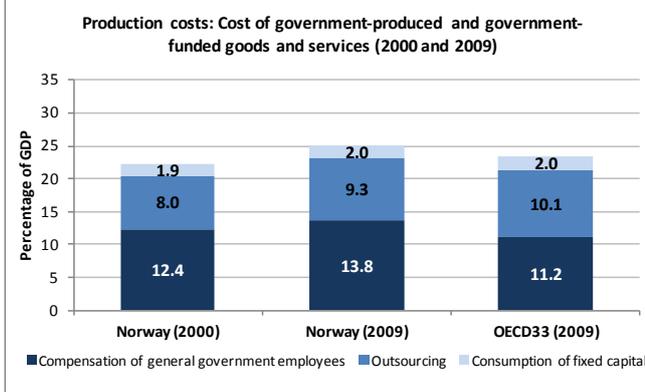
LEGISLATURE: Unicameral

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

Thanks to oil assets, government revenues have exceeded expenditures in Norway over the past decade, even during the recent fiscal crisis. Local governments represent a relatively large portion of expenditures in Norway compared to other OECD countries, and have responsibility for much of education and health care. At the same time, the central government plays a larger role in the determination of tax revenues than in most other OECD countries: almost 90% of total revenues come from taxes which are fixed at the central government level.

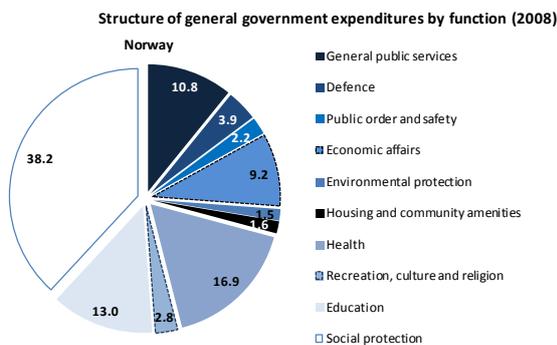


Source: OECD National Accounts and Economic Outlook 89. [Revenues] [Expenditures] [Revenues by level of government] [Expenditures by level of government]



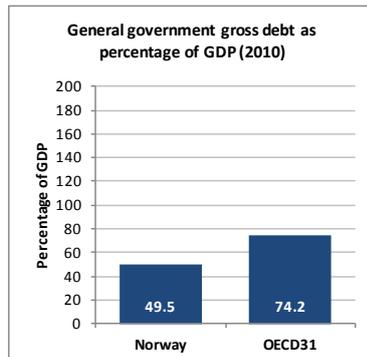
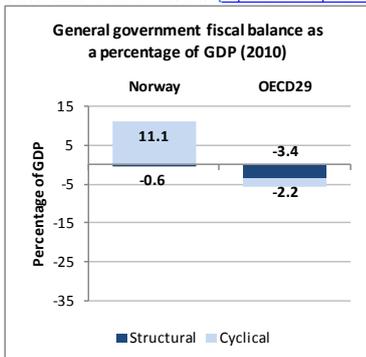
Source: OECD National Accounts. [Production costs]

About 25% of the economy was devoted to producing public goods and services in 2009. Compared with other OECD countries, the Norwegian government relies slightly more on government employees in the production process—almost 55% of public goods and services are produced or provided directly by government employees, compared to 48% on average in the OECD. Only about 37% of public goods and services are produced or provided by the private sector, compared with 43% on average in the OECD area.



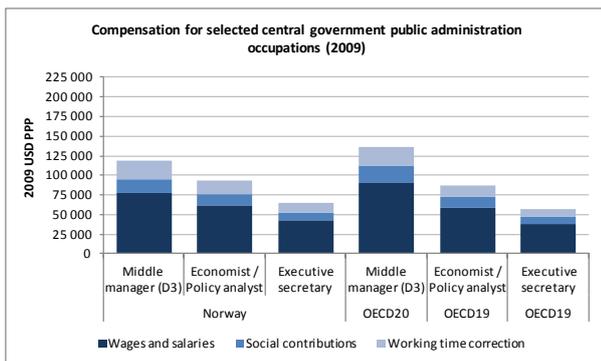
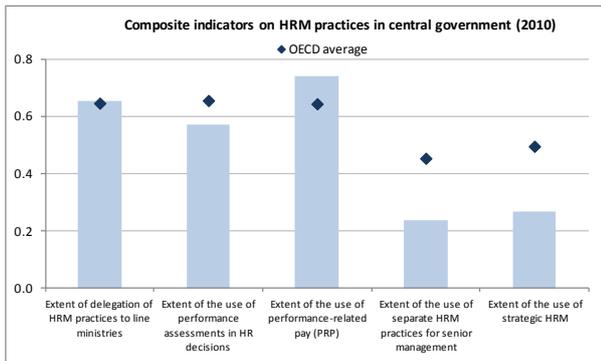
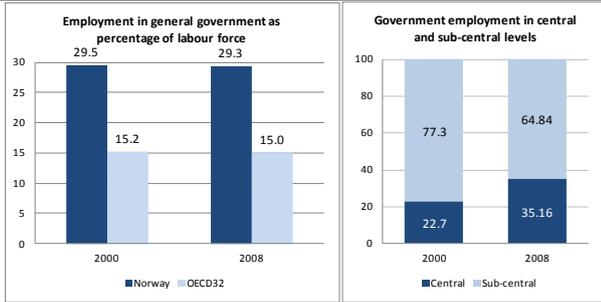
Source: OECD National Accounts. [Expenditures by function]

The Norwegian government devotes an above average share of resources to social protection programmes, largely driven by expenditures on sickness and disability benefits which are the highest among OECD countries and represent 37% of spending in this area. About 10% of the working age population in Norway is registered as disabled. Norway also spends a relatively larger proportion of resources on health than many other countries, balanced by a smaller share of resources devoted to general public services and economic affairs.



Source: OECD Economic Outlook 89. OECD average refers to the unweighted average. [Fiscal balance] [Debt]

The government injected a massive fiscal stimulus in 2009 followed by another expansionary budget in 2010, although the structural deficit stood at only 0.6% of GDP in 2010. At 49.5% of GDP in 2010, general government gross debt in Norway is well below the OECD average of 74.2%.



Working time correction brings countries to the same basis of comparison in terms of annual working hours (accounting for weekly working hours and holidays).

Transparency in public procurement, 2010

	Central proc. website	Contracting entity website	Domestic printed or electronic journal	Other website	Pct. OECD countries that publish info
Information for potential bidders	Yes	No	No	No	97%
Selection & evaluation criteria	Yes	No	No	No	97%
Tender documents	No	Yes	No	No	82%
Contract award	Yes	No	No	No	100%
Justification for award	No	No	No	No	59%
Tracking procurement spending	No	No	No	No	32%

Percentages refer to the share of OECD countries that reported publishing information "always" or "sometimes".

Compared with other OECD countries, Norway has a high rate of public employment, at 29.3% of the labour force in 2008. Across the OECD area, the average share of public employment is just under 15%, and can be as low as 6.7%. Norway currently has no plans for reducing this share through restructuring. Since 2000, government employment in Norway has become more centralised, with the number of staff working at the sub-central level dropping from 77% to just under 65% in 2008. The higher share of employment in central government—and subsequent lower share in sub-central government—in 2008 compared to 2000, is mainly due to the transfer of the public hospitals from regional municipal authorities to state owned enterprises in 2002. *Source: International Labour Organisation. [General government employment] [Distribution by level]*

In the Norwegian central government, most of the HRM functions (except pay setting) are delegated to line ministries. Performance assessments are used primarily for career advancement. Performance-related pay is restricted to a group of the 300 most senior Civil Servants. The application of separate HRM practices for senior civil servants is limited. There is not a special cadre of senior civil servants, although the HRM system for senior managers is slightly different from that for other staff, with more emphasis on their performance management and conflict-of-interest issues. The strategic use of HRM practices is not exploited yet by the Norwegian central government. *Source: OECD 2010 Strategic HRM Survey. [Delegation] [Performance assessment] [PRP] [Senior management] [Strategic HRM]*

Middle managers in the Norwegian civil service receive total compensation packages slightly under the OECD average, while economists/policy analysts and executive secretaries receive packages very close to the average. The share of total compensation made up of wages (65%) and social contributions (15%) is also similar to average shares. Norway's civil service has a fairly flat compensation structure, with middle managers earning 1.3 times more than economists/policy analysts and only 1.8 times more than executive secretaries. The contractual work week is 37.5 hours, and civil servants work on average 223 days per year. *Source: OECD 2010 Compensation Survey. [Middle managers] [Economist/Policy Analyst] [Executive Secretary]*

Achieving greater transparency in public procurement is important; especially given that Norway spent an estimated 11% of GDP on procurement in 2008.

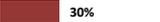
Norway has a mandatory site for all public procurement notifications, www.doffin.no. Additionally, Norway has different voluntary sites/services for e-Tendering, e-Ordering and e-Invoice. Some information such as general information for potential bidders, specific guidance on application procedures such as templates and forms, procurement plans, selection and evaluation criteria, and contract awards (name and amount of selected contractor) are also published on the EU DG market website (not shown in table).

Currently, Norway is part of the 59% of member countries that publishes information on justifications for awarding a contract to a selected contractor. It does not allow tracking of public procurement spending on line unlike 32% of OECD member countries. Norway does not publish information on contract modifications either.

Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimise risk of fraud, corruption and mismanagement of public funds in order to ensure fairness and equitable treatment of potential suppliers. Additionally, it allows for effective oversight by concerned institutions and the general public. *Source: OECD 2010 Survey on Public Procurement. [Transparency in public procurement]*

REGULATORY GOVERNANCE

Regulatory governance mechanisms, 2008

Functions of the oversight body	Year	Percentage of OECD countries responding "yes"	NORWAY
Consulted as part of process of developing new regulation	2005	 73%	No
	2008	 82%	No
Reports on progress made on reform by individual ministries	2005	 43%	No
	2008	 56%	No
Authority of reviewing and monitoring regulatory impacts conducted in individual ministries	2005	 43%	No
	2008	 50%	No
Conducts its own regulatory impact analysis	2005	 43%	No
	2008	 47%	No
Anticipating compliance and enforcement			
Regulatory policies require that issue of securing compliance and enforcement be anticipated when developing new legislation	2005	 57%	No
	2008	 70%	No
Guidance for regulators on compliance and enforcement	2005	 37%	No
	2008	 47%	No
Existence of policy on risk-based enforcement	2005	N.A.	N.A.
	2008	 30%	No

This table presents two elements drawn from the wide range of activities for managing regulatory quality.

In Norway, there is no single leader on regulatory management within the administration, and no dedicated leader at the political level. While the Minister for Government Administration, Reform and Church Affairs is responsible for promoting regulatory reform across the government, the approach to regulatory management in Norway remains highly decentralised and ministries enjoy considerable autonomy in the regulatory process.

The Ministry of Justice and the Police is responsible for ensuring the technical and legal quality of primary legislation. Four other ministries are more particularly involved in the review process of draft legislation, depending on the results of the preliminary impact assessment: the Ministry of Finance, the Ministry of Government Administration on Reform, the Ministry of Local Government and Regional Development, and the Ministry of Business and Commerce.

Over the years a number of regulatory guidelines have been issued by several ministries, such as guidelines on regulatory impact assessment, evaluation, impact on businesses, environment, equality, and regional development. A new agency, the Norwegian Government Agency for Financial Management, a subsidiary to the Ministry of Finance, is responsible for educating the civil service in regulatory disciplines like *ex post* and *ex ante* assessment.

Source: OECD 2008 Survey on Regulatory Management; OECD (2003), *Norway – Preparing for the Future, OECD Reviews of Regulatory Reform*, OECD Publishing, Paris. www.regjeringen.no [Oversight bodies] [Compliance and enforcement]

OPEN GOVERNMENT

Disclosure of public sector information, 2010

Types of information disclosed	Proactive disclosure		
	Norway	OECD32	Publication channels
Budget documents	⊙	94%	MA
Audit reports	○	72%	Not published
List of public servants and their salaries	○	28%	Not published
Sharing of administrative data			
Administrative data sets	○	66%	Not published
Requirements on publishing in open data formats	No	53%	–
<ul style="list-style-type: none"> ● Required to be proactively published by FOI laws ⊙ Not required by FOI laws, but routinely proactively published ○ Neither required nor routinely published <p>CP= central portal; MA= ministry or agency website; OW=other website OECD percentages refer to the percentage of the 32 responding OECD countries that either require that information be published by law or do not require it but routinely publish information.</p>			

Although not required to by FOI legislation- which includes among other provisions the Freedom of Information Act of 2006- the Norwegian government publishes budget documents similar to most OECD countries. This information is generally made available on ministry or agency websites. The government, however, does not publish audit reports, list of public servants and their salaries or administrative data sets and does not have requirements on publishing in open data formats, which could hinder the re-use of information by other parties.

Source: OECD 2010 Survey on Access to Information. [Disclosure of information] [Publication channels]

E-GOVERNMENT

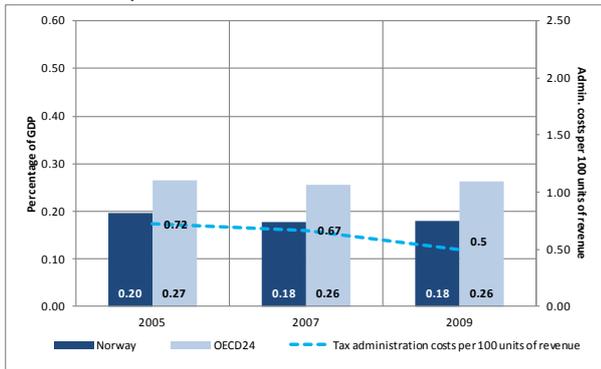
E-Government building blocks and e-procurement, 2010

e-enabling laws and policies	Norway	OECD25
Recognition & use of digital signature	..	100%
Electronic filing within the public sector	..	88%
Administering PPPs for e-government projects	..	64%
Services offered on single-entry procurement website		
Tender searches	No single-entry site	62%
Tracking of outcomes of contracts	No single-entry site	32%
OECD percentages refer to percentage of responding countries answering in the affirmative. ● Yes ○ No .. Data unavailable		

Norway does not have a singly-entry procurement website but publishes procurement information such as tender announcements, general information for potential bidders, specific guidance on application procedures, selection and evaluation criteria and others on international central websites, contracting entity websites, and other websites. No data are available for Norway regarding e-government laws and policies.

Source: OECD 2010 e-Government Survey and OECD 2010 Public Procurement Survey. [E-enabling laws] [E-procurement]

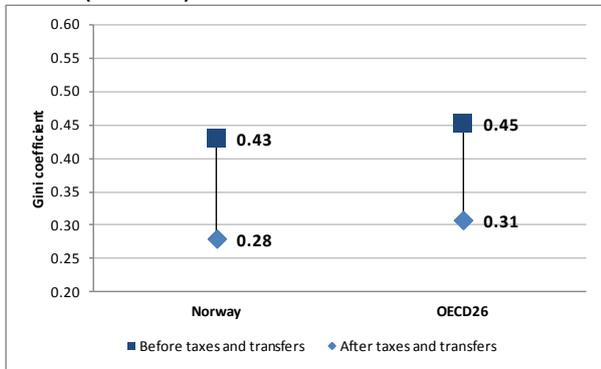
Tax efficiency: Total revenue body expenditures as a percentage of GDP and tax administration costs per 100 units of revenue (2005, 2007 and 2009)



Growing fiscal constraints have led to increased attention on improving the efficiency of tax administrations. The “cost of collection ratio,” for instance, is one efficiency measure which compares the annual administration costs incurred by a revenue body with the total revenue collected over the course of a fiscal year. Over time, a decreasing trend could reflect greater efficiency in terms of lowered costs and/or improved tax compliance. In Norway, the administration costs of collecting 100 units of revenue have decreased steadily from 2005 to 2009. Total revenue body expenditure has remained relatively stable during this period, suggesting this change in the ratio could be due to improved compliance, higher revenue collection, as well as efficiency improving changes to tax administrations.

Source: OECD (2011), Tax Administration in OECD and Selected Non-OECD countries: 2010 Comparative Information Series, OECD Publishing, Paris. [\[Total revenue body expenditures\]](#) [\[Tax administration costs per 100 units of revenue\]](#)

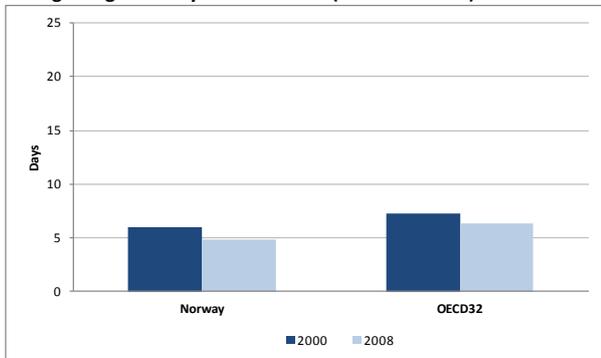
Differences in income inequality pre- and post-tax and government transfers (mid-2000s)



One method of evaluating the effect of government tax and transfer policies on income inequality is by assessing a country’s Gini coefficient before and after taxes and transfers. The effect of government redistributive policies on income inequality in Norway is relatively similar to that of the OECD average. Norway achieved a 0.15 point reduction in the Gini coefficient following its tax and transfer policies, compared to an average 0.14 point reduction in OECD countries. In Norway, 28% of public transfers target the poorest quintile of the population, and Norway’s Gini coefficient is below that of the OECD average.

Source: OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, OECD Publishing, Paris. [\[Differences in inequality\]](#)

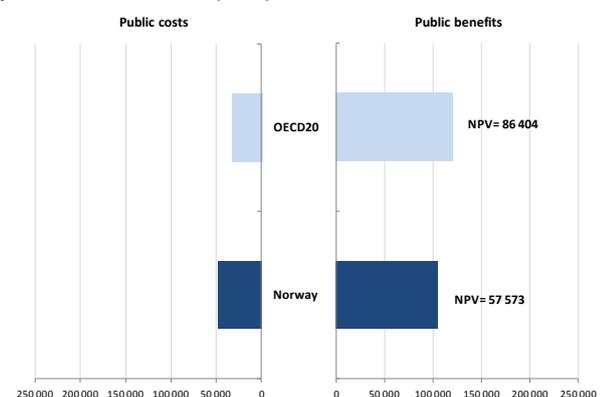
Average length of stay for acute care (2000 and 2008)



The average length of stay (ALOS) for acute care indicates the average number of days that patients spend in the hospital for curative care. Similar to other OECD countries, in Norway the ALOS decreased between 2000 and 2008 (from 6 days to 4.8 days, respectively). This decrease is, however, considerably higher than that of the OECD average where the reduction was about one day over roughly the same period. Over time, reductions in ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilising less invasive procedures, and/or improving pre-admission assessment, all of which can help reduce costs. Too short a length of stay, however, could cause an adverse effect on health outcomes and- in some countries- lower lengths of stay can be due partly to a shortage of hospital beds for example.

Source: OECD Health Data 2010. [\[ALOS for acute care\]](#)

Public net present value for male obtaining tertiary education as part of initial education (2006), USD PPP



Both government and society gain economic benefits from increased schooling. Obtaining a tertiary education helps people enter the labour market and earn more, thereby increasing government tax revenues. A more educated and employed population can also reduce the government obligations for benefits and social assistance. At around USD 57 500, Norway’s public net present value (NPV) for a man obtaining tertiary education is considerably lower than in other OECD countries. This measure represents the public economic returns to education after having accounted for the costs of this education. In the case of Norway, the benefits are almost double the public investment in tertiary education.

Source: OECD (2010), Education at a Glance 2010: OECD Indicators, OECD Publishing, Paris. [\[Public NPV of education\]](#)

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, outsourcing (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 2011*.

“Gross general government debt” refers to general government gross financial liabilities that require payments of principal and interest. For the European Union countries, gross public debt according to the Maastricht criteria is not presented here (see Annex Table 62 of OECD Economic Outlook No. 89). These data are not always comparable across countries due to different definitions or treatment of debt components. Gross debt is used rather than net debt due to the difficulties in making cross-country comparisons of the value of government-held assets, and because it is more relevant in the context of debt interest payments.

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 in Annex E at: www.oecd.org/gov/indicators/govata glance.

- The **delegation index** gathers data on the delegation of determining: the number and types of posts needed in an organisation, the allocation of the budget envelope, 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.
- The **performance assessment index** indicates the types of performance assessment tools and criteria used, and the extent to which assessments are 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 (PRP) 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.
- The **senior management index** looks at the extent to which separate management rules and practices (such as recruitment, performance management and PRP) are applied to senior civil servants, including the identification of potential senior civil servants early in their careers. The index is not an indicator of how well senior civil servants are managed or how they perform.
- The **strategic HRM index** looks at the extent to which centralised HRM bodies use performance assessments, capacity reviews and other tools to engage in and promote strategic workforce planning, including the use of HRM targets in the assessments of middle and top managers. The index does not reflect situations where strategic workforce planning has been delegated to the ministry/department/agency level.

Compensation data: Total compensation includes wages and salaries and employers’ social contributions (those to statutory social security schemes or privately funded social insurance schemes, as well as unfunded employee social benefits paid by the employer, including pension payments paid through the state budget rather than through employer social contributions (mostly for some pay-as-you-go systems)). In most cases data are for six central government ministries/departments only (interior, finance, justice, education, health and environment or their equivalents). Working time adjustment compensates for differences in time worked (both weekly working time and holidays). Compensation was converted to US dollars using purchasing power parities (PPPs) for GDP from the OECD National Accounts database. Differences in compensation policies can be the result of different bargaining powers; the state of the labour market (such as compensation in the private sector for similar positions); specific labour shortages; and the attractiveness of the government as an employer. While the survey uses the International Standard Classification of Occupations (ISCO) to standardise job categories, full comparability of responsibilities behind the occupational titles across countries presents difficulties in some cases. Annex D in *Government at a Glance 2011* fully details all limitations to data comparability, including those related to the measurement of employer’s social contributions (which were based on sources outside the survey for a number of countries, leading to potential inconsistencies).

Regulatory governance: The OECD average refers to the following number of countries:

- Functions of oversight bodies 2005: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.
- Functions of oversight bodies 2008: OECD34. Data for Chile, Estonia, Israel and Slovenia refer to 2009.
- Anticipating compliance and enforcement 2005 and 2008: OECD30. Data are not available for Chile, Estonia, Israel and Slovenia.

Tax efficiency: Tax administration efficiency ratios are influenced by differences in tax rates and the overall legislated tax burden; variations in the range and in the nature of taxes collected (including social contributions); macroeconomic conditions affecting tax receipts; and differences in the underlying cost structures resulting from institutional arrangements and/or the conduct of non-tax functions.

Differences in income inequality pre- and post-tax and government transfers: The values of the Gini coefficient range between 0 in the case of “perfect equality” (*i.e.* each share of the population gets the same share of income) and 1 in the case of “perfect inequality” (*i.e.* all income goes to the individual with the highest income). Redistribution is measured by comparing Gini coefficients for market income (*i.e.* gross of public cash transfers and household taxes) and for disposable income (*i.e.* net of transfers and taxes).

Public net present value for male obtaining tertiary education: Tertiary education refers to levels 5 and 6 in the International Standard Classification of Education (ISCED 97). Public costs include lost income tax receipts during the schooling years and public expenditures related to tertiary education. Public benefits include additional tax and social contribution receipts associated with higher earnings, and savings from transfers (housing benefits and social assistance) that the public sector does not have to pay above a certain level of earnings. The discount rate is set at 3%, which largely reflects the typical interest on an investment in long-term government bonds in an OECD country.