



Eurofound

# Quality of life in enlargement countries

## *Third European Quality of Life Survey – Iceland*

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## Country codes

### EU27

The order of countries follows the EU protocol based on the alphabetical order of the geographical names of countries in their original language.

<b>BE</b>	Belgium	<b>FR</b>	France	<b>AT</b>	Austria
<b>BG</b>	Bulgaria	<b>IT</b>	Italy	<b>PL</b>	Poland
<b>CZ</b>	Czech Republic	<b>CY</b>	Cyprus	<b>PT</b>	Portugal
<b>DK</b>	Denmark	<b>LV</b>	Latvia	<b>RO</b>	Romania
<b>DE</b>	Germany	<b>LT</b>	Lithuania	<b>SI</b>	Slovenia
<b>EE</b>	Estonia	<b>LU</b>	Luxembourg	<b>SK</b>	Slovakia
<b>IE</b>	Ireland	<b>HU</b>	Hungary	<b>FI</b>	Finland
<b>EL</b>	Greece	<b>MT</b>	Malta	<b>SE</b>	Sweden
<b>ES</b>	Spain	<b>NL</b>	Netherlands	<b>UK</b>	United Kingdom

### Enlargement countries

<b>HR</b>	Croatia	<b>IS</b>	Iceland
<b>ME</b>	Montenegro	<b>MK</b>	Former Yugoslav Republic of Macedonia <sup>1</sup>
<b>RS</b>	Serbia	<b>TR</b>	Turkey
<b>XK</b>	Kosovo <sup>2</sup>		

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<sup>1</sup> MK corresponds to ISO code 3166. This is a provisional code that does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place under the auspices of the United Nations ([http://www.iso.org/iso.country\\_codes/iso\\_3166\\_code\\_lists.htm](http://www.iso.org/iso.country_codes/iso_3166_code_lists.htm)).

<sup>2</sup> This code is used for practical purposes and is not an official ISO code.

This paper is one in a series on EU enlargement countries covered by the European Quality of Life Survey (EQLS) 2012: Croatia, the former Yugoslav Republic of Macedonia, Iceland, Kosovo, Montenegro, Serbia and Turkey. For background information including survey characteristics and definitions of indicators reported in this paper, please consult [Quality of life in enlargement countries: Third European Quality of Life Survey– Introduction](#).

Table 1: *Demographic profile, 2007, 2009 and 2012*

	2007	2009	2012
<b>Population</b> (1 January)	307,672	319,368	319,575
<b>Age structure: people &lt;15 years as % of total</b>	21.3	20.8	20.7
<b>Age structure: people 15–64 years as % of total</b>	67.1	67.5	66.6
<b>Age structure: people 65+ years as % of total</b>	11.6	11.6	12.6
<b>Women per 100 men</b>	96.5	97.1	99.3
<b>Life expectancy at birth, men</b>	n.a.	80	n.a.
<b>Life expectancy at birth, women</b>	n.a.	83	n.a.

Note: n.a. = not available.

## Subjective well-being

Table 2: *Subjective well-being*

	Iceland	Range of 34 surveyed countries		EU27
		Minimum	Maximum	
<b>Life satisfaction (scale of 1–10)</b>	8.3	Bulgaria 5.5	Denmark 8.4	7.1
<b>Happiness (scale of 1–10)</b>	8.3	Bulgaria 6.3	Iceland 8.3	7.4
<b>Optimism about the future (% 'agree' or 'strongly agree')</b>	87%	Greece 20%	Iceland 87%	52%

One way of measuring a society's progress is by assessing the subjective well-being of its citizens to complement the more usual economic information such as gross domestic product (GDP). In this report, three subjective well-being measures are examined: life satisfaction, happiness and optimism.

Looking first at life satisfaction, Iceland is similar to the Nordic EU Member States – Denmark, Finland and Sweden – which have the highest level of overall life satisfaction in the EU27 (Figure 1). On average, people in Iceland rate their life satisfaction at 8.3 on a scale of 1 to 10, just under the level of Denmark (8.4) and slightly ahead of Finland (8.1) and Sweden (8.0).

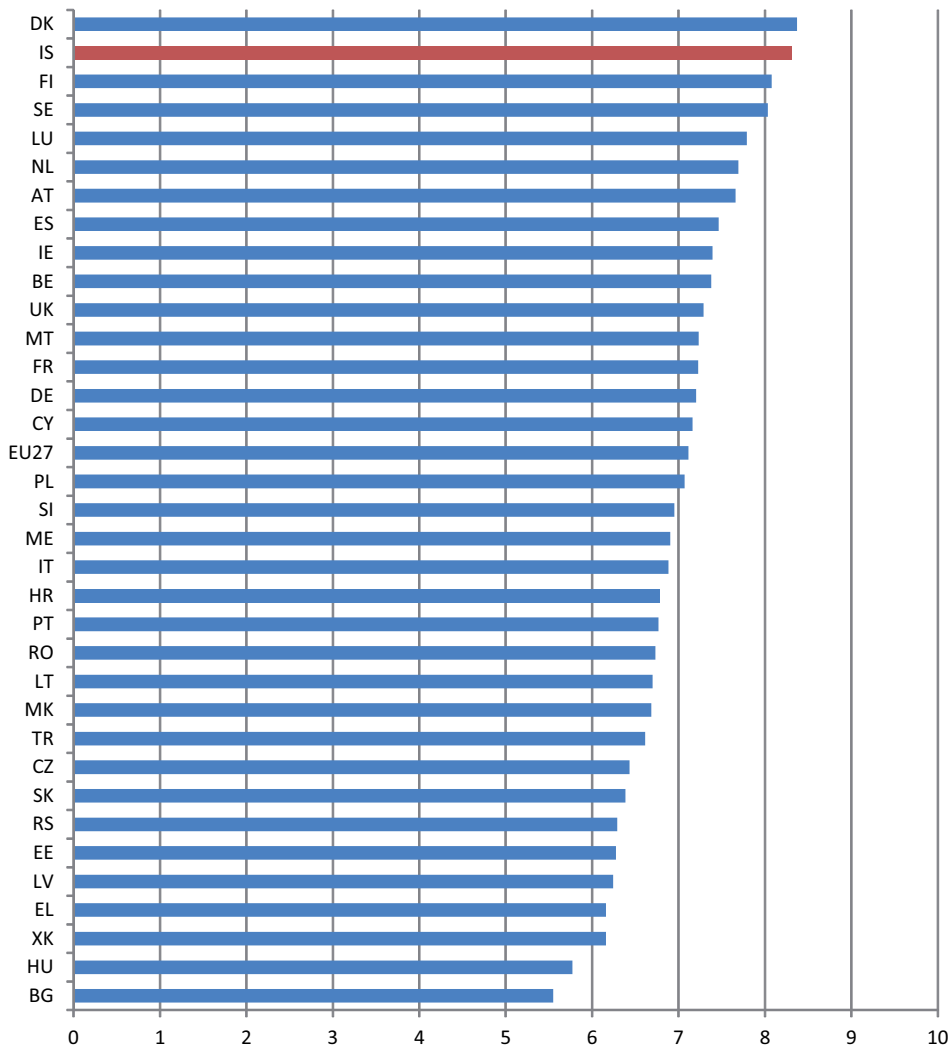
As in the other Nordic countries, levels of happiness closely mirror life satisfaction. In fact, in Iceland the scores for both the evaluative (life satisfaction) and the affective (happiness) measure are the same (8.3). In countries where life satisfaction is low, research suggests that happiness scores tend to exceed life satisfaction scores, suggesting that in those countries people are able to compensate for dissatisfaction with their quality of life through, for instance, family relationships and personal adjustments. The EQLS reveals large gaps in Hungary (-1.1) and Bulgaria (-0.8), the two countries where life satisfaction is lowest (5.8 and 5.5, respectively).

The EQLS overview report shows that health, income, unemployment and age have the most significant association with subjective well-being in the EU (Eurofound, 2012). Data analysis indicates that in Iceland income is by far the most

important predictor of life satisfaction. It should be noted that the model used to examine associations between subjective well-being and socioeconomic indicators in the EU provides a weak level of insight in the case of Iceland.<sup>3</sup>

The commonly exhibited U-shape for age, whereby average levels of well-being are lowest midway in life, is less evident in Iceland, and the statistical relationship with age is weak.

Figure 1: *Life satisfaction*



Note: Scale of 1–10.

Only the youngest group – those aged 18–24 years – has above-average life satisfaction scores (8.7). The relationship with income is more complicated, with the largest difference occurring between respondents in the highest income quartile (8.8) and those in the second to lowest quartile (7.9). As noted in much of the literature on subjective well-being, it is relative, rather than absolute, income that matters in wealthier countries.

<sup>3</sup> The model explains around 10% of the variation in life satisfaction levels.

Optimism about the future is also highest in the Nordic countries, and levels in Iceland (87%) are even higher than those in Sweden (85%), Denmark (84%) and Finland (74%). This strong sense of optimism may well be related to the improved economic conditions in Iceland following the banking crisis in 2008. Since 2011, according to Eurostat and the OECD, unemployment levels have been falling and GDP has been rising.

Optimism is particularly widespread among young people, with 95% of respondents aged 18–24 years and 94% of respondents aged 25–34 years responding positively here. Although optimism does taper off with age, in Iceland close to four out of five respondents aged 65 and over responded positively (78%).

## Health and mental well-being

Table 3: *Health and mental well-being*

	Iceland	Range of 34 surveyed countries				EU27
		Minimum		Maximum		
Satisfaction with health (scale of 1–10)	8.0	Latvia	6.5	Cyprus	8.4	7.3
Mental well-being (scale of 0–100)	69	Serbia	54	Denmark	70	62.5

On average, people in Iceland rate satisfaction with their health at 8 on a scale of 1 to 10. This is far above the average for the EU27 (7.3) and again very similar to the situation in the other Nordic countries. However, the north–south divide that exists for subjective well-being does not hold for health satisfaction: people in Cyprus (8.4) and in Montenegro (8.0) have high health satisfaction levels as well.

A comparison of health satisfaction levels between the different age categories in Iceland highlights the importance of age; it decreases from 8.7 among those aged 18–24 years to 7.4 among those aged 65 and over.

As a consequence of the economic crisis, mental well-being has become an urgent priority, as a substantial body of research shows that unemployment, poverty and social exclusion are detrimental to mental health. Good mental health is also positively associated with life satisfaction (Eurofound, 2012). The World Health Organization’s mental well-being index score, WHO-5, for Iceland is 69, which is significantly above the EU average of 63 and nearly as high as the highest-scoring EU Member State, Denmark, at 70. The score is also the highest of the seven enlargement countries, although the index score for the former Yugoslav Republic of Macedonia is only one point below that of Iceland.

The large inequalities in reported mental health noted between people with high and low incomes in the EU27 are less pronounced in Iceland, where a difference of six points is found between those in the lowest (66) and those in the highest income quartile (72). As is typical not just in Europe but throughout the industrialised world, men (70) score better than women (67), and this gender difference is observed across age groups. In Iceland, men aged 60–69 years report the best mental well-being (75), whereas levels are lowest among women under 30 years old (63).<sup>4</sup>

<sup>4</sup> The number of unemployed respondents (n=27) is too small for analysis.

## Living standards

Table 4: *Living standards*

	Iceland	Range of 34 surveyed countries				EU27
		Minimum		Maximum		
Satisfaction with standard of living (scale of 1–10)	7.7	Bulgaria	4.7	Denmark	8.3	6.9
Difficulty making ends meet (% 'difficult' or 'very difficult')	9%	Denmark	3%	Greece	50%	17%
Number of items people cannot afford (scale of 0–6)	1.1	Luxembourg	0.3	Bulgaria	2.9	1.2
Informal debts (% in arrears over last 12 months)	4%	Malta	1%	Kosovo	21%	8%

Iceland is by far the wealthiest of the seven enlargement countries surveyed. Among these countries, it also has the highest level of satisfaction with standard of living (7.7). This score is close to the values for Finland (7.6), the Netherlands (7.7) and Sweden (7.9) but below Denmark (8.3).

Iceland resembles the countries in western Europe and especially the Nordic countries more than other enlargement countries. Iceland has one of the lowest levels of people living at risk of poverty in Europe, at 9.2% (Eurostat, 2013a), and the lowest level of inequality among all 34 countries surveyed, with a Gini coefficient of 23.6 (Eurostat, 2013b).

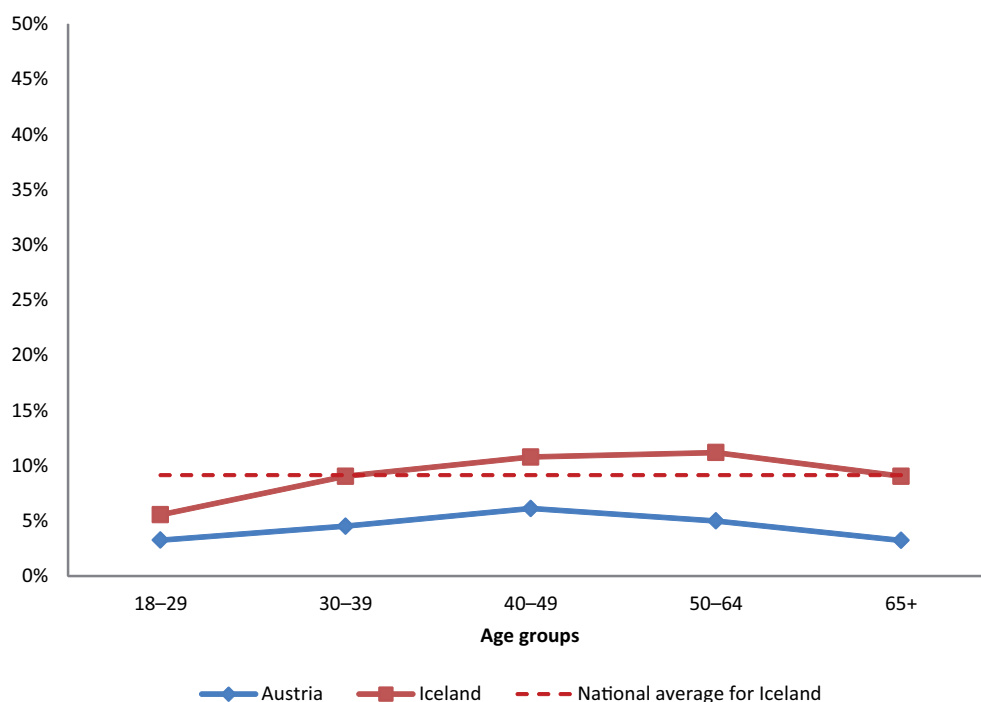
About 9% of the population in Iceland experience difficulty making ends meet, a figure half as high as the EU27 average but three times higher than that found in Denmark, the country with the lowest rate, of all the countries surveyed. This is the case even though the harmonised consumer price index increased massively after the meltdown of Iceland's banks in 2008. Only Turkey experienced similar inflation. However, Iceland's economy is within the top one-third of the countries surveyed if assessed on the basis of misery index (defined as the sum of the inflation rate and the unemployment rate – see Eurostat, 2013c and 2013d); its score on this index is 11.8, which is similar to Finland, Italy, France and the United Kingdom.

The EQLS material deprivation indicator is derived from the number of important items people cannot afford.<sup>5</sup> In Iceland, it is slightly above 1, which is below the EU27 average of 1.4 and indicates that most people in Iceland do not encounter severe material hardship.

<sup>5</sup> These are: keeping the home adequately warm; paying for a week's annual holiday away from home (not staying with relatives); having a meal with meat, chicken or fish every second day; replacing worn-out furniture; buying new clothes rather than second-hand ones; inviting friends or family for a drink or meal at least once a month.



Figure 2: People finding it difficult or very difficult to make ends meet by age group



Only 4% of people in Iceland have difficulties paying back informal loans in time, which is lower than the average for EU27 countries (7%). Again the figure is closer to that found in countries like Denmark (3%), Sweden (3%) or Finland (3%) than to most EU Member States, including Greece (14%) and Germany (12%).

If we analyse difficulty of making ends meet by age, it is apparent that not only is the overall level low, but the differences between age groups is not as apparent as in most other countries (Figure 2). Comparing the financial difficulties between people of different age groups, the data show that difficulties increase with age but fall back to the national average for people over 65 years. As in the case of Austria, a country that can be considered very egalitarian in terms of outcomes for citizens, only moderate differences exist between age groups in terms of making ends meet. The impact of the welfare state is apparent, as it is in most Scandinavian countries.

## Work–life balance

Table 5: Work–life balance

	Croatia	Range of 34 surveyed countries		EU27
		Minimum	Maximum	
Work–life conflict (on any dimension, % women)	59%	Italy 44%	Cyprus 86%	59%
Work–life conflict (on any dimension, % men)	49%	Italy 39%	Serbia 77%	54%
Doing household tasks at least several days a week, difference between women and men (percentage points)	18	Finland 11	Turkey 72	30
Women, economically inactive, willing to work (%)	91%	Kosovo 45%	Iceland 91%	70%

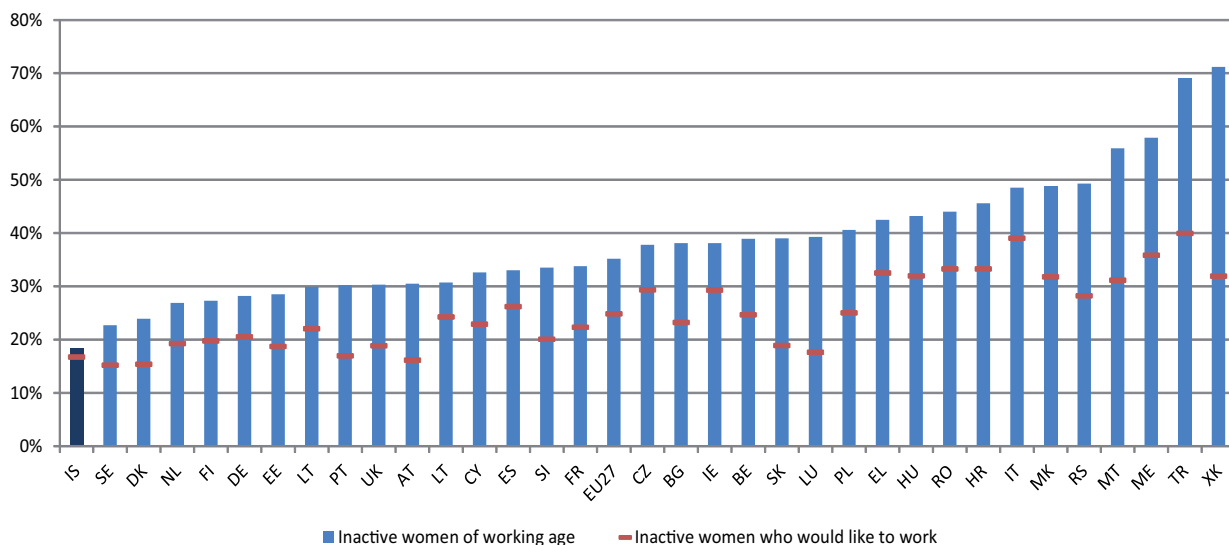
Reconciliation of work with life outside work matters for quality of life as well as for increasing opportunities for more people to work and for achieving gender balance. The EQLS asks employed people if they have problems fulfilling family or household responsibilities because work takes up too much time or because they are too tired after work, and whether concentrating at work is difficult because of family responsibilities.

Work–life conflict in Iceland is experienced by 54% of people, a similar level to the EU27 average of 56%. As in many countries, women there carry a greater burden in terms of balancing their work and personal life. Government policy could address work organisation more effectively, including the issue of inflexible working time arrangements.

Nevertheless, Iceland has certain positive features that in principle can make things easier for women. For example, although women still do most of the housework, in this regard the gender difference in Iceland is the seventh lowest in Europe. In relation to childcare, Iceland has one of the highest rates of households using childcare services. (The next section discusses this in greater detail.)

This may shed some light on why the employment rate for women in Iceland (77%) is the highest in Europe (Figure 3). In addition, among the surveyed EU and enlargement countries, Iceland has the lowest proportion of economically inactive working age women (17%), and a vast majority of these (91%) would like to work.

Figure 3: Proportion of inactive working age women in the labour market and the proportion of these who would like to work



Source: European Labour Force Survey (Eurostat) and EQLS

## Public services

Table 6: Public services

	Iceland	Range of 34 surveyed countries		EU27
		Minimum	Maximum	
Cost as a problem to see a doctor (% very difficult)	5%	UK 1%	Greece 28%	8%
Households with children <12 years using childcare services	66%	Turkey 7%	Sweden 69%	34%
Proportion using public transport	69%	Cyprus 50%	Turkey 97%	87%

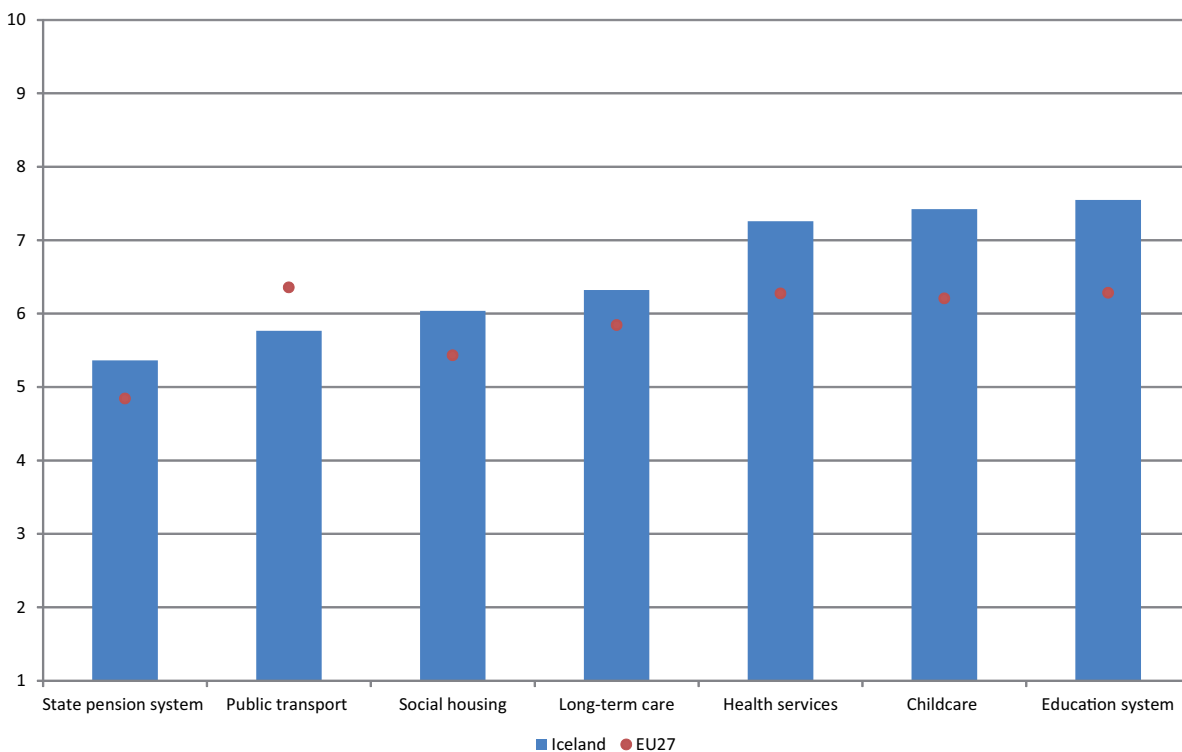
In Iceland, most public services are rated more highly than they are in the EU (Figure 4). The education system, childcare and healthcare are rated the most highly. Not many other countries in Europe give all three of these services a score over 7 (the Nordic countries, Austria and Malta do). It is worth noting that, in Iceland, not much difference is found between different income levels in terms of the perceived level of quality of these services.

Findings regarding access to medical services in Iceland are among the best in Europe, including those relating to the relatively low number of people who experience problems because of the cost; only 5% of Icelanders find it very difficult to access a doctor for this reason.

As in many countries, the state pension system is ranked at the lowest level (5.4) among the listed public services. People with a lower income are more critical of it than those with a higher income; the lowest income quartile ranks the state pension system at 4.8, while the highest income quartile ranks it at 5.9.

Icelanders do not regard public transport (5.8) as highly as most EU27 inhabitants do (6.4). Iceland’s population is geographically scattered along its coast, and nearly one-third do not use public transport; in fact, Iceland has one of the highest motorisation rates in Europe.

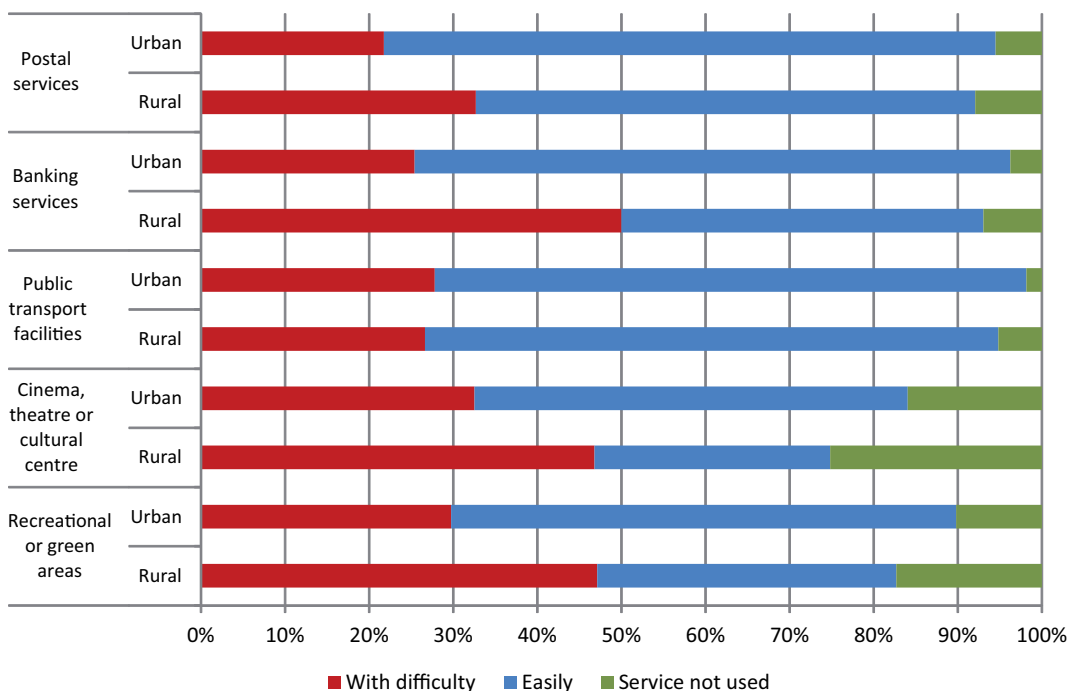
Figure 4: Ratings of quality of public services



Note: Scale of 1–10.

A minority of 17% report difficulties in accessing public transport, and some people experience difficulties in accessing cultural facilities (21%), postal services (18%) and banking services (14%). However, in Iceland, as is the case in some other countries, only a small proportion of the population cannot or choose not to use local services (Figure 5).

Figure 5: Access to neighbourhood services, % of respondents



## Trust and tensions

Table 7: Trust and tensions

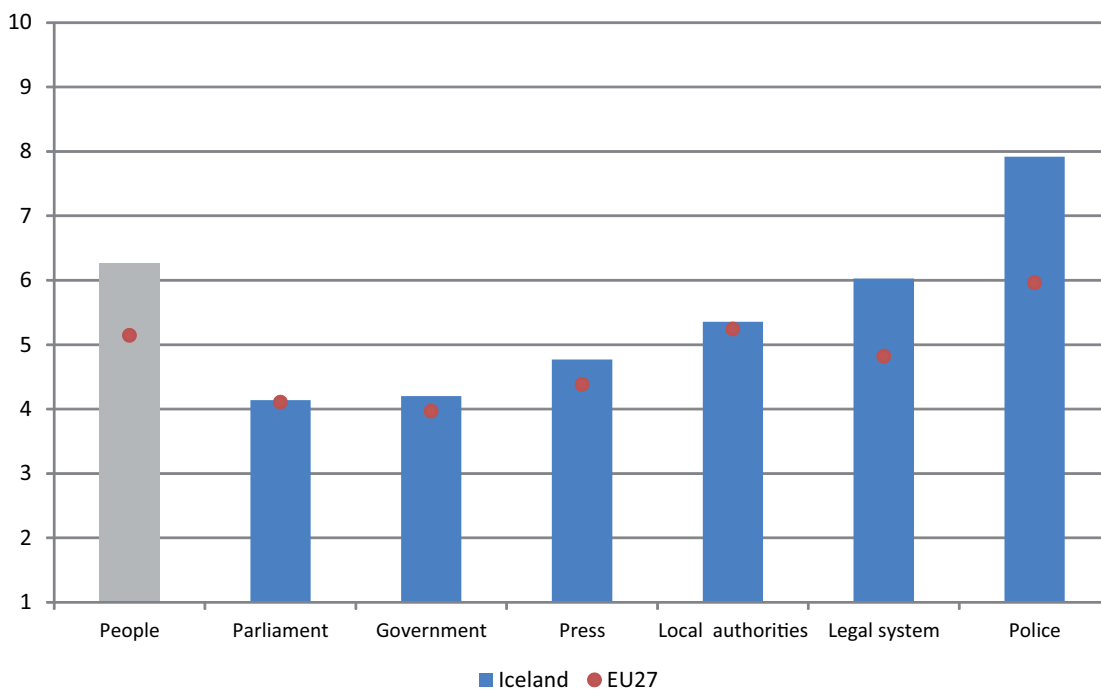
	Iceland	Range of 34 surveyed countries			
		Minimum	Maximum		EU27
Trust in people (scale of 1–10)	6.3	Cyprus 1.9	Finland 7.1		5.1
Trust in the government (scale of 1–10)	4.2	Greece 2.1	Luxembourg 6.5		4.0
Trust in local authorities (scale of 1–10)	5.4	Serbia 3.3	Luxembourg 6.7		5.2
Tension between different racial or ethnic groups (% perceiving 'a lot of tension')	11%	Iceland 11%	Czech Republic 68%		37%
Tension between poor people and rich people (% perceiving 'a lot of tension')	26%	Denmark 4%	Hungary 71%		35%

This section looks at trust in people, trust in public institutions and the perceived tensions between various groups in society.

Trust in other people is seen as a key indicator of social capital. In terms of the level of general trust in people, Iceland (6.3) scores significantly above the EU27 average (5.1) (Figure 6), although trust in people is higher in the other Nordic countries (7.1 in Finland, 7 in Denmark and 6.4 in Sweden). In Iceland, as is typically found in research on social capital, people’s tendency to trust others increases with their educational attainment; the score for those who only have primary education is 5.2, and this goes up to 6.9 for those who completed tertiary education. Other factors that matter are income and material deprivation.

Trust in public institutions tends to be lower and – especially in periods of widespread spending cuts – people are very critical of the representative political institutions at national level. This holds for Iceland as much as it holds for the surveyed EU27 and other enlargement countries, with the clear exception of Turkey. In Iceland, trust in government is 4.2, which puts it just above the EU27 average (4), but well below the other Nordic countries and many western European countries (only France and Ireland report lower scores). This may have to do with challenges the country had to go through in recent years. It is interesting to note that trust in local authorities is higher (5.4) and in particular that the gap in trust levels between the two public institutions is much larger in Iceland than it is in many other countries. The high trust in local authorities, which might be more open for contact and participation than national institutions, as well as high participation levels (see next section) show that the civic foundations of Iceland’s society are strong.

Figure 6: *Trust in people and in institutions*



Note: Scale of 1–10.

The EQLS points to a close association in the EU between trust in institutions at both the individual and country level and a perception of corruption (Eurofound, 2010). In Finland and Denmark, where trust in government is highest, the perception of corruption is lowest. The perceived corruption level in Iceland is the fifth lowest of the 34 countries in the EQLS,<sup>6</sup> yet trust in institutions is relatively lower, indicating that other factors influence the assessment of national political institutions.

With regard to social cohesion, only 1 in 10 people in Iceland (11%) see a lot of tension between ethnic and racial groups. This is the lowest recorded proportion of all 34 countries surveyed, and reflects both attitude and relative ethnic homogeneity in Iceland.

<sup>6</sup> See the Transparency International Corruption Perceptions Index at <http://www.transparency.org/cpi2012/results>.

Around one-quarter of those surveyed (26%) feel there is a lot of tension between poor and rich people. This is below the average in the European Union (35%) but higher than in the other Nordic countries.

## Participation and exclusion

Table 8: *Participation and exclusion*

	Iceland	Range of 34 surveyed countries				EU27
		Minimum		Maximum		
Index of perceived social exclusion (scale of 1–5)	1.8	Denmark	1.6	Cyprus	3.0	2.2
Participation in voluntary work	54%	Montenegro	9%	Kosovo	61%	32%
Civic and political involvement	61%	Turkey	8%	Iceland	61%	25%

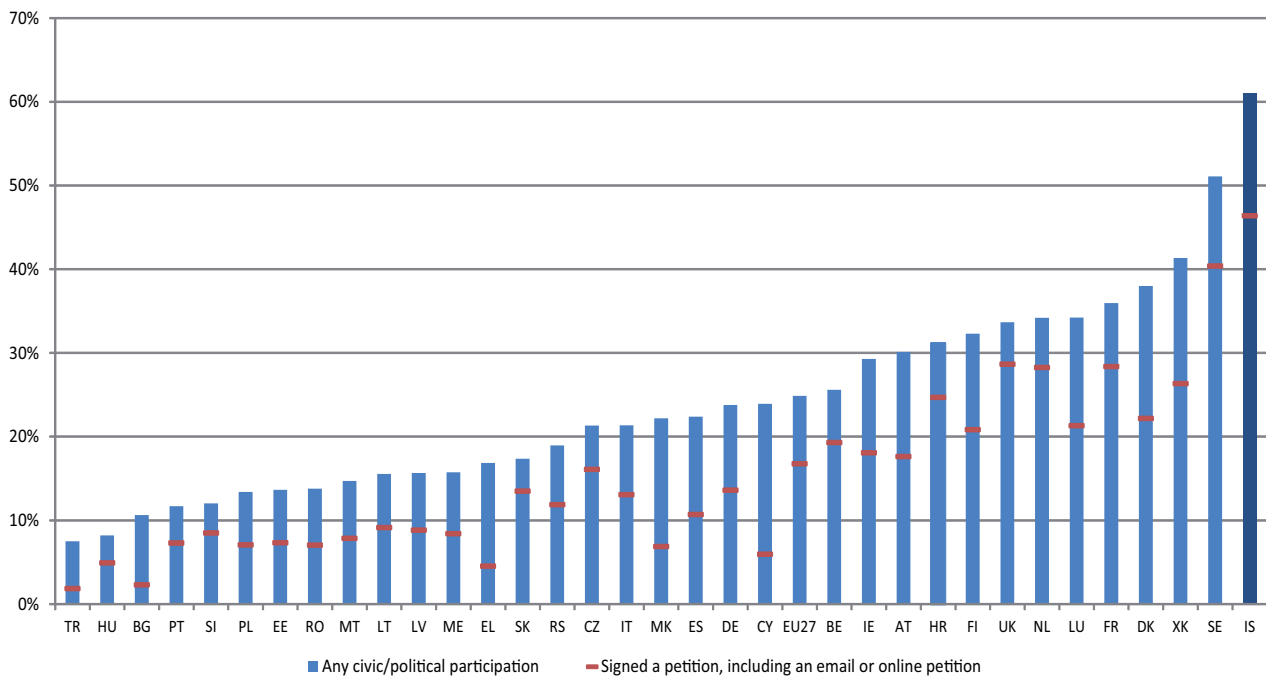
The EQLS produces an index of perceived social exclusion, which is based on questions about feeling left out of society, experiencing complications in life, and recognition of one’s activities. Iceland’s score (1.8) is the second lowest figure among all surveyed countries (after Denmark’s 1.6). The score in Iceland is by and large the same across different age categories; however, quite a large difference of 0.5 points exists between the highest (1.6) and lowest income quartiles (2.1).

Participation can improve one’s subjective well-being and help overcome a sense of exclusion. Almost half (46%) of people in Iceland take part in the social activities of clubs or societies at least monthly, which is a relatively high level in Europe, and similar to other Nordic states. In terms of civic and political participation, Icelanders are the most active citizens among all other surveyed countries – in total, 61% took part in some such activity over a 12-month period (compared with 25% in the EU27) (Figure 7). This relates to both direct personal participation, such as contacting a politician or an official, attending a meeting or a demonstration (37%, more than twice the EU27 average of 16%), and self-expression via petitions, including online petitions (46%). Nearly all Icelanders use the internet (92%), and this is very much a part of daily life in this country. Iceland has the highest rate of people who use the internet every day for purposes other than work, at 83%.

A rather common pattern is observed whereby older age groups have higher rates of direct participation than younger age groups, and younger generations have higher rates of self-expression via petitions (58% among 18–24-year-olds, 48% among those aged 35–64). However, the differences between various social groups in terms of civic and political participation are relatively small.

Iceland also has one of the highest rates in Europe of people involved in unpaid voluntary work at least once a year (54%). A fifth (20%) contribute regularly (at least once a month); this is slightly above the EU27 average of 17%.

Figure 7: Civic and political involvement, % of respondents



The approach in the EQLS reflects an increasingly global movement that goes beyond an exclusive focus on economic progress and towards measuring broader public policy goals, embracing a greater consideration of quality of life.

For more aspects of quality of life and a more extensive set of the EQLS results, please access the [Survey Mapping Tool](#) on the Eurofound website.

## References

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