



Norway

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David Roodman, Julie Walz, and Tejaswi Velayudhan

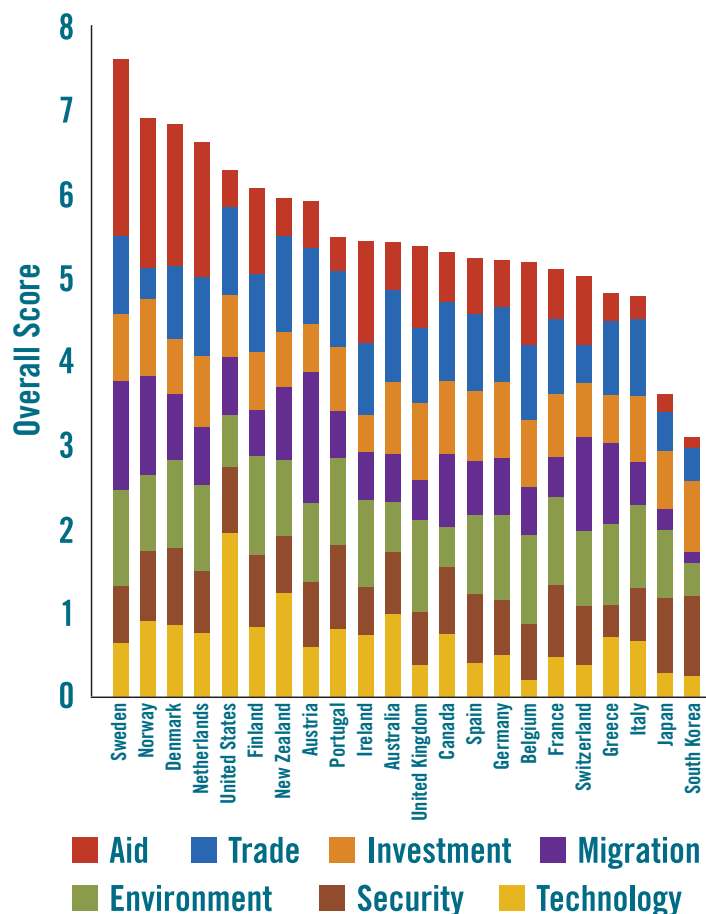
The Commitment to Development Index (CDI) ranks 22 of the world's richest countries based on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national effort in seven policy areas that are important to developing countries: aid, trade, investment, migration, environment, security and technology. This report reviews Norway's performance on the 2011 CDI.

Norway's 2011 CDI Performance

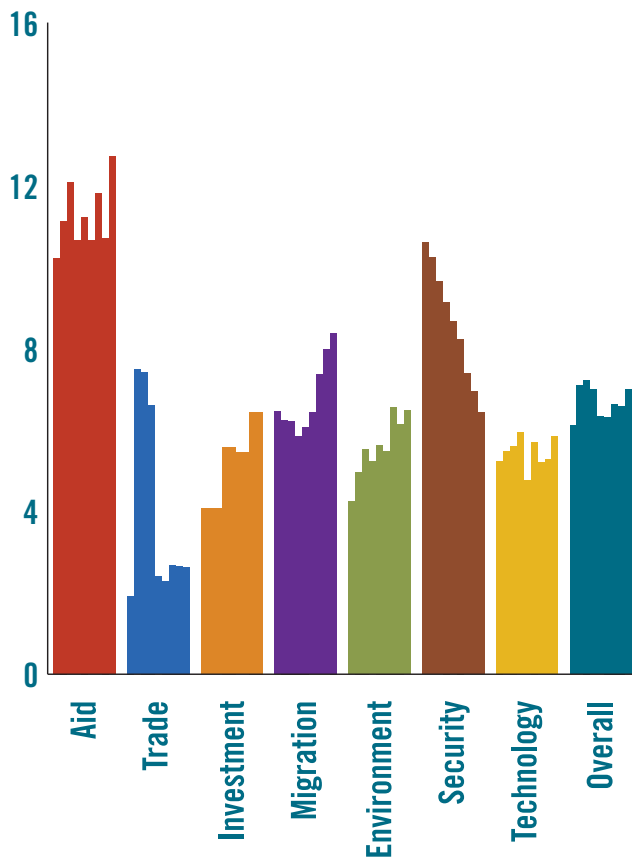
- Overall rank 2011: 2
- Overall score 2011: 7.0
- Change since 2003: +0.9 (using 2011 methodology)

Norway ranks 2nd overall in 2011. Norway ranks in the top five on the aid, investment, migration, and security components. Norway gives a large amount of foreign aid as a share of its income, promotes productive investment in poor countries, admits a large number of legal immigrants from developing countries, and contributes significant finance and personnel to internationally sanctioned security operations. But Norway also produces the largest amount of fossil fuels per person of any CDI country, bringing down its score on the environment component. The Norwegian government also employs some of the most restrictive trade barriers against poor countries, finishing at the bottom of the trade component.

Commitment to Development Index 2011



Norway's CDI Performance, 2003–11



Aid

Aid quality is just as important as aid quantity, so the CDI measures gross aid as a share of GDP adjusted for various quality factors: it subtracts debt service, penalizes “tied” aid that makes recipients spend aid only on donor goods and services, rewards aid to poor but relatively well-governed recipients, and penalizes overloading poor governments with many small projects.

■ **Score: 12.7**

■ **Rank: 2**

Strengths

- High net aid volume as a share of the economy (1.06%; rank: 2)
- Small share of tied or partially tied aid (0.00%; rank: 1)
- Large amount of private charitable giving attributable to tax policy (rank as a share of GDP: 5)

Trade

International trade has been a force for economic development for centuries. The CDI measures trade barriers in rich countries against exports from developing countries.

■ **Score: 2.6**

■ **Rank: 22**

Strengths

- Low barriers against textiles (3.5% of the value of imports; rank: 1)
- Low barriers against apparel (1.8% of the value of imports; rank: 1)

Weaknesses

- High tariffs on agricultural products (94.5% of the value of imports; rank: 20)
- High agricultural subsidies (equivalent to a tariff of 13.5% of the value of imports; rank: 19)

Investment

Rich-country investment in poorer countries can transfer technologies, upgrade management and create jobs. The CDI includes a checklist of policies that support healthy investment in developing countries.

■ **Score: 6.4**

■ **Rank: 1**

Strengths

- Provides insurance against political risk for both domestic and foreign firms
- Employs foreign tax credits to prevent double taxation of corporate profits earned abroad
- Participates in the Extractive Industries Transparency Initiative (EITI) and the Kimberley Initiative on blood diamonds
- Displays leadership in encouraging least developed countries to join the EITI and is one of the contributors to the World Bank Special Trust Fund to assist in its implementation

Weaknesses

- Political risk insurance also given to inefficient, import-substituting projects

Migration

The movement of people from poor to rich countries provides unskilled immigrants with jobs, income, and knowledge. This increases the flow of money sent home by migrants abroad and the transfer of skills when the migrants return.

■ **Score: 8.4**

■ **Rank: 3**

Strengths

- Bears large share of the burden of refugees during humanitarian crises (rank: 2)
- Free tuition for foreign students and for nationals
- Large increase during the 1990s in the number of unskilled immigrants from developing countries living in Norway (rank by share of population: 7)
- Large number of immigrants from developing countries entering Norway (rank by share of population: 3)

Environment

Rich countries use a disproportionate amount of scarce resources and poor countries are most vulnerable to global warming and ecological deterioration, so the CDI measures the impact of policies on the global climate, fisheries, and biodiversity.

■ **Score: 6.5**

■ **Rank: 15**

Strengths

- Low greenhouse gas emissions rate per capita (5.6 tons of carbon dioxide equivalent; rank: 3)
- Greenhouse gas emissions grew little in 1999–2009 despite rapid GDP growth (average annual growth rate/GDP, –6.7%; rank: 1)
- High gas taxes (\$1.31 per liter; rank: 1)

Weaknesses

- High fishing subsidies (\$1.70 per person; rank: 18)
- High fossil fuel production rate per capita (115.5 tons of carbon dioxide equivalent; rank 22)

Security

Since security is a prerequisite for development, the CDI rewards contributions to internationally sanctioned peacekeeping operations and forcible humanitarian interventions, rewards military protection of global sea lanes, and penalizes arms exports to poor and undemocratic governments.

■ **Score: 6.4**

■ **Rank: 4**

Strengths

- Significant financial and personnel contributions to internationally sanctioned peacekeeping and humanitarian interventions over last decade (rank by share of GDP: 5)

Weaknesses

- Provides little protection of global sea lanes that are important to international trade (rank by share of GDP: 17)

Technology

Rich countries contribute to development through the creation and dissemination of new technologies. The CDI captures this by measuring government support for R&D and penalizing strong intellectual property rights regimes that limit the dissemination of new technologies to poor countries.

■ **Score: 5.8**

■ **Rank: 8**

Strengths

- High tax subsidy rate to businesses for R&D (rank: 5)
- Limited patent coverage for software programs

Weaknesses

- Offers patent-like proprietary rights to developers of data compilations, including those assembled from data in the public domain
- Large share of government R&D expenditure on defense (0.4%; rank: 16)

Background Papers and Contributors

See “The Commitment to Development Index: 2011 Edition” by David Roodman, available at www.cgdev.org/cdi. The website also has background papers for each policy area: David Roodman on foreign aid, William R. Cline on trade, Theodore H. Moran on investment, Elizabeth Grieco and Kimberly A. Hamilton on migration, Amy Cassara and Daniel Prager on environment, Michael E. O’Hanlon and Adriana Lins de Albuquerque on security, and Keith Maskus on technology.

Commitment to Development Index 2011

Country	Rank	Aid	Trade	Investment	Migration	Environment	Security	Technology	Overall Score	Change since 2003
Sweden	1	14.9	6.5	5.6	9.2	8.1	4.5	4.9	7.7	+1.6
Norway	2	12.7	2.6	6.4	8.4	6.5	6.4	5.8	7.0	+0.9
Denmark	3	11.9	6.2	4.7	5.6	7.4	6.1	6.5	6.9	-0.2
Netherlands	4	11.5	6.6	6.0	4.9	7.3	5.3	5.2	6.7	+0.2
United States	5	3.1	7.4	5.3	4.9	4.4	13.8	5.6	6.4	+2.2
Finland	6	7.3	6.6	4.9	3.8	8.4	5.9	6.1	6.1	+1.1
New Zealand	7	3.3	8.1	4.7	6.1	6.4	8.7	4.9	6.0	+0.3
Austria	7	3.9	6.5	4.0	11.1	6.7	4.2	5.5	6.0	+0.6
Portugal	9	2.8	6.5	5.4	4.0	7.3	5.7	7.0	5.5	+1.0
Ireland	9	8.6	6.1	3.1	4.1	7.4	5.2	4.0	5.5	+0.4
Australia	9	4.1	7.7	6.1	4.0	4.2	7.0	5.3	5.5	-0.1
United Kingdom	12	7.0	6.3	6.4	3.5	7.7	2.7	4.5	5.4	+0.2
Canada	12	4.2	6.7	6.1	6.2	3.4	5.3	5.7	5.4	+0.4
Spain	14	4.8	6.4	6.0	4.6	6.6	2.8	5.9	5.3	+1.0
Germany	14	4.0	6.3	6.4	4.8	7.2	3.5	4.7	5.3	+0.3
Belgium	16	7.0	6.3	5.6	4.0	7.6	1.4	4.7	5.2	+0.7
France	16	4.3	6.4	5.3	3.4	7.4	3.3	6.1	5.2	+0.6
Switzerland	18	5.7	3.2	4.6	7.9	6.3	2.7	5.0	5.1	+0.5
Greece	19	2.3	6.3	4.0	6.8	6.9	5.1	2.7	4.9	+1.1
Italy	20	2.0	6.5	5.6	3.7	7.0	4.7	4.5	4.8	+0.5
Japan	21	1.5	3.3	4.9	1.8	5.7	2.0	6.3	3.7	+1.1
South Korea	22	1.0	2.8	5.9	1.0	2.8	1.7	6.8	3.1	n/a

This table ranks the 22 countries in the CDI, showing their scores in seven policy areas. A country's overall score is the average of its seven policy scores. The final column shows the change in each country's overall score since the CDI began in 2003, using 2011 methodology.

The CGD website (www.cgdev.org/cdi) has reports on each of the 22 countries in the CDI, as well as graphs, maps, spreadsheets, and background papers.

The Commitment to Development Index is designed by the Center for Global Development, an independent think tank that works to reduce global poverty and inequality by encouraging policy change in the United States and other rich countries through rigorous research and active engagement with the policy community.

David Roodman, the architect of the Commitment to Development Index, is a senior fellow at the Center for Global Development.