

The structure of Government

Norway



Norway overview

Population 5.3 million¹
Population per sq km 14²

Government expenditure
as % of GDP 49%³

Place in World League

people's trust in government ⁴	3 (66%)
people's satisfaction with life ⁵	2 (76%)
GDP per capita ⁶	7
Legatum Prosperity Index ⁷	1
Freedom in the World ⁸	2

All data in this report are pre-2020 to exclude the effects of Covid-19

Governance overview

Norway is structured according to a classical separation of legislative, executive and legal powers: Parliament (the Storting), the executive and the judiciary, with a prime minister as head of government and a monarch as executive head of state.

There are three levels of governance: Parliament, Counties and Municipalities

Electoral system

All elections use a proportional representation system.

Direction of devolution

Top-down: the Constitution lays down the election of legislative assemblies but not the structure or funding of local government. Their powers, responsibilities and ability to raise funds are decided by Parliament.

Political style

Politics is multi-party, and is characterised by a need for coalitions and/or consensus-building to pass legislation.

Income equalisation⁹

An income equalisation scheme is set out and operated by central government to even out the disparities in taxes raised and the provision of welfare services between Counties and Municipalities.

Unusual features

Norway's financial health, and ability to provide high levels of welfare services, is partly attributable to its sovereign wealth funds, based in part on revenues from Norway's petroleum sector. The funds' assets comprise over \$200,000 per citizen.

Norway's tax system is also highly transparent: every citizen's tax returns are publicly available.¹⁰

Norwegian Parliament

Governance

Parliament consists of a single chamber elected by the citizens. The number of members is stipulated by the Constitution.

Members	169
Population per member	32,000
Full or part time	full time
Pay ratio to national average wage	1.46
Weeks of sittings per year ¹¹	37

Elections

Electorate	national
Frequency	4 years
Turnout last time ¹²	78%

Legislation process¹³

Bills can be introduced either by the government or members. The relevant Standing Committee initially considers the proposals. The Committee's recommendations are fed back to the Parliament. If the bill is approved after two readings, it becomes law.

Responsibilities¹⁴

Agriculture, defence and foreign policy, employment, the environment, health and social care services, higher education, immigration, national road and railway networks, police, justice and prisons, Taxation and National Insurance.

Of total government expenditure

spent at central government level 67%¹⁵

Source of funds

Raised locally 100%

Who decides

Tax types: central government.

Tax rates: central government.

Who collects tax¹⁶

The central Tax Administration.

County Councils

Governance

Counties are the level of governance below Parliament.¹⁷ Oslo has the combined powers of a county and municipal authority.

Counties

	average	low	high
Number	19		
Population, average	280,000	70,000	600,000 ¹⁸

County governments¹⁹

	41	31	59
Members			
Population per member		7,000	2,500 10,000

Full or part time

Pay ratio to national average wage full & part-time varies²⁰

Elections

Electorate	local
Frequency	4 years
Turnout last time ²¹	56%

Legislation process²²

Both municipal and county governments can choose between two models of representation.

- Councillors elect an executive council and councillors who are not on the executive focus on scrutiny and holding the executive to account. This is the most common form.

- The second model has a more 'parliamentary' structure, with a more formalised government and opposition, and a cabinet. This model tends to be used in larger councils.

Each county has a County Governor appointed by central government, a representative of the central government, who oversees and supports the coordination of policy with central government bodies. The County Governor can review the legality of the decisions made by a County or Municipality.

Responsibilities²³

Culture and heritage, economic planning, infrastructure and public transport, regional and business development, secondary schools, and some environmental issues.

Expenditure as % of

total government expenditure 4%²⁴

Main taxes²⁵

Income tax.

Source of funds²⁶

Raised locally	51%
Block grants	36%
Mandated grants	13%

Who decides

Tax type: mostly central government

Tax rates: mostly central government. Counties have little discretion over taxes. The exception is wealth and property taxes, which can be levied up to a certain level by counties

Who collects tax

The central Tax Administration.²⁷

Municipal Councils

Governance

Municipalities are the level of governance below Counties. The number of Municipalities has slowly decreased, as councils with small populations have chosen to merge.²⁸

Municipalities

	average	low	high
Number	422		
Population	12,500	193	675,000

Municipal governments

Members ²⁹	36	11	148	
Population per member		350	18	4,500
Full or part time	both			
Pay ratio to national average wage	varies ³⁰			

Elections

Electorate	local
Frequency	4 years
Turnout ³¹	60%

Legislation process³²

Municipalities have the same process as Counties. Oslo brands itself as a City Council, but has the responsibilities of a County and a Municipality.

Responsibilities³³

Agriculture, environment, harbours, planning, pre-school, primary and secondary schools, primary healthcare and social care, roads, sanitation, social services, and water.

Expenditure as a % of³⁴

total government expenditure	29%
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Main taxes³⁵

Income tax, property tax and wealth tax.

Source of funds³⁶

Raised locally	63%
Block grants	17%
Mandated grants	20%

Who decides

Tax type: mostly central government

Tax rates: mostly central government. Municipalities have a little discretion over taxes. The exception is wealth and property taxes, which can be levied up to a certain level by counties. Technically, municipalities do have the right to lower the tax rates on local income taxes, but none have done so since 1979.

Who collects tax

The central Tax Administration.³⁷

Further reading

Local Government in Norway – Norwegian Ministry of Local Government and Modernisation: http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti__pdf/enake_moznosti/NFMStudijski2LokalnoUpravljanje.pdf

Norway Report – Sustainable Governance Indicators 2017: http://www.sgi-network.org/docs/2017/country/SGI2017_Norway.pdf

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