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Norway: The World's Ethical Petro Power?

By Antoine Jacob for Le Temps

OSLO - It's still too early to predict how Norway's Prime Minister-elect Erna Solberg, who was elected earlier this month, will tweak the oil policy developed by outgoing Prime Minister Jens Stoltenberg. During his eight-year tenure - even as Norway was in the process of building its wealth - the government adopted standards for managing its oil savings ethically and for aiding other oil-producing countries.

Norway famously chose not to invest any oil funds in businesses that did not respect these standards. By the end of 2012, Norway had boycotted 55 companies for forced labor, child labor, environmental damages and corruption allegations. Those companies that chose to modify their practices were considered again as partners. "Norwegian opinion upholds the responsible use of funding," the Ministry of Finance has stated.

Norway is, in fact, one of the wealthiest countries in the world, boasting \$784 billion in savings, or 1.25% of the global market capital. This prosperity is thanks, of course, to the oil trade and coastal oil extraction that has multiplied since the 1970s, with revenues held in funds abroad and managed by the central bank.

Solberg, who will take office next month, will have her work cut out for her to gain a significant majority among the various factions in Norway's Parliament. She'll need to pacify and form a coalition with the Progress Party, which hopes to direct annual profits from Norway's oil wealth into the national budget.

So far, Solberg's Conservative Party has balked at that idea. Like the Labor Party before it, its members feel that drawing more funds from the country's considerable wealth would overstimulate the domestic economy. More importantly, they are looking toward the eventuality of depleted oil reserves, and want to manage savings such that Norway can provide for its citizens when the oil wealth dries up.

The Norwegian aid given to other oil-producing nations is another significant part of her predecessor's policies. "We advise less-informed countries on market regulations and their options when dealing with multinational corporations," says Petter Stigset, who works within the Norwegian public service program called Norad that deals in foreign aid and development.

"We aim to help countries develop a legislative framework before they go ahead and sign oil trade agreements," he says. The program also helps build awareness among state employees, NGOs and journalists on the topic of oil wealth management.

"Norway's government has developed standards that have been exemplary in dealing with petrol ethics," says Swede Jonas Moberg, secretary of the Oslo-based Extractive Industries Transparency Initiative. "Norway has become a center of expertise in dealing with the management of mineral resources."

Unfortunately, these policies can have their complications. "We are aware that we can serve as a mere pretext for authorities in some countries," Stigset says. Additionally, his program plays a role in countries where Statoil, a Norwegian state oil company, also has commercial interests. Each organization claims strict autonomy, but how can they really separate their interests?

Environmental concerns have been grafted onto this debate about oil policy. "If Norway can plan a smooth transition to an era of renewable energies, it can truly claim to be ethical," says Arild Hermstadt, head of the NGO The Future In Our Hands. "But the country continues to invest huge sums to discover new deposits."