







COVID-19 Island Insights Series

No. 17, March 2021

Iceland

Pia Hansson and Auður Birna Stefánsdóttir

The COVID-19 Island Insights Series is an initiative spearheaded by the Strathclyde Centre for Environmental Law & Governance (SCELG) and the Institute of Island Studies (IIS) at the University of Prince Edward Island in collaboration with Island Innovation. The initiative brings together critical assessments of how specific islands around the world have performed during the COVID-19 pandemic and the extent to which their recovery plans can promote resilience and sustainability in the long term.

For more information on SCELG see https://www.strath.ac.uk/scelg

For more information about the IIS see http://islandstudies.com/

For further information about Island Innovation see https://www.islandinnovation.co/

Suggested citation: P. Hansson and A. B. Stefánsdóttir, *Iceland, COVID-19 Island Insight Series, no 17, March 2021*, University of Strathclyde Centre for Environmental Law and Governance, University of Prince Edward Island Institute of Island Studies and Island Innovation.





Iceland is a Nordic island small state in the North Atlantic Ocean, with a population of 368,010 as of October 27 2020, and a land area of 103,000 km², making it the most sparsely populated country in Europe.¹

COVID-19 data and timeline

February 28 - First case detected

March 16 - First ban of gatherings and public events over 100 people announced, high schools and universities closed and elementary schools remained open with restrictions

April 24 - Everyone arriving in Iceland must quarantine for 14 days from arrival

May 25 - Easing of restrictions on gatherings and school operations

June 15 - Passengers arriving in Iceland can take a COVID-19 test instead of having to quarantine for 14 days

March 12, 2021: - Confirmed cases 6,070 (or 1.65% of the total population)

Fatalities 29 (or 0,0078% of the total population)

Pia Hansson

Director of the Institute of International affairs (IIA)

Auður Birna Stefánsdóttir

Researcher at the IIA



Iceland²

¹Statistics Iceland. (2020). Information retrieved from Statistics Iceland website [Hagstofa Íslands]: https://hagstofa.is/utgafur/frettasafn/mannfjoldi/mannfjoldinn-a-3-arsfjordungi-2020/

² Source https://capturetheatlas.com/map-of-iceland/





COVID-19 in Iceland: An Overview

In the wake of news from the World Health Organization (WHO) about a novel coronavirus in China the Icelandic authorities declared an "uncertainty alert level" regarding the coronavirus acknowledging that it could arrive in Iceland. A month later on February 28 the first COVID-19 infected person in Iceland was diagnosed, a traveller returning home from Northern Italy.3 Within a week, the number of cases had climbed to 47. Iceland declared Northern Italy and Tyrol as high risk areas and all travellers coming from there were obliged to be in quarantine for 14 days.4 In fact, Icelandic health authorities warned Tyrol in Austria about the spread of COVID-19 infections in the Austrian ski resort village Ischgl when Icelanders returning back home from the resort tested positive. but the warning fell on deaf ears. The area later became a COVID-19 hotspot with 6,000 tourists getting infected and spreading the infection further in their home countries.⁵ Iceland was one of the first countries to start identifying high risk countries in returning travellers.6

The Icelandic government and the Directorate of Health had fortuitously enacted a national pandemic preparedness plan at the beginning of January 2020, almost two months before the first case of COVID-19 was detected in Iceland. It was decided from the beginning that Iceland would adopt the strategies of isolation, quarantine and contact tracing. As part of that plan, the microbiology laboratory at the National University Hospital of Iceland began testing citizens in

early February. However, it soon became clear that the hospital lacked the capacity to test as needed. On March 13, deCODE genetics, a biopharmaceutical company based in Reykjavík, began screening the general public in cooperation with the Directorate of Health and was able to quickly take over a large part of the testing.⁷

The Icelandic government announced a ban of gatherings and public events with more than a 100 people on March 16, with high schools and universities closing while elementary schools remained open with certain restrictions.8 Within a week the ban on gatherings was changed to 20 people and recreational facilities and other services that could not ensure a two-metre distance between individuals were closed. The Icelandic government did not resort to a full national lockdown but did respond to the pandemic with effective information disclosure to the public with daily press meetings, detailed instructions about social distancing, extensive testing, quarantine at home for people exposed and isolation for infected persons. Only 20 days after the first confirmed case in Iceland, 9,189 individuals (2.5% of the total population) had been tested.9 The small size of the country did play a part in the feasibility of these actions as Alma Möller, the Director of Health put it "What's good about Iceland is our small size, and how easy it is to reach people. It might also be good to be a small nation, as it can make the health care system more extensive and exact."

vest/icelands-response-to-covid-19/312

³ Fyrsta tilfelli kórónuveiru greinist á Íslandi. (2020, February 28), Morgunblaðið. Retrieved from:

https://www.mbl.is/frettir/innlent/2020/02/28/fyrsta_til-felli_koronuveiru_greinist_a_islandi/

⁴Ministry of Finance and Economic Affairs.2020. Efnahagsleg áhrif farsóttar og sóttvarna. Retrieved from: https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/Ef-

nahagsleg%20%c3%a1hrif%20fars%c3%b3ttar%20og%2 0s%c3%b3ttvarna%20-

^{%201.%20}sk%c3%bdrsla%20starfsh%c3%b3ps.pdf

⁵Þrastardóttir, R. 2020. October.10. Hafi hunsað viðvar-an-ir ís-lenskra yf-ir-valda. *Mbl.is*. Retrieved from:

https://www.mbl.is/frettir/erlent/2020/10/10/hafi_hunsad_vidvaranir_islenskra_yfirvalda/

⁶ Covid.is. n.d. Information retrieved from the website Covid.is: https://www.covid.is/sub-categories/iceland-sresponse

 ⁷Scuddelari, M. 2020, November 25. How Iceland hammered COVID with science. Nature. Retrieved from: https://www.nature.com/articles/d41586-020-03284-3
 8 Government of Iceland. (2020). Takmarkanir á samkomu og skólahaldi til að hægja á útbreiðslu Covid-19. Retrieved from: https://www.stjornarradid.is/efst-a-baugi/frettir/stok-frett/2020/03/13/Takmarkanir-a-samkomu-og-skolahaldi-til-ad-haegja-a-utbreidslu-Covid-19/
 9 Invest Iceland. N.d. Iceland's response to COVID -19. Retrieved from: https://www.invest.is/press--media/news/in-

Fontaine, A.S. 2020, April 3. Not Letting Panic Guide Us: Chief Medical Officer Alma Möller on How Iceland Is Dealing with COVID - 19. Reykjavík Grapevine. Retrieved from: https://grapevine.is/mag/feature/2020/04/03/chief-medical-officer-alma-moller/





In contrast to some of its neighbouring countries Iceland did not close its borders. At the beginning of the pandemic Icelandic residents arriving from high risk areas were subject to a 14day quarantine and as of April 24 everyone coming to the country was subjected to the same rule. The rules on the borders were revised in June when travellers arriving in Iceland were given the opportunity to be tested for COVID-19 rather than be guarantined for 14 days. After a period of rather slack controls regarding travellers arriving in Iceland, infections started to rise again in August, leading to stricter regulations with travellers needing to undergo two tests for COVID-19 with a five day interval quarantine or decline testing and quarantine for 14 days.¹¹

Key Economic and Societal Effects of the COVID-19 Outbreak in Iceland

In addition to public health outcomes, the social and economic costs of a global pandemic are high. Iceland's economy depends heavily on tourism and other export sectors and COVID-19 has therefore had a tremendous adverse effect on the economy. With rising uncertainties and travel restrictions in the wake of the pandemic, unemployment in Iceland jumped to over 10% in just two months.12 The economic outlook deteriorated rapidly after the severity and spread of the epidemic became clear. In February, the Icelandic Central Bank forecasted that the GDP would grow by 0.8% in 2020; in August that same year, the bank's economic forecast had changed drastically, assuming instead a contraction of over 7%, mainly due to a contraction in private consumption and tourism.¹³

The tourism industry in Iceland has been severely affected by COVID-19 travel restrictions. The industry had been booming in Iceland for the last decade with visitor numbers rising from 459,000 in 2010 to more than 2.3 million in 2018. This has resulted in the tourism industry accounting for 8.6% of Gross Domestic Product (GDP) and 39 percent of the countries' total export revenue. A large part of the Icelandic workforce works in the tourism industry and in 2017 it represented almost 16% of the workforce.¹⁴

Because of travel restrictions the tourism industry in Iceland had to resort to minimum operations with minimum staff. Even prior to the outbreak, wage increases and the strength of the Icelandic krona, were forcing many tourism companies in Iceland to downsize. Taking on more debt during the pandemic made them more vulnerable. Even so, according to the Icelandic Travel Industry Association, the coronavirus crisis has led to fewer bankruptcies than industry insiders feared, mainly because of the government's counter measures and the companies' immeasurable work on streamlining their services and agreements. 15 The Government of Iceland announced a 1.6bn USD response package to the COVID-19 crisis on March 21, 2020. It included state-backed bridging loans for companies, deferral of tax payments, financial support for the tourism sector and up to 75% of salaries paid as part-time unemployment benefits. The government also initiated a campaign encouraging Icelanders to travel domestically to support the tourism industry, both with a marketing initiative and fiscally. 16

¹¹ Covid.is. n.d. Information retrieved from the website Covid.is <u>https://www.covid.is/undirflokkar/vidbrogd-a-is-landi</u>

¹² Iceland Chamber of Commerce. 2020. The Iceland Economy, 2020. Retrieved from: https://www.government.is/li-brary/09-Embassies/New-York-Consulate/ICEEcon2020-210920-Web_Final.pdf

¹³Ministry of Finance and Economic Affairs.2020. Efnahagsleg áhrif farsóttar og sóttvarna. Retrieved from: https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/Ef-

nahagsleg%20%c3%a1hrif%20fars%c3%b3ttar%20og%2 0s%c3%b3ttvarna%20-

^{%201.%20}sk%c3%bdrsla%20starfsh%c3%b3ps.pdf

¹⁴ OECD Tourism Trends and Policies. 2020. Iceland Tourism in the Economy. Retrieved from: <a href="https://www.oecd-ilibrary.org/sites/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/component/2fde1a1d-en/index.html?itemld=/content/co

 $^{^{15}}$ "Árið 2020 var hroðalegt, erfitt og krafðist úthalds" 2020, December 30. $\emph{R\'{U}V}.$ Retrieved from:

https://www.ruv.is/frett/2020/12/30/arid-2020-var-hrodalegt-erfitt-og-krafdist-uthalds

¹⁶ Iceland Invest. N.d. Economic and stimulus response to COVID-19. Retrieved from: https://www.invest.is/press-media/news/invest/economic-and-stimulus-response-to-covid-19/313





For example, every Icelander over the age of 18 received a voucher worth 5,000 ISK to be spent on domestic tourism from the government.¹⁷ Despite travel restrictions the turnover of domestic payment cards in accommodation services increased by ISK 1.5 billion in the first seven months of the year, which can probably be explained by increased travel within the country. Unfortunately, an increase in domestic tourism was not enough for hotel managers, as foreign credit card turnover shrank by 22.6 billion ISK in accommodation services. At the same time, the restaurant industry has also been hit hard, both because of restrictions in gatherings and a decrease in tourism.¹⁸

The newest prediction of The Central Bank of Iceland concerning tourist numbers suggests that only 700,000 tourists will travel to Iceland in 2021 which is less than the one million predicted in August. The number of infections has increased significantly in the countries that are Iceland's main trading partners and therefore the outlook for tourism has worsened despite positive news of vaccines against the pandemic. It is therefore apparent that the pandemic will continue to have severe economic and social effects in Iceland making it necessary for the Icelandic government to stay focused and think creatively about recovery plans for the future.

The Post COVID-19 World: Resilience and Sustainability

According to a COVID Performance Index published by the Lowy Institute in Sydney, Australia, Iceland ranks seventh in the world in terms of effectively responding to the COVID-19 pandemic.²⁰ One reason for this relatively good outcome might be that Iceland is an island prone to high risk natural hazards such as volcanic eruptions, earthquakes, glacial and river flooding and snow avalanches, making the nation more prepared and resilient in facing difficult and diverse crises. All preventative measures taken to cope with the risk of natural hazards is based on risk assessments and scientific research.²¹

The Icelandic government and the Directorate of Health acted quickly when news of a novel coronavirus in China reached Iceland. As noted above, the government had enacted a national pandemic preparedness plan two months before COVID-19 arrived in Iceland. While fighting the pandemic the Icelandic government has, as in other crisis management instances, based their decisions and actions on the experience and knowledge of experts and academics, placing them in the frontline of decision making. Through this ordeal it can be argued that the credibility of experts, maligned in recent years, has been restored. This renewed trust has put the relationship between politics and science into the spotlight and spurred discussions about how this relationship is better serving crisis preparedness.22

¹⁷Icelandic Tourist Board. 2020, April 10. *Hvatningarátak* vegna ferðalaga innanlands í undirbúningi. Retrieved from: https://www.ferdamalastofa.is/is/um-ferdamalastofu/frettir/hvatningaratak-vega-ferdalaga-innanlands-i-udirbuningi

[&]quot;Ministry of Finance and Economic Affairs.2020. Efnahagsleg áhrif farsóttar og sóttvarna. Retrieved from: https://www.stjornarradid.is/library/02-Rit--skyrslur-ogskrar/Ef-

nahagsleg%20%c3%a1hrif%20fars%c3%b3ttar%20og%2 0s%c3%b3ttvarna%20-

^{%201.%20}sk%c3%bdrsla%20starfsh%c3%b3ps.pdf

19 "Spá Seðlabankans um fjölda ferðamanna lækkar enn frekar". 2021, February 3. Mbl.is. Retrieved from: https://www.visir.is/g/20212069046d

²⁰ Lowy Institute. n.d. Covid Performance Index: Deconstructing Pandemic Responses. Retrieved from: https://interactives.lowyinstitute.org/features/covid-performance/#size

²¹ European Commission. 2019. Iceland: Overview of the National Disaster Management System. Retrieved from: https://ec.europa.eu/echo/what/civil-protection/disastermanagement/iceland_en

²² Persson, T., Parker, C. F., & Widmalm, S. (2017). "Social Trust, Impartial Administration and Public Confidence in EU Crisis Management Institutions." Public Administration, 95(1), 97-114. Aldrich, D.P., & Meyer, M.A. (2015). "Social capital and community resilience." American Behavioral Scientist, 59(2), 254-269.





A crisis of this magnitude has a way of revealing the underlying dynamics of governance, highlighting the strengths and weaknesses of institutions and creating a perfect opportunity for governments to re-evaluate their policies regarding resilience and sustainability. For Iceland it is important to draw lessons in the aftermath of this crisis to be able to move forward with rebuilding society. Katrín Jakobsdóttir, Iceland's Prime Minister, has emphasised the importance of focusing on equality during and after COVID-19 and that now, more than ever, it is important to fight against populism and divisive forces.²³ The Prime Minister has also focused on creating a platform to discuss how we can use the changes and challenges that COVID-19 has brought to seek sustainable and green solutions emphasizing the importance of strengthening equality and social justice in society, to defend social and civil rights that often get ignored in times of economic crisis.24 The Minister for the Environment and Natural Resources, Guðmundur Ingi Guðbrandsson, has also pointed out that we should rely on experts when it comes to responses to climate change and environmental challenges, in the same way we have done while tackling COVID- 19. Stating that "The COVID-19 pandemic has shown us that we are able to react quickly to threats and we should also react quickly to environmental threats".25

Another recovery measure that the government has implemented to create job opportunities and economic growth is promoting and supporting innovation and research with the end goal of building industries that are based on innovation and ingenuity for the future.26 The government therefore has been focusing on many of the Sustainable Development Goals (SDGs) in their recovery plans for the future after COVID-19. Even though they do not reference the SDG's directly they are setting the focus on innovation, climate action and equality in their recovery plans.

Useful Sources

- The Directorate of Health and The Department of Civil Protection and Emergency Management in Iceland COVID-19 information webpage: https://www.covid.is/english
- The Government of Iceland's webpage -Economic responses to COVID-19: https://www.government.is/government/covi d-19/
- The University of Iceland's webpage on COVID-19: https://covid.hi.is/english/
- COVID-19 national resilience cohort: https://lidanicovid.is/about/

²³ Nordic Editor. 2020, September 22. Forsætisráðherra:

19/?fbclid=lwAR1asYHJauY4p64mr-A7XSgG6nDvQ9_9a7nN7R7ieuHn90PvncwJ_t-g4p0

jafnrétti verði í fyrirrúmi í endurreisn eftir COVID-19. Retrieved from: https://unric.org/is/forsaetisradherrajafnretti-verdi-i-fyrirrumi-i-endurreisn-eftir-covid-19/ ²⁴ Prime Ministers Office. 2020, September 27. Alþjóðlegt, rafrænt málþing um heiminn eftir COVID-19. Retrieved from: https://www.stjornarradid.is/efst-a-baugi/frettir/stok-

frett/2020/09/27/Althjodlegt-rafraent-malthing-umheiminn-eftir-COVID-

²⁵The Ministry for Environment and Natural Resources. 2020, September 14. OECD hvetur ríki til grænnar endurreisnar efnahagslifs. Retrieved from: https://www.stjornarradid.is/efst-a-baugi/frettir/stok-frett/2020/09/14/OECDhvetur-riki-til-graennar-endurreisnar-efnahagslifs ²⁶ "Sækj-um fram með ný-sköp-un að leiðarljósi". 2020, April, 21. Mbl.is. Retrieved from: https://www.mbl.is/frettir/innlent/2020/04/21/saekjum_fram_med_nyskopun_ad _leidarljosi/

Published COVID-19 Island Insights Papers

#1. Malta. November 2020

#2. Egadi Islands. November 2020

#3. Grenada. November 2020

#4. Trinidad and Tobago. November 2020

#5. Shetland Islands. November 2020

#6. Åland Islands. November 2020

#7. Guam. December 2020

#8. Okinawa Islands. December 2020

#9. Mauritius. February 2021

#10. Seychelles. February 2021

#11. Aotearoa New Zealand. February 2021

#12. Hawai'i. February 2021

#13. Barbados. March 2021

#14. Jamaica. March 2021

#15. Newfoundland and Labrador. March 2021

#16. Prince Edward Island. March 2021







With thanks to the Canadian Rural Revitalization Foundation (CRRF), creators of the *COVID-19 Rural Insights Series*, for kindly giving us permission to use "Insights Series" as part of our series name