

Government at a Glance 2023

Country Notes

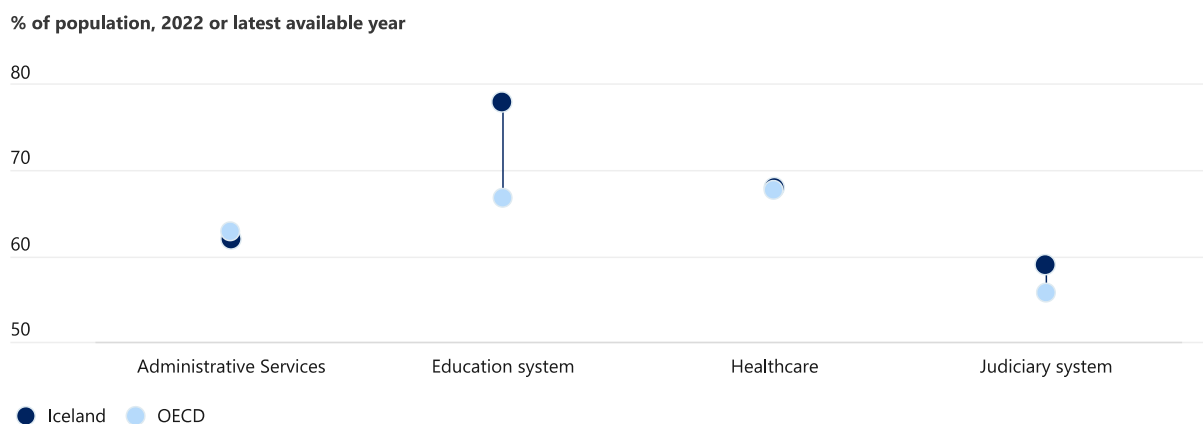
Iceland

Trust and satisfaction with public services

Trust in public institutions and satisfaction with public services are important yardsticks of the quality of public governance. They reflect people's perceptions of government competence in designing and delivering policies and services, and expectations on the behaviour of public institutions and their representatives. Although high trust in public institutions is not a necessary outcome of democratic governance, trust and satisfaction with public services facilitate effective governance, as they correlate with high rates of compliance with policies, participation in public life and social cohesion.

Satisfaction with public services in Iceland is close to the OECD average and significantly higher for education. Icelanders are most satisfied with the education system (78%), 11 percentage points above the OECD average. A large majority are satisfied with the healthcare system (68%), administrative services (62%) and the judiciary system (59%).

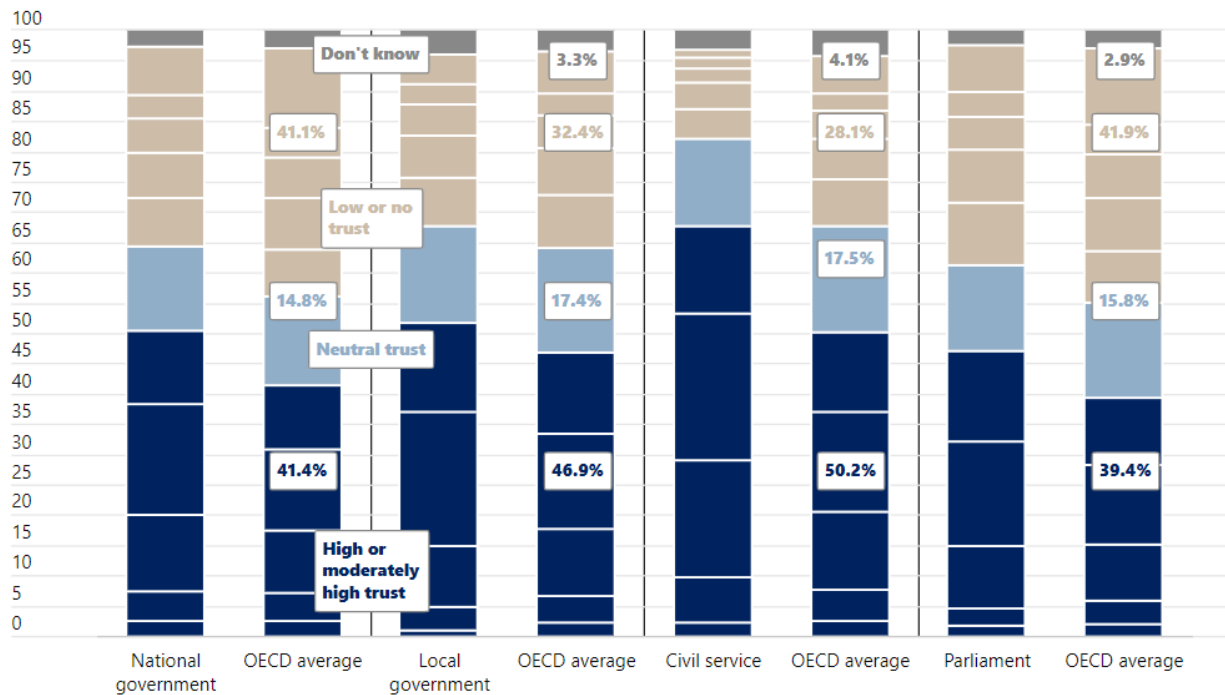
Figure 1. Satisfaction with public services, 2022



Trust in institutions is high in Iceland. Half of respondents indicated high or moderately high trust in the national government (50%), well above the average across OECD countries (41%). Moreover, trust in civil service is the highest among OECD countries (68%). People in Iceland also have higher than average trust in their local government. Although trust in parliament is the lowest among the four institutions considered (47%), it is nevertheless 8 percentage points higher than the OECD average (39%).

Figure 2. Trust in public institutions, 2021

% of population reporting high or moderately high trust in various public institutions, Iceland, 2021



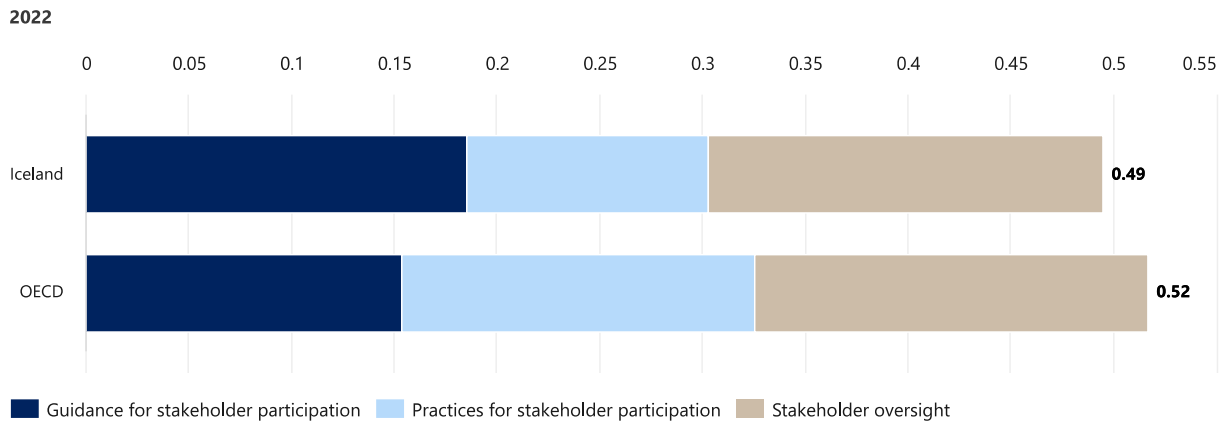
Achieving results with good governance practices

In an age of multiple crises, governments need to adopt more advanced practices to build trust in public institutions and enhance democratic resilience. Actions include building on democratic strengths, such as enhancing citizen and stakeholder engagement in decision making; reinforcing key competences to handle crises, such as budgeting and public financial management processes to address the green and digital transitions; and protecting against threats to democratic values, such as maintaining effective public integrity rules and promoting ethical use of artificial intelligence.

Citizen and stakeholder engagement in decision making helps to improve the design, implementation, and public acceptance of policies, infrastructure and services. The OECD Infrastructure Governance Index (IGI) on stakeholder participation provides an overview of countries' performance in developing national guidance for stakeholder engagement, promoting their effective participation, and ensuring stakeholder oversight over infrastructure projects.

Iceland is close to the OECD average on the IGI index on stakeholder participation, with a score of 0.49 compared to the OECD average of 0.52 Iceland scores its strongest result on stakeholder participation guidance and stakeholder oversight (each 0.19 out of a maximum value of 0.33). There is room for improvement on stakeholder participation practices.

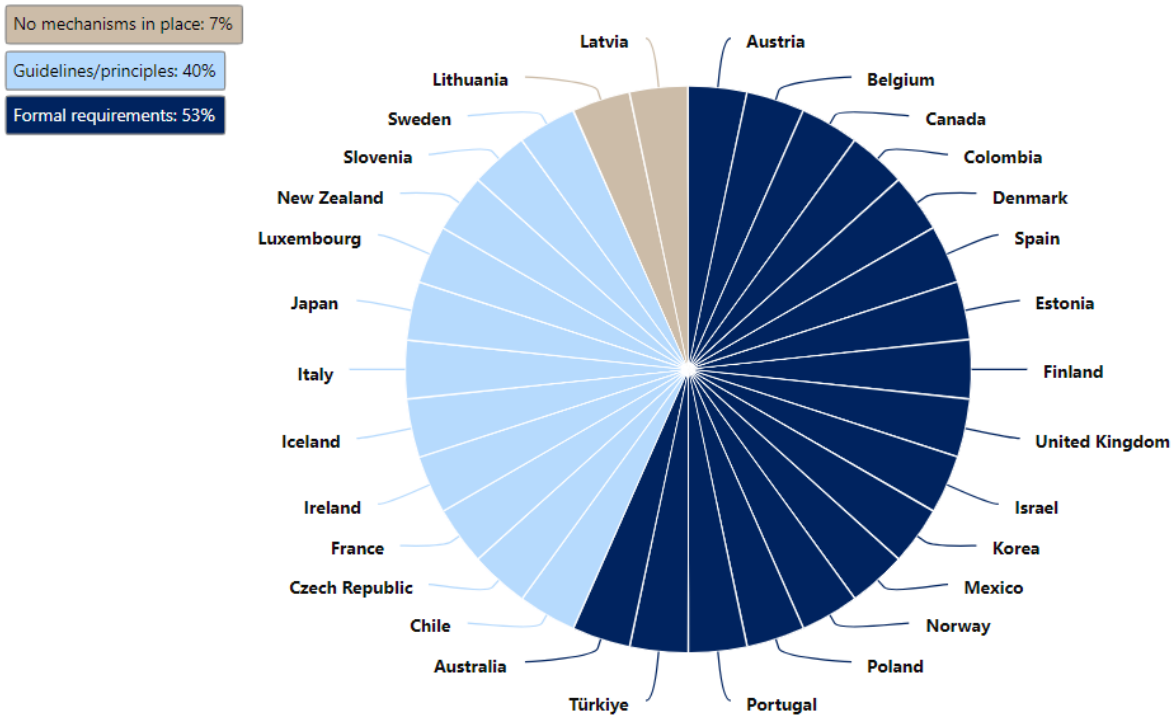
Figure 3. Index on stakeholder participation in infrastructure decision making
From 0 (lowest) to 1 (highest), 2022



Strengthening information integrity has become particularly complex in the digital age. While digitalisation and artificial intelligence (AI) provide enormous opportunities, including in expanding and protecting the exercise of some democratic rights and freedoms, their use also brings challenges for governments such as ensuring that they enhance people’s willingness and ability to engage constructively in democratic life and that they benefit society as a whole.

Iceland has policy initiatives such as guidelines, standards, or principles, in place to ensure the ethical use of AI.

Figure 4. Mechanisms used to ensure the ethical use of artificial intelligence in government, 2022

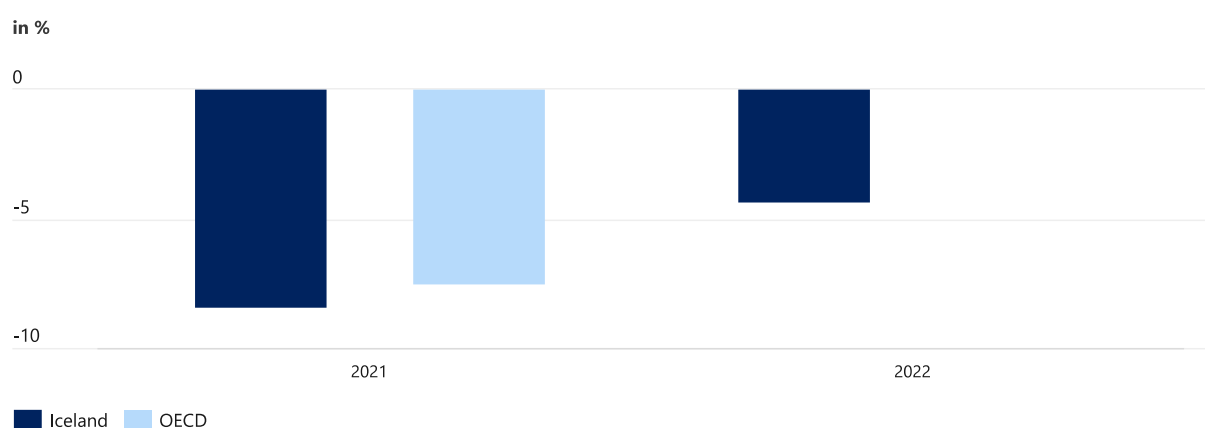


What resources public institutions use and how they are managed

After stark deterioration due to the COVID-19 pandemic, which required emergency measures and direct support mechanisms to business and people, public finances show positive signs, but the recovery remains fragile. The fiscal balance is the difference between a government's revenues and its expenditures in a year. When the government spends more than it collects, it has a fiscal deficit. When it spends less, it has a fiscal surplus.

Iceland had a fiscal deficit of –8.4% of GDP in 2021, higher than the average of –7.5% across OECD countries. In 2022, the deficit diminished to –4.3% of GDP. Public debt in Iceland was 77.2% of GDP in 2021, significantly smaller than the OECD average (120.8%).

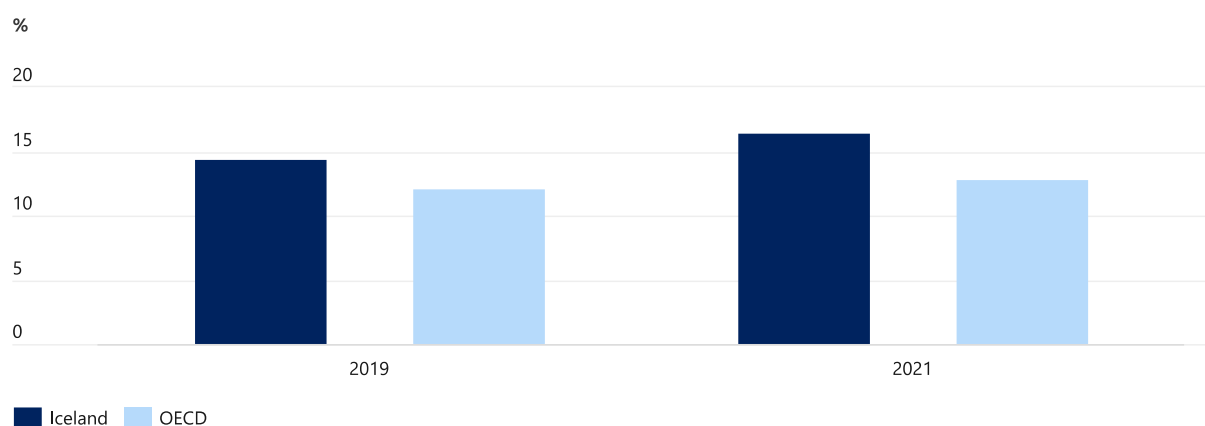
Figure 5. General government fiscal balance as a percentage of GDP



Public investment can enhance productivity and economic growth and help implement long-term policies, such as green energy infrastructure to support action on climate change. In turn, governments procure large amounts of goods, services and works to help them implement policies and deliver public services.

Iceland spent 16.5% of GDP in procurement in 2021, above the OECD average (12.9%). Iceland's public investment is above the OECD average. In 2021, it invested 4.4% of its GDP, compared with 3.4% on average in the OECD.

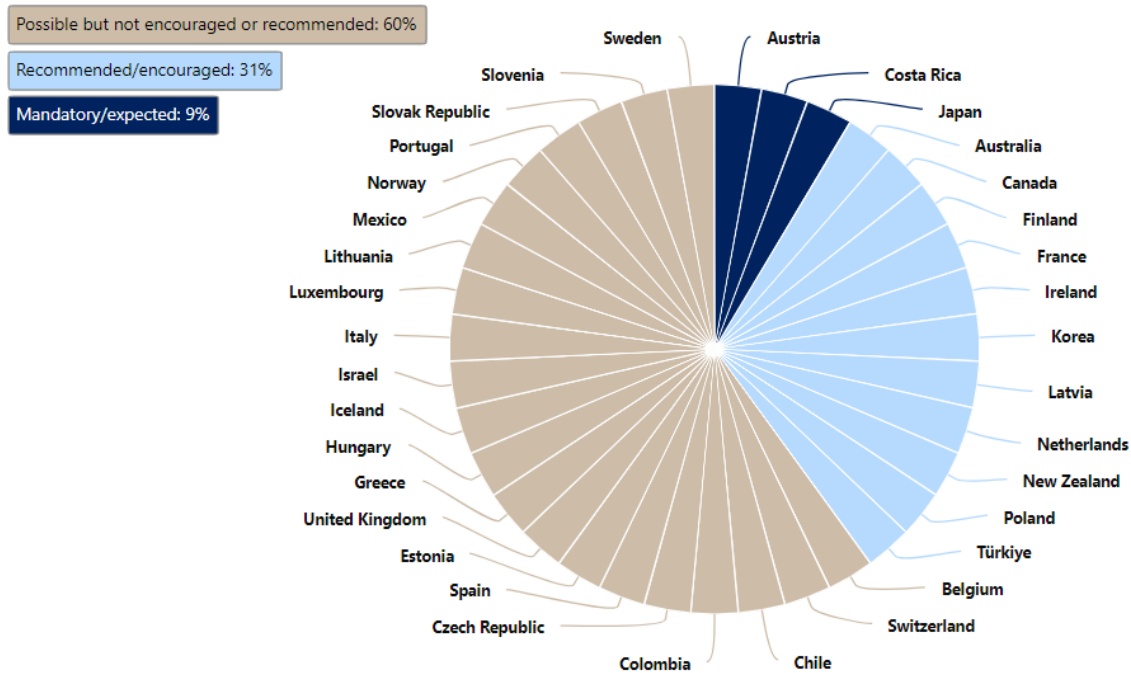
Figure 6. Government procurement spending as a share of GDP



Governments use different mechanisms to harness and develop the capacity of their workforce. For example, internal mobility in public administrations helps to pool human resources across government and attract and retain civil servants.

In Iceland, as in most OECD countries, internal mobility of civil servants is possible but not expected or encouraged. Similarly, internal mobility for senior-level civil servants is also possible, although it is not encouraged or expected. Iceland does not develop individual learning plans for public employees.

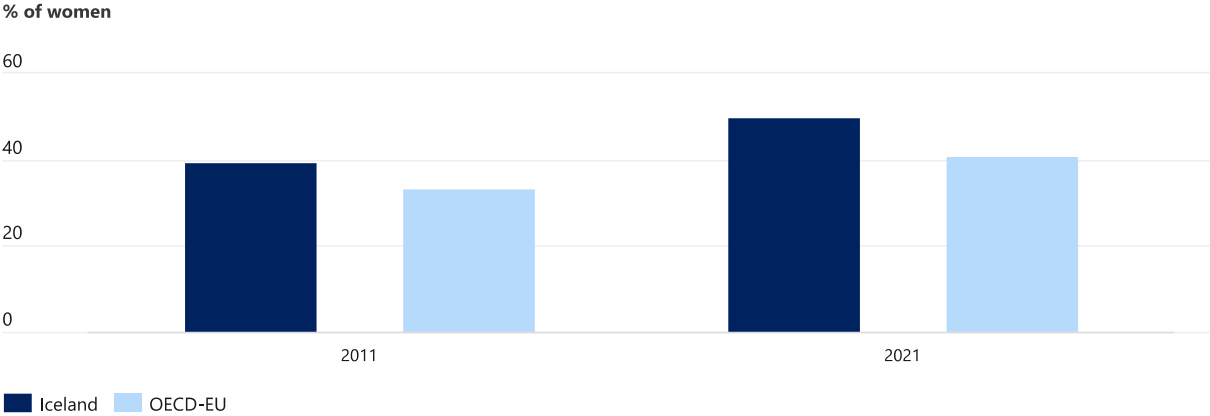
Figure 7. Mobility of civil servants across public administrations in central government, 2022



Equal representation of women and men in the public sector is a key indicator of progress towards gender equality, diversity and better representation. In 2020, a majority of employees in the public sector in OECD countries were women (58.9%), with large differences among countries. However, women are often under-represented in managerial positions.

With 50% women in senior management position in the national administration, Iceland achieves gender parity. In addition, Iceland is closer to gender parity in politics, with 42% women in ministerial positions, higher than the average in the OECD (36%).

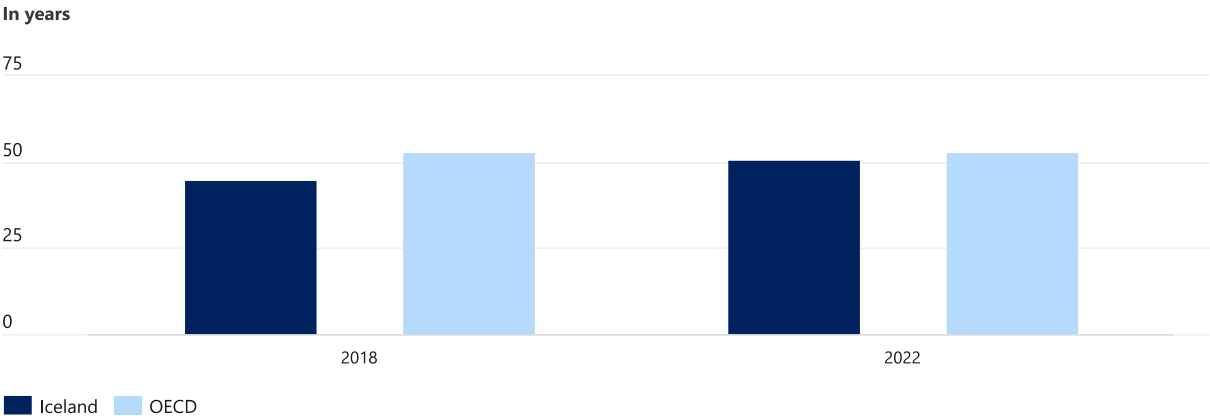
Figure 8. Gender equality in senior management positions in national administration, 2021



Young people are under-represented in public and political life across the OECD, with the risk that their voice and interests are not sufficiently taken in consideration in policymaking.

The average age of cabinet members in the Iceland is 51 years, on average 2 years lower than the OECD average (53 years).

Figure 9. Average age of cabinet members, 2018 and 2022



About the report

Government at a Glance presents the most up-to-date internationally comparable data on how public administrations function and perform in OECD countries, accession countries, and other major economies. Country factsheets highlight key indicators against the OECD average. Data included in the factsheets are derived from the new Government at a Glance data portal, which allows for a more user-friendly and interactive way of comparing countries with each other and the OECD average. The factsheets do not provide a comprehensive picture of public governance performance, but rather a snapshot of key indicators in the three sections of the publication: a) trust and satisfaction with public services; b) achieving results with good governance practices and c) what resources public institutions use and how they are managed.

Figure notes

People who express satisfaction with public services: for the judiciary and the courts the data reflect the proportion of citizens who express having confidence in the institution. Data on satisfaction with administrative services come from the OECD 2021 Survey on the Drivers of Trust in Public Institutions. Data on satisfaction with the education and health systems and confidence in the judiciary are from the Gallup World Poll.

Data on public finance and economics are derived from the System of National Accounts (SNA) and were extracted on 5 May 2023.

Fiscal balance as reported in SNA framework, also referred to as net lending (+) or net borrowing (-) of government, is calculated as total government revenues minus total government expenditures.

Government gross debt is reported according to the SNA definition, which differs from the definition applied under the Maastricht Treaty. It is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt.

Public employment refers to employment in the general government as defined in the System of National Accounts (SNA). Data on employment in general government were extracted on 17 April 2023.

Data on employment in general government for Iceland, Japan, Korea, Mexico, Türkiye and the United States are from the International Labour Organization (ILO), ILOSTAT.

Data show women as a share of cabinet members who head ministries as of 1 January 2023 (excluding ministers without portfolios).

The data on age of cabinet members reflects the situation as of 20 December 2022.

OECD average refers to the unweighted average with the exception of public finance indicators.

For more information see

www.oecd.org/governance/government-at-a-glance.htm