3 Competences and trust in Norway

This chapter builds on the empirical analysis carried out for this case study. It deepens the analysis in a key dimension that drives institutional trust: competence. This encompasses responsiveness, or government's ability to deliver services at the quality level that people expect, and reliability, or the effective management of social, economic and political uncertainty, all while incorporating evolving needs and addressing future challenges. It discusses several trends with the potential of influencing public trust: the effects of municipal mergers and the police reform. Digitalisation needs to be accelerated with a focus on inclusive, data driven and proactive service. It is also important to overcome barriers to innovation within the administration and further focus on mission-related tasks instead of processes and compliance. It also looks at the need to review policy-making processes and enhance preparedness, which are essential tools for addressing complex multidimensional challenges ahead.

Responsiveness

Responsiveness reflects the core objective of the public administration: to serve citizens and deliver the services that are needed and expected (OECD, 2017[1]). The OECD Trust survey formulates the responsiveness questions in terms of the development and adaptability of services to people's needs and expectations as well as the experience and overall satisfaction with services provided at different levels. Three questions in the OECD Trust survey could be associated with elements of the responsiveness dimension.

- If many people complain about the quality of a public service how likely will it be improved?
- If a government employee has an idea that could lead to better provision of a public service, do you think that it would be adopted?
- If you share your personal data with a public agency, how likely will it be exclusively used for the purpose for which it was collected?

The percentage of the population considering that services will be adapted following people's complaints in Norway (Figure 3.1) is comparatively low (32% compared to 39% in Korea and 53% in Finland). Similarly, only about one-third of people in Norway believe that if a civil servant has an idea that could lead to better provision of services it will be implemented, compared to 45% in Finland and 40% in Korea. This last result could reflect different things including lack of innovation but also the fact that innovation processes are not transparent and consequently not known by people. Still, despite the fact that satisfaction with public services tends to be high in Norway (see Chapter 2), the perceived responsiveness is comparatively low (see Figure 3.1).

Figure 3.1. Percentage of the population who are positive, neutral or negative about the following
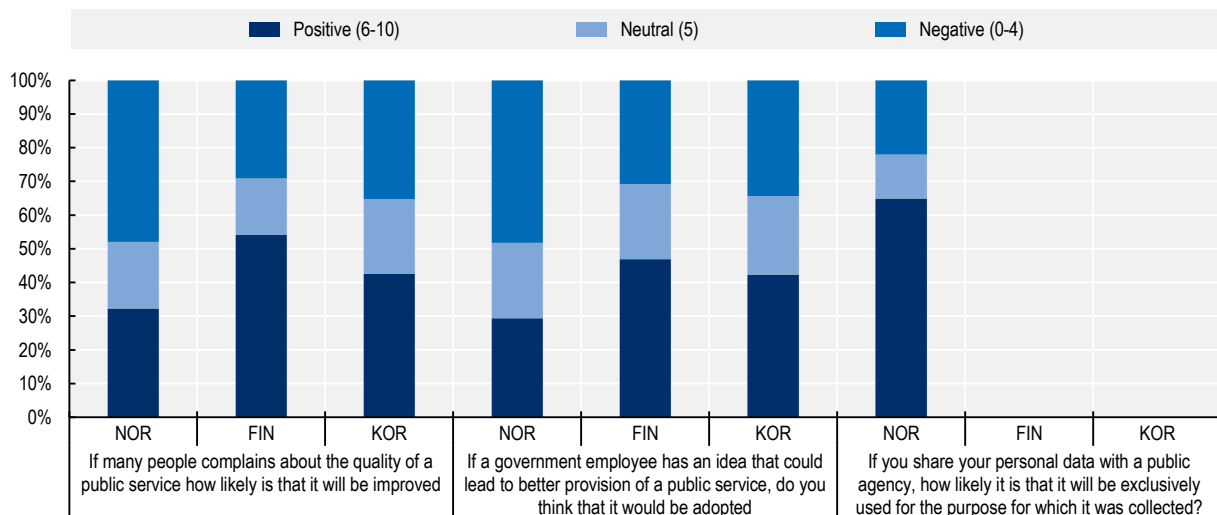
Note: The scale in Finland was 1-10; the negative category covers 1-4.
Source: OECD Trust survey applied in the Norwegian Citizens Survey and in the Finnish Consumer Confidence Survey. Date for Norway are 2021. Data for Finland are 2020. Data for Korea were collected by OECD and KDI in 2017.

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Furthermore, according to the empirical results presented in Chapter 2, the extent to which people are satisfied with services and/or believe that services will be adapted following their feedback and in line with their expectations is amongst the dimensions with the largest influence on trust in Norway. An increase of one standard deviation in satisfaction levels would be associated with an increase of 0.51 points in trust in

the local government, on a scale from 0-10. Service responsiveness is also the driver with the second highest relative effect of trust in the civil service and although the effect is somewhat weaker, it is also significant for the national government.

The combination of the survey results, the interviews conducted as part of this study as well as information from secondary sources led to the identification of three transformations of public services in Norway that can enhance and maintain public trust. These are: 1) guaranteeing high quality and sustainable services as the basis of an inclusive, people-centred society; 2) strengthening already high levels of digitalisation with a focus on a data driven and proactive approach to further developing seamless services. 3) strengthening a culture of public sector innovation through an enabling environment, better co-ordination and enhanced skills and capabilities.

Maintaining high quality and sustainable services as the basis of a people-centred society

The public sector in Norway is amongst the largest of OECD member countries both in terms of public spending and public employment (OECD, 2021[2]). Income and profit taxes represent 41.7% of total taxation, which is above OECD average amounting to 34.1% (OECD, 2021[2]). In addition, to this relatively high levels of direct taxation, Norway can resort to additional financial resources from the oil derived wealth fund that grants further room for manoeuvre to finance public spending. Public funds play a key role in funding services that are - to a large extent - free of cost and accessible to the whole population.

Even before the shock brought about by COVID-19 it was recognised that sustaining the high levels of economic output and comprehensive public services, key to Norway's wellbeing, was fiscally challenging (OECD, 2019[3]). In addition to the volatility of oil prices, this is attributed to continued weak productivity growth, relatively high labour costs, plus weakening labour-force participation all of which were signalled as elements weakening economic capacity to support high quality outcomes that are crucial for maintaining high levels of wellbeing (OECD, 2019[3]). In turn, the additional fiscal effort required to mitigate the pandemic's effects will further reduce fiscal space and means that spending will have to become more strategic.

Still, high quality services remain a cornerstone of the Norwegian welfare system. They maintain low levels of inequality and poverty, enhance social cohesion and - as showed in the previous section - influence levels of trust in different institutions. Throughout the interviews carried out for this study two past reforms whose effects are being felt now (and whose next phases are being considered) were highlighted as having the potential of affecting levels of institutional trust. These include the reform of the police services and the local government reforms encompassing the municipal structural reform and the regional structural reform, which have resulted in the mergers of several municipalities and changes in the counties' structure.

The reform of the police service was adopted in 2015 following the report of an independent commission that was established in the wake of the terrorist attacks of 2011. It consists of two parts: one part concerning the organisational structure of the police and another one concerning the quality of services, police work and management. Accordingly, the main aims were to create a more centralised and robust police force, with greater focus on efficiency, emergency preparedness and resilience as well as a more visible and local police presence (Christensen, Laegreid and Rykkja, 2018[4]; DFO, 2021[5]). The reform resulted in larger police districts, fewer police stations and less local presence, which led to less frequent contact between people and police officers. According to a recent DFO report, the reform has been successful in creating more robust professional environments that could handle more complex cases while the goal of enhancing the local presence has not been reached (DFO, 2021[5]). The latter is consistent with an earlier report that showed that about 80% of police officers strongly disagree or slightly disagree with the statement that "the reform provides a better police offer" (OSLOMET, 2019[6]).

Still, as shown in Figure 2.1, in 2021, the police displayed the second highest level of institutional trust in Norway, following the courts. Data from the different waves of the Citizens survey shows the percentage of the population satisfied with police services decreased from 70% in 2015, when the reform was adopted, to 62% in 2019 (Figure 3.2). The 2021 data shows a spike to about the same level as in 2015. However, as the data, which are still comparatively high, were collected in the context of the COVID-19 pandemic it could reflect an assessment carried out during very specific circumstances (e.g. more time spent at home, fewer overall situations requiring police intervention and police forces working on COVID-19 related tasks). It will, therefore, be important to monitor the evolution of this indicator over time.

The reform sheds light on the tension between reaction capacity and governance legitimacy by maintaining direct contact with people (Christensen, Laegreid and Rykkja, 2018[4]). Preserving and enhancing the trustworthiness of the police will rely on the objectives being achieved concomitantly. Communicating to people the objectives of the reform jointly and further progressing in improving local presence are important steps in this direction.

Figure 3.2. Percentage of the population that is satisfied with the police, 2010-21
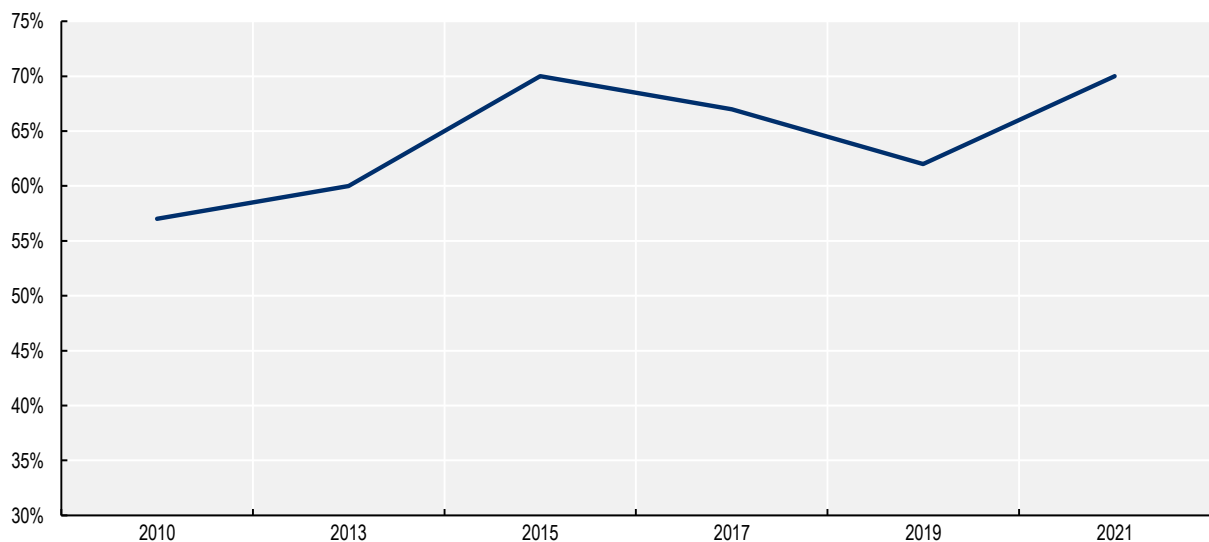
Note: To make scales across different waves compatible they are reduced to three categories: satisfied, neutral, dissatisfied.
Source: OECD calculations based on different waves of the Norwegian Citizens Survey.

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As previously indicated, satisfaction with municipal services is the most important determinant of trust in the local government.

There are a number of ways that governments can build scale to manage issues of public service cost, mix and quality. The most common ways involve various formats of inter-municipal co-operation and municipal mergers, either voluntary or mandatory. In addition, another option, which is chosen by some countries, is merging municipalities but keeping the former municipalities as sub-municipal entities or districts. Each has its pros and cons. Municipal mergers can lead to larger scale and cost savings in municipal service delivery. Many OECD countries carried out municipal merger reforms in recent decades (OECD, 2017[7]). Motivated by different reasons and with varied results, these processes followed different approaches: 1) compulsory mergers led by the central government (Japan, New Zealand); 2) voluntary

processes with strong incentives (France, Iceland); and 3) mixed or "two-step" processes with mandatory and voluntary phases (Estonia, Denmark, Finland), see Box 3.1.

Box 3.1. Municipal mergers and service delivery

The relationship between municipal size and service provision. Recent OECD estimations show that countries with sparse rural areas and relatively smaller shares of school age population face the largest costs of education provision, linked to a higher number of small rural schools. Moreover, the share of municipalities with small schools is relatively large not only in sparsely populated countries with considerable municipal fragmentation, including Spain and Greece, but also in countries that have undergone municipal consolidation reforms, including Finland and Estonia (OECD, 2021[2]). The difference between the two cases lies in the absolute number of municipalities providing education on a small scale (i.e. hundreds of municipalities in the case of highly fragmented countries facing a decline in the number of students such as Spain) and the consequent need for co-ordination to increase the scale of provision where feasible.

Figure 3.3. Share of municipalities with only small primary schools vs. median municipality size ranking, EU27+UK

2018 LAU2 boundaries and population; 2011 school data
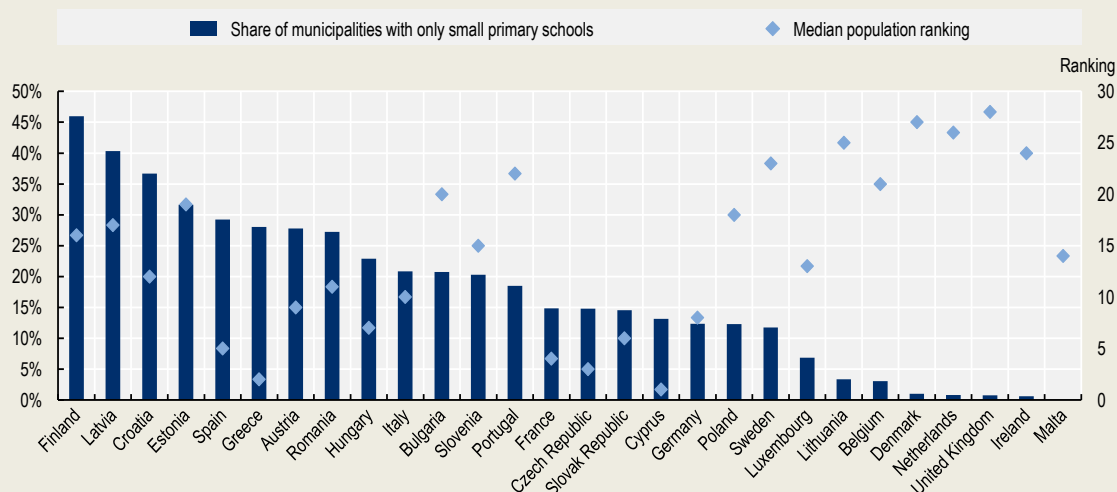
Note: A small primary school has an average cohort of less than 21.4 students.
Source: (OECD/EC-JRC, 2021[8]) based on (Goujon A., Jacobs-Crisioni C., Natale F., Lavalle C. (Eds), 2021[9]) and (Jacobs-Crisioni, C., C. Perpiña Castillo, J.-P. Aurambout, C. Lavalle, C. Baranzelli, and F. Batista e Silva, n.d.[10]).

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Additional mechanisms to build scale for public service delivery and Inter-municipal co-operation

Besides mergers that may be politically difficult to carry out, inter-municipal co-operation can bring many advantages. It helps generate economies of scale, efficiency and quality gains and cost savings while preserving municipal identity and proximity. Inter-municipal co-operation is also a flexible solution. As times change, co-operation can be strengthened, scaled back or ended according to the needs of co-operating partners (OECD, 2020[11]). Many national governments in the OECD promote inter-municipal co-operation by improving legal frameworks, spreading the values and benefits of co-operation amongst

mayors, and providing incentives for partnership. Examples of countries with the most integrated forms of inter-municipal co-operation are France, Italy, Portugal and Spain (OECD, 2021[12]; OECD, 2019[13]).

Sub-municipal governance

Several EU and OECD countries have municipal administrative subdivisions, especially countries with predominantly large municipalities. This type of sub-municipal governance can be a very innovative tool if well designed and implemented. Sub-municipal units are often former municipalities that have been merged and now depend on a "mother municipality". Although they have lost their self-governing status, they maintain a certain level of proximity in particular in remote and isolated areas to better address local needs in terms of basic services and to overcome issues related to community identity, historical legacies, traditions, local democracy and trust. This form of sub-municipal governance exists in the United Kingdom (parishes), France (*communes nouvelles*), Portugal (*freguesias*) and many other countries (OECD, 2021[12]).

A second reform area that was mentioned as having the capacity to affect access to services and influence public trust are the local government reforms. These reforms started in 2014 and 2015 and by 2020 had led to a reduction in the number of municipalities from 428 to 356 municipalities and from 19 to 11 counties. The reforms were directed at transferring power and responsibility to municipalities that are larger and therefore could achieve economies of scale. Among the main objectives of the reform were as follows a) providing good equal services for inhabitants today and in the future; b) comprehensive and co-ordinated community development c) sustainable and financially solid municipalities and d) strengthening local democracy and giving municipalities more power; e) strengthen the counties' roles as community developers and facilitate better collaboration amongst municipalities.

The nation-wide local government reform, particularly the municipal component, entailed that all municipalities made merger decisions within a limited time. Decisions to merge were voluntary and municipalities were allowed to express their preferences. Decisions to merge were taken through participatory processes including broader public consultations through referenda or surveys in most municipalities (Dahl Fitjar, 2021[14]). In the case of suburban areas the reform led to relatively few mergers as central cities tend to provide public goods that suburban areas can also enjoy (e.g. infrastructure, cultural institutions) without funding them. Accordingly, only one such merger between a central city and its preferred suburban partner took place. Merger decisions were not found to be correlated with the responsiveness of local politicians or satisfaction with public services (Dahl Fitjar, 2021[14]).

The evolution of satisfaction with municipally provided services shows mix patterns. Compared to 2010, levels of satisfaction with day-care facilities, primary/lower secondary schools and upper secondary education schools was lower in 2021 (see Figure 3.4) and could be partly reflecting that education institutions were closed at several instances during the COVID-19 pandemic. In turn, satisfaction with higher education is the lowest of all education services considered (just above half of the population). The OECD found recently that there is a need in Norway to promote efficiency and quality in higher education, address social differences and strengthen interactions with businesses and the community (OECD, 2019[15]).
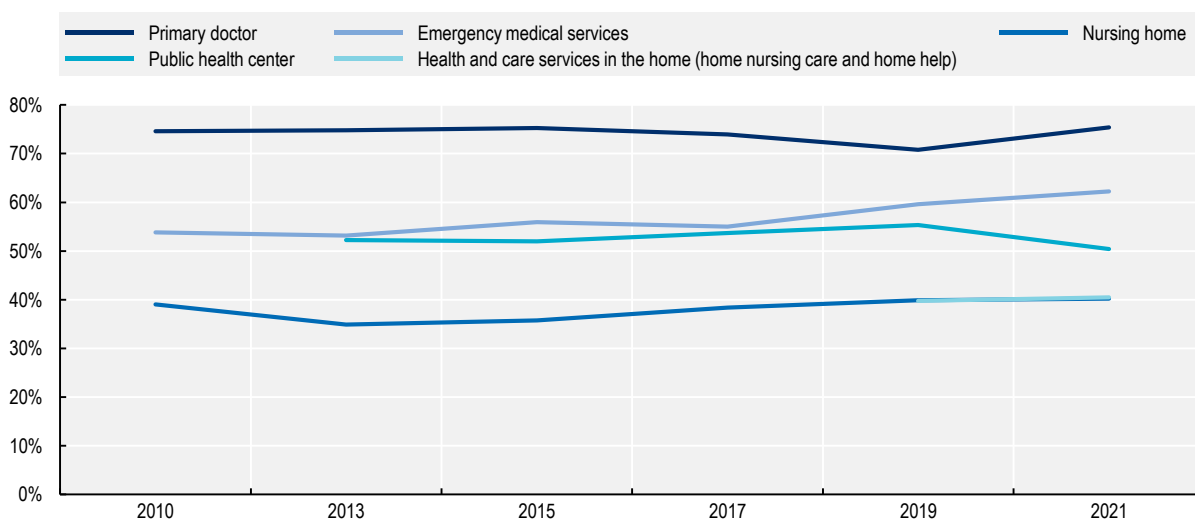
Figure 3.4. Percentage of the population satisfied with education services, 2010-21
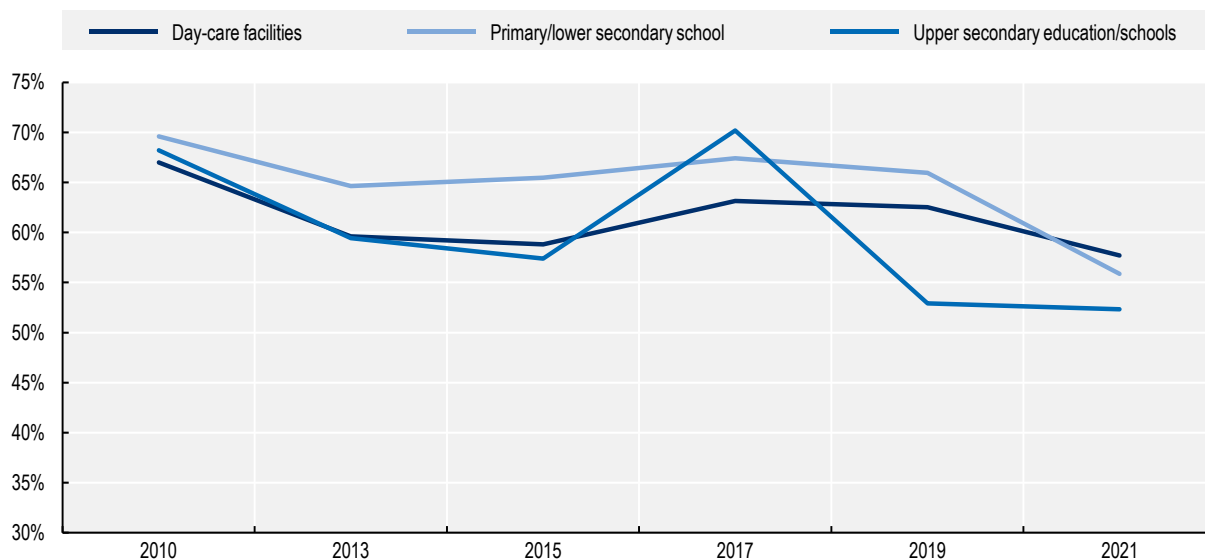
Note: To make scales across different waves compatible they are reduced to three categories: satisfied, neutral, dissatisfied.
Source: OECD calculations based on different waves of the Norwegian Citizens Survey.

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In turn, in the case of health services satisfaction levels remain rather stable over time, with some perceived increases both for primary doctors (general practitioners) and emergency rooms both highly requested during the COVID-19 pandemic (see Figure 3.5). Overall, health coverage is very comprehensive and out of pocket spending is low for users. In addition, health indicators are comparatively good in Norway while a key challenge is the sustainability of health care spending. Health spending has outpaced economic growth over the past decade and looking ahead demographic, technological and other factors are projected to add pressure on health and long-term care spending in the medium to long run (OECD/European Observatory on Health Systems and Policies, 2019[16]).

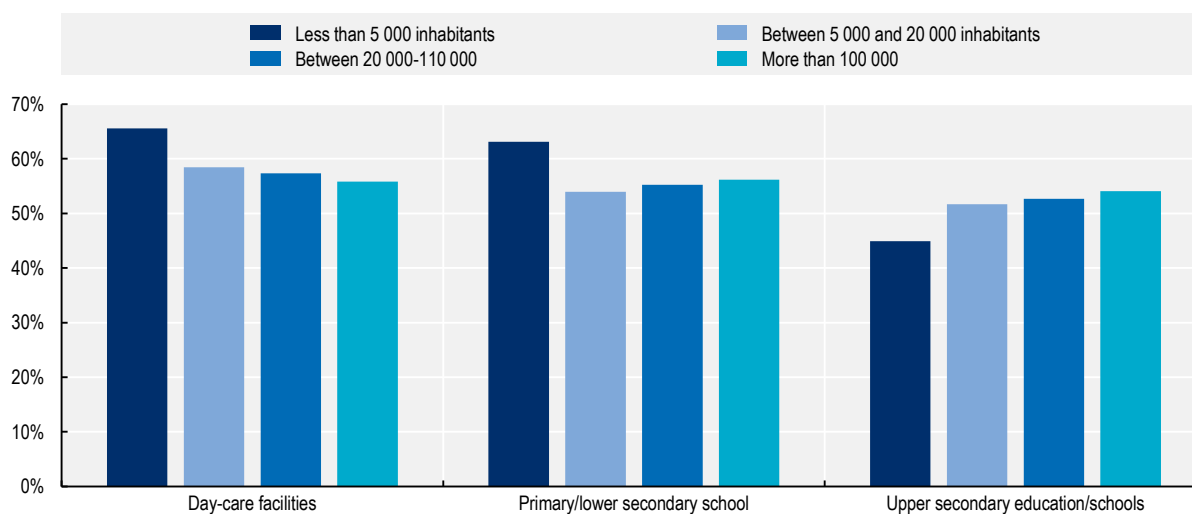**Figure 3.5. Percentage of the population satisfied with health services, 2010-21**

Note: To make scales across different waves compatible they are reduced to three categories: satisfied, neutral, dissatisfied.
Source: OECD calculations based on different waves of the Norwegian Citizens Survey.

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In the case of small municipalities, one of the key concerns expressed in the interviews carried out for this study as a potential risk of mergers refers to losing proximity with public services as well as losing frequent contact with public institutions. On the contrary, it is also argued that larger municipalities allow for more specialisation of services, for example in the health sector, and higher formal competencies amongst staff providing services (Sogstad, Hellesø and Sundlisæter Skinner, 2020[17]). Figure 3.6 shows the percentage of the population satisfied with education services by size of municipalities measured by population size. People in smaller municipalities tend to be satisfied with education services for lower levels of education while the trend is the opposite for more complex services, such as those provided by upper secondary schools (see Figure 3.7).

Figure 3.6. Percentage of the population satisfied with education services by size of municipality, 2021

Note: The reference group is municipalities with less than 5 000 inhabitants, differences between this group and all others are statistically significant at 95%.

Source: OECD calculations based on the Norwegian Citizens Survey.

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The scenario is slightly different for health services as people in larger municipalities report higher satisfaction levels with general practitioners and emergency services than people in smaller towns. These differences are most likely associated to easiness of access given wider availability of facilities and professionals. However, when it comes to regular health facilities (i.e. public health centre) or long-term care facilities (i.e. nursing home and health and care services at home) people in smaller municipalities report higher satisfaction levels. As these tend to be long-term arrangements, coping with them may be easier in smaller places.

Figure 3.7. Percentage of the population satisfied with health services by size of municipality, 2021

Note: The reference group is municipalities with less than 5 000 inhabitants, differences between this group and all others are statistically significant at 95%.
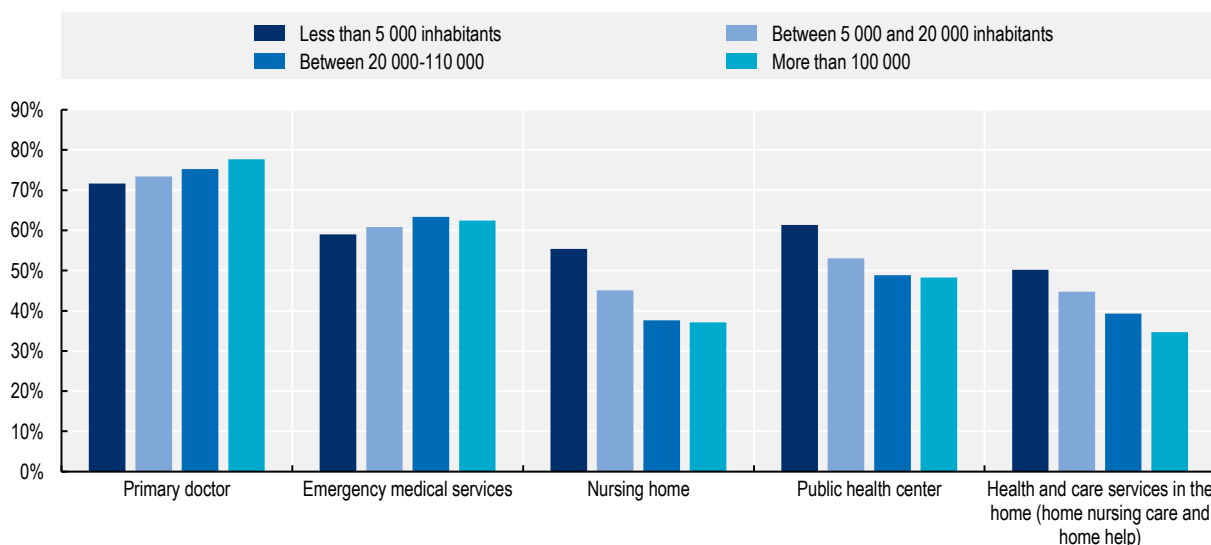Source: OECD calculations based on the Norwegian Citizens Survey.

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Smaller municipalities, particularly in remote areas, tend to face limited economies of scale and scope in the provision of local public services. This can affect the quality, quantity or mix of services provided, and potentially affect the level of trust in national, regional and municipal government. A stream of the fiscal decentralisation literature argues that fragmentation could enhance local growth as a local government closer to people can implement policies that are better aligned with expectations and provide goods and services in a better way and therefore enhance institutional trust. On the other hand, too much fragmentation could lead to policy fragmentation, overlapping functions and inefficiencies in the use of resources. Empirical evidence has found that municipal fragmentation has a negative effect on GDP (Bartolini, 2015[18]). However, this is conditional on the degree of rurality as the negative impact of fragmentation decreases with the share of population living in rural areas to the point of being mildly positive in extremely rural regions. Accordingly, rather than a one-size-fits-all policy of municipal agglomeration, a place-based approach to institutional reform is preferred so the urban/rural characteristics of each region are taken into consideration (Bartolini, 2015[18]). In Box 3.2 the example of the 2017 Estonian administrative reform (Box 3.1) displays how a combination of 'context mindful' mergers and inter municipal co-operation can contribute to ensuring high quality services are delivered while preserving public trust.

**Box 3.2. The 2017 Administrative reform in Estonia**

Since its independence in 1991, Estonia has been engaged in a political debate about its multi-level governance model. Between 1995 and 2014, successive governments attempted to reform the Estonian subnational government structure, notably to reduce the number of municipalities through voluntary municipal mergers, but without much success. Finally, the *Administrative Reform Act*, adopted in June 2016 by the Parliament (Riigikogu), introduced a minimum municipal population size of 5 000 inhabitants and 11 000 as a recommended size. The reform, carried out in 2017, significantly changed the structure of the Estonian local government. It stripped counties (*maakond*) of most of their functions and reallocated their tasks to ministries and municipalities. However, the counties did not cease to exist - as they still represent central government in the regions and as their borders are used as statistical units. The municipal reform also reduced the number of municipalities via mergers, from 213 to 79. The size of municipalities in 2019 varied from 141 inhabitants on Ruhnu island to 434 562 inhabitants in Tallinn. The average municipal population is 16 559, and the median population is 7 372. Central governments have encouraged municipalities to improve efficiency in welfare services, especially by promoting voluntary municipal mergers and intermunicipal co-operation (IMC). Eventually, each municipality will develop its own strategy to deal with shrinkage (OECD, forthcoming[19]).

However, municipal mergers can be politically difficult and it is not clear that they automatically lead to cost savings (Blom-Hansen, J. et al., 2016[20]; Moisio, A. and R. Uusitalo, 2013[21]; OECD, 2019[13]) (Moisio, A. and R. Uusitalo, 2013[21]; OECD, 2017[7]). Municipalities provide a wide variety of services, and the optimal production scale varies by type of service. Municipal mergers may then lead to economies of scale in some services but to diseconomies in others. Despite the recently enlarged municipal size in Estonia, there is still room for bigger scale in certain services and IMC could be a viable alternative approach as it involves minimal government restructuring and is a flexible solution. In addition, a successful IMC in one service area may lead to widened co-operation in other services, and in some cases even to a later voluntary merger. However, since only 14% of municipal revenue comes from own revenue sources, municipal incentives for engaging in voluntary co-operation are low (OECD, forthcoming[19]).

Source: OECD (2022[22]), *Shrinking Smartly in Estonia: Preparing Regions for Demographic Change*, OECD Rural Studies, OECD Publishing, Paris, https://doi.org/10.1787/77cfe25e-en

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High quality services remain crucial for trust building in Norway and are a cornerstone of the Norwegian welfare system. However, there are challenges in ensuring that these services are attuned to people's expectations and societal developments, while remaining fiscally sustainable. Such tension is also observed in the data. Almost three-quarters of Norwegians totally or partially agree with the statement "public institutions provide high quality services" and a similar proportion consider that public institutions abide by laws and regulations. However, Norwegians are also mindful that there is room to achieve efficiencies, as 44% of the population does not think that public institutions use their resources efficiently while over half of the population believes that public institutions create hindrances such as more red tape, slower service provision, etc.

Figure 3.8. Percentage of the population that considers that public institutions observe certain characteristics, 2021
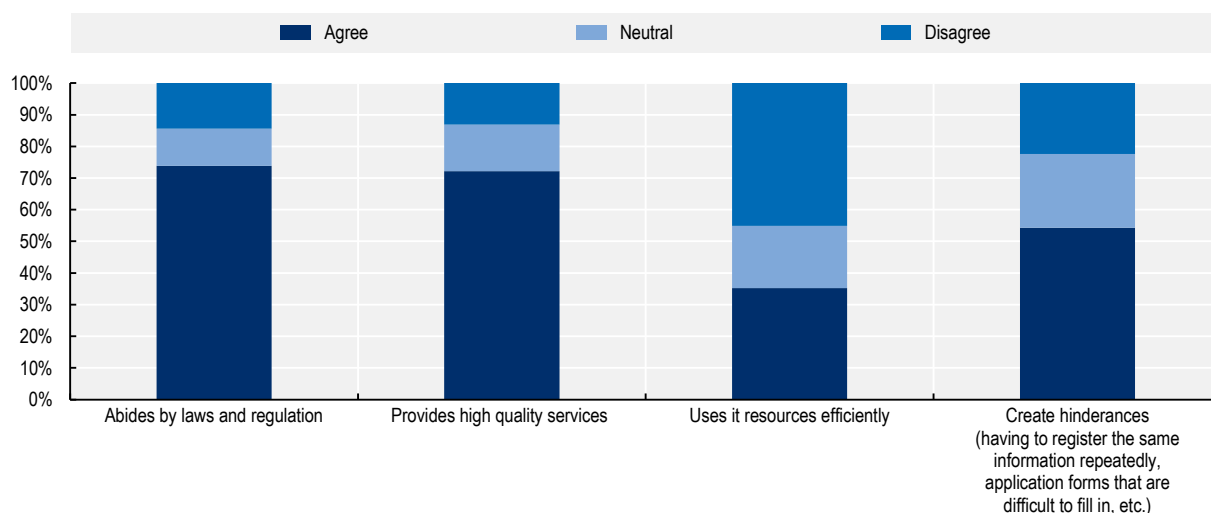
Note: To the question: To what extent do you agree or disagree with the following statements about the Norwegian public sector (at state, municipality or county or municipality level)? Abides by laws and regulations, provides high quality services, uses its resources efficiently, creates a lot of additional hindrances (having to register the same information repeatedly, application forms that are difficult to fill in, etc.). In the case of the latter the formulation of the question is inverted as it is asking about a negative behaviour.
Source: OECD calculations based on the Norwegian Citizens Survey.

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While municipal mergers could be an important tool for achieving the optimal scale in service provision it is key that they consider the local context particularly the degree of rurality to avoid creating unintended negative social and economic consequences. In fact, it may be preferable to further inter-municipal co-operation as a way of resolving the political complexity of mergers. Ensuring that services remain people centred and are not a source of social differences is fundamental for maintaining high levels of institutional trust; indeed, providing guidance about what people centricity entails could contribute to ensuring that services remain fit for purpose.

Deepening digitalisation with a focus on inclusive, data driven and proactive services

Norway is a highly digitalised society. According to data from Eurostat, in 2020, 92% of the Norwegian population used the Internet to interact with the authorities, a 14 percentage point increase from 2011 and significantly higher than the EU average (57%). In turn, 81% of the population reported having completed a form online (28 points higher than in 2011), significantly above the EU average (38%).

The public sector relies heavily on technology to improve public service delivery, spur inter-agency and sectoral organisation processes, support business innovation and increase digital inclusion for greater social equality (OECD, 2017[23]). The government has recently enacted a digital strategy for the public sector for the period 2019-2025 with the goal of having one digital public sector. The strategy stresses the role of digitalisation in promoting greater efficiency, creating value for the private sector and simplifying everyday life for people (Ministry of Local Government and Modernisation, 2019[24]). Meeting the needs of users through new ways of working and structures as well as enhancing digital skills in the administrations are key components of the strategy. The strategy has recently been complemented with a digital memorandum compiling decrees and providing recommendations on how to apply digitalisation in the public sector. One of the aspects included in the memorandum is the *only once* principle calling on public institutions to request information from people at a single time as well as share data within government

more actively including through the use of a common data catalogue (Ministry of Local Government and Modernisation, 2021[25]).

Box 3.3. Key elements of the Norwegian digitalisation strategy

The Norwegian digitalisation strategy for the period 2019-2025 "One digital public sector" recognises that digitalisation aims to give citizens, businesses and the non-profit sector a simpler everyday life through better services and more efficient use of resources. The purpose of the strategy is to support a digital transformation in the individual agencies and in the public sector as a whole. The strategy is built around the following components.

- **Seamless services and user centric focus**. The goal is for users to perceive their interaction with the public sector as seamless and efficient, as one digital public sector.

- **Increased data sharing and value creation.** The public sector shall share data when it can and protect data when it must. Open public data shall be made available for reuse for developing new services and value creation in the business sector

- **Clear and digitalisation-friendly regulations.** Regulations should be clear and understandable, without unnecessary discretionary provisions and with harmonised concepts. They should also facilitate the partial automation of administrative procedures, appropriate use of artificial intelligence and digital transformation.

- **A common ecosystem for national digital collaboration.** Municipalities, county authorities and central government agencies must be able to collaborate in order to develop user-centric, seamless and efficient digital services.

- **Governance and co-ordination for a more seamless public sector.** The aim of the Government is to facilitate a more systematic realisation of benefits from digitalisation through collaboration and co-ordination across sectors and levels of government.

- **Enhanced co-operation with the private sector.** The public sector should not do itself what the market can do better. Digital collaboration with the business sector and voluntary organisations can provide the basis for new, innovative services

- **Increased digital competence in the public sector.** Strengthen the capability of government agencies and their ability to realise benefits from digitalisation.

- **Cyber security.** Safeguarding security and privacy requirements in a good way as a way to preserve trust.

- **Economic and administrative consequences.** The initiatives of the strategy shall contribute to better use of resources and more efficient management.

Source: One Digital Public Sector. Digital strategy for the public sector.
https://www.regjeringen.no/contentassets/db9bf2bf10594ab88a470db40da0d10f/en-gb/pdfs/digital_strategy.pdf

The fact that public service delivery in Norway was already highly digitalised made it easier for public authorities to continue service provision throughout the COVID-19 crisis. In turn, the pandemic made clear that digital services could play a key role in strengthening resilience and adapting to change. Digitalisation is expected to play a strategic role in solving complex challenges and an integrated public sector should continue to develop high-end digital infrastructure that leverages artificial intelligence and facilitates data driven innovation (Ministry of Local Government and Modernisation, 2020[26]). In the interviews carried out for this study, several interviewees indicated that while indeed the COVID-19 pandemic has accelerated the digitalisation of society and many digital solutions were adopted overnight, a key challenge is to ensure that the whole population is part of this new digital world and that some groups are not left behind.

In turn, as previously shown using data from the Norwegian Citizens Survey, slightly more than one-quarter of the population with just basic education reported that it was difficult to find information online on government websites (see Figure 2.17). Deepening digitalisation should consider those individuals who find it difficult to interact with the administration through digital channels. It will be important to make special efforts to not leave them behind in their ability to access services and interact with the administration. The existence of multiple channels may be challenging. As such (and in the spirit of ensuring "one digital public sector" in alignment with the Norwegian digitalisation strategy) an omni-channel strategy should be reinforced. With an omni channel strategy, the journey of a user is understood and supported, across whichever channels they wish to use at whatever point in the journey they wish to access them and through whatever combination of services makes sense to them and their particular circumstances. Finally, highly digitalised services can also be complemented with specific actions for enhancing inclusiveness such as information campaigns and online information channels.

Norway is above the OECD average in the OECD Digital Government index that analyses the level of maturity of digital government policies and their implementation under a coherent and whole-of-government approach (see Figure 3.9). The index aims to measure the extent to which governments are becoming digitally competent to foster integrated and coherent operations as well as an end-to-end, user-driven transformation of service design and delivery. By doing so, the Digital Government Index aims to appraise the competence of governments to operate in an increasingly digital and global world (OECD, 2020[27]). Norway fares comparatively well in the digital by design and user-driven components of the index, both of which are above the OECD average. There is however room to further improve in increasing proactiveness (where Norway scores near the OECD average) and in becoming a data-driven administration where it is slightly below the OECD average (OECD, 2017[23]).

Figure 3.9. OECD Digital Government Index, 2019
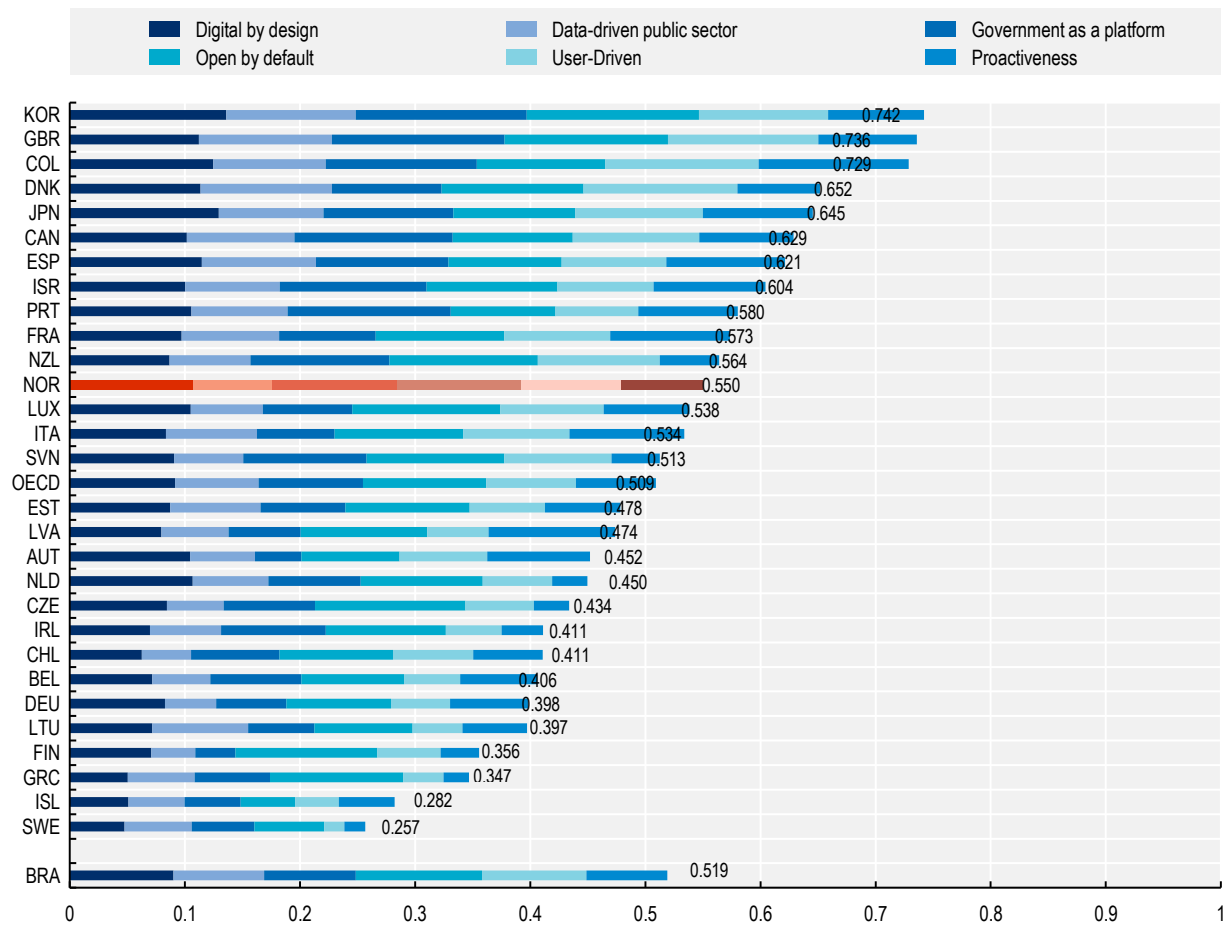
Source: OECD (2021[2]), *Government at a Glance 2021*, OECD Publishing, Paris, https://doi.org/10.1787/1c258f55-en.
Data are not available for Australia, Hungary, Mexico, Poland, the Slovak Republic, Switzerland, Turkey and the United States.

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A data-driven public sector also favours enhanced governance, sharing and use of data, supporting the use of innovative and alternative sources of data in the access, evaluation and monitoring of services over time. This approach supports continuous improvement in response to feedback and usage data, thereby enabling public sector organisations to prioritise and meet users' needs. It is expected for the government to complement external publication of service performance data (e.g. interactive dashboards) both in aggregated terms through tools such as the citizens' survey or by the specific agencies in charge of service provision. This complements the creation of a skilled public sector that relies on data as a core component to effectively design and deliver its activities. An example of how the use of data could contribute to delivering services for those in greater need is described in Box 3.4.

> **Box 3.4. San Francisco improves service delivery to disadvantaged youth**
>
> Sharing data between different organisations within the public sector can be one of the greatest challenges to improving outcomes and delivering public value. In the city of San Francisco, the experience of disadvantaged youth prompted the heads of foster care, juvenile probation and mental health departments to work with the city's attorney to facilitate the limited exchange of case information among the necessary agencies. This transformed the level of care for children interacting with these agencies due to an improvement in case co-ordination and the identification of overlapping clients. This was made possible thanks to an integrated data system that recognised and focused on the families that were the most vulnerable, most troubled and most in need. As a result of the data integration, it was possible to carry out "evaluation and monitoring" activities, which led officials to realise that a mere 2 000 users of services consumed half the resources of the department, and that most of those families lived within walking distance. As a result, the Human Service Agency concentrated "delivery" of services in specific neighbourhoods and co-located services at community centres, further increasing efficiency and the quality of service delivery. As a result of this new linked data source, subsequent "anticipation and planning" efforts were able to be carried out that provided a better assessment of the needs of high-risk youth, identifying opportunities to divert them from getting into trouble, understanding where youth were falling through the cracks and establishing what services were needed to intervene earlier to prevent those negative outcomes. Initially supported by a low-tech system, the system was transferred to a more sophisticated platform to enable the three agencies to better understand the interplay between the data. Creating a shared view of the data highlighted that those clients who were under the care of multiple systems were at higher risk of committing a crime. It found that 51% of San Franciscans involved in multiple systems were convicted of a serious crime, 33% had been served by the three agencies, and 88% of these youth committed a crime 90 days after becoming involved with multiple agencies. This offered a critical window of opportunity for the caseworker to intervene and provided the justification for a web-based integrated case management system to make this connection in real time.
>
> Source: OECD (2019[28]), *The Path to Becoming a Data-Driven Public Sector*, OECD Digital Government Studies, OECD Publishing, Paris, https://doi.org/10.1787/059814a7-en..

Ensuring that units and structures responsible for digital service delivery enhance user-centred and user-driven approaches to service delivery is of essence, not only for improving user experience and simplifying access to services but for making sure that digital services remain inclusive and fit for purpose. As such, it is crucial that citizens and businesses define and communicate their own needs in terms of services' content and access throughout the service design and delivery processes, thereby helping to drive the design of government policies and public services towards a higher level of responsiveness. Involving frontline service providers can also contribute to better adjusting and transforming services as they have "in the field" knowledge and participate in developing on-site solutions when providing services.

The Norwegian administration could further enhance its proactiveness by offering a seamless and convenient service delivery experience and by addressing problems from an end-to-end and anticipatory rather than fractioned and reactive approach. In turn, while services provided often collect information and measure satisfaction levels, the use of this feedback and how results are communicated to people is not a common feature of digital service provision and it is an aspect that could also be strengthened.

The administration could draw on several of the projects currently ongoing. For example, seven[1] life events are prioritised in the government strategy that was previously mentioned. The life events represent wicked problems, cross-sectoral challenges, which call for changes at a systemic level, and there is no "one-size-fits-all" answer about how to solve them. Addressing these challenges means having to find new ways to share data, work with regulatory issues and changes in terms of prioritising, financing and organising . It

also requires a combination of ambitious top-down goals and broad bottom-up efforts to create good solutions. Advancing towards better approaches to solve challenges that require collective and targeted efforts from different parties (e.g. mission approach),[2] which could improve the delivery of seamless services to users. In turn, it is not sufficient to focus on today's users and their needs to develop seamless services but on solutions, simplifications and improvements for future users. Using foresight for exploring how to meet the needs of future users could contribute in future proofing seamless services, improving satisfaction levels and further strengthening public trust.

Box 3.5. Use of Artificial Intelligence (AI) for helping people finding the right services at the right moment in Finland

The Aurora AI programme launched by the Ministry of Finance of Finland lays the foundation for using Artificial Intelligence to bring people and services together in a better way. It was developed as an operating model for arranging public administration activities to support people in different life situations and events so that services provided by organisations function seamlessly between service providers in different sectors. It therefore creates the prerequisites for smoother service use in different situations and life events. Some of its objectives are:

- Reducing the amount of time spent going from one place to another.
- Improving the functional and technical possibilities for co-operation between public administration and other sectors.
- Strengthening the ethical use of artificial intelligence as part of public service provision and operating models.

The programme uses snapshots to examine life from the human perspective. For example, a person who is about to go through a certain life event, for instance changing jobs, will automatically be offered, public, private and third sector services to proactively support the transition from one job to another without a going on unemployment.

Source: https://www.businessfinland.fi/en/whats-new/news/2020/auroraai-helps-people-find-the-right-services-at-the-right-moment

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Such an approach will require delivering data and services to the public without waiting for formal requests. It implies a capacity to anticipate societal and economic developments as well as users' needs, by capturing real-time information and applying that information to the re-design of services. The dimension encompasses requested provisions for delivery of services to users, proactive requests for feedback from users and enabling citizens to access real-time information on service delivery (e.g. through smartphones apps and dashboards).

Digitalisation can ensure that the needs and expectations of citizens who grow up surrounded by digital technology are met by adequate public services that are convenient and fit for the future. As the use of digital technologies further advances, there will be an increasing focus on how public authorities manage the safety of personal data and ensure the privacy of citizens that have entrusted them with their personal information. Public trust will depend on data being used transparently, safely and legitimately, while misuse or data leaks have the potential to damage the trust relationship (OECD, 2021[29]) (OECD, 2021[30]).

While little data exists on this issue, Figure 3.1 shows that around two-thirds of Norwegians do trust that authorities only use personal data for their intended purpose. This is important and has also been shown to be a significant driver of trust in the civil service (see Figure 2.27). Nevertheless, the survey revealed that around 1 in 5 people (22%) in Norway does not fully trust authorities with their personal data and there is little variation across age groups, regions or gender on this issue. However, people with lower levels of income as well as education are generally more concerned as are people with a migrant background. The

latter is contrary to most other drivers of public trust where migrant background tends to be positively related to public trust. This lack of trust could lead to those groups being less willing to engage in digital tools offered by government to provide services, they could be losing out on the service and also feel excluded or alienated as a result.

Trust as a foundation, building capabilities, spreading skills and generating innovation

Norway is confronted with several challenges on the horizon that could influence levels of institutional trust. As signalled in the previous section, there will be less leeway to increase public spending on the basis of oil generated resources. The share of older people is expected to increase, while fertility rates are at persistently low levels. As in other countries, the job market is expected to transform with jobs being lost in low skilled industries. Moreover, the effects of global warming need to be mitigated, which may require a productive transformation in some sectors. At the same time, Norwegian people expect to maintain access to high quality public services and continue to enjoy high living standards.

The interviews carried out for this study recognised that the institutional structure in Norway is complex, with many public agencies at the central and local levels. Co-ordination and co-operation both across ministries and agencies and across levels of government is often challenging. It is also acknowledged that the public administration is facing increasingly complex and dynamic contextual conditions permeated by several waves of reforms that often face competing priorities, resulting in a fragmented and in some cases redundant decision-making process. As signalled by Laegreid "it is not a question of hierarchy, market or networks but of how the mixtures of these forms of co-ordination change in different reform movements and how the trade-offs between them alters" (Laegreid, 2020[31]). In turn, there is also a perception that too much time is spent by public servants in complying with administrative processes instead of focusing on their mission-related tasks, particularly frontline service providers.

Accordingly, the success of any strategy or policy could be increased if it uses a whole-of-government approach, with clarity about the final objectives and the course of actions to reach them. The Norwegian administrative culture is based on a consensual policy making model, which takes into account the wants and needs of people. However, to effectively accompany the transformation of Norwegian society, policy-making processes could be reviewed to enhance co-ordination among stakeholders, reduce inefficiencies and build on the knowledge and experience accumulated by users and civil servants, including frontline workers to design and deliver better services through a people-centred approach to policy making. The use of pilots could become an important tool for building the evidence base that could contribute in scaling up innovation within the administration.

The lack of a whole of government approach as well as difficulties in achieving co-operation across government bodies were identified as an obstacle for spurring innovation within the administration through the qualitative work for this study. It was signalled that there is a lack of understanding about the challenges being faced, absence of a common direction and lack of clarity in distribution of roles. These factors were deemed as to be obstacles for achieving further innovation in the public sector. In turn, most innovative initiatives take place at the local government level with a lack of involvement from the ministries that do not have a direct or clear role in the process. This makes it difficult to streamline practices or share experiences.

Nevertheless, public sector innovation is recognised as one of the most important strategies for increased sustainability in the medium and long term (Ministry of Local Government and Modernisation, 2020[26]) Data from the Innovation Barometer for the Public Sector shows that public innovation in Norway is the lowest amongst Nordic countries (COI, 2021[32]). And there is recognition that in comparison with other Nordic countries Norway and Denmark have mostly concentrated on process measures and have not invested in structural support to promote innovation (NIFU and Ramboll, 2019[33]). A white paper on how to develop an innovative public sector has been prepared by the administration and is based on the OECD Declaration on Public Sector Innovation (OECD, 2019[13]). The Norwegian white paper espouses three

principles: a) public authorities (at the political and administrative level) should provide room for manoeuvre and incentives to innovate; b) leaders must develop the required competence and a culture for innovation in the public sector; c) public enterprises must pursue new forms of co-operation including with the private and non-profit sector (Ministry of Local Government and Modernisation, 2020[26]). However, according to the OECD Trust Survey implemented as part of this case study only 29% of the Norwegian population expects that an innovative suggestion by a civil servant on how to improve services would be taken into account.

The success of the Norwegian efforts for improving public sector innovation would depend to a large extent on the leadership capabilities of senior civil servants working on complex public sector challenges. Evidence collected through nine country case studies on new approaches to solve public challenges shows that innovation is essential to solve complex challenges and core to the definition of public sector leadership (Gerson, 2020[34]). In turn, spurring that type of innovation within the administration relies on senior civil servants having the adequate set of capabilities to do so (see Box 3.6).

Box 3.6. Senior leadership capabilities

Four capabilities were identified as crucial for Senior Civil Servants (SCS) in dealing with complex challenges. The term 'capabilities' is used rather than 'skills' or 'competencies', because, cognitive, affective, and behavioural qualities go well beyond skill to include judgement and knowledge (Gerson, 2020[34]).

Values-based leadership	• Motivation to create value for society • Embodying and imparting public service values • Managing tensions, trade-offs among competing values
Open inclusion	• Actively seeking out voices that are underrepresented • Creating psychological safety • Managing diversity for better outcomes
Organisational stewardship	• A future-orientation to skills and competencies • Organisational health and development • Trust-based distributed leadership
Networked collaboration	• Mapping the System: identify and connect to the actors • (re)Framing Goals: build common understanding, trust • Action through collaboration

These four capabilities are arranged in concentric circles. Starting at the core, individual SCS are required to be values-based leaders, balance multiple and often competing values that guide their decision making in the public interest. Successful leaders challenge their own internal perceptions through open inclusion – by searching for voices and perspectives beyond those they normally hear from (open) and ensuring psychological safety for these voices to contribute to their leadership challenges (inclusion). They act as organisational stewards by reinforcing a trust- and values-based culture and equipping their workforce with the right skills, tools and working environments. Finally, looking beyond their own organisation, successful SCS are adept at collaborating through networks, with other government actors, and beyond.

Source: Gerson, D. (2020[34]), "Leadership for a high performing civil service: Towards senior civil service systems in OECD countries", *OECD Working Papers on Public Governance*, No. 40, OECD Publishing, Paris, https://doi.org/10.1787/ed8235c8-en.

However, the adoption and generalisation of those capabilities is expected to take place in a context where civil servants safeguard both the interests of people but also those of the state. Core values of the Norwegian administration include strong adherence to the rule of law represented by principles of legality, neutrality, equal treatment and predictability, these values are considered the cornerstone of good administrative practices (Ministry of Local Government and Modernisation, 2019[35]).

Breaches of trust in the relationships between civil servants and the public and/or civil servants and the state could increase the costs of collaboration, harm the social contract and affect the democratic stability of society (Alecu, 2019[36]). Advancing the transformation of public administration requires conciliating these core values with the necessary transformation that the adoption of innovative practices may require. The risk and uncertainty involved in innovation requires discussion at political levels in order to work towards a common understanding of risk appetite and to ensure that the public and media understand the decision-making process (Tõnurist and Hanson, 2020[37]). The role of the highest levels of administrative leadership to inform and manage the political interface with respect to risk and experimentation needs to be highlighted and addressed openly (see Box 3.6).

Box 3.7. Innovation Management Support at Vinova (Sweden)

Vinnova, Sweden's Innovation Agency, supports public sector entities, companies, non-government and civil service organisations to undertake innovative activities and efforts. This support spans a number of domains, from financial (EUR 310 million annually) to capability building, and is considered to be a core part of the agency's role. Through the support provided, Vinnova aims to secure and strengthen the effectiveness and longevity of the innovation that they finance and support. One way this is operationalised is through the Innovation Management Support Programme (IMSP), which is focused on realising and improving innovation outcomes for Vinnova-funded innovation projects.

Innovation management is a concept around which a growing practice is forming and becoming more formalised. Broadly, it speaks to the systematic management of and support for innovation and how that management can be operationalised. At the international level, several efforts have been made to standardise the practice of innovation management, while the practice in public sector administrations is not yet widespread.
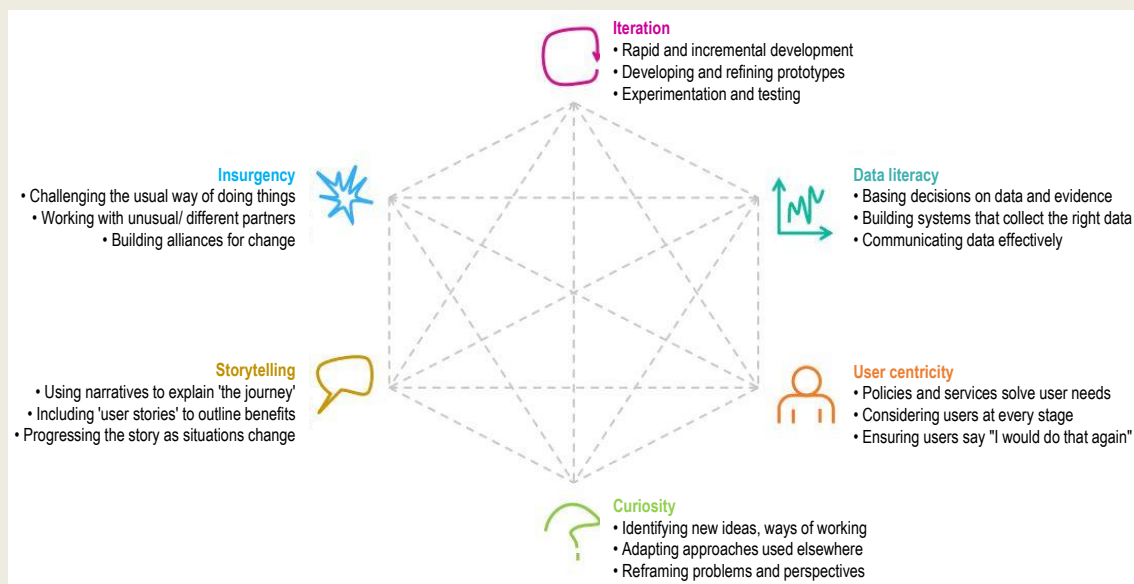
The IMSP was initiated in 2018 as a pilot programme. Its key aims include : strengthening the capacity and innovation processes of organisations and Vinnova-funded projects to innovate effectively, encouraging cross-sector collaboration between organisations to overcome silos and lock-ins, helping to create the conditions for creativity and innovation to flourish, and providing expertise and coaching to innovation partners. The individual supports were based on a needs assessment and packaged and delivered in modules based on those needs. In the first instance, it was focused on a number of diverse yet specific projects and initiatives. More recently, in 2021, the IMSP has begun transitioning to be more broadly focused on Vinnova's strategic priority areas, or missions, to more effectively address long-term, complex, and horizontal societal challenges. Recognising this, Vinnova is now experimenting with structures designed to support multi-actor action and research and to encourage organisations funded by Vinnova to engage not only in projects but also with the underlying policy, governance, and systems.

Accordingly, it is essential to have an operational environment in place that will not prevent senior civil servants from using the leadership capabilities they possess and it is expected that they will play an active stewardship role in making sure that their organisation has access to the right skills for innovation and the best conditions to put them to use (see Box 3.7). An enabling operating environment to move in this direction is of the utmost importance as it will pave the way towards building a dynamic and results-oriented public administration.

Box 3.8. Core skill areas for public sector innovation

The OECD's innovation skills model puts forward six core skill sets that all public organisations need to nurture to embed innovation capabilities (see Figure 3.10). These areas with the proper promotion/advocacy and development can enable a wider adoption of innovation practices and thus an increased level of innovation in the public sector. For a modern 21st-century public service, all officials should have at least some level of awareness of these six areas in order to support increased levels of innovation in the public sector.

Figure 3.10. Six skills areas for public sector innovation

Iteration
• Rapid and incremental development
• Developing and refining prototypes
• Experimentation and testing

Insurgency
• Challenging the usual way of doing things
• Working with unusual/ different partners
• Building alliances for change

Data literacy
• Basing decisions on data and evidence
• Building systems that collect the right data
• Communicating data effectively

Storytelling
• Using narratives to explain 'the journey'
• Including 'user stories' to outline benefits
• Progressing the story as situations change

User centricity
• Policies and services solve user needs
• Considering users at every stage
• Ensuring users say "I would do that again"

Curiosity
• Identifying new ideas, ways of working
• Adapting approaches used elsewhere
• Reframing problems and perspectives

Source: https://www.oecd.org/media/oecdorg/satellitesites/opsi/contents/files/OECD_OPSI-core_skills_for_public_sector_innovation-201704.pdf

Embedding into the governance system the capacity to explore possibilities, experiment and continuously learn will contribute to coping with fast-paced change, uncertainty and unpredictable events. Such capacity is referred to as 'anticipatory innovation governance' and is being pursued by other Nordic countries such as Finland (OECD, 2021[38]). Anticipatory innovation could become a crucial tool for spreading and generalising an innovation culture within the Norwegian administration, strengthening its foresight capacity and making it ready for the future.

Opportunities for improvements

The results regarding the determinants of public trust have shown that high quality services and their transformation are critical in preserving and improving levels of institutional trust in Norway. Given the amount of taxes paid by Norwegians and the natural endowment of the country in terms of oil reserves, people expect to receive high quality services free or at relatively low costs. The challenge faced by Norway is maintaining services that are people centred while deepening inclusiveness and achieving sustainability. Along these lines, a whole of government approach with people-centred policies and services could be of great help. In a context where better spending and seeking further efficiencies may be required, Norway could envisage, in addition, the following options to strengthen and improve its trust capital.

Welfare services are becoming more complicated and require more human resource skills, which makes it harder for small municipalities to provide efficient and quality services. While municipal mergers could be an important tool for achieving the optimal scale in service provision, it is key that they consider the local context so as to ensure equality in service delivery across regions and population groups. Indeed, targeted actions could be taken in rural areas and in favour of vulnerable groups. In turn, they may be combined with inter-municipal co-operation as a way of softening the political complexity of mergers.

Ensuring that services continue to be designed around people's needs and are not a source of social differences is fundamental for maintaining high levels of institutional trust. Involving users and frontline workers in the adaptation of services as well as institutionalising mechanisms for reporting on feedback received by users could contribute to enhancing people-centred services and shoring up high levels of satisfaction and trust. The preparation of guidelines outlining the characteristics of people-centric services could become a crucial tool for guaranteeing that services are evolving with people's needs and expectations.

Norway could further embrace public sector innovation as an avenue to fight global challenges and improve the provision of public services. The success of Norwegian innovation efforts depends largely on the capacity to adopt a coherent whole of government approach with enhanced co-ordination across institutions and levels of government, as well as on senior managers' ability both to overcome existing barriers to innovation and ensure that they right skills exist within the administration. Accordingly, it is important to work towards developing an enabling operating environment that could spread to the rest of the administration. Breaking down silos, generating spaces for innovation and being transparent about the risk appetite alongside a co-ordinated political administrative interface are important in making innovation the driving force behind service improvement. The use of pilots could be a crucial tool for building the evidence base required for scaling up innovation within the administration and advancing towards wider adoption of innovative practices in the administration.

Finally, it is important that Norway continue using tools such as the digitalisation of services, to keep providing high-end seamless services to people. However, it is important to bear in mind that digital tools should be inclusive and leave no groups behind. They should include the use of simple language information campaigns and online information channels. Secondly, there is room to further improve in the use of data and enhance proactiveness in seeking and reporting on user feedback and adapting services accordingly.

Reliability

Strengthen preparedness to address long-term societal challenges

The reliability of public services is a key government competence and driver of institutional trust. It reflects the capacity of governments to anticipate the ever-evolving needs of citizens as well as the challenges societies face on different time horizons (OECD, 2017[1]; Brezzi et al., forthcoming[39]). Reliable governments can minimise uncertainty in social, economic and political settings and provide the basis for people's wellbeing, including future generations. While public services often need to respond and be adapted in the short term, for example as a reaction to shocks such as the COVID-19 crisis, reliable governance requires governments to adopt a forward-looking vision and adequate reforms, the impact of which often extends far beyond election cycles. Similarly, it requires an agile organisational culture and institutional capacities to adapt as well as to better understand the needs of users (OECD, 2020[40]). This vision and long policy horizon are crucial for tackling many of the key challenges related to climate change, demographic shifts and technological advances. Failure to provide a stable and forward-looking policy environment can erode trust when people realise that their own future livelihood and that of future

generations is threatened. This can lead to a vicious cycle of eroding trust which can make it even harder to adopt the necessary reforms (Heinemann and Tanz, 2008[41]).

The OECD Trust Survey applied in Norway includes a battery of questions on the extent to which public institutions are doing enough to address intergenerational challenges. These are:

- Protecting the environment
- Ensuring social cohesion
- Adapting to future challenges
- Ensuring that everyone has the same opportunities
- Maintaining the welfare state

Figure 3.11 shows that Norwegians generally tend to trust public authorities to do enough for maintaining the Norwegian welfare state, providing equal opportunities for all in society, and ensuring social cohesion. However, Norwegians consistently perceive the role of public institutions less favourably than in Finland (see Figure 3.11). For example, 58% of the population in Finland considers that public institutions are doing enough to fight climate change compared to 49% in Norway. The same pattern is observed for other long-term trends such as enhancing social cohesion (55% in Finland and 50% in Norway) and ensuring that everyone has equal opportunities (58% in Finland and 48% in Norway).

Climate change, demographic shifts, and technological advances give rise to challenges for workers, businesses and governments that can only be tackled by adopting a long-term policy vision. Unaddressed, they all pose fundamental threats to the wellbeing of citizens and to the functioning of societies and to democratic systems as a whole. Reliable governance requires the adoption of foresight strategies that look beyond the next election cycle to prepare societies for the longterm. In Norway, less than half of people (46%) are convinced that the government is doing enough to adapt to future challenges.

With the exception of actions on environmental protection, younger and older age groups report higher trust in government's capacity to address long-term policies (Figure 3.12). Similarly, Oslo and the eastern part of Norway have higher trust levels than other Norwegian regions. In addition, foreign born believe that the government is better prepared than people born in Norway (Annex Table 3.A.1).

Figure 3.11. Percentage of population with confidence that public authorities are "doing enough" to address key societal challenges in Norway and Finland
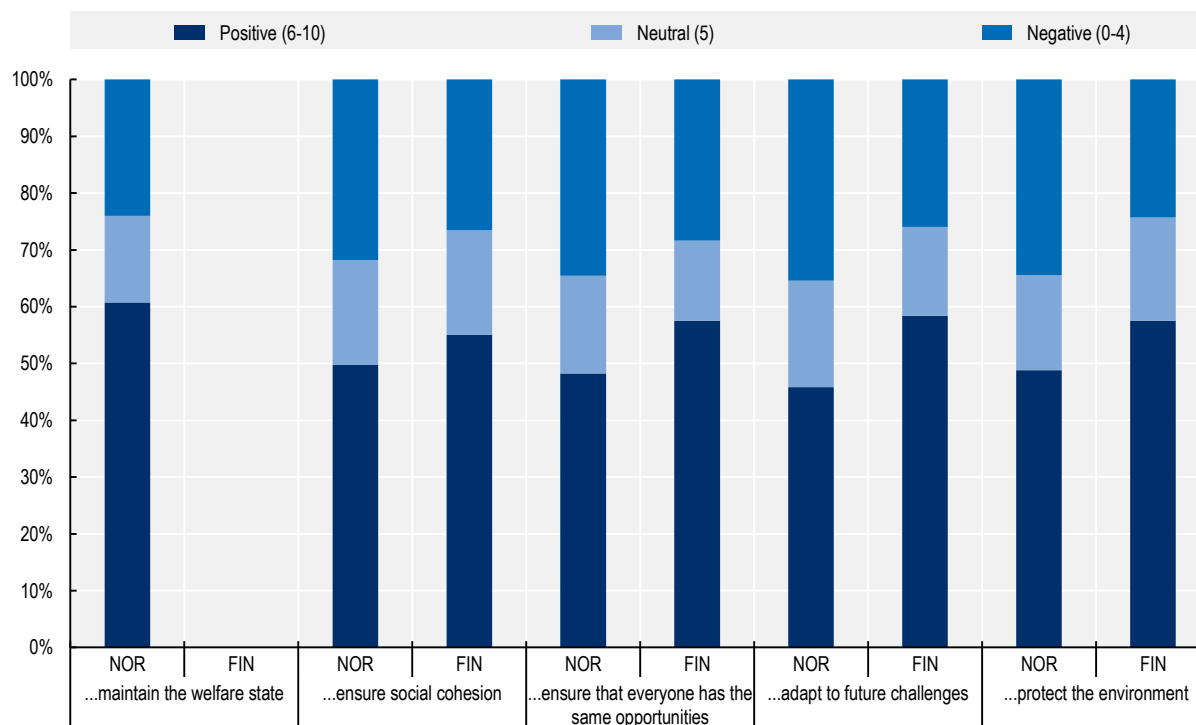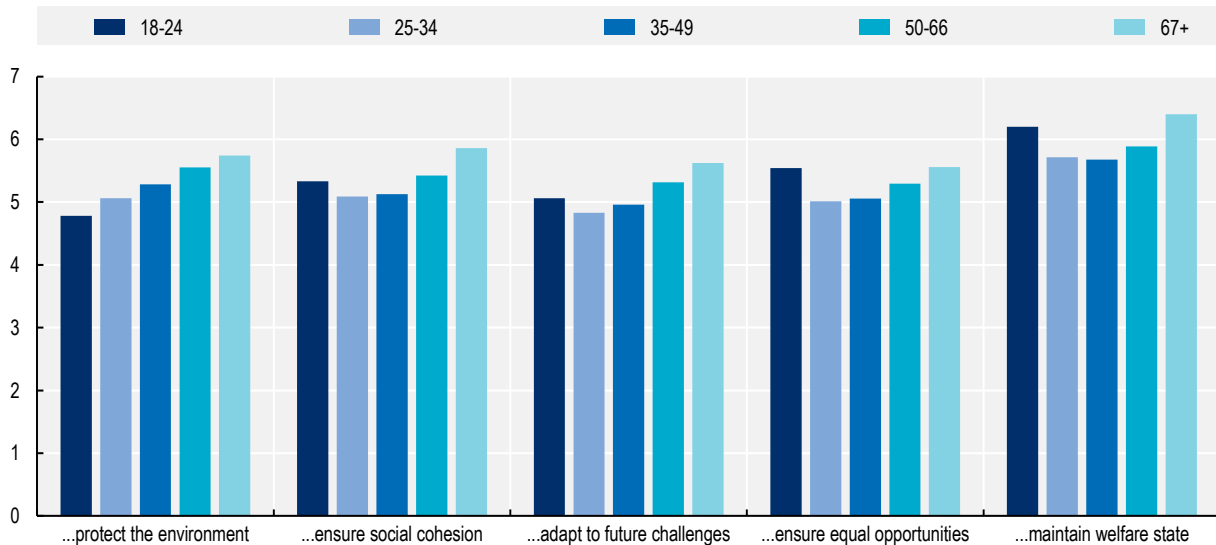

Note: Figure shows percentage of population answering negatively (0-4), neutrally (5) or positively (6-10) to the question of whether public authorities are doing enough to address five key societal challenges. In the case of Finland the scale was 1-10 and therefore it is aggregated in the following way: negative (1-4), neutrally (5) and positively 6-10. Data for Norway are 2021, data for Finland are 2020.
Source: OECD Trust Survey applied in Norwegian Citizen Survey 2021.

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The maintenance of the welfare state is a known predictor of public trust (Kumlin, 2017[42]) and also found to be a key driver in Norway as it is significant for all the institutions tested (Figures 2.25; 2.26 and 2.27). However, some interviewees for this report raised concerns regarding the long-term impacts of COVID-19 on the fiscal capacity of the public sector to maintain high levels of welfare spending. While people in Norway are used to high levels of social benefits — which were also deployed in quantity during the pandemic — a state with less fiscal room for manoeuvre might not be able to meet those expectations going forward including those of new generations. Another concern referred to economic inequality, which has been rising somewhat, and only a strong and sustainable welfare state is able to counter this trend and ensure that nobody is left behind, even in relative terms.

Figure 3.12. Percentage of population with confidence that public authorities are "doing enough" to address key societal challenges, by age groups

Note: Figure shows percentage of population answering negatively (0-4), neutrally (5) or positively (6-10) to the question of whether public authorities are doing enough to address key societal challenges.
Source: OECD Trust Survey applied in Norwegian Citizen Survey 2021.

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While only a snapshot in time rather than a well-studied trend, it is important to note that around one-quarter to one-third of Norwegians think that public authorities are not doing enough on these key social policies, and this share is even higher among some groups (see Annex Table 3.A.1). For instance, women are on average less positive about existing policies aiming to safeguard equal opportunities for all, as are people with lower levels of education and lower average incomes. The exception are people with very low incomes of less than NOK 150 000 (about EUR 15 208) per year, who are also more likely to be recipients of social benefits.

In turn, the transition to a 'green' economy, which strives to reduce the amount of CO_2 emissions per person is a key factor in reducing global warming. It is also a challenge where the majority of the costs need to be incurred in the present, while the benefits are largest for future generations. In that sense, many policies aimed at protecting the environment can be seen as an inter-generational transfer in the same way that current generations benefit from sacrifices made by people who lived in the past. It is also somewhat different to payments on social benefits that can be seen as intra-generational transfers, while a functioning pension system again shifts money between generations. It is easy to see how each of these transfers requires the trust of citizens in the public sector to make effective and efficient use of their money.

On the issue of protecting the environment, and as previously discussed, around half of the people living in Norway believe that the government is currently doing enough (see Figure 3.11) and yet one-third does not think this is the case. There is a clear age gradient shown in Figure 3.12 and younger people on average tend to be much less satisfied with existing policies. This is intuitive as they are also more likely to bear more of the consequences and costs of inaction on climate change. Other groups that are on average more concerned about this issue are individuals with a university-level education, people with low incomes, as well as Norwegians born in Norway (see Annex Table 3.A.2).

Designing a stable and forward-looking policy

In addition to the questions about how much public institutions are doing to address long-term challenges, the reliability dimension also includes the following two questions.
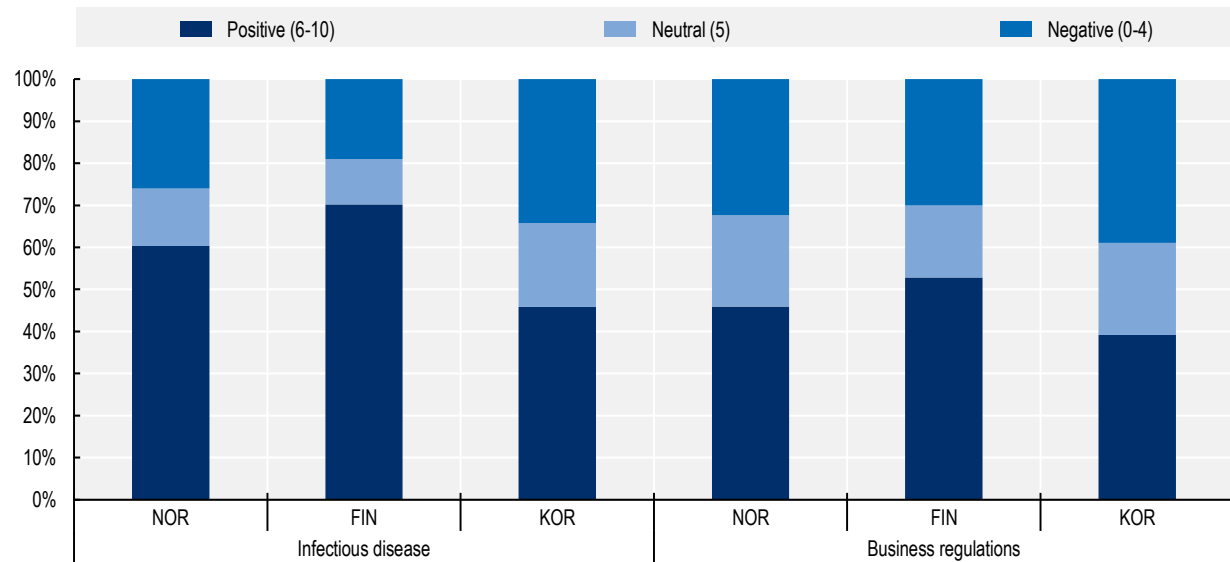
- If a new and serious infectious disease were to start spreading in Norway, how likely is it that the authorities would be sufficiently prepared to be able to protect the citizens' lives and health?
- If you were to start a business, how likely is it that future framework conditions (taxation, regulations, etc.) will be predictable and able to ensure a viable business?

In the case of Norway, the most important determinant of trust in the government is the extent to which it will be able to protect people's lives in the case of a new pandemic. An increase of one standard deviation in government preparedness would lead to an increase of 0.47 in trust (see Figure 2.25).Importantly, reliability, both in terms of preparedness and in terms of stability of regulatory conditions, are amongst the main determinants of people's trust in the civil service. Around 60% believe that their public authorities would be sufficiently prepared to protect citizens' lives and health in case of a serious infectious disease spreading in the country (see Figure 3.13) this figure is lower than in Finland (70%) but higher than in Korea (46%) where the data were collected before the COVID-19 pandemic. An interpretation of these data are that people believe that lessons will be drawn from the ongoing COVID-19 crisis and institutions will be better prepared for when the next pandemic hits. It also shows that successfully overcoming short-term crises can raise citizens' trust in government.

The Norwegian administration was able to react quickly and adequately to the COVID-19 emergency. The success of the Norwegian response is attributed to a collaborative and pragmatic decision-making style, successful communication with the public, substantial resources and trust in government (Laegreid, 2020[43]) However, a successful response does not necessarily mean that the public administration was sufficiently prepared. As shown in Chapter 1 (see Figure 1.4 in Chapter 1) the share of the population that believes that the government was well prepared to deal with COVID-19 was only 18% in June 2020, according to an independent Commission (Corona Comission, 2021[44]). There is room to further anticipate and prepare for future crises by enhancing foresight, strengthening co-ordination and working on the basis of scenarios for fighting crisis that are expected to become more frequent and harsher (OECD, 2021[2]).

Perceived government reliability has a significant and relatively large effect as a driving force of public trust. Accordingly, if the crisis continues and there are new setbacks (due for instance to the emergence of new virus variants that is resistant to vaccines) people may adopt a more negative view of the capacity and preparedness of public authorities to effectively tackle challenges in the future.

Another aspect related to government reliability is the provision of a stable business environment which includes the provision of rules and regulations for businesses that are predictable and reduce uncertainty. According to the OECD Trust Survey, almost half of people in Norway have a positive perception of the predictability of business regulations, while around one-third does not (see Figure 3.13). Concerns about predictability of the business environment are more widespread among people with lower incomes and those living in the north of the country (see Annex Table 3.A.2). Conversely, people with university-level education, higher average incomes, or a migrant background[3] tend to see business stability more favourably. The predictability of business regulation was also raised during the interviews in relation to climate change action. Indeed, while businesses may not generally be opposed to new regulation, policies aimed at protecting the environment need to remain as predictable as possible in order to allow for strategic decisions to be made and efficient plans to be ready. Given the ongoing transformation of the Norwegian economy to be 'greener', this will also be a factor to monitor closely.

Figure 3.13. Citizen perception of government preparedness and reliability

Note: Figure shows percentage of population answering negatively (0-4), neutrally (5) or positively (6-10) to the questions of 1) "If a new and serious infectious disease were to start spreading in Norway, how likely is it that the authorities would be sufficiently prepared to be able to protect the citizens' lives and health?", 2) "If you were to start a business, how likely is it that future framework conditions (taxation, regulations, etc.) will be predictable and able to ensure a viable business?", and 3) "If you share your personal details with a public authority, how likely is it that said information will be used only for the purposes for their intended purpose". The scale in Finland was 1-10 and corresponds to the following: negatively (1-4), neutrally (5), positively (6-10). Data for Norway are 2021, data for Finland are 2020. Data for Korea are 2017.
Source: OECD Trust Survey applied in Norwegian Citizen Survey 2021.

StatLink 🔗 https://stat.link/luh8rt

A reactive approach to setting policy is proving increasingly ineffective: waiting until a crisis has struck before acting is far less effective than anticipating and preparing before a crisis has blown up. Accordingly, Norway could benefit substantially from further strengthening its anticipation capacity. Anticipation is about creating knowledge about the future that leads to possible acting in the present to help bring about the kind of futures that are desired (OECD, 2020[45]). The Norwegian administration is preparing for mid- to long-term challenges through several strategies. In addition, to the aforementioned digital government strategy and the white paper on public sector innovation, the public administration has also advanced a national strategy for Artificial Intelligence (AI) and propositions on transformation from oil to a more sustainable productive sector. The government appointed a commission "Norway towards 2025" composed of experts from academia and the public and private sectors to investigate the basis for value creation, production, employment and welfare following the COVID-19 pandemic, the report from the commission was published in 2021 and advances recommendations on among others achieving a green transition and further deepening digitialisation (NOU, 2021[46])

Despite the existence of several strategies and initiatives, the administration could continue to work on systematically integrating a forward-looking whole of government approach to policy making. The mechanisms for setting high-level objectives and how these are translated into sectoral objectives (e.g. target setting, actions for implementation and monitoring strategies) could be reviewed. This process must focus on mission-related tasks rather than 'process fulfilment' or compliance mechanisms. Accordingly, trust should be considered the foundation for the work of public institutions and based on the experience and knowledge of civil servants, particularly frontline employees.

In turn, anticipatory innovation refers to acting on this knowledge for the purpose of exploring and experimenting with emerging issues or future scenarios. By probing in a complex environment, this action

creates additional knowledge about how a system responds while it also actively shapes it. This requires a broad-based capacity to actively explore possibilities, experiment, and continuously learn as part of a broader governance system. This capacity must be intentionally and persistently supported since the dominant system will tend to crowd out or deprioritise anticipatory innovation as part of a portfolio of activities (OECD, 2020[45]). Some of the key characteristics of anticipatory innovation governance as compared to traditional policy making are presented in Box 3.9. Further endorsing anticipatory innovation governance is consistent with the need to enhance innovation capabilities and skills as presented in the responsiveness section of this chapter.

Box 3.9. Key features of anticipatory innovation governance as opposed to traditional policy making

An anticipatory innovation government approach entails outlining parameters around which policy makers wish to make changes: preferable futures or futures to be avoided. It involves experimenting in a real world environment to determine effective policy, ideally with a subset of individuals or groups that would be affected by government intervention, technologies or large-scale changes. Based on knowledge from experimentation, policy makers continuously reassess those preferable futures, and whether or not they are tracking towards them. The table below depicts different components of anticipatory innovation governance as they pertain to policy making and compares them to traditional models.

	Traditional policy making	**Anticipatory innovation governance**
Evaluation approach	Evaluation as the last stage in an often multi-year policy cycle	Continuous evaluation assessment; exploring future effects (e.g. changes in public values, ethics, intergenerational fairness)
Policy cycle	Long research and drafting cycles, with policy implemented accordingly	Recognition that cause-effect relationships are impossible to know in advance, and that the policy implementation itself changes the problem space
Research and analysis approach	Exploring the problem space through research and analysis	Exploring the problem space through small-scale real-world experiments and innovation
Research and analysis focus	Research and analysis focused on what has happened	Research and model development focused on a range of possible futures
Participation	Policy domain experts and primary affected population	System of related policy areas and affected populations, which changes over time

Source: OECD (2020), Anticipatory Innovation Governance.

Opportunities for improvement

It is clear that the reliability of policies and services is a key competence of government and a crucial driver of public trust in Norway. Reliability can be tricky to measure and grasp as the challenges governments need to prepare for are by definition evolving. Moreover, as demographics and technology change, the needs and expectations of citizens change with them. The challenge for the Norwegian government is to maintain their long-term policy horizon, strengthen foresight strategies to improve preparedness and adopt new ones, including crisis plans for service provision and development.

Preserving and further enhancing the reliability of policies and services will depend on the public administration's appropriate planning capacity, its strategic co-ordination and agility in enhancing resilience to future shocks. Norway could review the processes for setting high-level policy objectives and how these are reflected in sectoral objectives, including through target setting, actions for implementation and monitoring strategies. The review process should focus more on mission-related tasks rather than on

'process fulfilment' or compliance mechanisms. Accordingly, trust must be considered the foundation for the work of public institutions, which should be rooted in the experience and knowledge of civil servants, particularly those in charge of policy design and frontline service providers.

Many issues and challenges discussed in this chapter and report are cross-cutting and involve the co-ordination of many stakeholders in Norway, within and outside of government. It will be important to adopt a co-ordination mechanism between them, clarify responsibilities and set clear targets. New, uncertain and complex challenges will require departing from traditional silo-oriented ways of doing things and moving towards innovative governance models. Indeed, establishing cross-ministerial committees for complex multidimensional challenges (e.g. climate change) could become an institutional arrangement with which to build synergies and enhance collaboration across the different institutions. In turn, further reinforcing and expanding tools of anticipatory innovative governance may contribute to shifting from reactiveness to preparedness, which will be incredibly important in preserving institutional trust.

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Annex 3.A. Detailed survey results

Annex Table 3.A.1. Confidence in government to address key challenges, average scores by groups

Public authorities are doing enough to…		...protect the environment	...ensure social cohesion	...adapt to future challenges	...ensure equal opportunities	...maintain welfare state
	All	**5.35**	**5.36**	**5.16**	**5.26**	**5.93**
Gender	Male	5.54	5.33	5.09	5.38	5.91
	Female	5.15	5.38	5.24	5.14	5.95
Age group	18-24	4.78	5.33	5.06	5.54	6.20
	25-34	5.06	5.09	4.83	5.01	5.71
	35-49	5.28	5.12	4.96	5.05	5.67
	50-66	5.55	5.42	5.32	5.29	5.89
	67+	5.74	5.86	5.62	5.56	6.40
Education level	Primary	5.42	5.49	5.27	5.03	5.97
	Upper secondary	5.39	5.24	5.08	5.05	5.74
	Vocational	5.79	5.37	5.22	5.13	5.70
	University	5.21	5.38	5.17	5.43	6.07
Income level	Income <150k	4.82	5.35	5.18	5.26	5.86
	150k-250k	5.21	5.23	5.06	5.03	5.80
	250k-350k	5.36	5.19	5.09	4.81	5.73
	350k-450k	5.48	5.49	5.29	5.20	5.93
	450k-550k	5.56	5.52	5.31	5.20	5.85
	550k-750k	5.30	5.30	5.14	5.18	5.88
	750k-1m	5.36	5.29	5.08	5.22	5.81
	>1m	5.31	5.38	5.14	5.53	6.12
Region	Oslo	5.31	5.43	5.13	5.42	6.13
	Ostland	5.42	5.38	5.21	5.18	5.87
	Vestland	5.37	5.36	5.19	5.31	5.93
	Nord	5.25	5.22	5.09	5.07	5.75
Country of birth	Norwegian	5.26	5.27	5.07	5.20	5.87
	European	5.95	5.80	5.64	5.54	6.29
	RoW	6.02	6.20	6.08	5.90	6.61

Notes: Reply on 0-10 scale to question "To what extent do you agree or disagree with the following statements? Public authorities do enough to…".
Source: OECD Trust Survey in Norwegian Citizen Survey 2021.

Annex Table 3.A.2. Reliability of public institutions, average scores by groups

Public authorities are doing enough to…		Protection against infectious disease	Predictable business regulations	Responsible use of personal data
	All	**5.93**	**5.24**	**6.32**
Gender	Male	5.69	5.25	6.16
	Female	6.17	5.23	6.48
Age group	18-24	5.55	5.23	6.24
	25-34	5.55	5.09	6.30
	35-49	5.84	5.32	6.44
	50-66	5.97	5.24	6.31
	67+	6.58	5.29	6.22
Education level	Primary	6.14	4.95	5.96
	Upper secondary	5.63	4.95	5.96
	Vocational	5.90	4.91	5.81
	University	6.06	5.51	6.68
Income level	Income <150k	5.40	5.03	6.15
	150k-250k	5.87	5.08	5.80
	250k-350k	5.72	4.84	5.74
	350k-450k	5.98	5.04	6.15
	450k-550k	5.96	5.28	6.15
	550k-750k	5.96	5.22	6.31
	750k-1m	5.84	5.19	6.40
	>1m	6.07	5.53	6.76
Region	Oslo	5.97	5.41	6.47
	Ostland	5.92	5.11	6.21
	Vestland	5.95	5.32	6.32
	Nord	5.84	5.06	6.25
Country of birth	Norwegian	5.88	5.19	6.34
	European	6.12	5.74	6.24
	RoW	6.53	5.63	6.22

Notes: Reply on 0-10 scale to questions: a) "If a new and serious infectious disease were to start spreading in Norway, how likely is it that the authorities would be sufficiently prepared to be able to protect the citizens' lives and health?", b) "If you were to start a business, how likely is it that future framework conditions (taxation, regulations, etc.) will be predictable and able to ensure a viable business?", c) "If you share your personal details with a public authority, how likely is it that said information will be used only for the purposes for which it was collected?".
Source: OECD Trust Survey in Norwegian Citizen Survey 2021.

Notes

[1] These life events are 1) New in Norway; 2) Losing and finding a job; 3) having children; 4) deaths and inheritance; 5) starting and running a business; 6) seriously ill children; and 7) starting and running a voluntary organisation.

[2] Two of the life events - Seriously ill children and Starting and running a voluntary organisation are exploring whether a mission-approach can be a good fit when working with cross sectoral challenges. The mission-approach is used because the life events represent challenges that must be solved through collective and targeted efforts from many different agentsor government services.

[3] Migrant background refers to people either born abroad, or having immigrant parents.

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