Icelandic regions are among the top 20% of OECD regions in well-being indicators on community, access to services and environment.

Subnational governments in Iceland spend 58% of their budget on education and social protection, compared to an OECD average of 39%.

Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 402 OECD regions. Each well-being dimension is measured by the indicators in the table below.

Iceland is among the top 20% of OECD regions in the well-being dimensions community, access to services (share of households with broadband access) and environment (PM 2.5 level). The best Icelandic region fare better than the OECD median region in all 11 well-being indicators, except for labour force with at least upper secondary education.

Source: OECD Regional Database. Visualisation: https://www.oecdregionalwellbeing.org. OECD regions refer to the administrative tier of subnational government; Iceland is composed of two regions; (2) Household income per capita data are based on USD constant Purchasing Power Parities, constant prices (year 2010).
Subnational government expenditure by function
As a share of total subnational government expenditure, 2016

<table>
<thead>
<tr>
<th>Iceland</th>
<th>OECD average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>34%</td>
</tr>
<tr>
<td>Social protection</td>
<td>24%</td>
</tr>
<tr>
<td>Other</td>
<td>22%</td>
</tr>
<tr>
<td>General public services</td>
<td>12%</td>
</tr>
<tr>
<td>Economic affairs</td>
<td>7%</td>
</tr>
<tr>
<td>Health</td>
<td>0%</td>
</tr>
</tbody>
</table>

Subnational expenditure per capita: USD 6 202 USD 6 817

Subnational government expenditure amounts to USD 6 202 per capita in Iceland compared to an OECD average of USD 6 817. In Iceland, this is equivalent to 27.2% of total public expenditure and to 12.4% of GDP. In comparison, across the OECD, subnational government expenditure accounts for 40.4% of total public expenditure and for 16.2% of GDP. Education and social protection are the two largest spending items for subnational governments in Iceland. Together, they represent 58% of subnational expenditure compared to 39% in the OECD area.

In Iceland, subnational governments carried out 35% of total public investment, more than 20 percentage points less than the OECD average of 56.9%.

Role of subnational governments in public investment
Subnational government public investment per capita, 2016

USD per capita

Subnational government investment USD 486 per capita 35.0% of public invest.

Total public investment USD 1 388 per capita 2.8% of GDP

Subnational government investment USD 727 per capita 56.9% of public invest.

Total public investment USD 1 278 per capita 3.0% of GDP

Source: OECD Subnational Government Structure and Finance Database.
Note: the function ‘Other’ includes housing and community amenities, recreation, culture and religion; environment; public order and safety.

OECD Regions and Cities at a Glance 2018

The 2018 edition of OECD Regions and Cities at a Glance shows how regions and cities contribute to national growth and the well-being of societies. It updates its regular set of region-by-region indicators, examining a wide range of policies and trends and identifying those regions that are outperforming or lagging behind in their country.

Consult this publication on line: https://oe.cd/pub/2n9