There's always a next game

Known as one of the wealthiest countries in the world until the international financial crisis, the success of the Icelandic economy with its fragile banking construct has since put itself in perspective. Still heavily dependent on fishing, the country has now also established itself as home to thousands of computer processors used in the crypto currency sector and is very popular with tourists. Thanks to this mixture of new and old sources of income, the economy has recovered, but there has recently been a stir on the political stage. The coalition around Prime Minister Bjarne Benediktsson, who tried in the middle of last year to cover up the fact that his father had actively advocated deleting a friend’s entry from the criminal record for sexual crimes, lasted only eight months. Benediktsson did not recover from this affair. In November Katrin Jakobsdottir took over as prime minister. Her coalition has a clear majority in parliament, but with the conservatives, the centrist Progress Party and Jacobsdottir’s left-green alliance it unites three very different factions that still need to gain a common vision for the country’s future direction. The urgently needed restructuring of the banking sector is still to be implemented, as is the constitutional reform advocated by the people by referendum.

Elections

Elections and registration for candidates and parties are transparent, free and fair. The five percent hurdle makes it difficult for smaller parties to enter parliament. All parties receive public and private funding, while the links between banks, parties and industry are subject of criticism and concern.

Freedom of speech

Freedom of expression and the press is fully guaranteed. The Criminal Code sets three limits to freedom of expression which are to be reviewed by the courts: Slander, blasphemy and racism. Some media are strongly influenced politically by their owners.

Civil rights protection

The Icelandic state fully respects and protects citizens’ rights, and the courts protect citizens in the vast majority of cases. From time to time there are problems of discrimination and politically motivated libel charges against journalists, which are, however, usually decided in favour of the accused.

Social inclusion

In the run-up to the international financial crisis, Iceland has experienced a large income imbalance, which has now been levelled thanks to a more progressive tax policy. However, reductions of social security transfers and pensions have made life difficult for the small group of poorer people.

Corruption prevention

Corruption in politics is not perceived as a serious problem in Iceland, but in-kind corruption - such as granting favors and paying for personal goods with public funds - does occur. The links between politicians and banks revealed in the course of the financial crisis and by the "Panama Papers" are alarming.