

Norway's \$140 Billion Problem: Getting Rich Off Other People's Wars

Date: May 03, 2026 | Model: anthropic-batch:claude-opus-4-7

Source: PDF: Is Norway really a war profiteer_.pdf

Contents

1. Explanation
2. Key Terms Glossary
3. Reading Comprehension Quiz (10 questions)
4. Answer Key with Explanations

Note: the original article is provided as a separate file (attached to the email or downloadable from the website).

1. Explanation

Every time a war breaks out near an oil field, Norway gets richer – and now its neighbors are openly calling it a war profiteer who owes Ukraine a bigger cheque.

What's Going On?

Norway is Western Europe's biggest oil and gas producer, and when conflict disrupts global energy supplies, prices spike – meaning Norway's government earns more. Since Russia invaded Ukraine in 2022, Norway has pulled in roughly \$140 billion in extra petroleum revenue compared to 2021. Analysts now estimate it has earned at least another \$8 billion from the recent Iran conflict.

That money flows into Norway's sovereign wealth fund – a giant government investment account now worth \$2.2 trillion, the largest in the world. EU politicians, Swedish journalists, and even Donald Trump have called Norway out, arguing it should hand far more of that windfall to Ukraine. Norway insists it's already increasing support and that the picture is more complicated than critics claim.

How To Think About It

Norway's situation is what economists call a windfall – money you didn't earn through extra effort, that just lands in your lap because of someone else's misfortune. The moral question is: do you owe some of it back?

- Imagine a homeowners' insurance company in Florida the year a once-in-a-century hurricane hits Texas. The Florida company didn't cause the storm, didn't insure any of the destroyed houses, and yet its stock jumps because investors expect insurance premiums to rise nationwide. Did the company earn that gain? Norway's oil windfall during the Iran war is the same uncomfortable shape: the profit is real, the moral claim on it is murky, and other people's misery is doing the heavy lifting.
- Or think of a landlord whose rent doubles because a natural disaster destroyed half the housing in town. Legal? Yes. Ethically uncomfortable? Also yes. Norway is the country-sized version of that landlord.

Key Things To Know

- Norway's sovereign wealth fund holds about 1.5% of every publicly listed stock on Earth – making it one of the most powerful investors in existence.
- When oil prices rise during conflicts, Norwegian government revenue rises with them, because the state takes a huge cut of petroleum profits through taxes and ownership stakes.
- Finance Minister Jens Stoltenberg (former NATO chief) argues that global instability also hurts the fund's stock investments, so Norway isn't a pure winner from war.
- Norway's Ukraine support, measured as a percentage of GDP, still trails smaller neighbors like Estonia and Lithuania despite its enormous windfall.
- Most people assume oil-rich countries are autocracies (Saudi Arabia, Russia, Iran) – Norway's rare status as a democratic petro-state is exactly why the criticism stings so much.

Why It Matters

This story touches questions you'll face as a voter and a future taxpayer: when does benefiting from a bad situation become complicity in it? The same logic applies to companies profiting from climate change, pharmaceutical firms during pandemics, or tech platforms during political crises. Norway is also a preview of what happens when countries become so financially powerful that their investment choices – divesting from a company over Israel, say – create diplomatic fights with superpowers like the US.

The Bigger Picture

Sovereign wealth funds are quietly reshaping geopolitics. As they grow, the line between a country's foreign policy and its investment portfolio blurs – every divestment is a diplomatic statement. Watch for two things next: whether Norway dramatically increases Ukraine aid to defuse the 'war profiteer' label, and whether other resource-rich democracies (Canada, Australia) start facing similar moral pressure when their commodities spike during crises. The era of treating energy wealth as morally neutral is ending.

2. Key Terms Glossary

Sovereign wealth fund

A government-owned investment fund, usually built from surplus revenue (often from natural resources), that invests in stocks, bonds, and real estate worldwide. Norway's is the largest at \$2.2 trillion.

War profiteer

A person, company, or country that earns unusually large profits as a direct result of a war — historically a loaded accusation implying moral wrongdoing, not just lucky timing.

Windfall

A sudden, unexpected gain — usually money — that wasn't the result of the recipient's effort or planning. Governments often debate whether to tax windfalls more heavily.

Petroleum revenues

Money a government collects from oil and gas activity, including taxes on producers, royalties, and profits from state-owned energy companies.

Strait of Hormuz

A narrow waterway between Iran and Oman through which roughly 20% of the world's oil passes by ship. Any disruption there causes global oil prices to spike.

Divest

To deliberately sell off investments in a company or sector, often for ethical or political reasons rather than financial ones (e.g., dropping fossil-fuel stocks over climate concerns).

GDP (Gross Domestic Product)

The total value of everything a country produces in a year — the standard yardstick for the size of an economy. Comparing aid 'as a percentage of GDP' adjusts for how rich a country is.

Petro-state

A country whose economy and government finances depend heavily on oil and gas exports. Most are authoritarian; Norway is a notable democratic exception.

3. Reading Comprehension Quiz

Circle the best answer for each question.

Q1. Which choice best states the central idea of the passage?

- A) Norway's oil wealth has made it the most powerful economy in Europe.
- B) Norway faces growing pressure to share war-driven energy profits with Ukraine.
- C) Sovereign wealth funds should be banned from investing in foreign companies.
- D) Donald Trump's criticism of Norway has damaged transatlantic relations badly.

Q2. According to the passage, Norway's petroleum revenues rose sharply after 2021 primarily because

- A) Norway discovered major new oil fields in the North Sea region.
- B) the sovereign wealth fund shifted heavily into energy stocks.
- C) global conflicts pushed oil and gas prices significantly higher.
- D) the European Union mandated higher prices for Norwegian exports.

Q3. As used in the passage, the word "laggard" most nearly means

- A) a country slow to act compared to others
- B) a leader setting an aggressive new standard
- C) a wealthy nation with surplus resources
- D) a neutral party avoiding any involvement

Q4. As used in the passage, the word "coffers" most nearly means

- A) decorative storage chests
- B) government financial reserves
- C) international diplomatic alliances
- D) underground petroleum deposits

Q5. Which statement about Norway's sovereign wealth fund can most reasonably be inferred from the passage?

- A) Its size makes Norway's investment choices politically consequential.
- B) It exclusively invests in companies based within European countries.
- C) It will likely be dissolved if Ukraine receives insufficient support.
- D) It earns more from stock markets than from petroleum activities.

Q6. The passage suggests that Jens Stoltenberg's defense of Norway's position rests on the claim that

- A) Norway has already given more aid than any other European country.
- B) petroleum gains are offset by potential losses in fund stock holdings.
- C) criticism from EU neighbors is motivated entirely by jealousy.
- D) global conflicts always benefit democratic energy producers most.

Q7. The author's tone when describing Norway's situation can best be described as

- A) openly hostile and accusatory
- B) detached and purely statistical
- C) balanced but probing the tensions
- D) enthusiastically supportive of Norway

Q8. The author's primary purpose in the passage is to

- A)** demand that Norway immediately transfer its oil wealth to Ukraine
- B)** examine a moral and political dilemma facing a wealthy democracy
- C)** predict the collapse of Norway's sovereign wealth fund this decade
- D)** compare Norwegian energy policy to that of Saudi Arabia and Russia

Q9. Which choice can most reasonably be inferred about the future political pressure Norway will face?

- A)** It will fade once the current Ukraine conflict ends permanently.
- B)** It will likely recur whenever energy-related conflicts erupt globally.
- C)** It will come primarily from the United States rather than Europe.
- D)** It will force Norway to abandon petroleum production entirely.

Q10. Which choice provides the best evidence for the answer to the previous question?

- A)** "Norway has earned about \$140bn more in 2022 and 2023 from petroleum..."
- B)** "It is a discussion that is likely to put Oslo in an uncomfortable position, not least every time there is a conflict involving energy resources."
- C)** "The [oil] fund is five times larger than the government's remaining value of all oil and gas resources..."
- D)** "Norway's decision to divest holdings in companies including the American Caterpillar..."

My Score: _____ / 10

4. Answer Key with Explanations

Q1. Which choice best states the central idea of the passage?

Answer: B

The passage repeatedly returns to neighbors and critics demanding Norway redirect its windfall toward Ukraine – that is the article's spine. A is wrong (TRAP C: plausible-sounding but unsupported; the passage never claims Norway is Europe's most powerful economy). SAT Tip: the central idea is what every section of the passage keeps circling back to – if a choice only matches one paragraph, it's a detail, not the main idea.

Q2. According to the passage, Norway's petroleum revenues rose sharply after 2021 primarily because

Answer: C

The passage directly links the \$140 billion windfall to Russia's invasion of Ukraine and the resulting energy price spike, plus another \$8 billion from the Iran conflict. D is wrong (TRAP B: it uses passage vocabulary like 'EU' and 'prices' but invents a mechanism never mentioned). SAT Tip: when a question asks 'why,' scan for explicit causal language in the passage ('because,' 'following,' 'as a result of') rather than relying on real-world knowledge.

Q3. As used in the passage, the word "laggard" most nearly means

Answer: A

The passage says Norway was 'something of a regional laggard' on Ukraine support, behind the Baltics and Sweden – clearly meaning slow or behind. B is the trap (TRAP A: opposite direction – a leader is the reverse of a laggard). SAT Tip: on vocab-in-context, substitute each option back into the sentence – only the correct one preserves the original meaning.

Q4. As used in the passage, the word "coffers" most nearly means

Answer: B

The phrase 'filling Norway's coffers' refers to the country earning more revenue – i.e., its treasury or reserves. A is the trap (TRAP C: 'coffers' literally means chests in everyday English, but here it's used figuratively for state finances). SAT Tip: when a word has both a literal and figurative meaning, the SAT almost always tests the figurative one – and dangles the literal meaning as bait.

Q5. Which statement about Norway's sovereign wealth fund can most reasonably be inferred from the passage?

Answer: A

The passage notes the fund owns 1.5% of every listed stock globally and that divesting from Caterpillar created tension with Washington – implying its decisions carry diplomatic weight. D is the trap (TRAP C: Stoltenberg says the fund is five times larger than remaining oil reserves, which sounds like D, but that's about asset size, not earnings). SAT Tip: 'most reasonably inferred' means directly supported by passage evidence – eliminate any option that requires you to add a fact the passage didn't give you.

Q6. The passage suggests that Jens Stoltenberg's defense of Norway's position rests on the claim that

Answer: B

Stoltenberg explicitly argues that if instability hurts the companies the oil fund owns, those losses could exceed petroleum gains – a balancing argument. D is the trap (TRAP A: it inverts his point – he says instability could hurt Norway, not always benefit it). SAT Tip: when a question asks about an argument someone makes, find their actual quote in the passage; don't substitute what you think a reasonable person in their position would argue.

Q7. The author's tone when describing Norway's situation can best be described as

Answer: C

The author presents critics' accusations and Norway's counterarguments side by side, using phrases like 'inconvenient truth' and 'moral paradox' to highlight tension without taking sides. A is the trap (TRAP A: the author quotes hostile critics but doesn't endorse them – confusing the sources' tone with the author's own). SAT Tip: distinguish the author's tone from the tones of people the author quotes – the author chooses which voices to include, but their own stance shows in the framing language between quotes.

Q8. The author's primary purpose in the passage is to

Answer: B

The article lays out the accusation, the evidence, Norway's defense, and the broader stakes – a classic 'examine a dilemma' structure. A is the trap (TRAP A: the author reports demands from others but never makes that demand themselves). SAT Tip: purpose questions are about what the author DOES, not what the topic is – verbs like 'examine,' 'argue,' 'describe,' 'compare' should match the actual structure of the passage.

Q9. Which choice can most reasonably be inferred about the future political pressure Norway will face?

Answer: B

The passage explicitly states Norway will be in 'an uncomfortable position... every time there is a conflict involving energy resources,' signaling a recurring pattern. D is the trap (TRAP C: a real-world possibility some activists advocate, but completely unsupported by this passage). SAT Tip: on inference questions, prefer the option that paraphrases something the passage nearly says outright over options that require big logical leaps.

Q10. Which choice provides the best evidence for the answer to the previous question?

Answer: B

Option B directly states pressure will return with every energy-related conflict – exact support for the recurring-pattern inference in Q9. A is the trap (TRAP B: it's a real fact from the passage but supports the size of past windfalls, not the future recurrence of pressure). SAT Tip: on evidence-pairing questions, lock in your Q9 answer first, then find the passage line that most literally states it – the right evidence quote almost paraphrases the right inference word for word.