

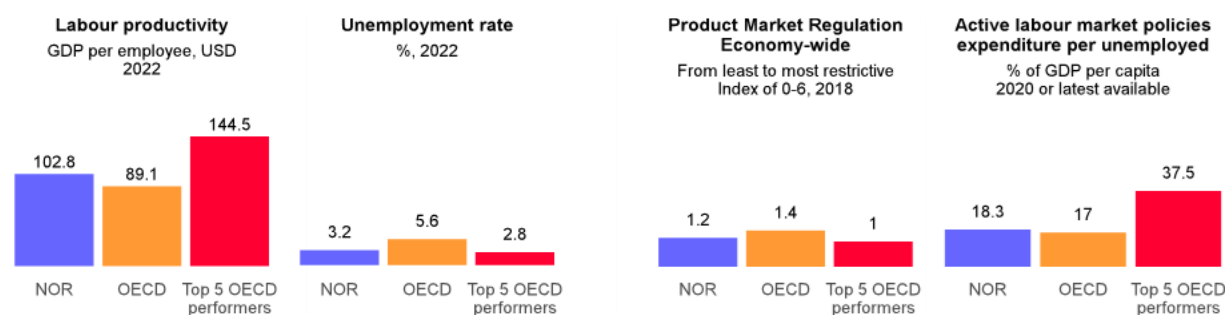


Performance gaps

Recommendations

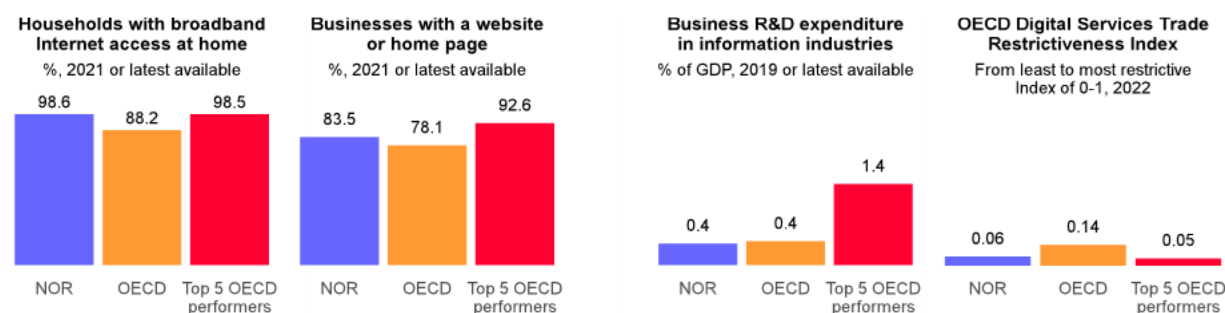
Product and labour markets functioning

- The insolvency regime tends to limit entrepreneurs' ability to start new businesses following a failure, hampering effective resource reallocation. Time to discharge (i.e., the number of years before businesses are discharged from pre-bankruptcy indebtedness) is particularly long.
- Despite a very low unemployment rate, almost 20% of the working-age population is outside the workforce, with some groups permanently detached from the labour market.
- Boost business productivity through improvements in insolvency procedures, including lighter penalties for failed entrepreneurs.
- Increase further spending on active labour market programmes upon a close monitoring of their outcomes and a focus on the population with a weak attachment to the labour force and training programmes that provide skills for the digital era.



Digital transition

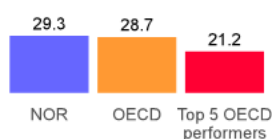
- Digital connectivity is high, and most firms use ICT tools. Norway also fares well in terms of provision and uptake of digital government services. However, the lack of digital literacy for some groups hampers digital inclusion.
- There is also scope for the education system to provide more skills for the digital era. Relatively few students graduate in ICT or pursue degrees in other sciences, technology, engineering, and mathematics (STEM) fields.
- Business R&D is comparatively low, despite government support.
- Introduce under the on-going digitalisation reform of the public sector programs aimed at improving digital literacy for some specific segments of the population, such as students and foreign women.
- Provide additional funding to tertiary institutions for degree completions in disciplines that are important for the digital transformation.
- Rebalance R&D support for SMEs towards direct support.



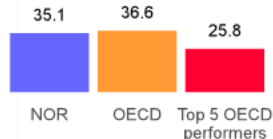
Inclusiveness, social protection, and ageing

- Income inequality is low, thanks to high employment among women and comparatively narrow gender wage gaps. However, labour force participation has been trending downward, due to early retirement.
- Housing affordability remains an important issue for low-income households, especially in high-cost cities.
- Limit pathways to early retirement, including by lowering sick-leave compensation and strengthening the treatment and rehabilitation requirements for receipt of disability benefits.
- Raise investment in social rental housing and lift the income thresholds for eligibility to means-tested housing allowances for disadvantaged renters.

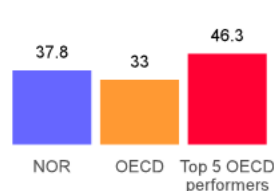
Mean poverty gap after taxes and transfers
Line at 60% of median disposable income
2021 or latest available



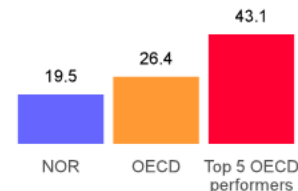
Impact of socioeconomic background in PISA reading score
%, 2018



Strength of redistribution
Differences in Gini coefficients between market & disposable income relative to coef. on disposable income
%, 2021 or latest available



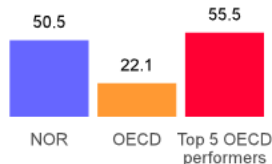
Income levels provided by cash minimum-income benefits
% of median disposable income, 2021 or latest available



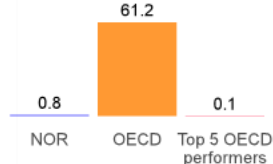
Climate transition

- Norway's CO2 emissions are low, largely because of reliance on hydropower, but will need to be lowered further to achieve climate targets and move to a low-emission society by 2050. Carbon prices are due to increase and large-scale public-supported projects have been launched for carbon-capture and storage. However, gaps in the coverage of carbon taxation remain. Around 15% of total emissions, notably of methane and nitrous oxide from agriculture, are not priced or covered by the European Trading System.
- Ensure implementation of the scheduled carbon-price increases under the new Climate Action Plan, while addressing gaps in the coverage of carbon taxation.
- Continue providing support for technological solutions to facilitate the green transition, including carbon capture and storage projects.

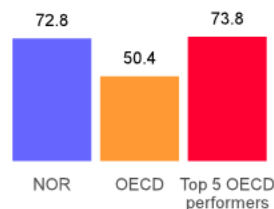
Share of renewables in the energy mix
%, Average over 2019-21 or latest available



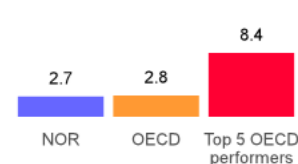
Share of population exposed to more than 10 µg/m3 of PM2.5
%, Average over 2017-19



Carbon pricing score
%, at EUR 30 per tonne CO2, 2018



Environmentally-related government R&D budget
% of total government R&D budget
2021 or latest available

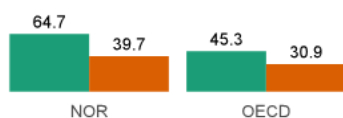


Overall performance

Economy

Thousands USD per capita
2022 or latest available

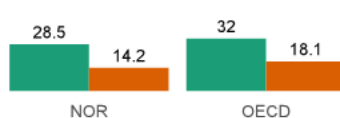
■ Gross Domestic Product
■ Household gross adjusted disposable income



Inequality and poverty

2021 or latest available

■ Gini coefficient after taxes and transfers (index of 0-100)
■ Poverty rate, line at 60% of median disposable income (%)



Environment and climate

1 unit of GDP, 2021

0.14 GHG emissions
0.24 (OECD)

Welfare cost of premature deaths due to ambient particulate matter
% GDP equivalent, 2019





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