

Hamline University

DigitalCommons@Hamline

School of Business Student Theses and
Dissertations

School of Business

2023

Third Sector Organizations in Iceland: Size, Scope, and Scale

Jeannie Entenza

jentenza01@hamline.edu

Follow this and additional works at: https://digitalcommons.hamline.edu/hsb_all



Part of the [Nonprofit Administration and Management Commons](#)

Recommended Citation

Entenza, Jeannie, "Third Sector Organizations in Iceland: Size, Scope, and Scale" (2023). *School of Business Student Theses and Dissertations*. 31.

https://digitalcommons.hamline.edu/hsb_all/31

This Dissertation/Thesis is brought to you for free and open access by the School of Business at DigitalCommons@Hamline. It has been accepted for inclusion in School of Business Student Theses and Dissertations by an authorized administrator of DigitalCommons@Hamline. For more information, please contact digitalcommons@hamline.edu.



Aug 22, 2023

Jeannie Entenza has successfully defended her Dissertation, *Third Sector Organizations in Iceland: Size, Scope and Scale*, and should be recommended to the Dean of the School of Business to receive the degree of PhD in Management and Public Service.

Kristen A. Norman

Kristen Norman, PhD, chair

Steinunn Hrafnisdóttir

Dr. Steinunn Hrafnisdóttir

Omar Kristmundsson

Dr. Ómar Kristmundsson

Kelly LeRoux

Dr. Kelly LeRoux

THIRD SECTOR ORGANIZATIONS IN ICELAND: SIZE, SCOPE, AND SCALE

A DISSERTATION

by

JEANNIE ENTENZA

Submitted to the School of Business of Hamline University, St. Paul, Minnesota
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

2023

MAJOR: Management & Public Service

Table of Contents

Abstract	3
Acknowledgements	4
List of Tables	5
List of Figures	6
Chapter 1. Introduction	7
Chapter 2. Literature Review	20
Chapter 3. Methodology	32
Chapter 4. Analysis	39
Chapter 5. Conclusion and the Need for Further Research	87
References	96
Glossary	103
Appendix	105

Appendix A: Region/mission crosstabulation on all organizations

Appendix B: Region/mission crosstabulation on subset of organizations with paid staff

Appendix C: Paid staff crosstabulation on adopting new law

Abstract

This study seeks to contribute missing data to existing studies on the comparative nature of global third sector economies. Iceland, a modern, high-income, high-service society on the cusp of the Arctic Circle has not been included in these studies while the other four Nordic countries have all been analyzed. This study aims to map over 12,000 registered third sector organizations in Iceland to demonstrate the type and level of public-facing organized activity in the country. The quantitative research design relied heavily on the concept and inspiration of the Johns Hopkins Comparative Nonprofit Sector Project and proved that Iceland was indeed a part of the “global associational revolution.”

Keywords

nonprofit, third sector, Iceland, Nordic, civil society,

Acknowledgements

I give my most heartfelt thanks to my Chair, Dr. Kris Norman, and my committee members, Dr. Steinunn Hrafnisdóttir, Dr. Ómar Kristmundsson, and Dr. Kelly LeRoux, who instructed me, guided me, and inspired me in this project. Thanks must also be given to: Ásta Sól Kristjánsdóttir who brought some of us together in the first place; to Ásdís Helga Jóhannesdóttir who painstakingly instructed me in the Icelandic language; to Andréa Craft for skills extraordinaire; and my colleagues at Hamline University who recognize and value the need for academic freedom, scholarship and debate.

I want to give extra special thanks to my husband, Matthew, and all our shared six children, whose love and support allowed me the space to do this work, and our 100-pound fluffy family member, Magnús, who kept me from ever taking life too seriously.

Lastly, I dedicate this study to Grandma Albertina “Ina” Ingibjörg whose draw to the homeland lives through me to this day.

List of Tables

1	Sample coding of organizations in the database	41
2	All organizations by primary activity area	47
3	Organizations with paid staff by primary activity area	49
4	Paid vs voluntary employment	51
5	All organizations by geographic region	53
6	Capital region organizations by mission type	78
7	Southern peninsula region organizations by mission type	78
8	Western region organizations by mission type	78
9	Westfjords region organizations by mission type	78
10	Northwestern region organizations by mission type	79
11	Northeastern region organizations by mission type	79
12	Eastern region organizations by mission type	79
13	Southern region organizations by mission type	79
14	Westman Islands region organizations by mission type	80
15	Organizations with paid staff by mission type and region	80
16	Total number of organizations registering under the new law	81
17	Differences between level of staff and registering under the new law	82
18	Expressive vs service activities among other countries	85

List of Figures

1	Growth in number of organizations over time	46
2	Growth in organizations by mission type	47
3	Growth in organizations with paid staff	49
4	Total number of organizations per 1000 inhabitants per region	54
5	Organizations with paid staff per 1000 inhabitants per region	55
6	All organizations by mission type per region	56
7	Organizations with paid staff by mission type per region	57
8	All organizations depicted at the municipal level	58
9	Organizations with paid staff depicted at the municipal level	59
10	All organizations with mission 1	60
11	Organizations with paid staff with mission 1.	61
12	All organizations with mission 2	62
13	Organizations with paid staff with mission 2.	63
14	All organizations with mission 3	64
15	Organizations with paid staff with mission 3.	65
16	All organizations with mission 4	66
17	Organizations with paid staff with mission 4.	67
18	All organizations with mission 5	68
19	Organizations with paid staff with mission 5.	69
20	All organizations with mission 6	70
21	Organizations with paid staff with mission 6.	71
22	All organizations with mission 7	72
23	Organizations with paid staff with mission 7.	73
24	All organizations with mission 8	74
25	Organizations with paid staff with mission 8.	75
26	All organizations with mission 9	76
27	Organizations with paid staff with mission 9.	77

Chapter One

Introduction

Iceland, being a relatively small island country, with a nationwide population of just over 394,000 inhabitants (Statistics Iceland, 2023), often gets overlooked and under researched, particularly in comparison to the other Nordic nations of Sweden, Norway, Denmark, and Finland (Kristmundsson & Hrafnadóttir, 2012). In this chapter, I will discuss the importance of further research on Iceland's third sector organizations, where Iceland fits among the Nordic nations in the academic scholarship on nonprofit organizations, and how to determine if Iceland's nonprofit sector has experienced the same kind of sector growth exhibited by other countries documented in global comparative studies on civil society.

The purpose of this dissertation

The most immense undertaking of research on the global, nonprofit sector arena was conducted between the years of 1991-2017 by the Comparative Nonprofit Sector Project (CNSP) at Johns Hopkins University in the United States (U.S.). The study included over forty countries, but not Iceland (Salamon, 2017). However, all other Nordic countries were included, leaving a continual gap in the research. Lester Salamon (2016), the chief architect of the global mapping project, often referred to nonprofits as “a sector hidden in plain sight,” in part due to a lack of universal systemization on classifying nonprofit economic and programmatic activity.

The significance of this research study can have national, regional, and global impacts and will add to the growing data on the role of nonprofit, or third sector organizations, in the world. On the national level, there is a small, but growing, body of literature regarding voluntary

associations in Iceland. On a more regional scale, the analysis of this data will contribute missing data on Iceland related to what is already known about the other four countries of the Nordic region. And on the global level, the results will demonstrate whether Iceland has been a part of what Salamon (1994) described as a “global associational revolution” (p. 109).

This work will build on research previously conducted by the two leading scholars on the nonprofit sector in Iceland, Dr. Ómar Kristmundsson and Dr. Steinunn Hrafnisdóttir of Háskóli Íslands, known in English as “The University of Iceland.” A large, first of its kind study conducted by these two professors in the late 2000s attempted to analyze the number and type of organizations that were providing social welfare services in Iceland. Their database was in part derived from analysis on the global economic crisis of 2008-09 and its impact on Iceland. Their study examined 144 organizations operating in social welfare services in 2010 and concluded with a call for better registration of third sector organizations by the Icelandic government in order to produce meaningful statistics on the realm of voluntary activity (Kristmundsson & Hrafnisdóttir, 2011). This study will allow for greater analysis of the Icelandic third sector beyond social welfare organizations, and instead of one year’s nonprofit activity, fifty years (roughly 1970-2020) of services and civic engagement will be examined and analyzed.

Due to their continued efforts an updated, more extensive, and longitudinal database was created by the authors with the aid of the Icelandic Revenue and Customs (Skatturinn) office following passage of a law in 2021 granting preferential tax treatment to both nonprofit organizations and individual donors and supporters. The statistical analysis included in this dissertation will be the first systematic examination of the database in order to describe the size, scope, and scale of third sector organizations in Iceland.

This project will result in descriptive statistics (number of organizations, industry type or “subsector”, budget, geography, and more) and an effort will be made to place it in the context of the social, political, and economic landscape of the country. Currently, it is unclear how many third sector organizations are operating in Iceland, how many employees they have, what services they are providing, or what communities they are serving. This custom-designed, national database produced by Skatturinn, the Icelandic Revenue agency, covers the economic and programmatic activity of registered organizations over a span of 50 years and includes over 12,000 entries. The majority of information included in the fields is public data with the exception of the ranges of employment for each organization. All fields will be discussed in this paper in the aggregate.

There are two main reasons why it is especially important to get a baseline on third sector activity in Iceland *right now*. The first is that a law was passed in the Icelandic parliament in 2021 which grants favorable tax conditions to charitable organizations. It will be important to get benchmarks on the activity of third sector organizations at the onset of this law being fully implemented. This will allow for future evaluation of the potential impact of the law on the charitable sector in Iceland. In the first year of implementation alone, over 500 third sector organizations had opted to register under the new law despite identified shortcomings in the implementation process yet to be resolved (Guðmundsson, 2023). Further analysis of the types of organizations benefiting from the new tax treatment (or not) will be crucial information for the Icelandic Revenue office, and nonprofits themselves, for smoother implementation and greater impact.

Secondly, Iceland has experienced tremendous growth in its foreign-born population over the last two decades. In 1996, non-residents accounted for less than 2% (1.9) of the inhabitants of

Iceland (Heleniak & Sigurjónsdóttir, 2018). By 2023, Registers Iceland reported the figure had risen to 17.85 %, or 70,307 individuals (Þjóðskrá, 2023). Most of this growth has occurred since the enormous influx of tourism to Iceland as an economic development strategy following the 2008 global financial crisis. This level of accelerated representation from non-native populations is bound to have created social, political, and economic impacts on the nation yet to be fully understood. The analysis of this database is likely to provide important insights to these changes over time.

Iceland and the Nordic nations

As will be covered later in this chapter, there is not universal agreement on the terms and legal definitions of what constitutes a nonprofit-oriented, formal or informal, group of individuals who join together in some service to the public good. For that reason, a glossary of terms (summarized by the researcher's interpretations) used to describe this activity in different parts of the world is included at the end of the chapters. Similarly, you will hear different terms referring to a set of northern countries spanning from Greenland in the west, to Finland, so far in the east that it shares a border with Russia. The term "Scandinavia," is often used in a general sense to refer to these far-north countries, while others use Scandinavia to only refer to Sweden, Norway, and Denmark (Aarhus University, n.d.). The broader term "Nordic," however, includes the nation-states of Norway, Iceland, Sweden, Finland, and Denmark (Haarder, 2016). And while each individual country has its own culture, language, and geography, the shared history of these Arctic nations has been intertwined through centuries under different crowns and kings, most notably those of Norway and Denmark (Finnbogadóttir, 2016). The five countries also share a historical albeit more recent development into high-functioning, high-income, high-tax

economies focused on collective public welfare, particularly in the areas of education, health care and social services (Andersen, et al., 2016).

While Iceland dates its founding to 874, it has operated as a Republic only since 1944 and is the smallest, population-wise, of the five Nordic countries. Two-thirds of its population is centered in and around the capital city of Reykjavík in the far southwestern region of the country resulting in a rather distinct rural-urban divide (Hlynsdóttir, 2020). One of the discoveries from this research dissertation will be an analysis of the physical locality of third sector organizations in Iceland and whether the location trends of its people is mirrored in the locations of the registered organizations. Over the last several decades, Iceland's economy has moved from one based primarily on fishing and natural resources to a tourism-based economy with hosting foreign visitors accounting for 8.9% of the nation's annual gross domestic product (GDP) (Iceland Chamber of Commerce, 2020). Moreover, Iceland has the highest rate of worker unionization among the Nordic countries with 79% of all Icelandic workers identified as a member of a labor union (Iceland Magazine, 2017). Socially, Iceland often appears near or at the top of indices related to gender equality, it has no national army, and the capital of Reykjavík is designated as a United Nations Educational, Scientific and Cultural Organization (UNESCO) City of Literature due to its vast history and collection of medieval manuscripts and ongoing publications per capita.

The scope of this research is quite broad in that it will cover the country as a whole. The researcher will draw on similar mapping projects that already exist in the civil society literature. Two main theoretical frameworks that will be employed include Lester Salamon's pioneering work at the Johns Hopkins Center for Civil Society Studies, and work led by Kristin Grønberg at Indiana University concerning government-nonprofit relationships. These frameworks will be

discussed in more detail in Chapter Two. The study will also draw on scholarship to date in the country of Iceland by leading nonprofit and civic researchers, Dr. Ómar Kristmundsson and Dr. Steinunn Hrafnisdóttir. These two University of Iceland professors have authored articles on social welfare services in Iceland, volunteerism, and the nature of Icelandic government-nonprofit relationships. Their findings will be examined in Chapter Two and the researcher will posit how this dissertation study both builds on their previous contributions and expands the scope of what can be known about the nonprofit sector and third sector organizations in Iceland.

Statement of the Problem and Contribution to Theory

Problem Statement

Data on the size, scope, and scale of the nonprofit sector in Iceland is presently not available. Third sector organizations have been operating in the country for over a century, but there is limited analysis of what kind of organizations, where they exist, or what services they provide to communities.

Research Question

Did Iceland experience a similar “global associational revolution” as Salamon and others documented in numerous countries around the world since the 1980s?

The research findings will demonstrate the size, scope, and scale of nonprofit, or third sector organizations, in Iceland. This data may be useful in educating the public, lawmakers, and even nonprofit leaders themselves, of the vibrant economy that exists within third sector employers and services. This will likely raise the visibility of the sector in Iceland and could potentially lead to greater partnerships with the other two sectors, business and government. As

the old saying goes, “what isn’t counted doesn’t count” (Salamon, 2016) and this study aims to raise up Iceland’s long history of civic-centered, voluntary action.

The subjects of the study will be registered third sector organizations in Iceland working to improve the common good for their citizens. In addition to analyzing the larger “universe” of the over 12,000 entries on individual organizations, additional analysis will be conducted on a smaller subset of 1,022 organizations who report having paid staff. This analysis may result in a clearer understanding of the economic impacts of nonprofit organizations, not merely as service providers, but also as employers contributing to the nation’s gross domestic product (GDP). The unit of analysis will be individual nonprofit organizations assigned an identification (ID) number (kennitala) by the Icelandic Revenue office.

A Note on Nomenclature

When discussing the collective activities of public facing organizations in Iceland in this research, the term “nonprofit sector” will be used. When discussing the intentional and coordinated activities of individual groups in the nonprofit sector in Iceland, “third sector organizations” will be used to describe individual organizations. In the academic literature, these and numerous other terms are often used, sometimes even interchangeably, to describe this sphere: charity, philanthropy, volunteering, civil society, civic culture, social capital, social entrepreneurship, and social enterprise (Anheier, 2014, pp. 8-10). At the level of organizations operating internationally, the terms non-governmental organization, transnational, supranational, cross-border, international, and global can be seen frequently (Casey, 2016b, pp. 5-6). In Iceland, examples of common types of organizations include foreldrafélag (parents of schoolkids associations), starfsmannafélag (employees’ associations), áhugamannafélag (hobbyist or amateur associations), minningarsjóður (memorial funds), ungmennafélag (youth associations)

and íþróttafélag (sports clubs). Instead of using such specific terms, these and other organizations in the enormous database will be coded into categories of subsectors, which will be explained in the methodology section of Chapter Three.

Classification Systems

In addition to common usage of descriptive terms discussed earlier, how scholars talk about and compare work of nonprofit sectors across countries is further complicated by numerous existing industry classification systems of nonprofit activity. A further limitation of these various labels is that they are often derived from economic studies or regulatory agencies in an attempt to classify certain kinds of work or productivity in society. For nonprofit organizations that rely heavily on a volunteer labor pool with no wages to track, these existing systems can be highly inadequate. There are important decisions to make when choosing a system to identify the activities of these public-facing organizations as they are generally a significant producer in a nation's economy. The United Nations (UN) Handbook on Satellite Accounts (2018) notes that the third or social economy (TSE) on average, account for at least 3.5% of a nation's GDP, and over 5% in higher income countries like the United States or Canada, which place them as one of the leading "industries" as a portion of a country's GDP.

For purposes of illustrating this dilemma for researchers, three sets of classification systems will be introduced briefly in this section: the United Nations "International Classification of Nonprofit Organizations" (ICNPO) system, which built on the work of the Johns Hopkins researchers; the Icelandic Standard Industrial Classification (ISAT) hierarchy; and the National Taxonomy of Exempt Entities (NTEE) utilized in the United States to classify nonprofit organizations. The ICNPO is key in classifying both paid and non-paid work organized around a social or public purpose. In addition, the more global codes pay less attention to the

actual tax or legal status of an organization (unlike the U.S.) but rather the nature of the activity provided, and more importantly, that the organization is structured around a non-distribution constraint prohibiting individual board or executive members of the organization from profit-sharing (United Nations, 2018). The 2018 publication of the UN Satellite Account on Non-profit and Related Institutions and Volunteer Work was a joint project between the United Nations and the Johns Hopkins Centre for Civil Society Studies. This system looks at five different institutional sectors: financial corporations, non-financial corporations, government, households, and “NPISHs,” meaning “nonprofit institutions serving households”. This last category, the one of interest to this study, is then broken down into 12 categories of activities (see Appendix) and also includes the “related institutions” of cooperatives, mutual societies, and social enterprises. All entities deemed for inclusion in the nonprofit classification must meet five criteria, a result of Lester Salamon’s previous scholarship on third sector economy organizations:

1. The activity must be organized institutionally, but not necessarily as a legal entity.
2. The organization must be self-governing and able to enter into contracts and possess the ability to dissolve of its own authority.
3. It must be non-compulsory or voluntary in nature, that is, not mandated activity.
4. It must be organized around a nondistribution constraint which prohibits or significantly limits any profit sharing to directors or other stakeholders.
5. It must be private, meaning in most circumstances, not government.

ISAT codes, in comparison, serve as an economic industry classification system in Iceland specifically and are based on a European Union (EU) industry classification model (Kristmundsson & Hrafnisdóttir, 2011) even though Iceland is not a member of the EU. They include 22 categories that run the gamut from agriculture and mining, retail trade, finance and

insurance, and health, culture, or social service organizations. In this study, the ISAT code will be beneficial in assuring accurate coding of the activities of the thousands of organizations included in the government database. Another country-specific system is NTEE codes which are used in the United States by both the federal Internal Revenue Service (IRS) and the nonprofit National Center for Charitable Statistics (NCCS), the latter being the entity where the classification system was created. In contrast to ICNPO and ISAT codes, the NTEE coding can accommodate over 400 categories of a highly specific nature, however, it is founded on a system of 26 major groups and ten broad categories which include 1) arts, culture and humanities; 2) education; 3) environment and animals; 4) health; 5) human services; 6) international affairs; 7) public societal benefits; 8) religion; 9) mutual membership benefits; and 10) “other.”

The subtleties and values of various classification schemas pose a challenge for scholars of third sector organizations as it may be difficult to compare “apples to apples” vs comparing “apples to oranges.” As this project was not designed to be a comparative project, but instead will focus solely on third sector organizations in Iceland, a custom set of coding variables was created by the researcher that both drew from existing mapping projects and recognized the unique aspects of Iceland’s priorities and proximities as an Arctic nation. This method will be discussed more fully in Chapter Three.

Who will benefit from this research?

Nonprofit leaders will gain important information about the sector in which they are located. It may also help raise the profile of these organizations as a collective sector, as part of something bigger than their individual efforts. The study will also raise awareness of the new legislation that has a direct and immediate benefit for both third sector organizations and their individual donors. The Icelandic government will also be better informed due to this analysis.

Government, as an entity, continually seeks to understand the economic activity of a nation; where the jobs exist, and how much revenue is generated within certain industries. Lastly, the general public will benefit from a greater understanding of the important role third sector organizations play in citizens' daily lives. Whether it be their school, church, or volunteer location, third sector organizations provide a vehicle for citizens to engage in the full embodiment of their society. The analysis of the types of organizations that exist in Iceland will provide a window into the expressed values of the nation.

Dissertation Committee

The dissertation committee will consist of an international team of scholars to include Dr. Ómar Kristmundsson and Dr. Steinunn Hrafnisdóttir of the University of Iceland, Dr. Kelly LeRoux of the University of Illinois – Chicago, and will be chaired by Dr. Kris Norman of Hamline University in St. Paul, Minnesota, the institution awarding the degree of Doctor of Philosophy in Management and Public Service. Other national and international scholars will be consulted and there will be an extensive literature review detailing the growth of nonprofit sectors around the world in the last half-century and a discussion of various academic theories that attempt to explain the existence of a third sector, separate from that of government and private industry. Upon completion of the dissertation, scholars, economists, and government leaders will have an important resource at their hands, ripe with quantitative information regarding the identity of a third sector in modern-day Iceland.

Positionality of the Researcher

The doctoral candidate has a long history as a nonprofit and governmental practitioner. She worked primarily in the human services sector prior to a public policy career focused on the role and autonomy of nonprofit organizations in the United States. She is descended from an

Icelandic family and has traveled nearly 20 times to the country since 2015. A professional exchange in 2017, followed by a Fulbright award in 2021, allowed her to develop academic connections to colleagues at the University of Iceland who shared her research interests. To facilitate the research, she will spend two summers in an intensive Icelandic language course for scholars at the University of Iceland. She is translating the database from Icelandic to English herself and is manually coding each field. This has her immersed in the data in a very intimate way. No computational techniques like machine learning or web scraping will be utilized in this research.

Overview of the Chapters

This chapter's (Chapter One) goal is designed to provide adequate history, background, and context for a general reader to understand the importance of the dissertation topic and the basis for the primary research question. Chapter Two will examine existing literature and scholarship related to the research question, including a justification and sound defense of the research assumptions and methodology based on a particular theoretical framework and philosophy. Chapter Three will describe in detail the methodology for the research design and the steps included in preparing the data for analysis. These methods will be based on previous scholarship in the field by noted authors and will utilize established methods for mapping the nonprofit sector in other countries. Chapter Four will include an analysis of the research findings including descriptive statistics that tell the story of the types of services in Iceland that are currently being provided by third sector organizations in the country. Further, the author will place the findings within the larger social, political, and economic environment in Iceland and will be able to identify trends over time using data on non-profit organizations that were registered by the Internal Revenue Service in the period of the 1970s through 2022. Chapter Five

will detail the conclusions determined by the researcher and will recognize the limitations of the study along with proposed suggestions for future research on the nonprofit sector in Iceland.

Chapter Two

Literature Review

There is an extensive body of literature on the growth and existence of the nonprofit sector in the United States. Indeed, scholarship on nonprofit activity has become its own academic field. The purpose of this chapter is to give an overview of the research that has led to third sector organizations being recognized as a separate and important component of a democratic society. Examples of global comparative studies on the nonprofit sector will also be reviewed. There has been much accomplished in exploring the diversity of the global nonprofit sector and to include more non-U.S. voices and less U.S.-centric theories. The chapter will then focus on academic scholarship specific to third sector concepts from Northern Europe and from the Nordic region more specifically. Lastly, additional attention will be devoted to research that has emanated from Iceland's academic community and ways that this dissertation proposal will complement and further contribute to existing knowledge on the nonprofit sector in Iceland. In this review, the author has chosen to include a sampling of key historical treatises on the nonprofit sector as well as numerous updated articles, both criticisms and contributions, that have appeared in the last decade including a number from the current and immediate past year.

Scholarship in the United States on the nonprofit sector

The most extensive literature documenting the growth of the nonprofit sector exists in the United States scholarship (Anheier, 2014). Therefore, this author will rely heavily on these scholars to guide the research design of the project in Iceland. However, as an academic field, studying the nonprofit sector is quite new. Unlike historically established fields in universities such as the natural sciences or humanities and the liberal arts, scholarship specifically pertaining to nonprofit behavior and economics begins to appear in the U.S. academy in the 1970s and

1980s and solidified with such publications as Powell's *The Nonprofit Sector: A Research Handbook* in 1987. This and other academic milestones grew out of Yale University's Program on Nonprofit Organizations (PONPO), established in 1976 (Powell, 1987) and now, some four decades later, there are over 400 academic institutions with varying levels of nonprofit management curriculum at the university level in the United States (Mirabella, n.d.). Similarly, to further the dedication and commitment to studying the nonprofit sector as a field, academic associations began to emerge as a source of shared scholarship, learning, and best practices. In 1971, a precursor for what is now the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) was formed by a group of 15 scholars in Washington, D.C. and today boasts over 1,000 members (Bushouse, 2023). Two decades later, in 1992, the International Society for Third Sector Research (ISTR) was founded to pursue research goals and comradery at a global level (ISTR, n.d.). Both organizations hold numerous conferences and networking opportunities and sponsor academic journals for cutting-edge research and publications.

A seminal paper in 1990 (DiMaggio & Anheier), partially in response to economic theories (e.g. market failure, government failure) that had gained prominence in explaining the existence of a nonprofit sector, raised two important questions from a sociological perspective: 1) Why (and where) are there nonprofit organizations? and 2) What difference does "nonprofitness" make? Their conclusions, which hold meaning for this project, determined that institutional and state policies matter as much or more than that of the market; that we need to look at industry level categories, as this paper will; and that the behaviors of nonprofits, or their "nonprofitness," is constructed on "specific legal definitions, cultural inheritances, and state

policies in different national societies” (p. 137). The data analysis conducted in this dissertation project will help describe what “nonprofitness” looks like in Iceland.

Another goal of this chapter is to illustrate the multidisciplinary nature of studies of the nonprofit sector and to describe the theoretical foundations for which this study is based.

Historians of ARNOVA (Bushouse, 2023) document the dominance of sociologists and social workers in the early days of the association, however, the emergence of nonprofit management and public administration programs that offer nonprofit curriculum in their institutions result in those two groups representing about 40% of the current ARNOVA membership. Additionally, numerous theories that attempt to explain the existence of a nonprofit sector were borne out of economics as well as political science and other non-economic disciplines (LeRoux & Feeney, 2015).

Social Origins Theory

Salamon and Anheier (1998) fueled the academic debates surrounding the existence of nonprofit sectors in their attempt to “explain the nonprofit sector cross-nationally” (p. 213). In their study introducing the social origins theory, the authors tested country-level data gathered as part of the Johns Hopkins Comparative Nonprofit Sector Project (CNSP) against five prevailing theories of the nonprofit sector: government failure/market failure theory, supply-side theory, trust theories, welfare state theory, and interdependence theory. They determined the existing theories could not adequately explain the differences observed in their application of the theories to data from eight of the countries studied under the CNSP. The addition of their theory would also consider the “broader social, political, and economic relationships” inherent country to country. Further iterations of this work resulted in a typology of five different models or patterns of which the larger group of over 40 countries involved in the CNSP could be categorized:

traditional, liberal, welfare partnership, social democratic, and statist (Salamon et al., 2017). For reasons that will be explained in following sections, the “social democratic” pattern will allow an additional lens in which to view the nature of the Icelandic third sector. A particular relevance for this dissertation is the social origins promise that the development pattern of a nonprofit sector in a specific country (based on its model type) “can be predicted” (p. 89) by examining the larger configuration of the social, political, and economic components of a known society.

Government-Nonprofit Relationships

Many scholars in this academic area (Grønbjerg & Salamon, 2012; Pettijohn & Boris, 2018; Salamon & Toepler, 2015; Young & Casey, 2017) have examined the unique yet complicated relationships between public-serving nonprofit organizations and the public sector itself. This complexity is clearly labeled in Boris & Steuerle’s (2017) textbook title, *Nonprofits and Government: Collaboration and Conflict*. For this study, the author has selected Grønbjerg & Smith’s (2021) monograph, *The Changing Dynamic of Government-Nonprofit Relationships*, as a framework in which to survey the constellation of public and private entities and systems that will likely paint a picture of Iceland’s unique nonprofit sector. This approach is consistent with the social origins theory in that it recognizes larger forces in play that ultimately customize a country’s patterns and models of third sector activity. The Grønbjerg & Smith publication will provide a road map for further analysis that will help demonstrate the external environmental context of the development of third sector organizations in Iceland. The general steps of this approach are to analyze the following dimensions to place nonprofit activity in the realm of the larger Icelandic economy and society:

- Determine the overall size of the Icelandic economy including private business, government institutions, and non-governmental, public-serving organizations.

- With the overall economy identified, the researcher will then examine the share of paid employment by each sector: business, government, and nonprofit. (Volunteer labor can be analyzed at a later stage of research.)
- A qualitative description of the division of labor will be conducted to assess the roles of each sector in Icelandic society and where there may, or may not be, overlap.
- An assessment of nonprofit-government relationships in Iceland will be conducted with regard to examining a) public spending, b) tax policies, and c) the regulatory landscape for third sector organizations.

Global comparative literature on cross-national studies of the nonprofit sector

Additionally, there is ample comparative scholarship examining nonprofit sectors within a global context. Of most interest to this researcher is the literature from several major projects and attempts to map the nonprofit sector in various countries. There have been five major international comparative studies of nonprofit sectors around the world, covering a total of 124 countries (Casey, 2016a). These include the previously mentioned Johns Hopkins CNSP, a 16-country study regarding National Satellite Accounts (in conjunction with Johns Hopkins), a CIVICUS Civil Society Index, a USAID CSO Sustainability Index, and various reports by the International Center for Nonprofit Law (ICNL). Iceland has not been included in any of these major studies. Moreover, in all five major studies, all the other four Nordic countries (Norway, Sweden, Denmark, Finland) were analyzed. This leaves one country out of an entire region and social welfare system where we do not have data. This project will contribute to a missing piece of the puzzle, adding important information pertaining to the Nordic region and will allow for comparisons with other countries, some of whom share a history of common political and social arrangements.

Scholarship on third sector organizations in the Nordic region

Dr. Salamon's pioneering research into the distinctive characteristics of nonprofit organizations, and the uniqueness of a *nonprofit sector*, separate from that of government and private business, again, demonstrates a "social origins" theoretical perspective to the development of nonprofit sectors throughout the world. This dissertation research is not designed to be a comparative project; however, it will get Iceland's civil society sector on the map to be analyzed by other scholars who specialize in comparative work. A section of the final analysis will include a discussion of similarities and differences between Iceland's third sector development and that of the other four Nordic nations (Sweden, Norway, Denmark, and Finland) where such data exists because they were included in the original Comparative Nonprofit Sector Project at Johns Hopkins, as well as other studies.

In line with the social origins theory, Iceland and the other Nordic countries are seen as examples of the "social democratic" frame, evidenced by strong public investment through higher taxes and a commitment to what is viewed as the "right" to entitlements such as universal healthcare and education. It has been demonstrated that countries in this style of governance, with a relatively large state presence, generally have a populace that has both enough leisure time and economic security to engage in volunteering for organizations of their choice, most typically in "advocacy, professional associations, and sports and recreation organizations"

as opposed to health or welfare service delivery organizations
(Casey, 2016b).

This is a concept that will be able to be tested through the information included in the researcher's database.

Research on third sector organizations in Iceland

This study will be an extension, and an expansion, of past research on the Icelandic nonprofit sector. In a review of the development of welfare services provision in Iceland (Hrafnadóttir & Kristmundsson, 2012) the authors were testing for the characteristics of a social democratic regime per Salamon's social origin theory. Their findings related to third sector organizations in Iceland only partially supported the model. In that study the authors looked at a sample of 144 organizations, all in the area of health and human services, at a certain static time. They relied on Hudson's (2004) three categories of operational function: direct service, membership, and advocacy. The database that will be utilized in this research study includes information on over 12,000 third sector organizations operating in Iceland over a 50-year period. The coding structure for this study will include nine different categories of activity that will be reviewed in Chapter Three. Now, over ten years later, their original analysis will be repeated but with expanded categories and an aggregated longitudinal timeframe. In a more recent examination in 2021, Kristmundsson and Hrafnadóttir noted changes over time to the nonprofit-government relationship in Iceland. An example is that formal contracting by government to nonprofits to provide services did not occur until 2002, despite a history of former cooperation between the entities (Kristmundsson, 2009). In their review, they also decried the lack of a more in-depth typology to describe the activities of the nonprofit sector and that the country needed to "deepen its knowledge and understanding" (p. 109) of the third sector. Despite the long history

of third sector – government collaboration, there is “limited statistical and research data” on this activity (Kristmundsson & Hrafnisdóttir, 2011).

This study will add to the literature and the knowledge base of the important role of third sector organizations in Iceland.

As previously noted, there is ample and ongoing research on the size and scope of the nonprofit sector in the U.S. According to the National Center for Charitable Statistics at the Urban Institute in Washington, D.C. (June 2020), there are over 1.5 million organizations registered with the IRS. The sector accounts for over one trillion dollars in the U.S. economy and 5.6 % of the nation’s GDP. 2016 data from the U.S. Bureau of Labor Statistics places employment in nonprofit organizations at over 10% of the U.S. workforce, a considerable segment of the economy. Similarly in Europe, the third sector is a significant player economically and counts 29 million workers (both paid and unpaid) in the European Union arena and an astounding 13 % of the workforce placing it as the third largest “industry” in Europe (Salamon, et al., 2018).

This study will also complement previous research conducted by Ívar Jónsson while at Bifröst University in Iceland. Dr. Jónsson (2006) wrote on the social economy in Iceland and has been particularly interested in entrepreneurship evident in the nonprofit sector. In his examination of organizations in Iceland, he analyzed the sector as a measure of the country’s gross domestic product (GDP) along with the number of nonprofit corporations and whether any growth in numbers had occurred since 1960. For example, he found that in 2005, the economic output of third sector organizations amounted to over 43 billion Icelandic kronur, equivalent to about 26 billion in 2005 U.S. dollars. This is a significant amount of economic activity in a country that at the time numbered under 300,000 individuals in population (Statistics Iceland,

2006). Moreover, Dr. Jónsson found 18,958 registered charitable organizations in 2005, according to data from Hagstofa, the official statistics agency of Iceland. This dissertation project will attempt to update both the total number of nonprofits as well as categorizing different subsectors of the nonprofit economy. In addition, this project will heed Dr. Jónsson's call for a more "precise classification" than the United Nations International Classification of Nonprofit Organizations (ICNPO) used in his study and additional further recommendations will be discussed in the Conclusion of this report. Also, due to a more detailed database obtained by this researcher in 2022, this report will also estimate the percentage of employees in the nation that are employed by third sector organizations in Iceland. This is a figure that can then be compared to other Nordic countries, the European Union, the United States of America, and other countries, which will be a real contribution to comparative economic studies of the nonprofit sector. The primary focus, however, of this analysis will be on the programmatic activity of third sector organizations in Iceland.

A note about the uniqueness of the database

An example where this study is likely to depart from the U.S. literature is that U.S. scholarship primarily looks at organizations with larger budgets and staff (workforce issues, wages, etc.) because those organizations tend to be economically active enough to be required to register with the Internal Revenue Service (IRS). Academic researchers in the U.S. primarily rely on aggregated data from the IRS Form 990, a required document for nonprofit organizations to file annually that includes financial, governance, and programmatic details. However, a large number of organizations are exempt from filing the Form 990, such as churches or religious organizations and nonprofits that have annual gross receipts of less than \$50,000 (IRS, n.d.).

Due to Iceland's open and optional registration process, an abundance of truly voluntary organizations, many of which are extremely homegrown or locally derived, are represented in the data. This includes organizations such as a Kiwanis or Rotary club, numerous sports clubs, memorial funds, church and other choirs, political parties, AA or other self-help groups, and amateur hobbyist organizations like the "Accordian Lovers Association." These are examples of organizations that are known to exist in the U.S. but are difficult to find systematically and are particularly difficult to track for research purposes.

Criticism of the Social Origins theory

Early responses to the social origins theory included a criticism that Salamon and others did not use direct measures in the testing of their theory, and rather, determined their own classification system of the liberal, corporatist, statist, and social democratic categories (Steinberg & Young, 1998). Others (Anheier, H. K., Lang, M., & Toepler, S., 2020) took an even broader view, calling for cross-national studies to not merely take an economic accounting of the activity of nonprofits, but to utilize methods from other fields such as political science and sociology to provide for greater understanding of charitable organizations. These authors also called for functional and programmatic activities to be included in a future revised definition of nonprofits, as this researcher has attempted to do with the nine categories for this study. This is also justification for not strictly adhering to the ICNPO classification system in this study as it is "an expenditure-based system, not an activity-based one" (p. 660). An additional challenge of the theory is the assigning of a country's regime type as static and not subject to changes of a global or episodic nature. Other scholars encouraged a network mindset, recognizing the layers of nonprofit-government involvement in the "public sphere" (Wagner, 2000).

Lastly, even Salamon's original research partner, Helmut Anheier, twenty-four years after the publication of *Social Origins of Civil Society* (1998), raised important questions for reconsideration in a keynote address to the International Society for Third-Sector Research (July 2022). In this address, he challenged the audience to think of these activities, not as a separate sector, but to look at "institutional and organizational capacity of self-governed *civil society* (emphasis added) relative to the state's capacity and the dynamics of market forces." Anheier also bemoaned that the project had "lost momentum" and data was not being updated or reviewed systematically.

Criticism of Mapping the Nonprofit Sector by Governments and Researchers

The concepts related to the mapping of nonprofit sectors in various countries has not been without controversy. For purported tax reasons, it is beneficial for governments to track the activities of charitable tax-exempt organizations; for academics, being able to count organizations and make the sector visible to the public and decision makers can bring about legitimacy (Appe, 2022). However, data that is collected may also be misused. There can be significant gaps in accuracy and completeness dependent upon the registration process and requirements, and whether registration by organizations is optional or required. In nations and states with high corruption indexes or more authoritarian political structures, any form of "list" may be used nefariously to target certain types of organizations or individuals. Scholars have also positioned that nonprofit data collection can lead to increased nonprofit regulation and this has been particularly true where foreign monies cross global boundaries (Bloodgood et al., 2023a). In line with the researcher's previous observation about IRS Form 990 data in the U.S., it has been documented that various classification systems and registries certainly miss capturing some of the smallest organizations (Bloodgood, et al., 2023b), however this does not appear to

be the case in the Icelandic data where a significant number of the organizations appear to be all-volunteer run with no paid staff. Lastly, critical theorists argue that mapping the nonprofit sector is an inherently political activity because these databases are often compiled by the state on non-state activity and is therefore not merely a neutral economic exercise (Nickel, P.M., & Eikenberry, A.M., 2016).

Chapter Three

Methodology

This chapter will cover the research design and methodology of the proposed study on third sector organizations in Iceland. The primary research question the dissertation will answer is whether Iceland experienced a similar “global associational revolution” as Salamon and others documented in numerous countries around the world beginning with the 1980s. Answering this question will include analyzing the number of organizations, number of full-time employees (FTEs), share of the overall workforce, geographical locations of the organizations, and the categories of programmatic activities provided. The data utilized in this study is an original, never-used data set that was custom-created by the Revenue office in Iceland at the request of Drs. Kristmundsson and Hrafnisdóttir. The following sections will describe the methodology to be used and the decision protocols that will need to be made regarding the coding process of the data-rich, extensive government database.

Methodology

The research design for this project will employ primarily quantitative methods. The main activity of research will be in coding and analyzing the extensive database. The data was collected and generated by the Icelandic Revenue office and includes organizations that are registered in Iceland for a “non-financial purpose” (Skatturinn, n.d.), meaning there is a non-distribution clause prohibiting private inurement for organizational profits.

A longitudinal descriptive research design is appropriate for this study, given that no baseline for third sector activity in Iceland has ever been established. Due to the large size of the database, *descriptive statistics* will be used to convey a large amount of information in

immediately digestible ways for the reader. There will not be a need for calculating estimates in this study, or *inferential statistics*, due to the amount of data included in the database (Mordkoff & Castro, 2023). This aspect will make it stand out from existing comparative studies and this point will be discussed further in the next chapter (4) on the analysis of the data. The reporting of this data will have important meaning for the country in economic, social, legal, political, and policy realms.

The first step will be to ensure the data and fields in the database are understood, consistent, and usable. Secondly, as the database is currently in Icelandic, the researcher will translate all fields and entries into English for herself and ultimately, for future analysis by a wider range of scholars. Thirdly, Statistical Package for Social Sciences (SPSS) software will be utilized to conduct frequency data of the 12,000-plus registered organizations. This information will then be analyzed to ascertain types and sizes of organizations, categories of services, and if any identifiable trends have emerged over time. This dissertation will present a time-trend analysis that displays the year Icelandic third sector organizations were established, and a second set of analyses will document the primary category of activity of organization. Basic descriptive statistics will also be analyzed by mission and type, including average size of organizations in each category, and the number and type of organization in each city or region of the country. Some of this analysis may be presented in cross tabulation format. Geographic Information Systems (GIS) will also be used to supplement the analyses above with visual representation of nonprofits by mission and type using postal codes to geo-locate the nonprofits spatially on maps of Iceland. This aspect of the research design will have the oversight of Dr. Kelly LeRoux of the University of Illinois-Chicago, a renowned civil society scholar and researcher with strong quantitative analysis abilities.

The database contains over 12,000 rows of entries on the *x* axis and numerous columns with various descriptive information on the *y* axis. 1,022 organizations, which were deemed to be organizations with paid staff on payroll, will be segregated and coded by number of full-time equivalents (FTEs), type of organization, organization name, the physical address, the Icelandic Standard Industrial Classification (ISAT) code, national identification number (kennitala), mission statement, and year the organization was registered. In addition, the researcher will code which organizations have opted to register under the new law in Iceland, which provides preferential tax treatment to both organizations and individual donors and was made effective on November 1, 2021. This additional list was created by the researcher from publicly available information posted on the Registry website, Þjóðskrá.

The researcher will translate the database text from Icelandic to English based on the researcher's personal knowledge, two summers of advanced training in the Icelandic language at the Árni Magnusson Institute at the University of Iceland, and the online assistance of Google Translate. The ISAT codes, which identify industry labels assigned by the Icelandic government, will be text translated but numerically left unchanged. Other numerical data, such as dates, ID numbers, and employee ranges will be left intact. The name of the organizations and accompanying mission statements will be translated into English as well.

The researcher will code each organization by an agreed upon (dissertation committee) nominal schema as follows:

- 1 Arts, Culture & Humanities
- 2 Environment, Agriculture & Animal Welfare
- 3 Health & Social Welfare
- 4 Religious Organizations

- 5 Sports & Recreation
- 6 Education & Research
- 7 Trade, Political & Advocacy
- 8 Employee Associations
- 9 Other

The subject areas for these codes were determined by an examination of Icelandic government industry codes, U.S. scholarship of nonprofit classification systems, and the United Nations Handbook on National Accounting (2018). At this time, it was decided to only code for the stated primary activity of an organization. The acknowledgment by the research community that one code does not tell the whole story of an organization (e.g., an organization that primarily provides housing but also serves an advocacy role) is generally accepted as a tolerable limitation (Anheier, H. K., Lang, M., & Toepler, S., 2020). Future research utilizing this author's database with more than just top-line categories is both doable and warranted.

An area that will be assigned an ordinal code is the range of the number of full-time employee (FTE) equivalent for each organization. This is noted in the data as follows:

1	Small	<25
2	Medium	25-49
3	Large	>=50

The use of these ranges of numbers of paid employees will provide a means to estimating the percentage of the overall workforce that is represented by third sector employees.

The age of the organization in the database was determined by the current year (2022) when the database was obtained, minus the date of origin recorded. In future uses of the data, this equation would need to be updated by the current year of research. Also, 1961 is the first year listed in the database indicating when records might begin at the Revenue office. However, this

is likely not an actual origin date for older organizations, such as the Icelandic Red Cross, which reports being founded in 1924 (Rauði krossinn, n.d.). The database will be accurate, however, in demonstrating the number of organizations registered during the time period related to the research question, which is the 1980s and onward. This database would not be adequate if a researcher was hoping to give an entire history of third sector development in Iceland, which this dissertation does not aim to do. An additional column was added by the researcher to the database to track whether the organizations have opted in to register under the new law made effective in 2021. This election was coded 1 for yes, and 0 for no. As stated earlier, this step will aid in the future tracking of impacts of the legislation in future research.

In coding both the assigned subject area categories, and the new law implementation, the researcher will affirm each organization first by name, and then by national ID number. This national number, or *kennitala* in Icelandic, serves as a tax identification number in Iceland. This method is to ensure that no duplicate records will be included in the analysis. Further, if the activity of the organization is not immediately identified in the name, such as in “Vikingur Handball League,” the researcher will look up the organization by its national ID number and then consult the organization’s website for a description of the mission statement. A mission statement for a third sector organization describes the organization’s public purpose and generally details the strategic activity designed to meet that purpose. In addition to the ISAT codes, the use of actual mission statements will be critical in properly coding the categories of programmatic activity.

Upon analyzing the descriptive statistics of the nonprofit sector in Iceland, the researcher will place the findings within the overall social, political, and economic landscape of the country to provide important context. This step will enable the overall research objective of describing

the size, scale, and scope of the nonprofit sector in Iceland. The researcher will then attempt to determine the amount of the third sector's position in the larger social and financial economy. This will be conducted by examining the amount of third sector activity compared to countrywide statistics on the larger Icelandic economy. This section of the analysis will be guided by the Grønbjerg & Smith framework discussed in earlier chapters. Additionally, the third sector activity determined from this data will then be examined against the other four Nordic countries who each participated at varying times in the global Johns Hopkins Comparative Nonprofit Sector project.

Assumptions, Limitations, and Contributions of the Research

An important assumption to consider in the research project is that the list of data compiled by the Icelandic government is accurate. In generating the list, it was important that only charitable organizations of a nonprofit nature were included, as opposed to limited liability companies who may serve a social good, but are actually for-profit, private companies. It is unknown whether registered organizations remain programmatically or financially active at this time. An additional limitation of the research is that there is a lack of detailed revenue and budget data on each organization; however, the focus of the study will be on programmatic activity and not financial data. Also, there is not a universally accepted industry classification system to describe the categories of activities for these organizations worldwide. There are no globally agreed-upon definitions for various terms to describe the activities and identity of the nonprofit, or third, sector on a global scale. These last two items were addressed extensively in the first two chapters.

Additionally, it is important to recognize that the research methods and scholarship relied upon for this project are primarily U.S.- and Europe-centric and the assumption is that these

methods will be applicable in the realm of Iceland. In addition, potential limitations of the study are that there is low, but recognizable, room for error in the data collection and analysis, and in the translation of the database from Icelandic to English. Lastly, since the data has never been systematically analyzed before, it will serve as an exercise to determine the quality of the data and to potentially include recommendations for future data collection and analysis, certainly an iterative process. Recommendations will be made in Chapter Five to address the limitations described above which include concepts related to theoretical, methodological, and cultural biases.

Chapter Four

Analysis

This chapter contains various visual representations created to communicate the vast amount of information in the database. The material included here will be presented in numerous tables, charts and maps, and will begin with a discussion on the coding process and decision points made when navigating the data in raw form. A sample coding spreadsheet will also detail examples of how organizations were identified and categorized. Again, this project seeks to document third sector activity in Iceland primarily since 1961 (the general first date of entry in the database). This dissertation was not designed to be a history of association development of Iceland, a country whose founding dates back to 874. The research question in discussion is a relatively modern one, looking at global third sector development from the 1980s and forward to present day.

In the excel spreadsheet that hosts the data, the following fields were the primary variables used in analyzing the data: organizational ID number, organization name, street address, postal code, municipal code, year of origination, year of registration, age of organization, industry code term, primary activity category, mission statement, whether there were paid staff or not, and adoption of the new law. These fields allowed for numerous means to learn about the third sector in Iceland. To efficiently analyze the meaning included in all the excel cells, a coding process was structured that would ultimately synthesize the material in a more understandable and digestible manner.

The coding process

Once all fields had been translated to English by the researcher, a process was begun to code the variables to further aid in analyzing the data. The first, and most time-intensive, field

coded was the area of program activity. In order to assign one of the nine categorical designations, the researcher examined the organizational title (e.g. Akureyi Theater Company), consulted the mission statement (e.g. “The company's purpose is to operate a professional theater in Akureyi, which has the mission of reaching a large group of theatergoers and promoting theater interest,”) and considered the ISAT code, if one was included. She then searched for an organizational website, if needed, for further explanation of the purpose of the organization. This process, line by line, afforded the assigning of numerical codes by area of program activity. Where organizational titles appeared similar, kennitala identification numbers were compared to avoid duplications. Four organizations were removed from the database due to duplication. This line-by-line process was repeated numerous times to also code for geospatial mapping, a four-range code indicating a number of paid staff , and whether organizations had opted to register under the newly passed legislation. With coding these four categories, plus translating organization names and mission statements, the researcher went line-by-line through the 12,333 entries a minimum of six times.

Coding decisions made along the way

As previously discussed in the research design chapter, it is difficult to assign just one area of program activity for a third sector organization. Many associations are organized around more than one effort, and they attempt to solve complex societal problems or opportunities by a multitude of strategies. Future iterations of this research could include subcategories and a more detailed coding mechanism. To get a base-line numeration of the types of organizations that have been present in Iceland, a single code was determined to describe the main category of activity. This was accomplished primarily by considering the beneficiaries of the organization. For example, if the primary activity of the organization was providing social services, it was a 3

(health and social welfare) but if the organization was mainly trying to change the system, or fight discrimination, that would be a 7 for advocacy. If the activity involved fishing, the researcher would determine if the organization was promoting fishing as a recreational activity (5) or promoting the laws and wages of industry (7). Similarly with horses, one would have to consider, were they being ridden for sport (5), or being bred for agricultural purposes (2)? To ensure maximum consistency, a codebook was created by the researcher to track and refine these ongoing decisions.

The following table provides examples of organizations that were coded into the various nine categories and served as a codebook in the iterative process.

Table 1

Sample coding of organizations in the database

Code	Category	Examples of Activities	Organizations
1	Arts, Culture, & Humanities	Music, museums, art, theater, hobbies and crafts, ethnic cultural groups, community groups, publishing, language and historical preservation, cultural heritage and geneology, artists' collectives, and other shared interest groups	Bogarness Theater Company; Breiðdalsvík Regional Museum; Hafnafjörður Chamber Choir; The Icelandic Opera Society; Blues and Jazz Society of Akraness; Ós Textile Art Center; Reykjaví Folk Dance Society; Elliði Kiwanis Club; Association of Czechs in Iceland; Akóges Community Center; Arnarfjörður Historical Society; The Thai-Icelandic Association; Keflavík Lions Club
2	Environment, Agriculture, & Animal Welfare	Animal shelters and rescue, wildlife preservation, water quality and supply, animals and breeding,	Forestry Association of Eskifjörður; Vindur Equestrian Association; Álftaness Bird and Nature Conservation Society; Western Eyfellinga Sheep Breeding Association; Animal

		forestry associations, sustainability efforts	Shelter; Björk Forestry Association; Water Supply of Álftarhól; Land Reclamation Association of Svalbard; The Horse Breeding Association Framfari; Protection of Hiking Trails in the Highlands of Iceland; Association of People Interested in the Environment; Association of Icelandic Migratory Birds; Nature Center of the Southeast
3	Health & Social Welfare (domestic)	Hospitals and nursing homes, social service organizations, public health, addiction treatment, mental health, vocational rehabilitation, self-help and wellness, relief groups, financial literacy, resident associations and other housing groups, search and rescue operations	The Red Cross in Súðavík; The AA national organization; Vocational Rehabilitation of the North; Main Office of SÍK YMCA YWCA; EA Emotions Anonymous; Brynja, Housing Fund of the Disabled People's Association; AA-Saturday Division; Dyngjan Halfway House; A New Beginning NGO; Health Promotion in Ísafjarðarbær; Never Alone; Shiatsu Society Iceland; Small Craft Workshop for People with Autism; Natural Medicine Society of Iceland; Cardiopulmonary Rehabilitation Center; Ísólfur Rescue Team; Árnes County Firefighters' Association; Air Rescue Team Varmahlíð; Fire and Ambulance Association in Ísafjarðarbær; Search Dogs of the Landsbjargar Accident Prevention Association
4	Religious Organizations	Churches, church choirs, various faith organizations, religiously affiliated public services, and	Interest Group on Theological Conferences; Order of the Carmelite Sisters of the Divine Heart of Jesus; Iceland Bible School; Hymnodia Chamber Choir of Akureyri Church;

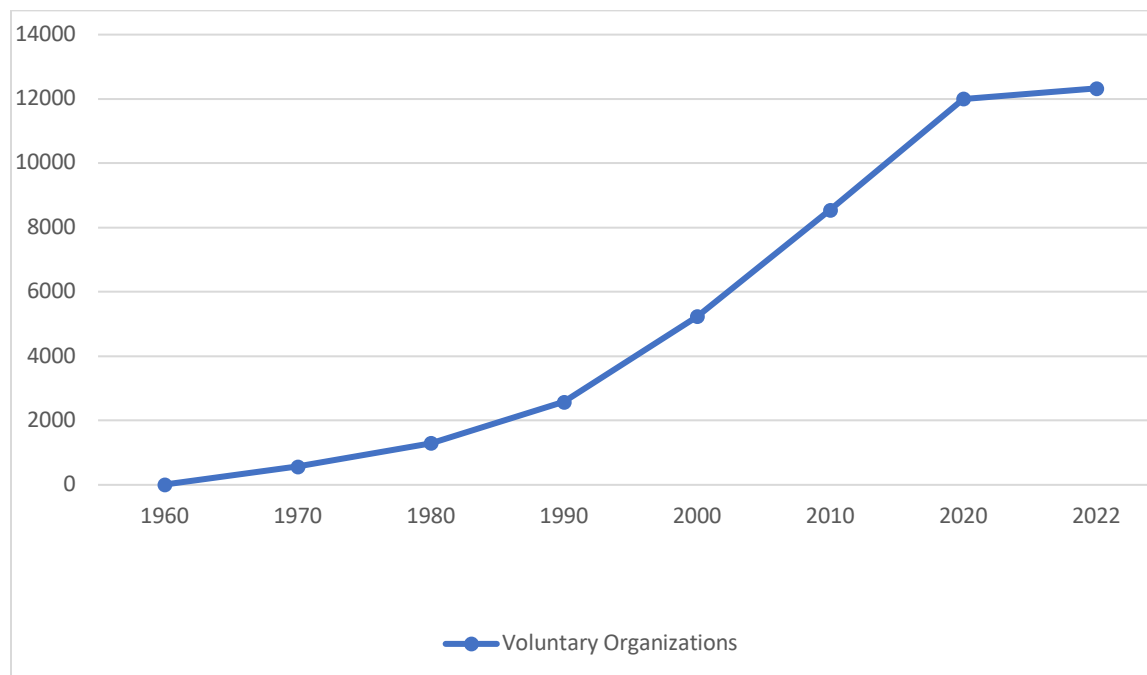
		publishers of religious works	Church Committee of Akranes Church; Árbæjar Parish Women's Association; Congregation of Jehovah's Witnesses in Selfoss; The Southern Presbyterian Association; Association of Tibetan Buddhists in Iceland; National Church Youth Association
5	Sports & Recreation	Soccer, basketball, golf courses, summer camps, water or snow sports, running clubs, motor enthusiasts, dance teams, and other recreational group activities	Siglufjörður Golf Club; Grettir Swimming Club; Uller Ski Association; Úrsar Bowling Club; Skagafjörður Motorcycle Club; Association of Fly-Fishing Enthusiasts; Vestfjörður Climbing Association; Frisbee Sports Association of Iceland; Breiðablik's Soccer League; Snörtur Youth Association; Reykjavík Squash Club; Akraness Gymnastics Club; Hafnarfjörður Winter Sports Association; Cycling Association of Iceland
6	Education & Research	Schools (primary, secondary and post-secondary), parent associations, scholarship funds, research institutes, student associations and alumni associations	Parents Association of Dalvíkur School; Sameykis Science Fund; The Icelandic Sheep Research Society; Osteoarthritis Research Fund; Icelandic Glacier Research Society; Association of Norwegian and Swedish Teachers; Kópavogur Art School; Parents' Association of Arkar Kindergarten; Student Association of Heiðarskóli; Student Association of the University of Akureyri; Iceland Academy of Arts

7	Trade, Political, & Advocacy	Professional associations, trade groups, labor unions, economic development, tourism efforts, disease prevention and treatment advocacy, political parties, human rights, stigma and discrimination-fighting organizations, and international aid NGOs	Neuroscience Society of Iceland; Friends of Kenya; The Alzheimer's Association in Iceland; Cancer Society of the North; Teachers' Union of Kópavogur; Association of Electronic Engineers; Grindavíkur Progressive Society; Wool Council of Iceland; Association of Recording Artists; Society of Cinematographers in Iceland; Association of Women in Auditing; The Equality Party; Women's World Peace Federation; Association of Chief Police Officers in Iceland; Life Without Violence, NGO
8	Employee Associations	Morale-building groups within the place of employment that has funds set aside for travel, entertainment, and recognizing special events like birthdays and work anniversaries	Porri's Employee Association; Smárahvamm's Employees' Association; Employee Association Thúsund fjala; Verifone Staff Association; Staff Association of the Tourism Office; Setberg School's Staff Association; Seljaskóli Employee Association; Álár Employees' Association; Hotel Rangá Staff Association; Samkaupi Employee Association
9	“Other”	Organizations where not enough information was identified to code them into a particular category	Tanja Kolbrún's Scholarship Fund; Skaftholt Travel Club; MinniÞveráætt Association; The Co-operation Committee of Coda in Iceland; The Björgvins Association; Association of Enthusiasts for the Eva Joly Foundation

A small percentage of organizations (6.8%) ended up being coded as 9, or “other,” due to inadequate information in the database or lack of a corresponding website to determine the main focus of activity. To preserve the integrity of the data, the researcher was intent on not making “guesses,” or fitting them into predetermined categories. It was decided to leave these organizations in the database for further exploration at a later time and to not result in an undercount of the sector as a whole. Another category that deserves explanation is (8), employee associations. These are registered funds where resources are set aside by employers for team building, employee morale, and employee recognition. This did not fit neatly into any other category, and at 13.2% of the total number of organizations, it seemed appropriate to set them apart in their own category. This, and other observations, will be discussed later in the chapter as all the categories help us to understand the expressed values of the country.

Changes in the number of third sector organizations over time

The first year of organizational origination included in the database is 1961, with the most recent being 2022. The following graph displays the growth in the number of registered third sector organizations in Iceland over time. This answers the primary research question of whether Iceland, like many other countries’ third sector over the same era, increased in number. The answer is a resounding “yes,” and the growth mirrors what Salamon and others documented in the Johns Hopkins Comparative Nonprofit Sector Project initiated in the 1990s. Iceland, too, was indeed part of the “global associational revolution” identified by previous researchers.

Figure 1*Growth in number of registered organizations over time*

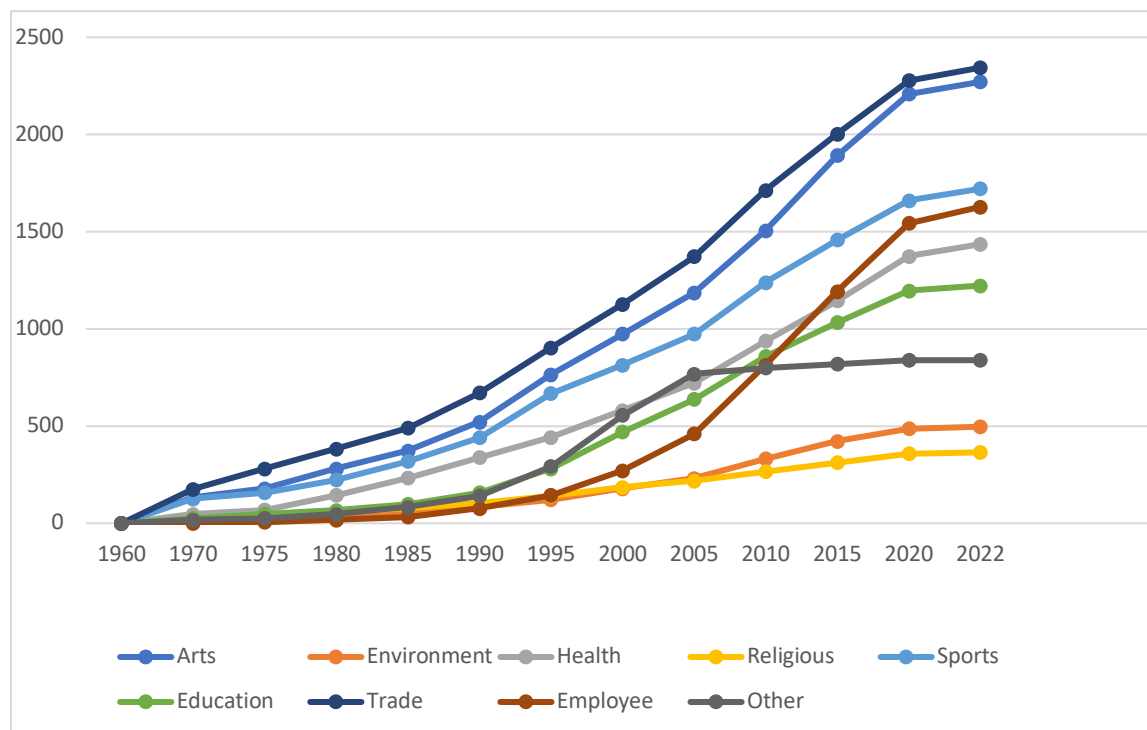
Representing all registered organizations by mission type shows us that the arts, culture and humanities organizations and the trade, political and advocacy organizations dominate the growth while religious and agricultural organizations appear to be plateauing. This breakdown is consistent with what was observed in the other Nordic countries studied and whose societies embody what Salamon’s team termed the “Social Democratic Pattern.” Indicative of this political system,

“welfare services are treated as a right of all citizens – not a gift bestowed by charitable institutions – and are delivered directly by governmental institutions subject to popular control by citizens. Worker political power, in this pattern, promotes an open political system with considerable freedom to form civil society organizations, but these organizations function mostly in expressive fields – arts,

culture recreation, sports, and advocacy for rights – and draw heavily on volunteers rather than paid staff.” (Salamon, et al, 2017, p. 88).

Figure 2

Growth in registered organizations by mission type



The primary focus of these organizations can also be seen in the chart below, based on the real number and percentages of how they appear in the database. Program areas are listed in descending order of frequency.

Table 2

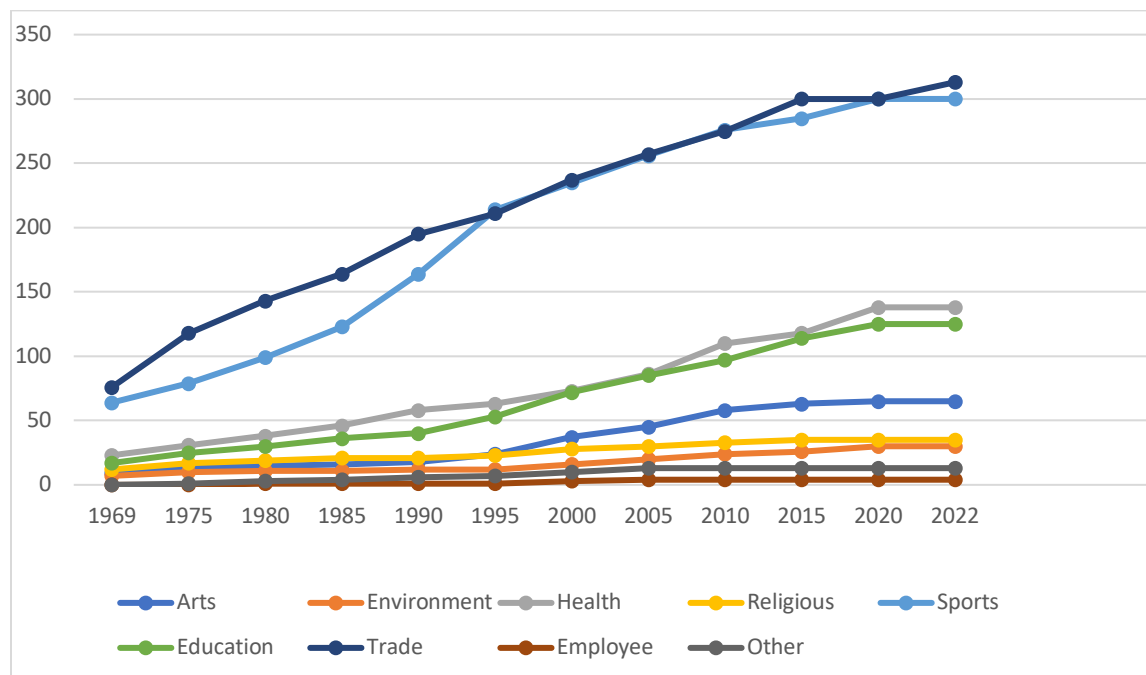
All registered organizations by primary activity area

Activity Category	Number of All Organizations	Percentage of All Organizations
Trade, Political and Advocacy	2344	19 %

Arts, Culture and Humanities	2273	18.4 %
Sports and Recreation	1721	14 %
Employee Associations	1630	13.2 %
Health and Social Welfare	1437	11.7 %
Education and Research	1223	9.9 %
“Other”	839	6.8 %
Environment, Agriculture and Animal Welfare	497	4 %
Religious	365	3 %
Total	12,329*	100 %

*Four organizations had missing data

There are additional insights that can be gained by comparing the number of organizations in Iceland that have paid staff vs those that appear to be completely voluntary. If we examine only the cases that have paid staff (n= 1022), the distinction here is very sharp: over 90 % of all third sector organizations in Iceland are completely run and administered by volunteers. Only 1,022, or just 8.3 %, of all organizations included in the database had personnel on a payroll. In looking at the figures coded by program type, almost two-thirds of all jobs in third sector organizations in Iceland are in the areas of trade, political and advocacy groups and the sports organizations. All other program areas are significantly lower when examining paid employment.

Figure 3*Growth in registered organizations with paid staff*

The table below is another way of demonstrating the share of the paid marketplace in each program category in both real numbers and percentages.

Table 3*Registered organizations with paid staff by primary activity area*

Activity Category	Number of Organizations	Percentage of Total Organizations
Trade, Political and Advocacy	313	30.6 %
Sports and Recreation	300	29.4 %
Health and Social Welfare	138	13.5 %
Education and Research	125	12.2 %
Arts, Culture and Humanities	64	6.3 %

Religious	35	3.4 %
Environment, Agriculture and Animal Welfare	30	2.9 %
“Other”	13	1.3 %
Employee Associations	4	0.4 %
Total	1,022	100 %

Finally, it is worth looking at the range of number of employees in registered third sector organizations in Iceland relative to their size. The vast majority of organizations with staff have less than 25 full-time equivalents (FTE). Those with 25-49 FTEs, and over 50 employees combined, do not even make up one percent of the 12,333 organizations that are currently registered in Iceland. This demonstrates the collective nature of Icelandic society and is far above the 41% average volunteer segment of third sector organizations calculated on the 41 countries which were ultimately analyzed in the Johns Hopkins Center for Civil Society Studies Global Nonprofit Data Files (Salamon, 2017). Using this same data, Iceland exceeds all other Nordic countries as well, with Sweden at 74%, Norway at 62%, Finland at 54%, and Denmark at 44%, also all above the 41-country average. Indeed, the 91% all-volunteer rate of Iceland’s third sector would place it 16 points above Tanzania, the highest ranked country in the CNSP (75%). This is a spectacular finding that deserves additional research and testing in the future.

Table 4*Paid vs voluntary employment*

		Economic_Grade			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		11311	91.7	91.7	91.7
	<25	912	7.4	7.4	99.1
	>=50	62	.5	.5	99.6
	25-49	48	.4	.4	100.0
	Total	12333	100.0	100.0	

A research focus on primary activities rather than economics

More research on third sector employment in Iceland would be desirable to truly understand the economic impact of these organizations and to offer more direct comparisons with other countries studied as part of the CNSP. Further, the CNSP did propose a calculation on the monetary worth of volunteer labor and if more information on the number of hours volunteered by individuals in Iceland were known, that economic impact could be examined as well. The combined paid and volunteer labor force of these organizations is likely to be of significance to the nation's gross domestic product. Due to the absence of budget and revenue data included in the government database on registered organizations, this research project focused on the programmatic areas of activity and the total number of registered organizations to create a baseline of civil society in Iceland. Future research efforts can continue to revise and refine this initial analysis.

Examining the number and type of organizations at a country and regional level

This section will provide more detailed information about the total number of organizations, where they are located, and in what type of activity they are engaged. Due to the large amount of information covered here, they will be presented one designation at a time with

accompanying text and labels for identification. There will be various tables and two maps included in each section: one map for all organizations and a separate map for the smaller subset of organizations with paid staff. Including both will demonstrate the differences in characteristics of all-volunteer organizations vs the organizations that have paid staff.

According to Statistics Iceland, as of January 1, 2023, the total number of inhabitants in Iceland was 394,435. Over 35% of people live in the capital city of Reykjavík (139,875) in the southwest corner of the country. If you include the capital region surrounding Reykjavík, you have a full 64% of the population, or 247,533 individuals. The second largest city in the country, Akureyri, often called the “capital of the North,” includes just 19,893 inhabitants. Due to the extreme variance of population between the capital region and everywhere else in the country, many of the maps have been normalized per capita to better gauge third sector activity levels per number of people residing in the various locales.

Getting the data complete enough to do geospatial mapping required several steps. In its raw form, the database usually included a street address or post office box address but often had no city listed. The most numerous omissions were zip, or postal, codes. The researcher prioritized physical addresses over post office boxes and utilized Icelandic online resources to fill in the missing address cells. The organizations were then sorted by city name to aid in efficient coding and spot checks were conducted every twenty lines of the database for accuracy.

Total number of registered organizations across the country by region

The following table depicts the total number of registered third sector organizations on a regional level in real numbers. It is clear to see that the capital city and surrounding area house the majority of third sector organizations in the country.

Table 5*All registered organizations by geographic region*

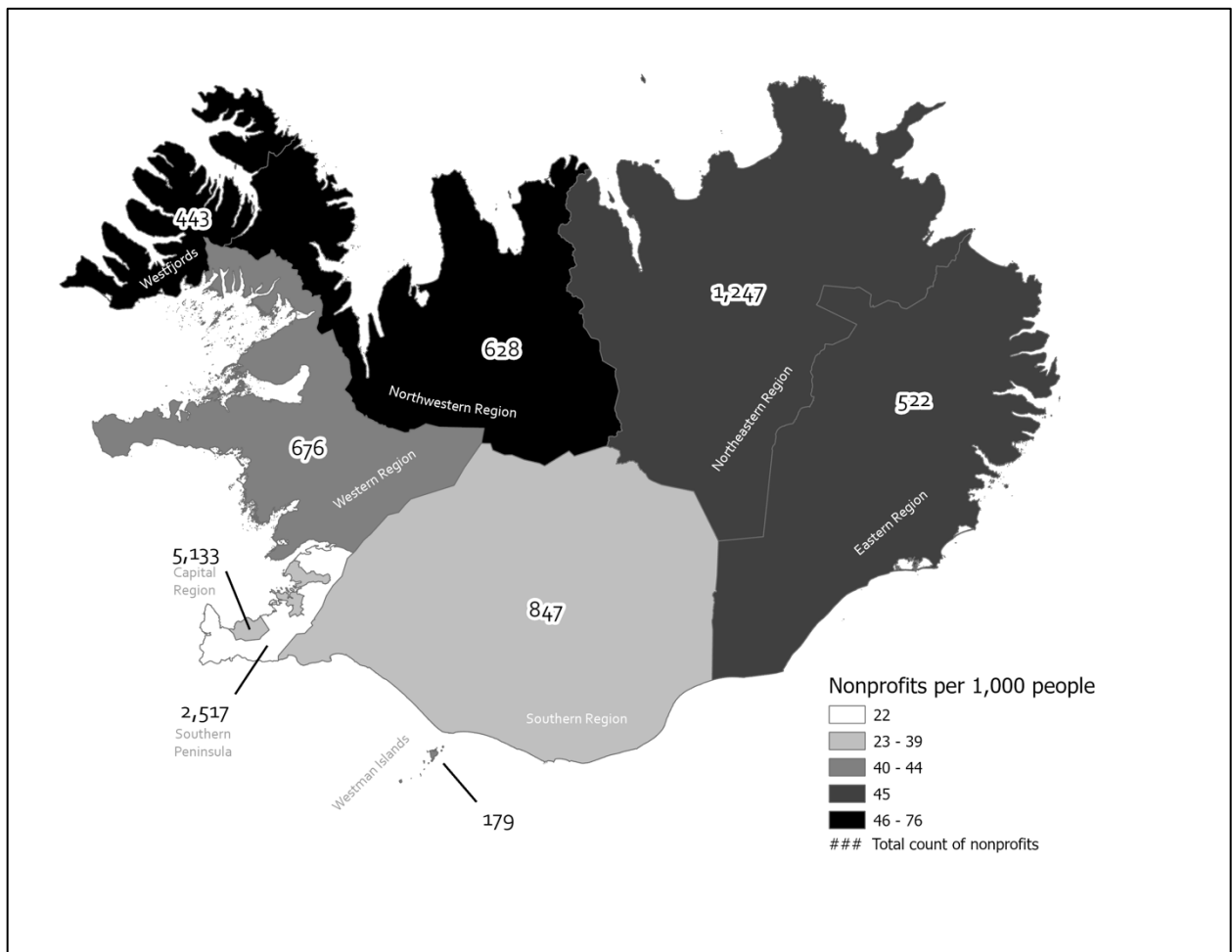
	Frequency	Percent
Capital Region	5188	42.1
Southern Peninsula	2526	20.5
Northeastern Region	1266	10.3
Southern Region	806	6.5
Western Region	693	5.6
Northwestern Region	621	5.0
Eastern Region	594	4.8
Westfjords	446	3.6
Westman Islands	181	1.5
Unknown	12	.10
Total	12,333	100

Examining the number of nonprofits normalized for population allows for more meaningful comparisons. This is particularly helpful in a country with an uneven population distribution between the capital area and the more rural regions. All the following maps were determined at a regional or municipal level based on spatial data boundaries from the National Land Survey of Iceland, 2021, and created with ArcGIS software.

As the map below indicates, when all organizations are considered at a relevant population level, most of the non-capital areas show a greater level of organized activity than the capital area surrounding Reykjavík. Further study would be required to determine the factors of

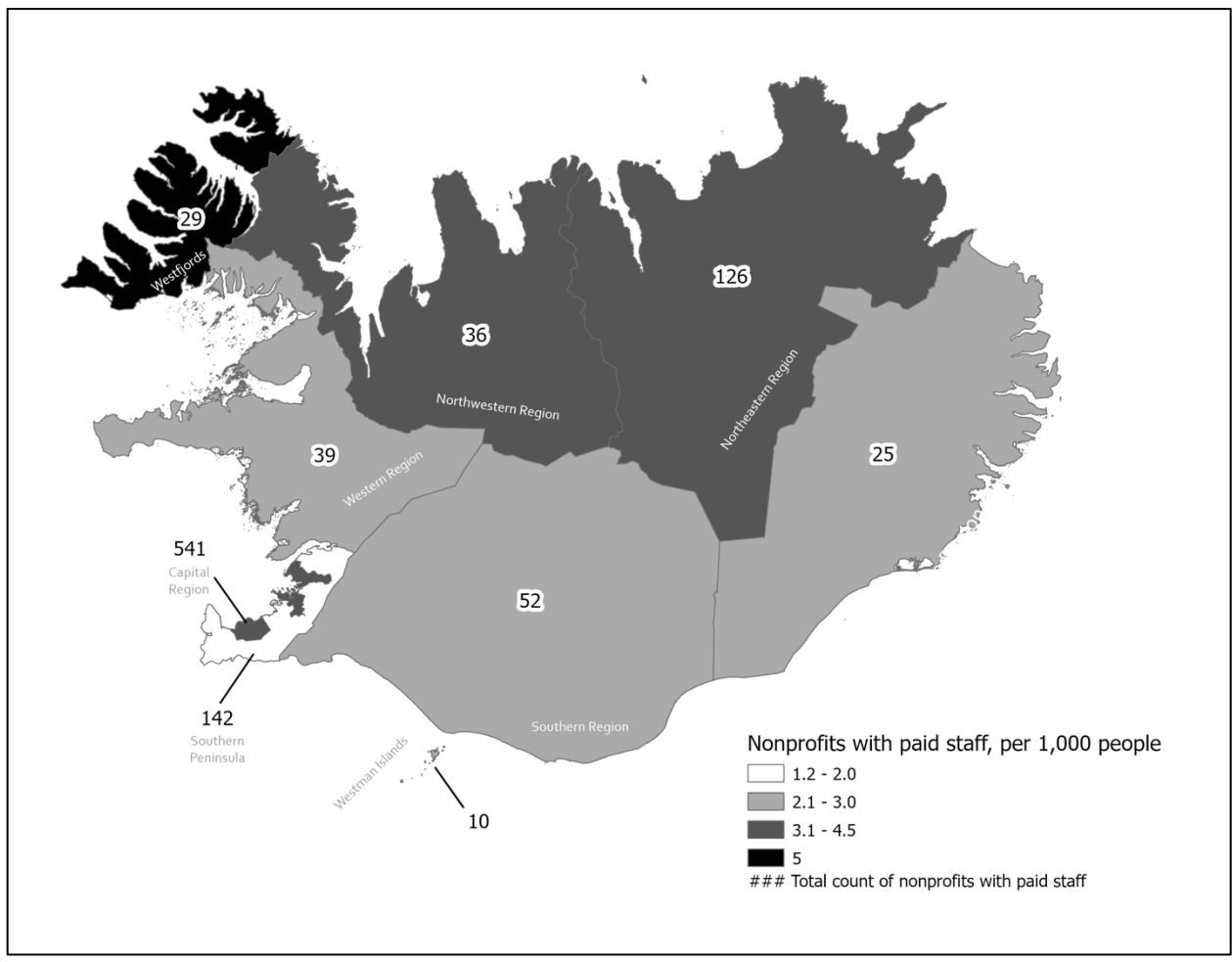
this phenomenon; however, it may indicate high levels of rural self-reliance, marked by extreme levels of independence and autonomy (Hebert, K. & Mincyte, D., 2014).

Figure 4
Total number of registered organizations per 1000 inhabitants per region



While less distributive than the previous map, even where paid employment is a part of nonprofit activity, the more extreme portions of the rural north in Iceland are on par with and actually exceed nonprofit employment in the capital region on a per capita basis. This also demonstrates that opportunities within and services from the nonprofit sector are to be found across the whole country, not just in the highly populated areas.

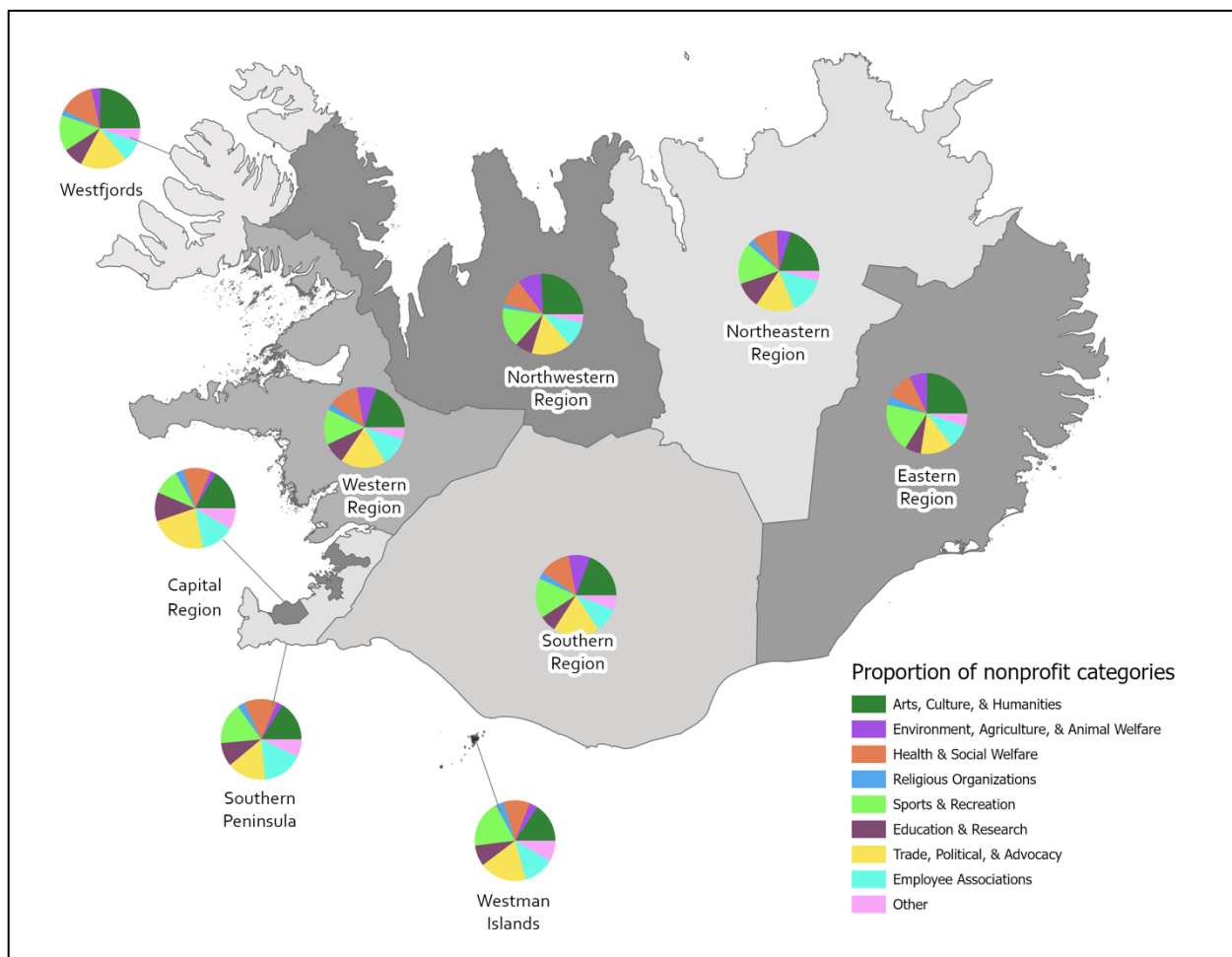
Figure 5
Registered organizations with paid staff per 1,000 inhabitants per region



If we break up the country by mission categories, further comparisons can be made. The two following maps detail the distribution of nonprofit mission orientations and are proportionally depicted in pie charts for each region. The first map is indicative of all 12,333 organizations in the database.

Figure 6

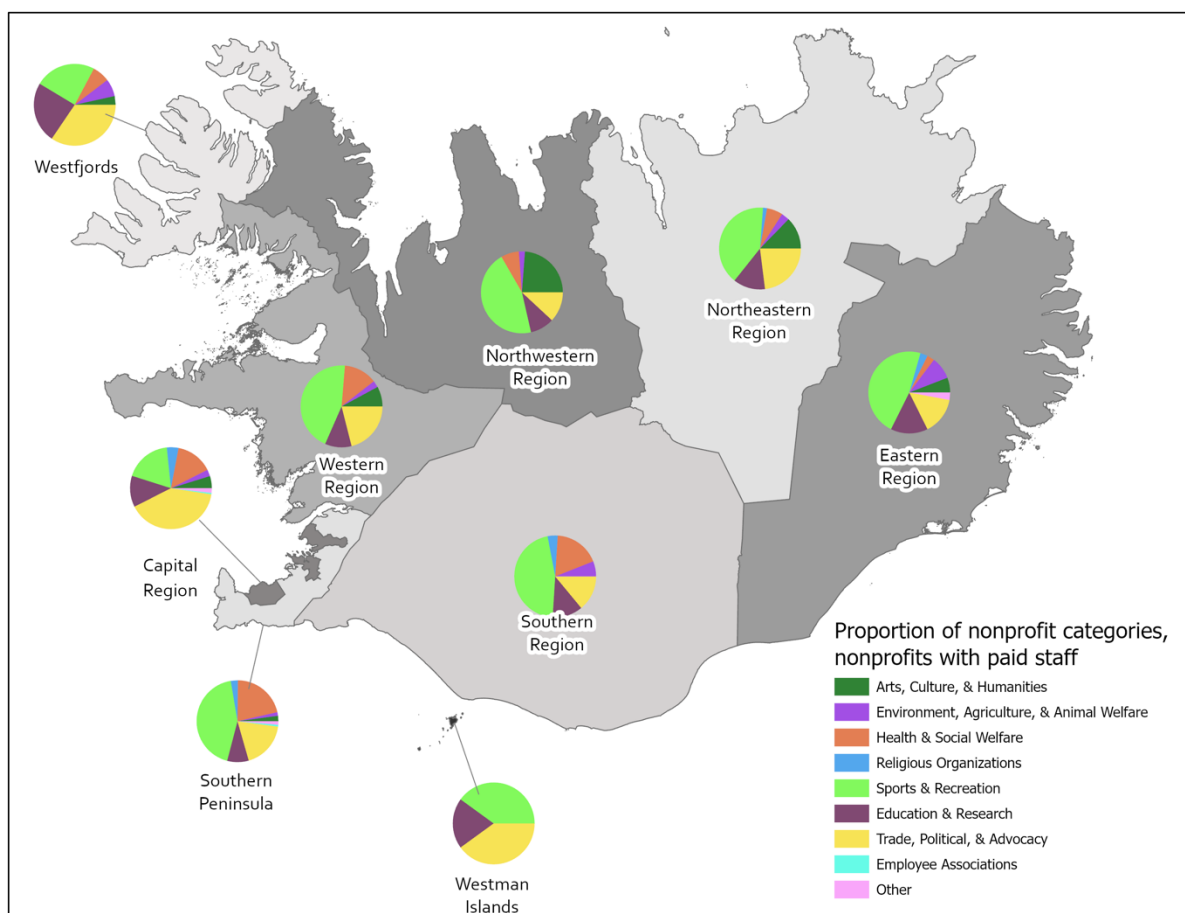
All registered organizations by mission type per region



The following map details the same category breakdown but only in the 1,022 registered organizations that report having paid staff.

Figure 7

Registered organizations with paid staff by mission type per region



These maps demonstrate what was outlined in Tables 2 and 3, in that regardless of all-volunteer, or as an organization with paid staff, the largest mission category by numbers in each arena is the trade, political and advocacy subsector. These numbers are also reflective of Iceland holding the highest percentage of labor union representation in the world with over 90% of all employees belonging to a union (ILOSTAT, 2022).

Lastly, to get a more granular overview, we can view this data at a city or community, rather than regional, level. The following two maps detail density of nonprofit organizations

sorted by municipality and normalized for population, first for all organizations and then for those organizations with paid staff. Municipalities will then remain the unit of analysis for all additional maps in this chapter.

Figure 8

All registered organizations depicted at the municipal level

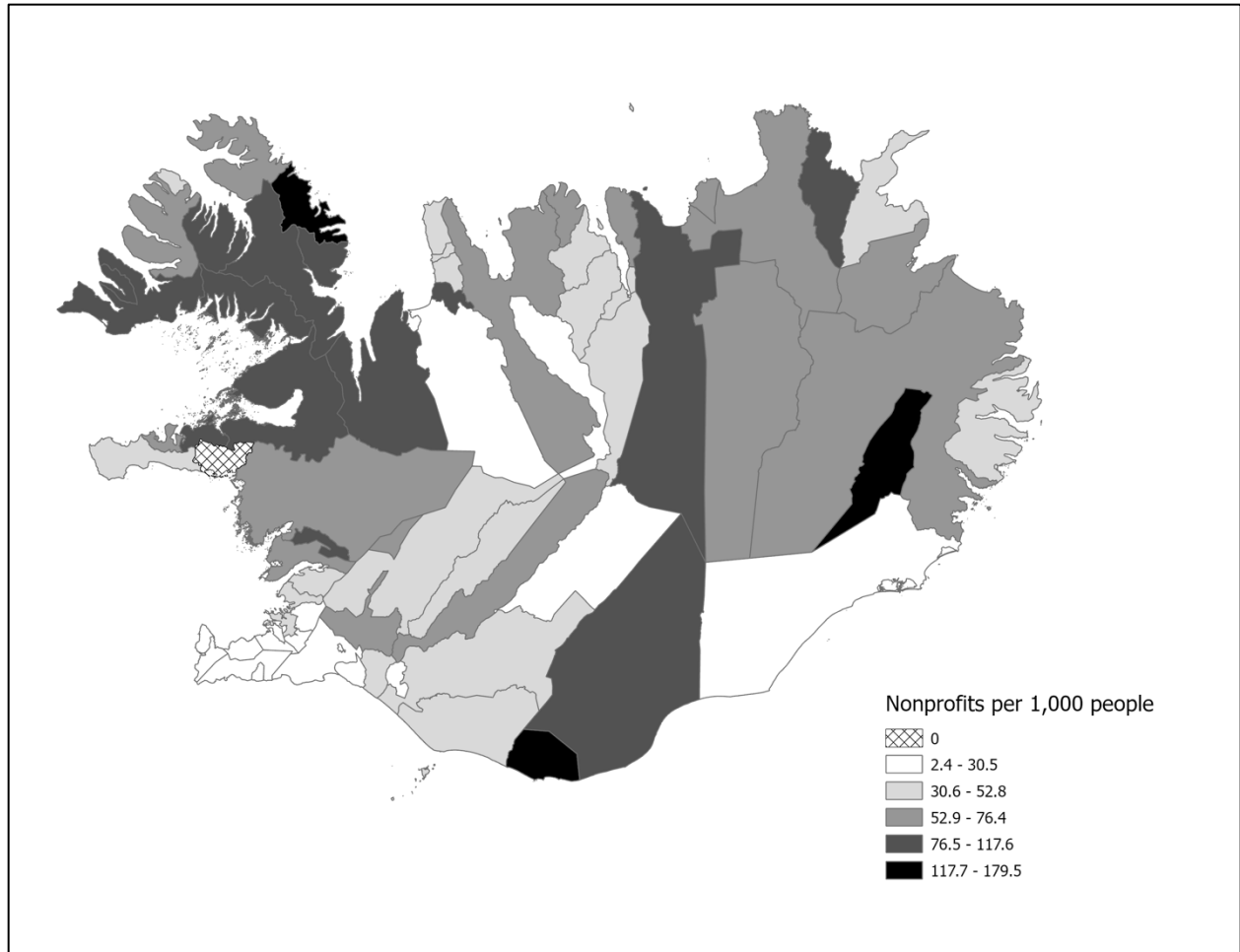
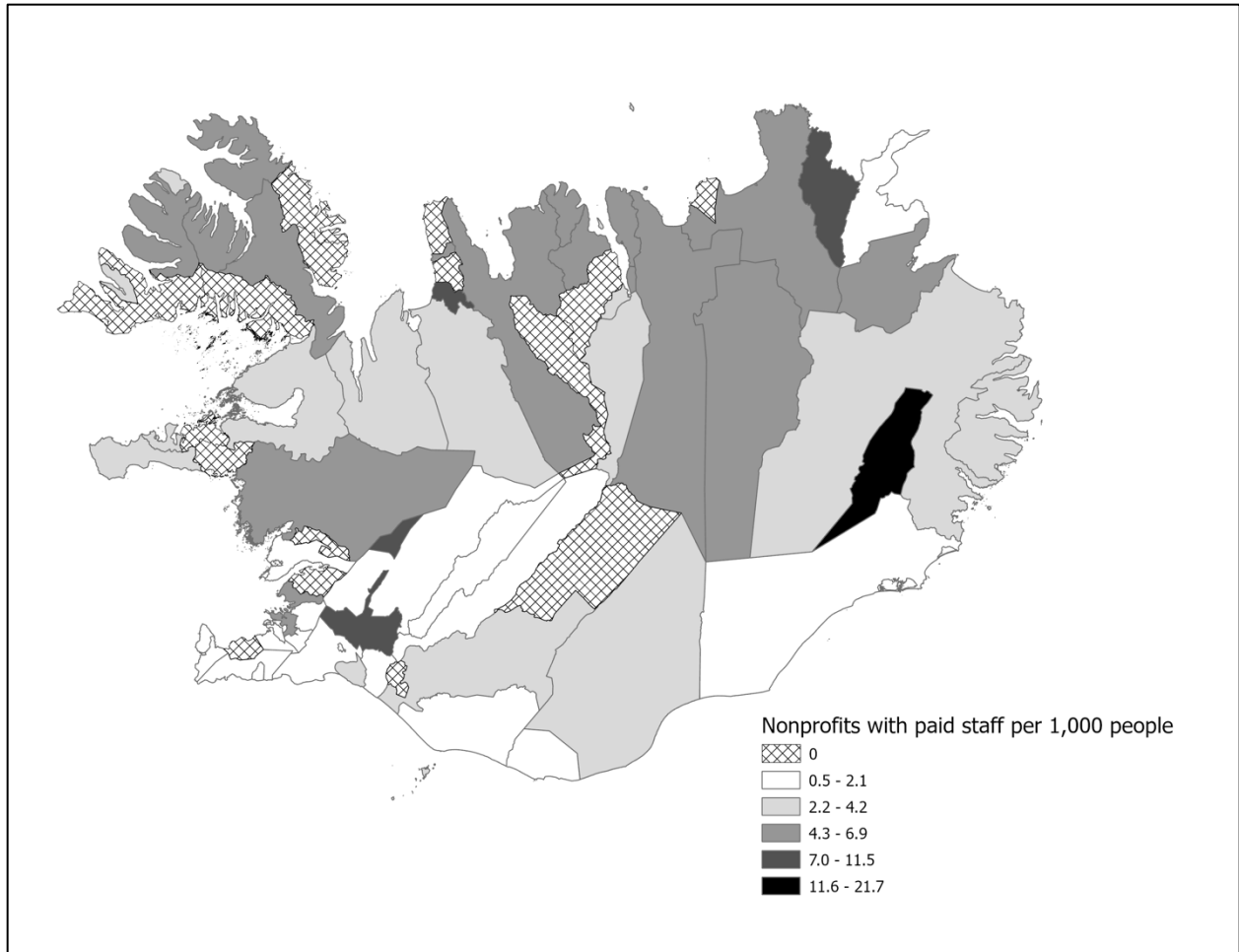


Figure 9

Registered organizations with paid staff depicted at the municipal level



The next section will feature all maps calculated at a municipal level identifying the amount of activity by each programmatic category. These maps can give clues to the primary undertaking of mission-based organizations in each geographical area.

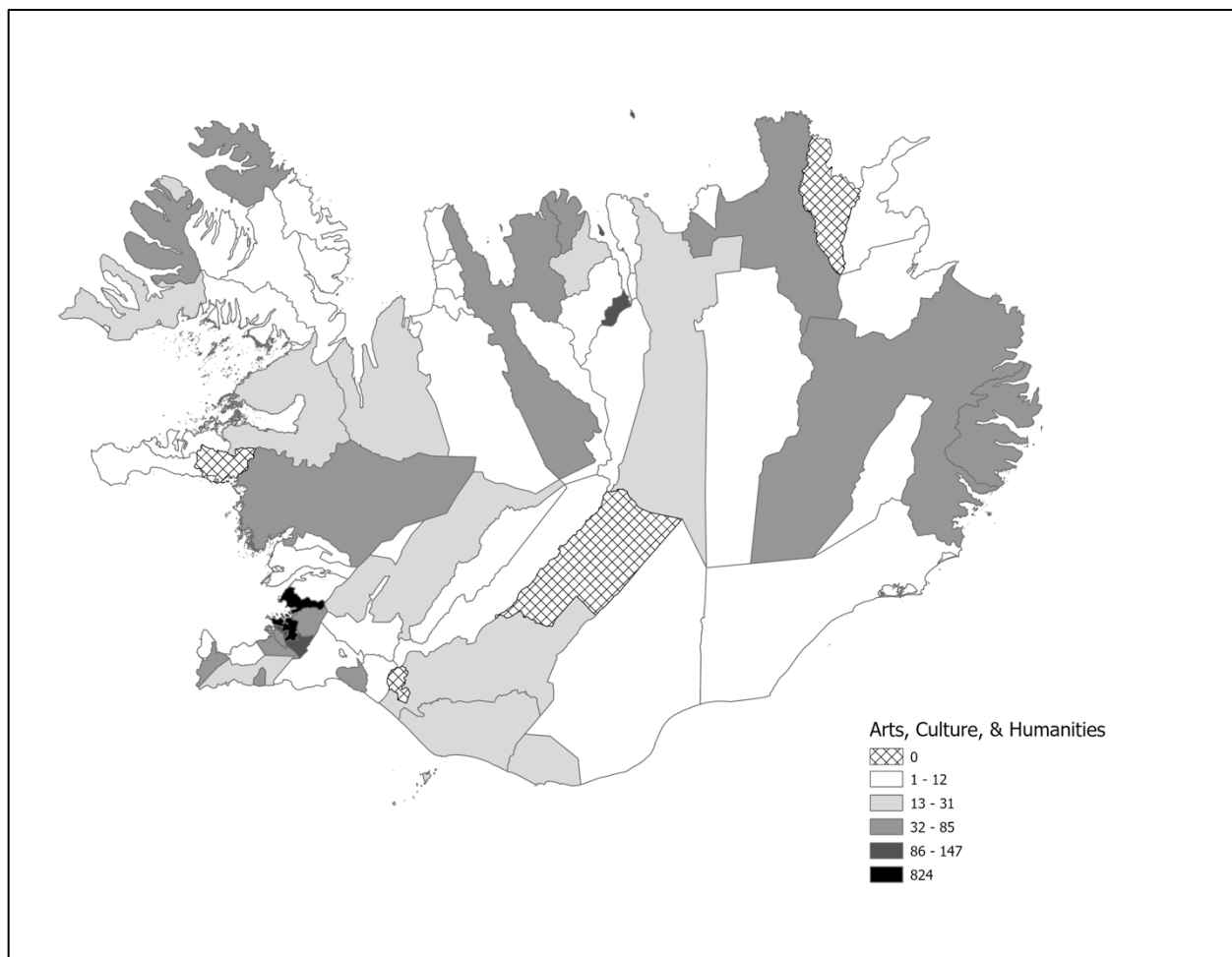
Mission 1: Arts, Culture, and Humanities

In this category, the capital area shows the highest density, yet Akureyri is also quite well represented on a per capita basis. The outer fringes of the island, including the Westfjords and

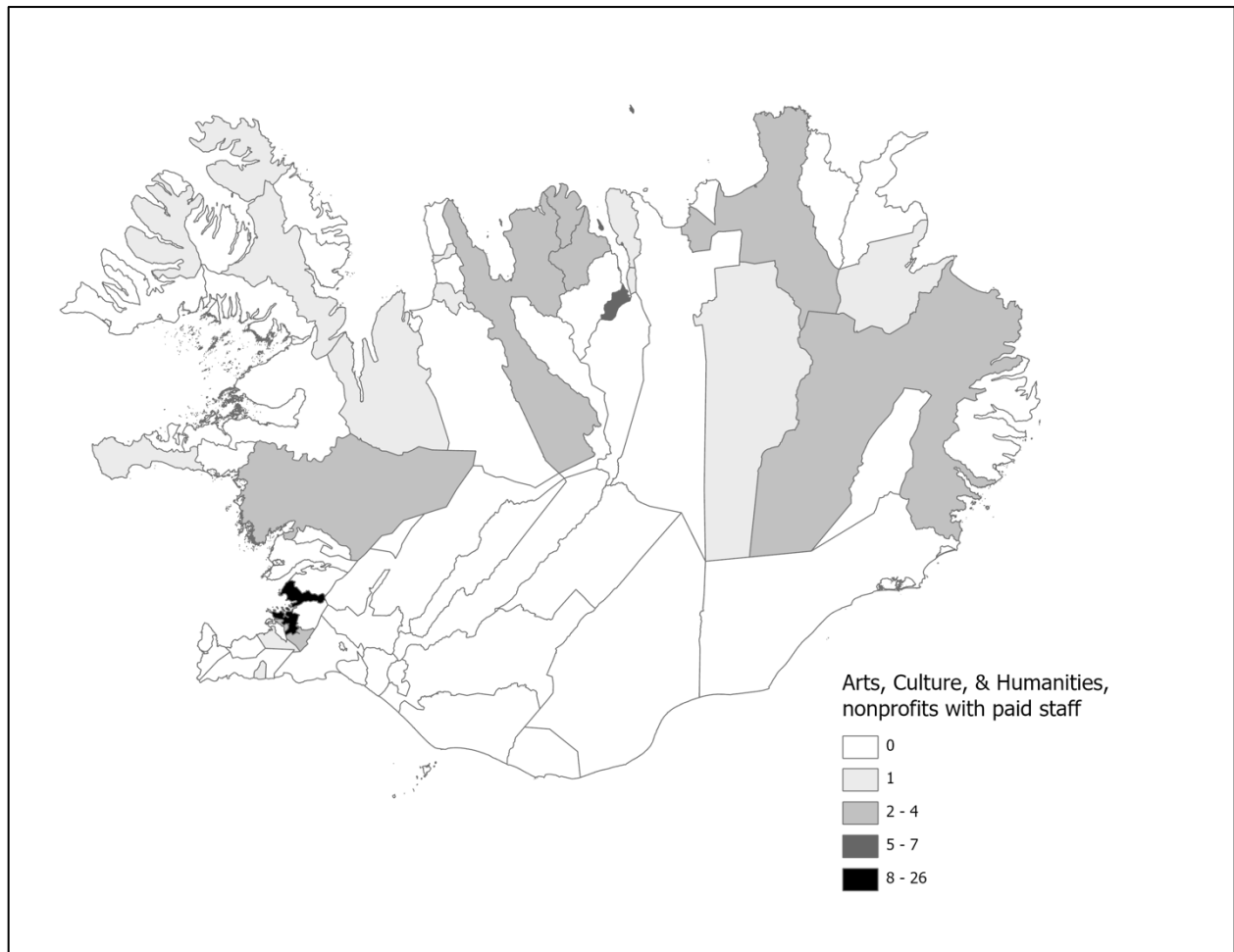
the deep fjords of the eastern region also appear to be hotbeds of activity in the arts and culture arena.

Figure 10

All registered organizations with mission 1



In organizations with paid staff, the numbers are much smaller as we saw in the overview maps with pie charts.

Figure 11*All registered organizations with paid staff with mission 1****Mission 2: Environment, Agriculture, and Animal Welfare***

The pattern repeats itself here, although with far fewer organizations in total. As we saw in Table 2, this mission area was the second to the lowest area represented by organizations.

Only religious groups appear less frequently. The lack of activity in this category is even starker when considering only organizations with paid staff.

Figure 12

All registered organizations with mission 2

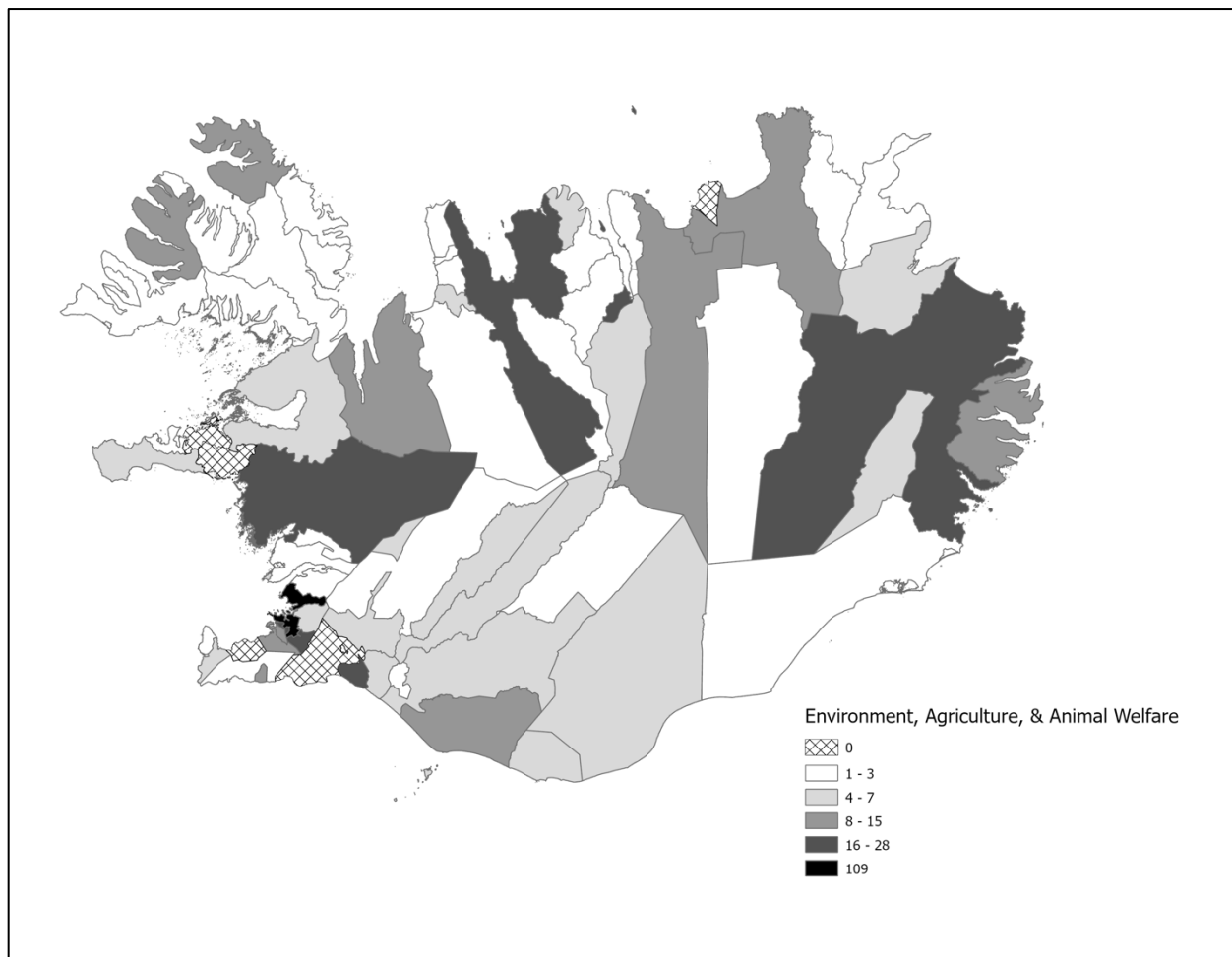
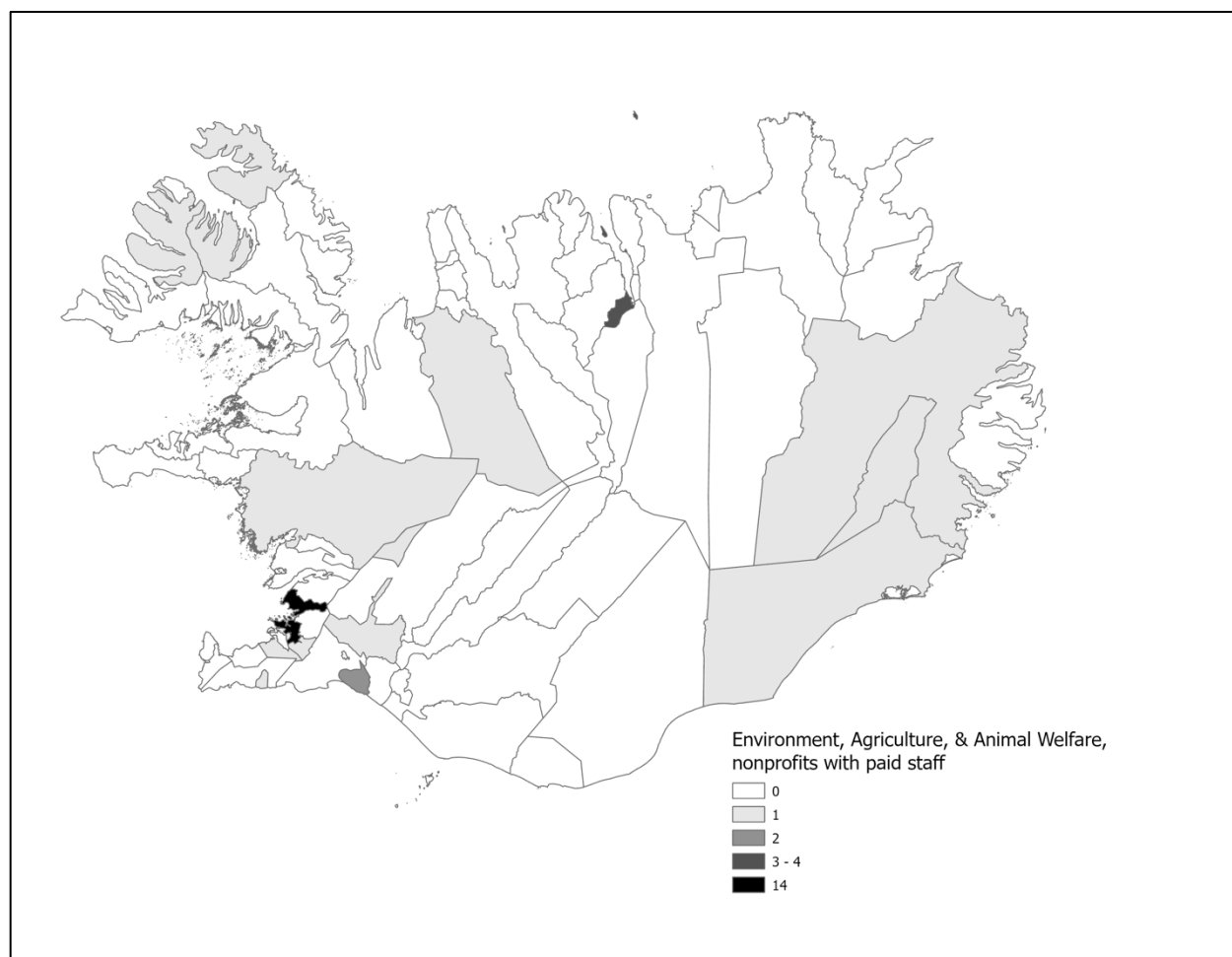
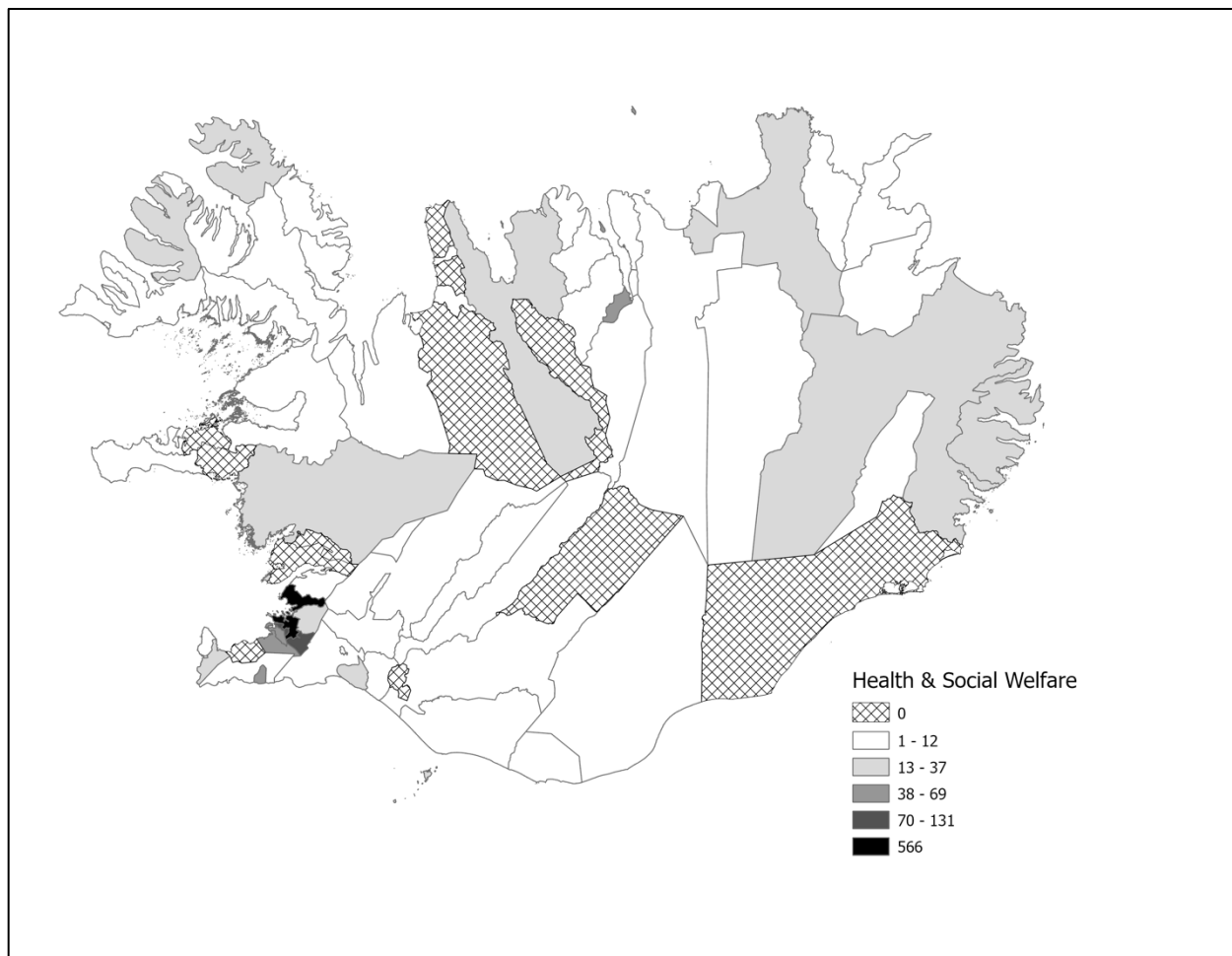


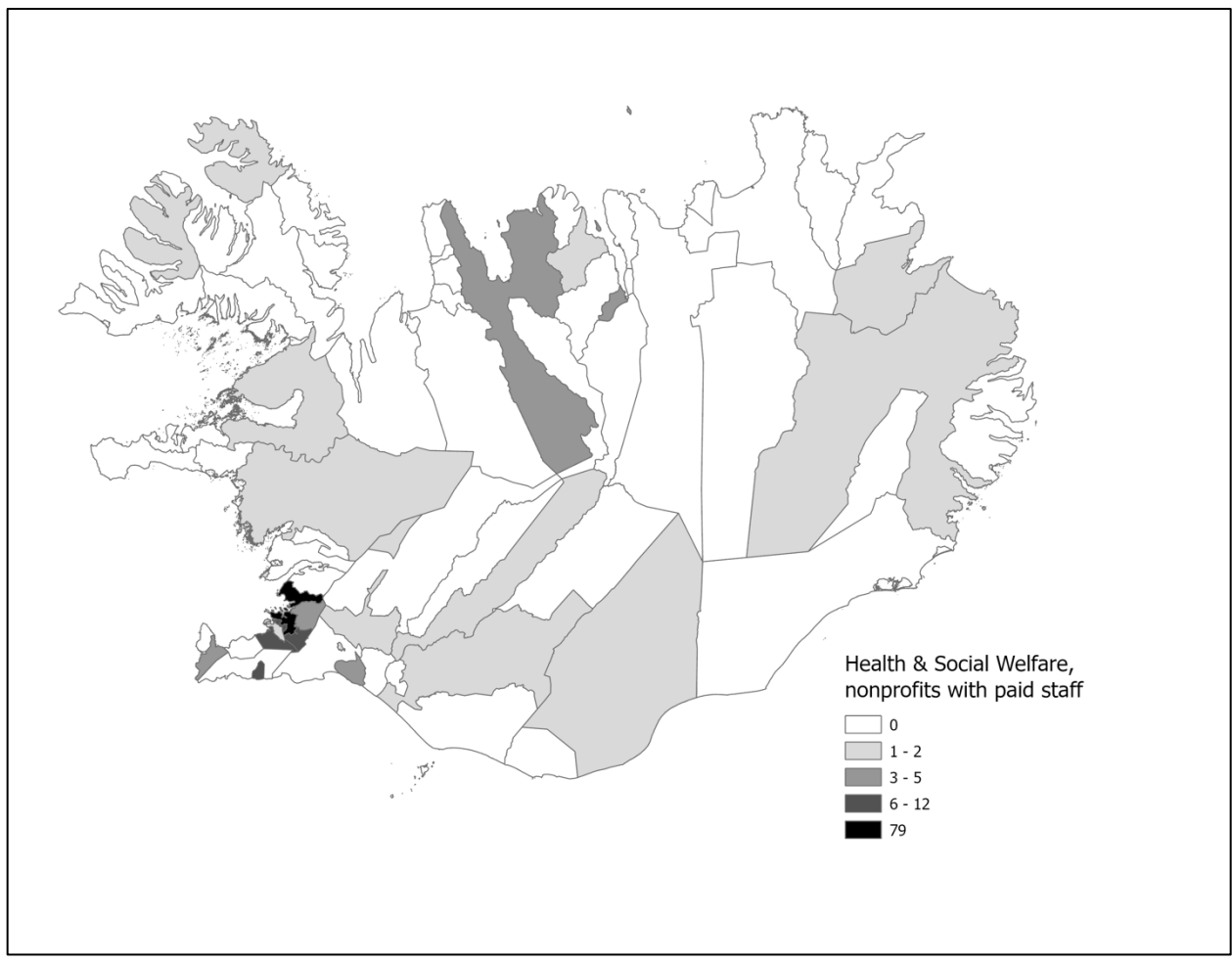
Figure 13*All registered organizations with paid staff with mission 2****Mission 3: Health and Social Welfare***

The number of organizations in this area is consistent with the social origins theory profile for countries of a social democratic pattern. A larger examination of the Icelandic economy would likely find services in this category provided by government, and not falling to smaller, less-resourced community-based organizations. In the database, this category is often represented by health and social welfare organizations, housing associations, AA and other self-help groups, and the numerous all-voluntary search and rescue teams found all around the country.

Figure 14*All registered organizations with mission 3*

Even in the paid sector of mission 3 organizations, these represent only 138 total organizations, or just 13.5% of all organizations in Iceland with paid staff. This is a very remarkable cultural example of how Iceland differs from a capitalist society like the United States where the highest slice of nonprofit employment is in healthcare at 43.6%, and another 42% of all social services being provided by nonprofit providers.

Figure 15
All registered organizations with paid staff with mission 3



Mission 4: Religious Organizations

According to World Values survey data, Iceland is not alone in experiencing low levels of public engagement in religious organizations and institutions. While this study did not specifically look at a time-trend of decline, this category, mission 4, represents the lowest level of nonprofit activity in Iceland, at just 3% of all organizations included in the database. This is demonstrated by both of the following maps fairly equally around the country, and in very low numbers in both counts.

It is significant to note that Iceland does have a Christian state church which is Lutheran. Further analysis of the database is likely to provide glimpses into the diversity of beliefs in modern-day Iceland as there were many non-Lutheran, and even many non-Christian affiliated organizations registered. Although this is not a primary facet of this initial study, it is worth mentioning a few examples of organizations in mission 4 in Iceland: the Buddhist organization SGI in Iceland; Zuism, a religious society; the regional council of Bahá' in Akureyri; the Cultural Association of Jews in Iceland; and the Catholic Church in Iceland, all of which would operate outside of the state institution (Lutheran) and where third sector organizations would be created.

Figure 16

All registered organizations with mission 4

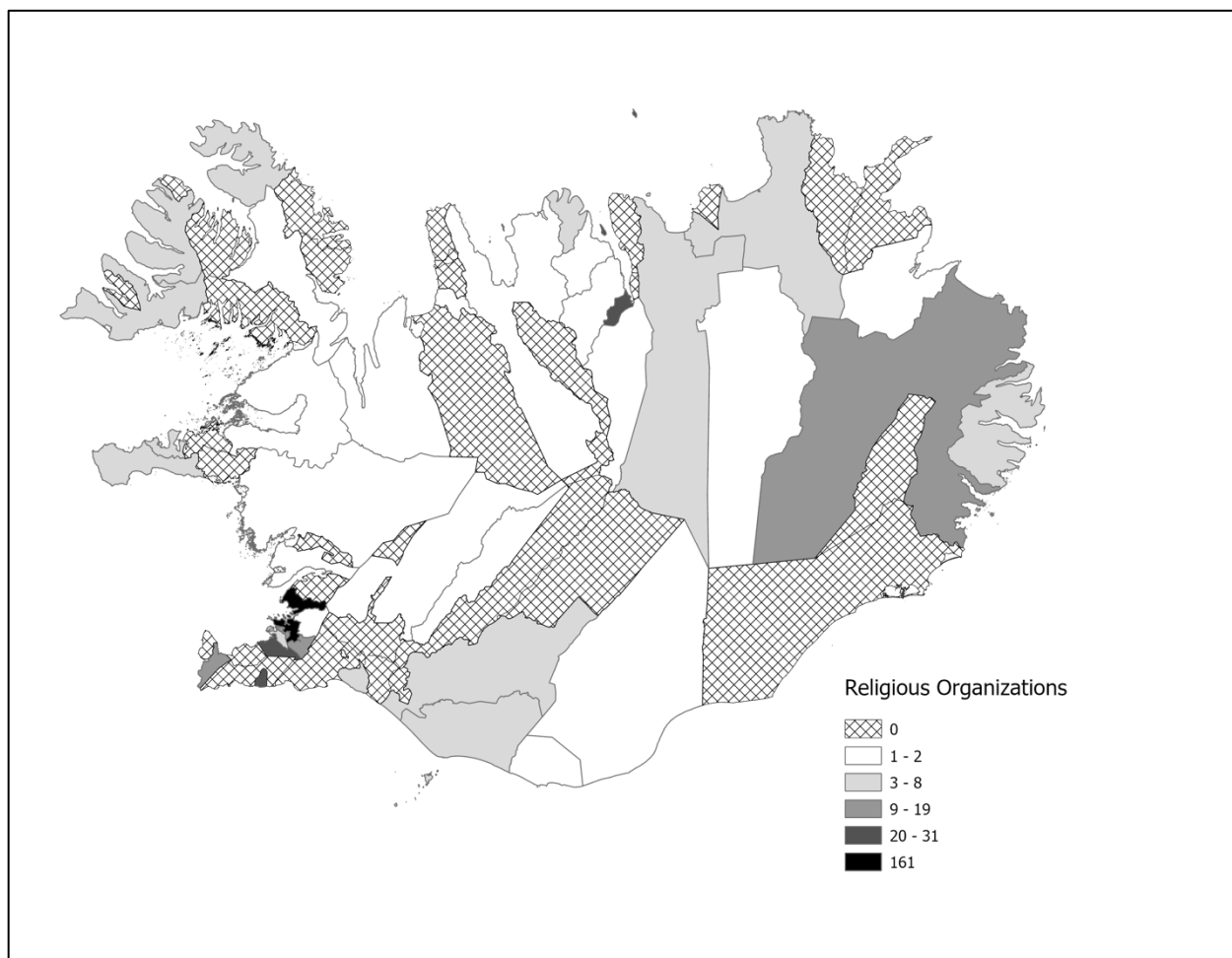
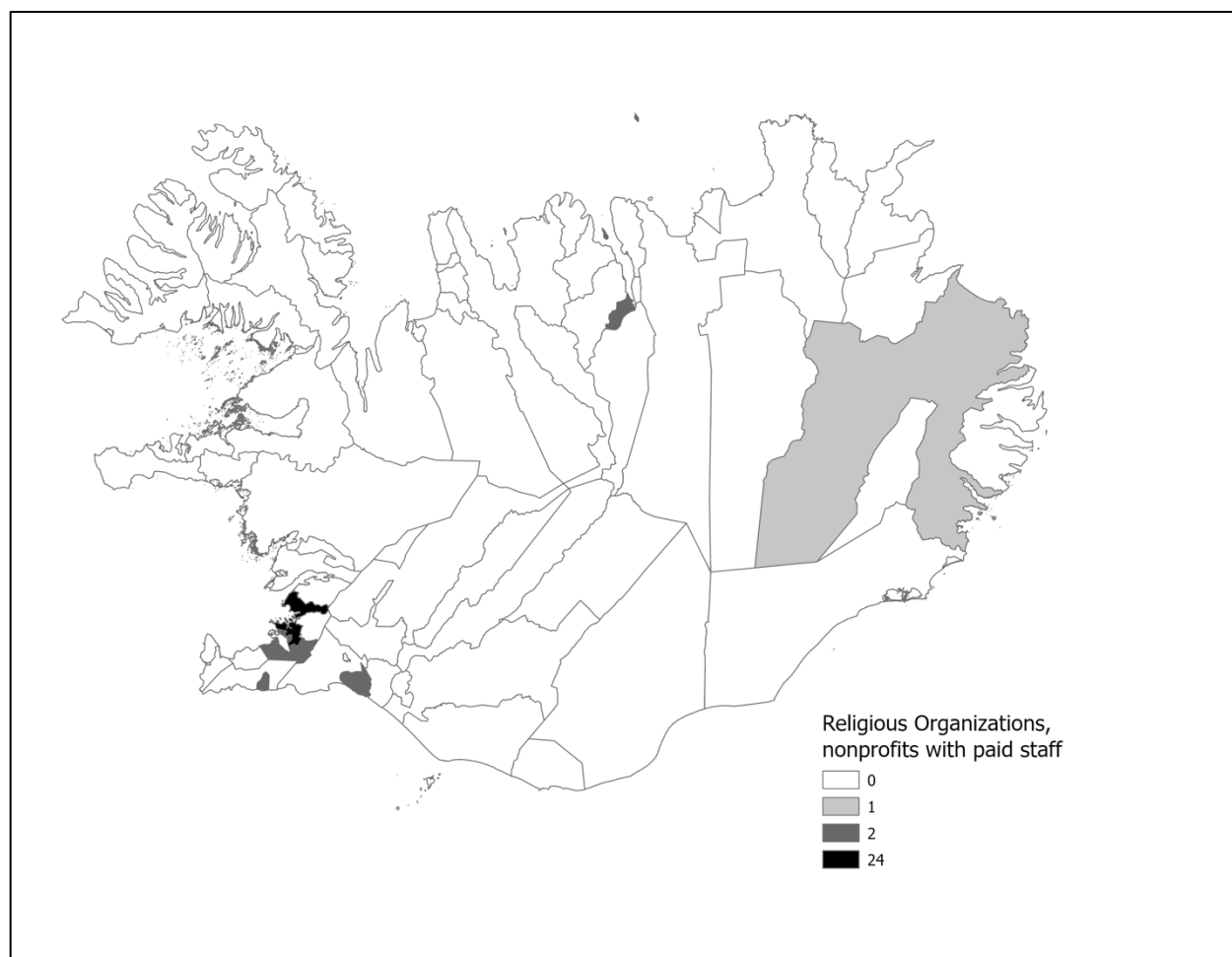


Figure 17*Registered organizations with paid staff with mission 4****Mission 5: Sports and Recreation***

Sports and Recreation organizations is one of the highest activity areas in third sector engagement in Iceland. When looking at all organizations, this category comes in at third, with 14% of all organizations in the registration although they do tend to concentrate in the population centers. That figure is more than doubled at 29.4% when you consider just organizations with paid employment, the second highest category of employment in Icelandic organizations.

Mission 5 organizations are quite diverse and represent everything from competitive based sports

and tournaments to recreationally based hobbyist groups organized around bridge or chess clubs or vintage automobiles.

Figure 18

Registered organizations with mission 5

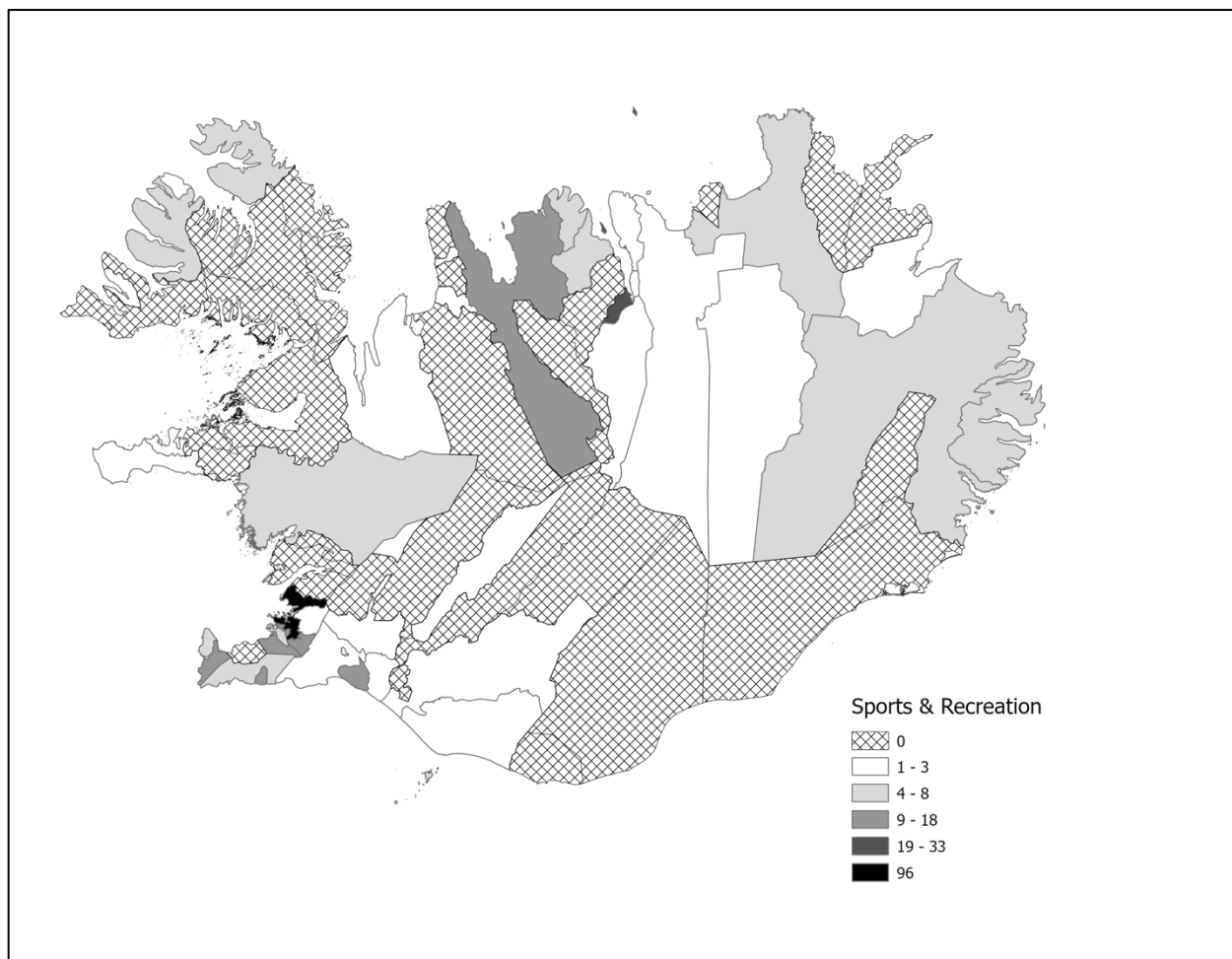
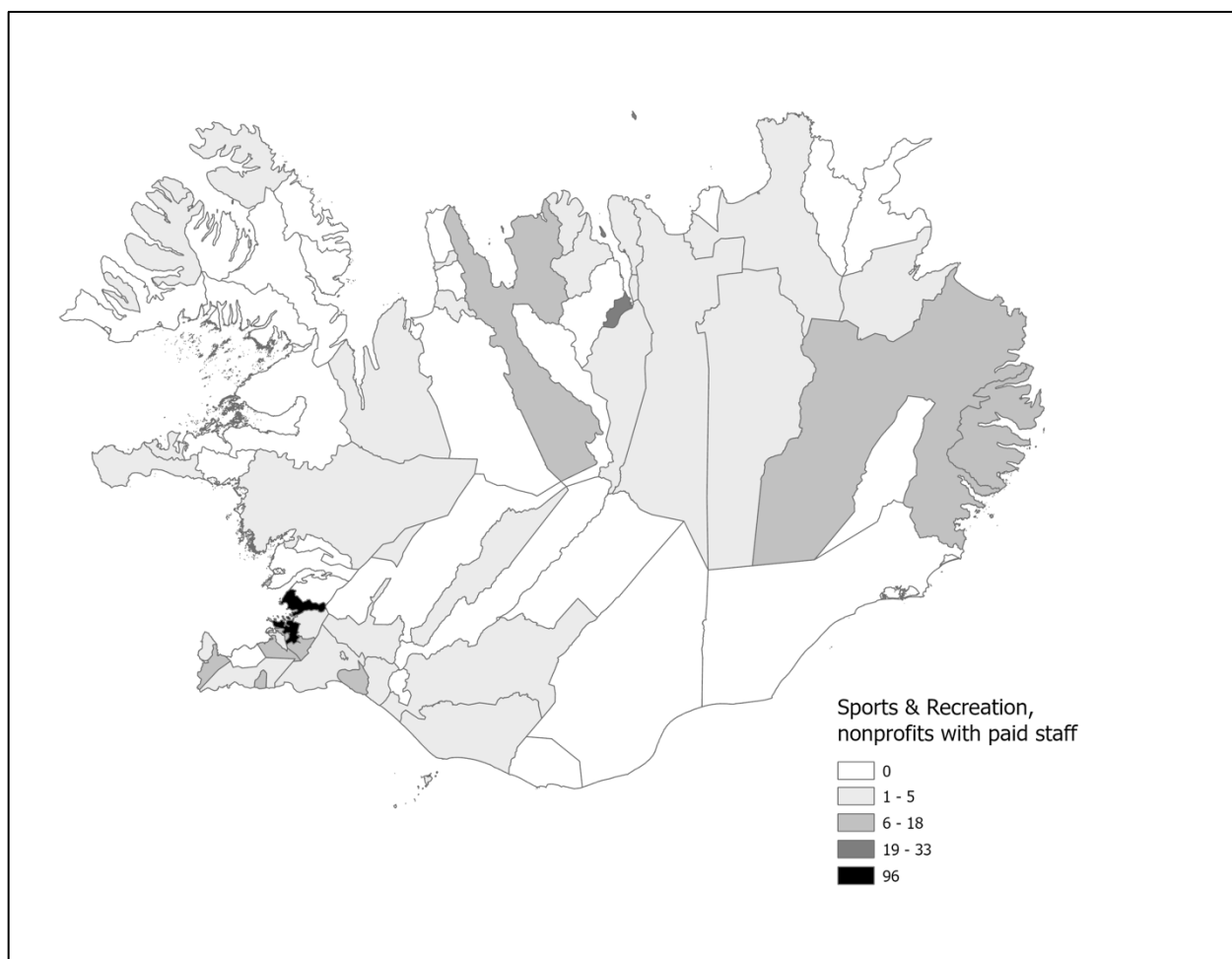


Figure 19*All registered organizations with paid staff with mission 5****Mission 6: Education and Research***

The maps of the education and research organizations show a fairly wide distribution pattern, particularly where organizations are large or established enough to have paid employment. This category includes all levels of education, from pre-school to university-level, and includes many parent associations of younger children’s “leikskolis,” something akin to kindergarten. Neither group (paid or unpaid) constitutes a large part of the third sector in Iceland at around 10-12%, however, they are found in most communities.

Figure 20

All registered organizations with mission 6

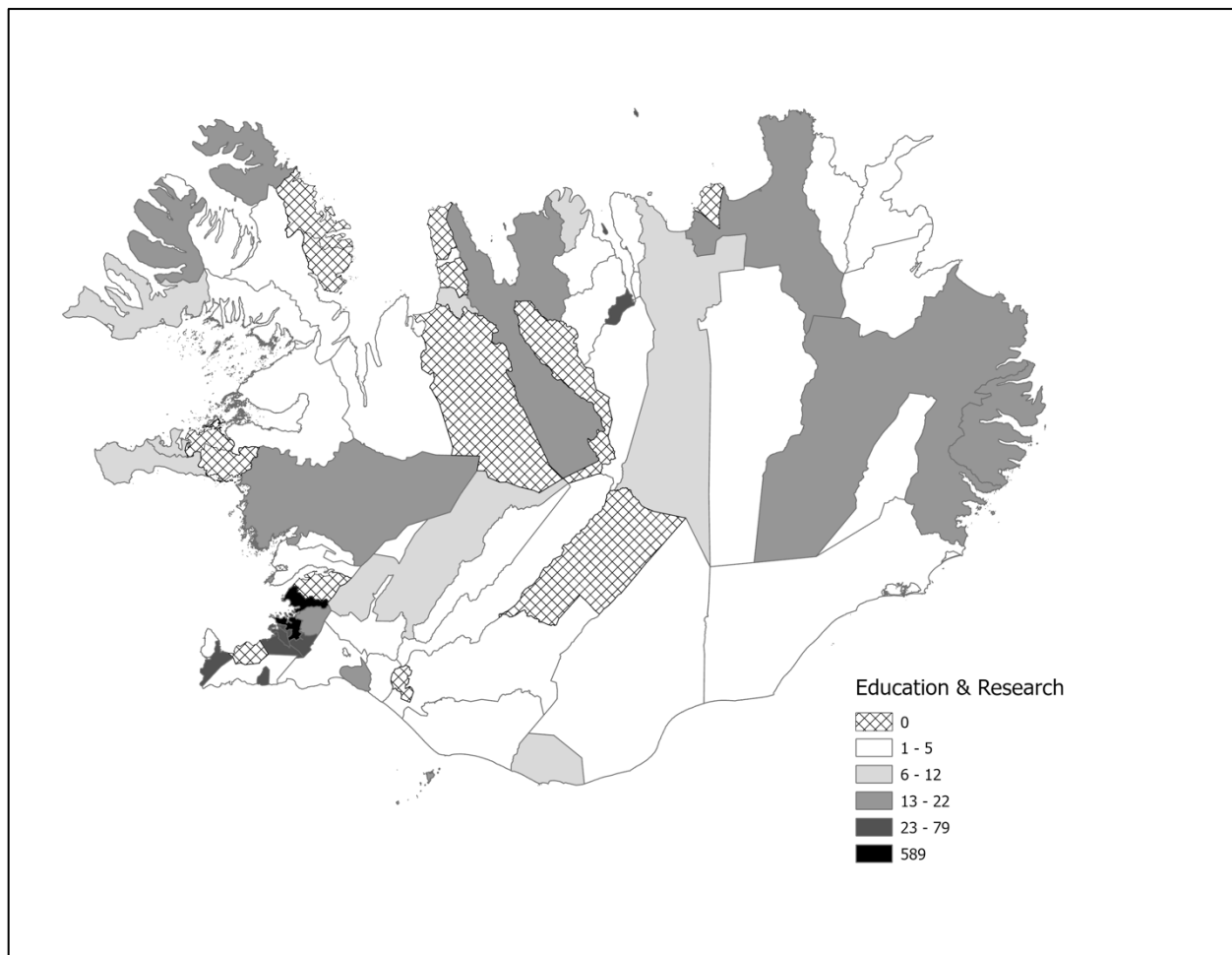
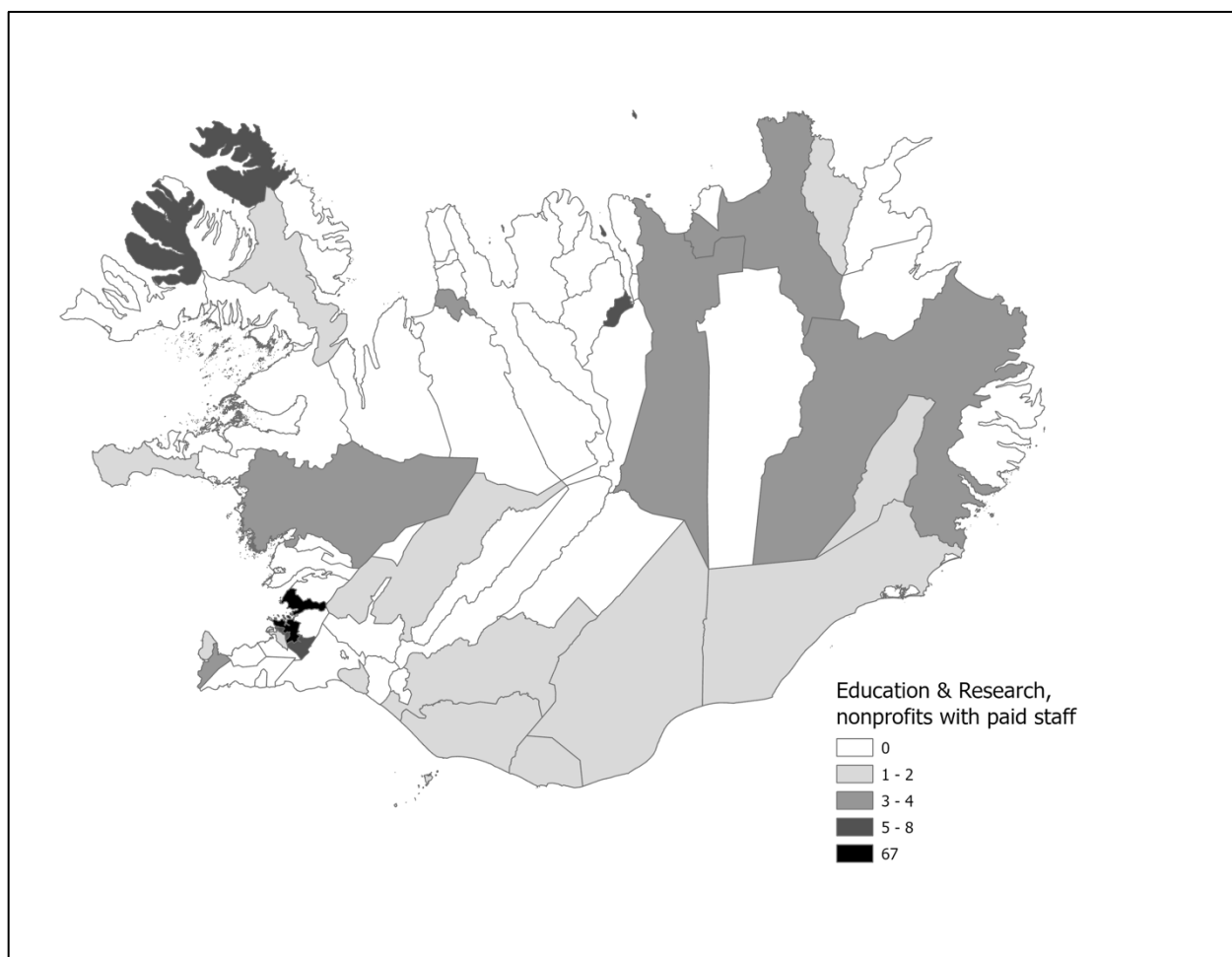


Figure 21*Registered organizations with paid staff with mission 6****Mission 7: Trade, Political, and Advocacy***

Unlike the last category discussed, the trade, political and advocacy organizations constitute the largest category of third sector organizations in both paid and unpaid sectors in Iceland. This category represents a high degree of citizen engagement in a wide variety of organizations including labor unions, professional associations, tourism and economic development groups, human rights and international aid and development. As shown in Figure 2, this is the category with the most growth demonstrated over the time period included in the database. The social origins theory explains this as an example of “path dependence,” where

power and policy dynamics tend to propel such categories into creating more of the same type of group, for more voice, and they tend to include what Salamon (2017) termed “power amplifiers”: political parties, trade organizations, labor unions, and membership organizations. These types of associations clearly concentrate near the halls of state power and that is seen in the maps below with the highest representation of mission 7 organizations located in Reykjavík and the surrounding capital area.

Figure 22

All registered organizations with mission 7

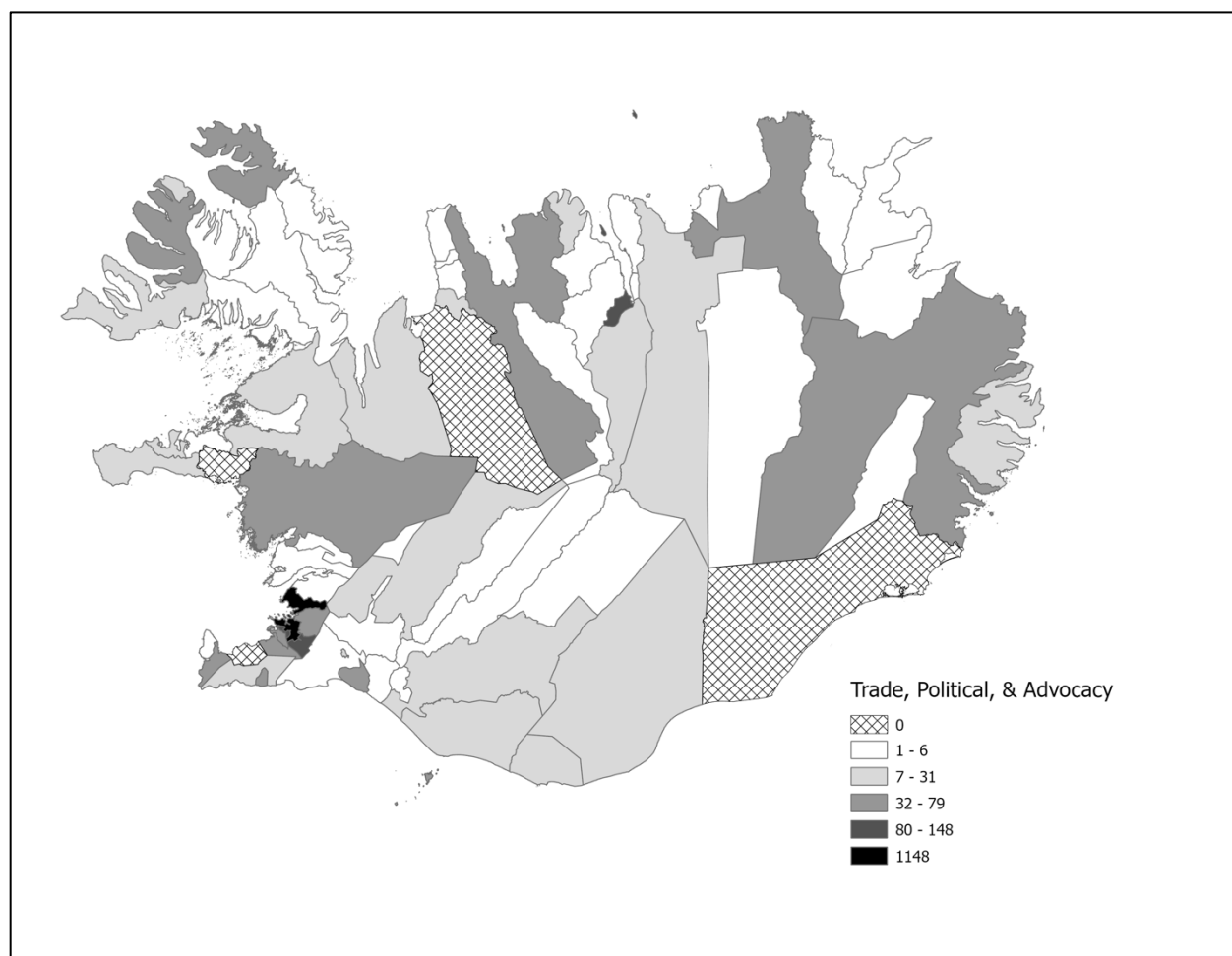
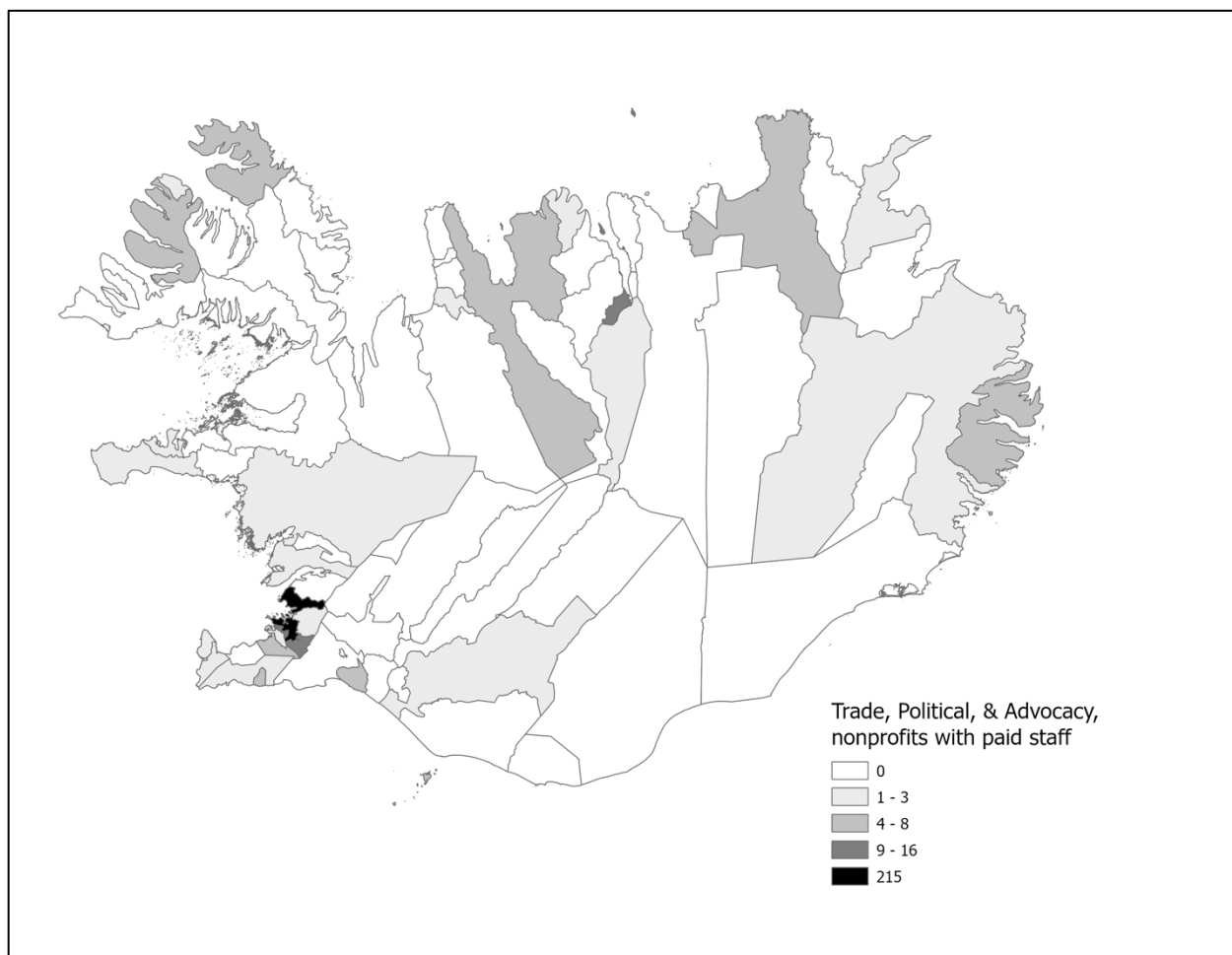


Figure 23*Registered organizations with paid staff with mission 7****Mission 8: Employee Associations***

Employee associations were unfamiliar to the researcher from a formal standpoint, yet they made up a significant portion of the overall set of organizations (13.2%) so it was deemed important to include them in their own category. Given the activities are tied to employment in all sectors – business, government, and third sector – they did not fit neatly into any one of the existing categories. These organizations are concerned with employee morale and funds are officially set aside for travel and entertainment purposes and the recognition of employee

milestones and achievements. Only four organizations out of the 1,022 that are staffed were considered employee associations. These are generally unstaffed efforts that ensure financial resources for employee development. As can be seen in the maps below, they tend to appear where most employers congregate, in the population centers.

Figure 24
All registered organizations with mission 8

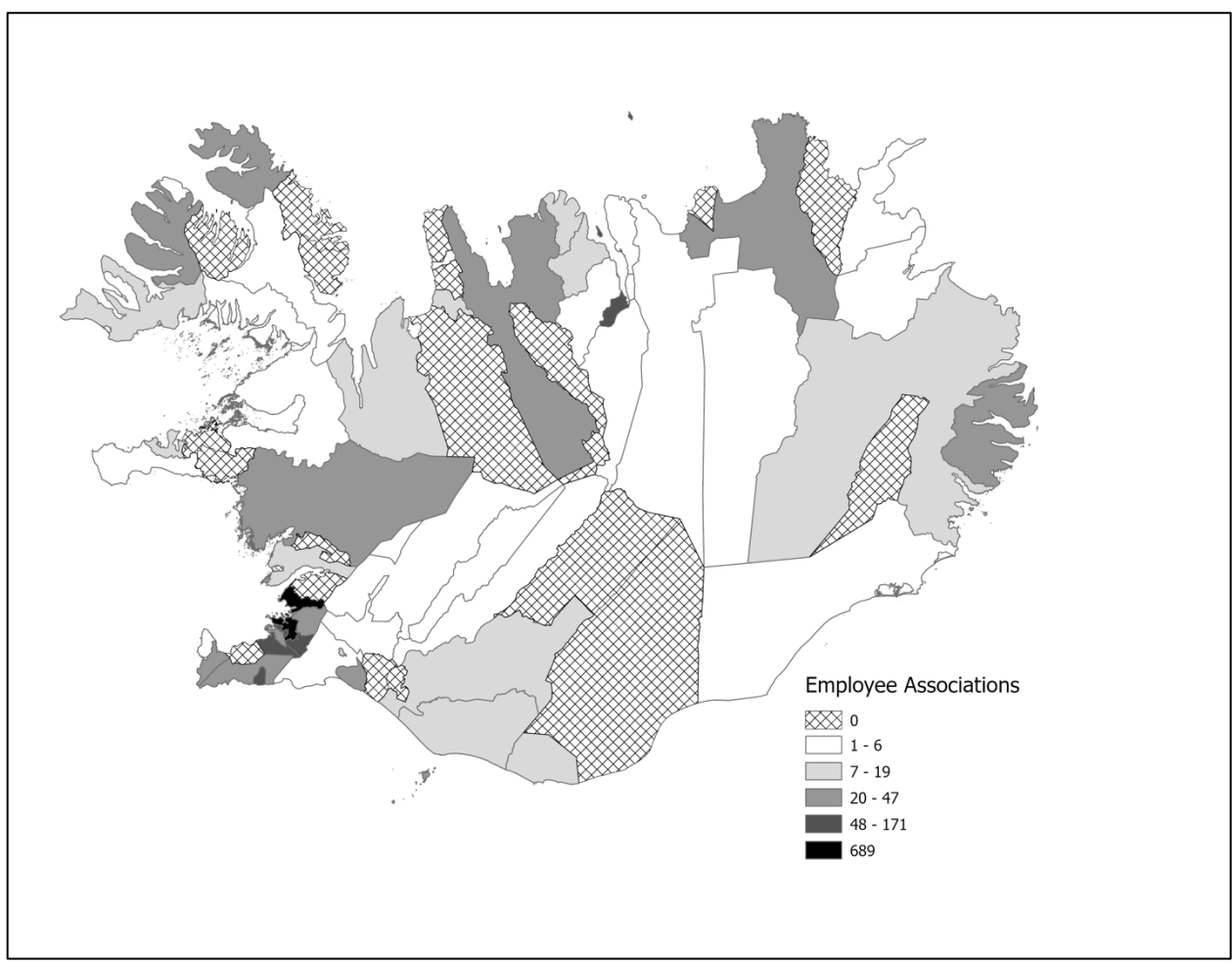
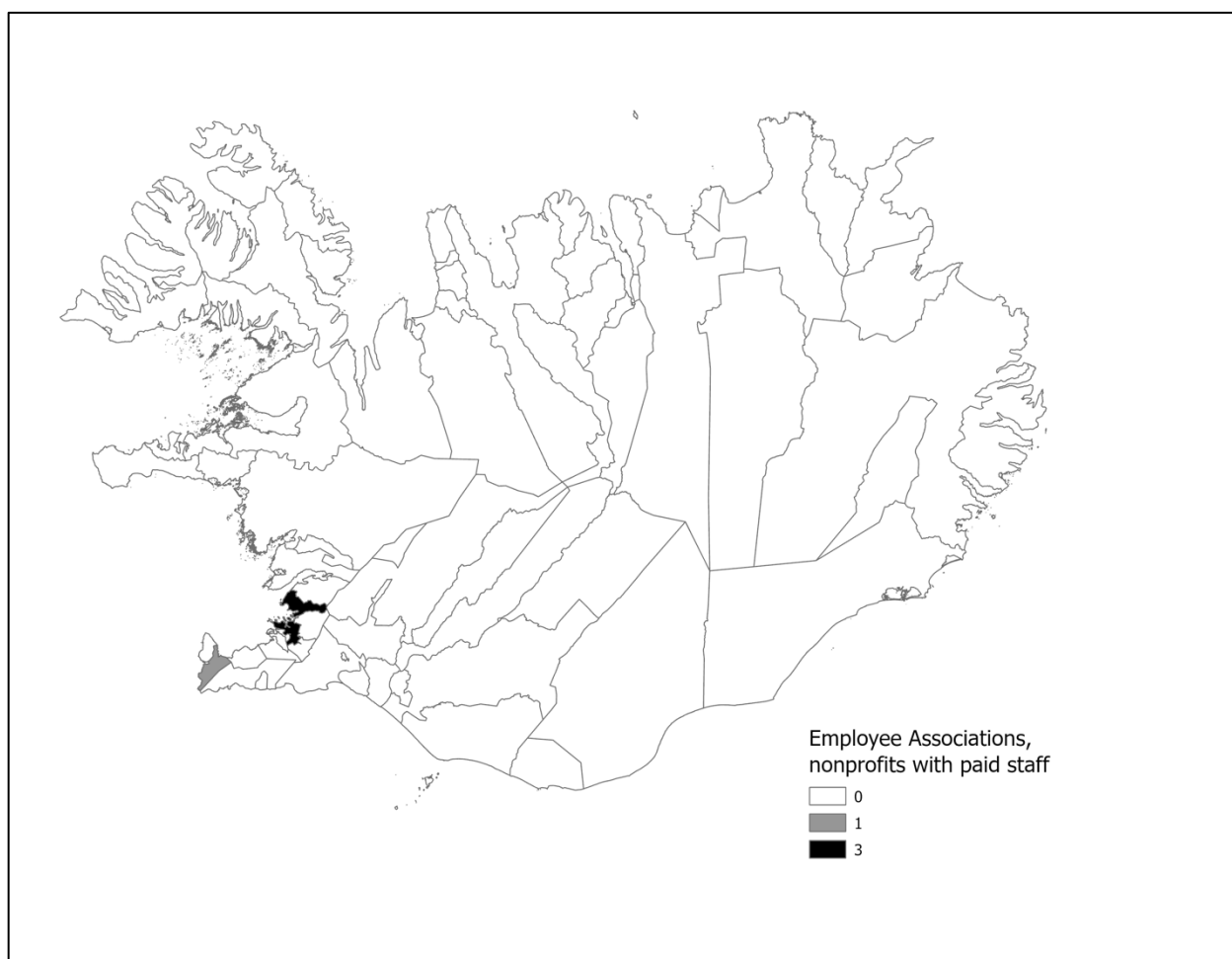


Figure 25*Registered organizations with paid staff with mission 8****Mission 9: Other unidentified organizations***

Lastly, there were a small number of organizations where the title, mission statement (if one was included in the database), or lack of a website or Icelandic Standard Industrial Classification (ISAT) code did not result in enough information to code the organization with confidence. It was decided to leave these groups in the database so as not to have an undercount of organizations in the Registry. Future research will include surveying these organizations for more information as they can be identified by the name, address, and kennitala number, all

included in the database. We know they exist, and where they are; we just don't know what they do. Overall, they represent just 6.8% of all organizations, and only 1.3% of organizations with paid staff. As can be seen in the maps below, they exist in all regions but are somewhat clustered in the eastern part of the country.

Figure 26
All registered organizations with mission 9

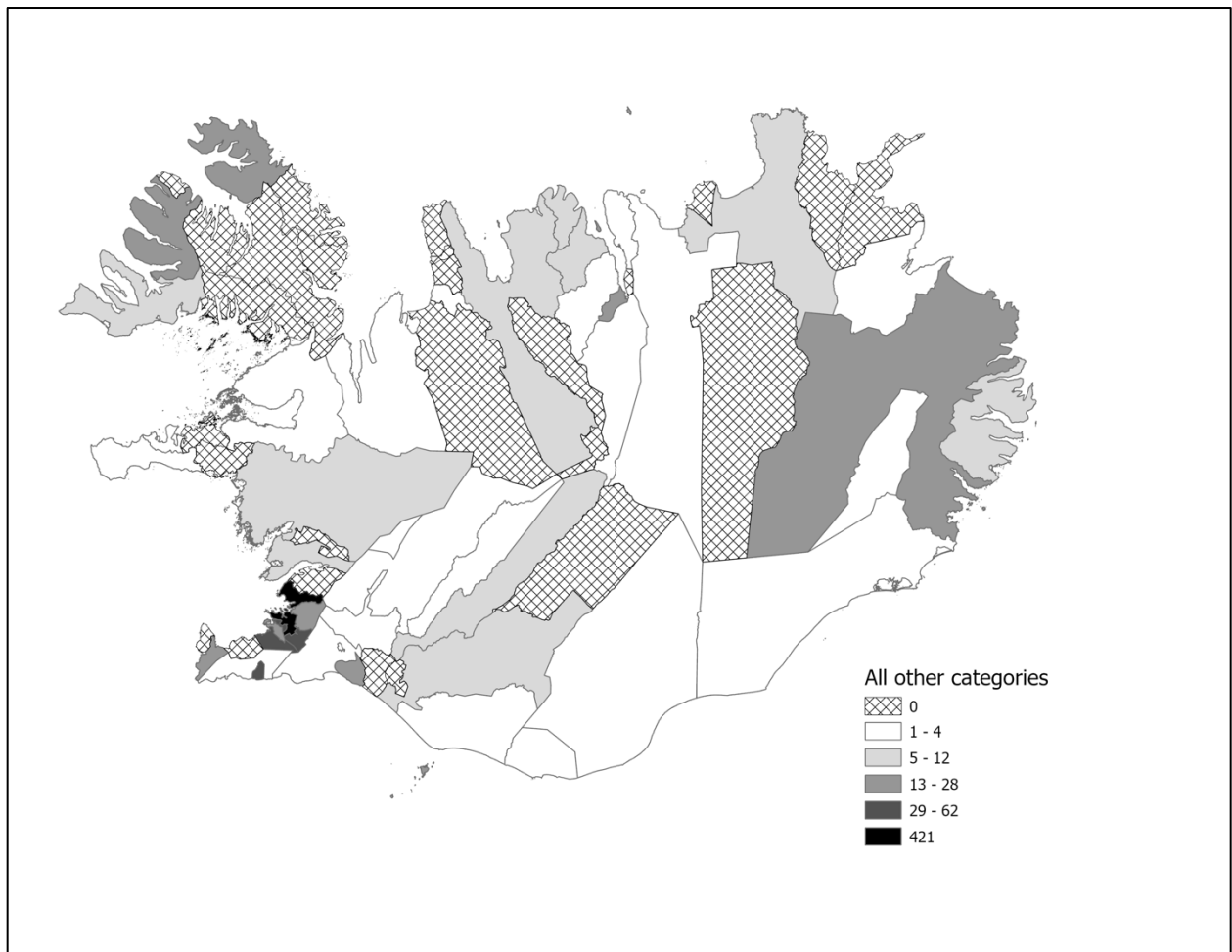
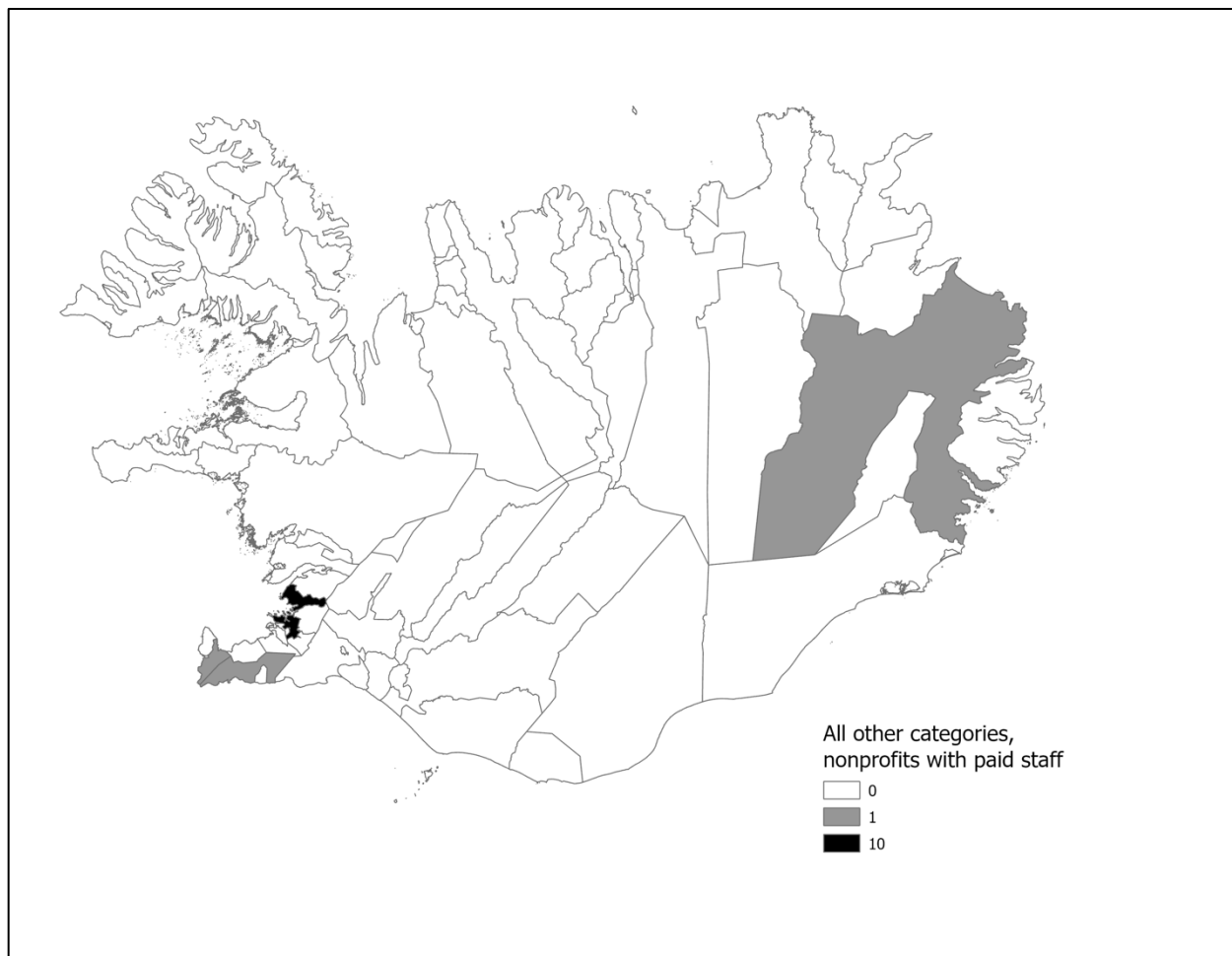


Figure 27*Registered organizations with paid staff with mission 9*

Breakdown of regional tables by mission. To supplement the maps, tables are included below that represent each region by mission type. In each regional chart, the mission category with the highest representation is highlighted. As noted in previous comments and maps, the capital and surrounding region is dominated by trade, political and advocacy groups as well as sports and recreation, and the more remote parts of the country are dominated by arts, culture and humanities groups. The full crosstabulation of regions by mission type is included in the Appendix.

Table 6*Capital region organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Capital Region	862	112	585	165	549	600	1187	697	429

Table 7*Southern peninsula organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Southern Peninsula	410	58	334	75	432	242	387	408	180

Table 8*Western region organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Western Region	141	55	85	18	99	60	122	80	33

Table 9*Westfjords organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Westfjords	111	17	63	9	64	36	84	38	24

Table 10*Northwestern region organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
North-Western	165	57	64	9	96	45	101	63	20

Table 11*Northeastern region organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
North-Eastern	252	71	129	38	211	131	196	183	55

Table 12*Eastern region organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Eastern Region	145	47	62	21	110	39	82	57	30

Table 13*Southern region organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Southern Region	158	73	96	23	125	53	147	82	49

Table 14*Westman Islands organizations by mission type*

By mission type	Arts Culture Humanities	Enviro Ag Animals	Health Social Welfare	Religious	Sports Rec	Educ Research	Trade Political Advocacy	Empl Assoc	Other
Westman Islands	29	6	19	7	34	15	34	22	15

Where organizations with paid staff are considered, the same two groups dominate (trade, political and advocacy and sports and recreation) regardless of region. This is quite a difference from the data where all organizations, and primarily all-volunteer organizations, are represented.

Table 15*Registered organizations with paid staff by mission type and region*

Paid Staff Orgs	Arts & Culture	Ag, Enviro, Animal	Health & Social Welfare	Religious	Sports & Rec	Educ & Res	Trade, Pol & Advo	Empl Assoc	Other
Capital Region	28	14	79	25	102	67	217	3	10
Southern Peninsula	2	2	30	4	56	13	26	1	2
Western Region	3	1	5	0	18	4	8	0	0
West-fjords	1	2	2	0	7	7	10	0	0
NW Region	11	1	3	0	19	4	5	0	0
NE Region	16	4	8	2	51	16	29	0	0
Eastern Region	3	3	2	2	19	7	5	0	1
Southern Region	0	3	9	2	24	5	9	0	0
Westman Islands	0	0	0	0	4	2	4	0	0

Opting to register under the new law

One additional analysis was conducted by the researcher concerning the adoption of registration under recent legislation related to third sector organizations. This data was not included in the database but the researcher was able to add in the information and code them from publicly available data online. The chart below details the number and type of organization, paid or all-voluntary, that had registered to opt in under the new tax-treatment law for charities made effective on November 1, 2021. Prior to implementation, just 203 organizations had registered, a mere 1.6 % of all organizations in the database. Subsequent views of the publicly posted registration list on Skaturinn's website showed that in just a year later, on October 31, 2022 that number had jumped to 402 organizations, almost double the number since the law took effect. In mid-July 2023, that number was reaching 460, or 3.7 % of total organizations. Future studies can continue to track this trend. A quick read of the names of organizations included under the new law identifies some early adapters: various Red Cross affiliates and numerous area rescue teams. Further analysis shows that of the 203 that adopted the new law, the majority of early adapters were those in organizations with paid staff. These two observations may demonstrate a propensity by organizations that have the additional resources of paid staff, or a federated national model where information is more likely shared, to be first in line to take advantage of the new tax benefit.

Table 16

Total number of organizations registering under the new law

		Adopt_Law			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	12130	98.4	98.4	98.4
	1	203	1.6	1.6	100.0
Total		12333	100.0	100.0	

The following chart displays the pattern of organizations with at least some paid staff outnumbering all-volunteer organizations for registering under the new law. Of interest, however, is that of the organizations with paid staff, it the smallest organizations, (those with less than 25 FTEs) that have registered at the highest rate. This brings to mind for the researcher a term often used in the U.S. to describe the resilience, especially of small organizations, that of a “scrappy nonprofit” (McCambridge, 2020).

Table 17

Differences between level of staff and registering under the new law

	Number of organizations registered under the new law	% of those that adopted the law
No paid staff	80	39.4
Less than 25 FTEs	107	52.7
25-49 FTEs	11	5.4
Over 50 FTEs	5	2.5
TOTAL	203	100 %

Quality of the data

It would be impossible to tackle an effort as large as describing the entire third sector activity of a nation without a reliable source of data. The success of the endeavor lies in quality, accurate data compiled by a trusted institution. For this project, the researcher utilized administrative data from a national government entity in Iceland. A large database detailing the Registry for third sector organizations was released to two of the doctoral candidate’s dissertation committee members, in cooperation with the University of Iceland. As the goal of the exchange was for research purposes, no costs for the data were incurred. The advantages of

administrative data outweigh the disadvantages; they are considered to provide high quality total coverage but can be impacted by inadequate self-reporting by organizations and include only the data components that government deems important (United Nations, 2007).

Where possible, countries included in the Johns Hopkins Comparative Nonprofit Sector Project between 1995-2008 utilized official economic statistics, however, many countries had to rely on data assembled by in-country researchers utilizing “snowball sampling” or “hypernetwork sampling” to estimate country third sector profiles (Salamon et al, 2017). While Iceland has not formally adopted the “satellite accounts” recommendation of the CNSP, their national system of registration combined with industry codes included in the Icelandic Standard Industrial Classification system provide for solid data from which much can be learned. Future research utilizing survey methods could undoubtedly supplement what is already known.

Limitations on the economic analysis of third sector organizations in Iceland

While the data on the existence of third sector organizations in Iceland is rich with demographic and programmatic data, the database was lacking in budget and revenue information. This limited the amount of economic analysis that could be completed in this dissertation project. While the number of organizations with paid staff could be identified, the data only included a *range* of FTEs per each organization, not a specific number of FTEs. This did not allow for any calculation of wages and salaries or determining a percentage of nonprofit employment compared to the overall Icelandic workforce. Further, without having budget or revenue information, it was impossible to determine the flow of economic activity that is occurring through these third sector organizations, or what portion of the country’s gross domestic product they may be contributing. Lastly, without knowing the *source* of revenues for each organization, it is impossible to describe the relationships these organizations have with

government, the general public, or other private businesses or if they are generating earned income. This is the kind of data that will be sought in a follow-up study to recognize the third sector's contribution to the larger Icelandic economy as an industry of its own.

Filling in a missing puzzle piece among the Nordic countries

One of the difficulties in comparing countries within the Nordic region (Denmark, Finland, Iceland, Norway, Sweden) is that the countries, if studied at all, were not examined during the same years or even relative timeframes. The CNSP project was begun in 1991 and a 1992 working paper by the project directors did not include any of these five nations in the “targeted countries.” (Salamon & Anheier, 1997). As stated earlier, Iceland wasn't included in any phase of Johns Hopkins Comparative Nonprofit Sector Project. However, later CNSP working papers on Sweden and Finland, were published in 1995 and 1998, respectively. A chapter on Norway's third sector was included in the 2004 publication of Salamon, et al's “Global Civil Society” and Denmark was discussed in the 2017 publication by the same lead authors' text, “Explaining Civil Society Development.” Rather than be deterred by unequal coverage of sector statistics in the region, this author was prompted to get a baseline reading on the third sector in Iceland to both raise the visibility of the vibrant voluntary sector in Iceland and also to provide a starting place for future comparative studies among all five Nordic countries and globally, as well. Unfortunately, the massive undertaking of data and research in the CNSP has not been continued, or even updated, and the project officially ceased to exist in 2022, following the death of Professor Salamon. According to the publications archive for the Center for Civil Society Studies (n.d), throughout the life of the project, data was collected on over 40 countries between the years of 1995-2011. Recognizing the varying dates of data collection on the Nordic countries, any comparisons made at this point are not entirely “apples to apples”,

however, there is value in examining what we do know about the sectors in these countries. The following section will consider key aspects of third sector organizations in all five countries.

Tendency toward the expressive activities

As a reminder from Chapter Two of this dissertation,

In line with the social origins theory, Iceland and the other Nordic countries are seen as examples of the “social democratic” frame, evidenced by strong public investment through higher taxes and a commitment to what is viewed as the “right” to entitlements such as universal healthcare and education. It has been demonstrated that countries in this style of governance, with a relatively large state presence, generally have a populace that has both enough leisure time and economic security to engage in volunteering for organizations of their choice, most typically in “advocacy, professional associations, and sports and recreation organizations” as opposed to health or welfare service delivery organizations (Casey, 2016b).

This tendency is clearly seen in the figures in the table below.

Table 18

Expressive vs service activities among other countries

Activities	Iceland	Denmark	Finland	Norway	Sweden	United States
Expressive	69.2 %	42.9 %	58.1 %	60 %	67 %	29 %
Services	25.7 %	50.5 %	40.9 %	37.9 %	29.9 %	66.2 %
Other	5.1 %	7 %	1.6 %	3 %	3.1 %	4.8

The CNSP team's estimates here are based on the share of the workforce (paid or voluntary) while this study looks at share of the civil society landscape and the number of organizations operating in each sphere, however, we can see the trends in the social democratic states are similar. When citizens aren't afforded basic health, welfare, and education opportunities, such as in the United States, you see vastly different numbers as nonprofit organizations rise to fill in the gaps in the service areas and there is less capacity for purely expressive means.

These numbers, and the statistics on page 49 of this dissertation profiling the voluntary vs economically active organizations, are two findings that provide insights into Iceland's third sector standing among the Nordic nations. To fully compare Iceland's third sector economy with the Nordic countries, or globally, further data on revenues, the workforce, and the legal framework would need to be included.

Chapter Five

Conclusion and the Need for Further Research

This dissertation set out to determine if Iceland's third sector economy had experienced the same kind of "global associational revolution" found in other countries around the world beginning in the 1980-1990s. The answer was immediately clear after analyzing the number of organizations by their founding dates. The data demonstrated a growth trend beginning in the 1970-1980s with heightened acceleration beginning in 1990, and continued in the decades that followed up until 2020. Iceland, indeed, was part of this worldwide movement and the growth mirrors what Salamon and others documented in the Johns Hopkins Comparative Nonprofit Sector Project.

This chapter will outline the key findings of the research including what is unique about the sector in Iceland and also how it both differs and aligns with the other Nordic countries of Denmark, Finland, Norway and Sweden. This will be followed by a discussion of what was accomplished in the dissertation research project and what was left undone. Lastly, the author outlines several components of a future research agenda on third sector organizations in Iceland.

Overview of the Findings

1. The size of the third sector in Iceland did grow in the last half of the twentieth century and the country truly experienced the "global associational revolution" that occurred around the world. This is demonstrated in the data by there being less than a thousand organizations registered in Iceland in 1970 to over 12,000 registered organizations by 2022.

2. The capital city of Reykjavík and the immediate surrounding areas house the majority of organizations in the country in real numbers. This trend mirrors the population pattern of the country as well. Organizations headquartered in the capital region alone account for 42.1% of all organizations in the country.
3. When normalized for population, organizations outside the capital area show a greater level of organized activity on a per capita basis and areas in the rural north and northeast are on par with, and in the case of the Westfjords, actually exceed the capital area rankings.
4. In both the all-voluntary organizations and organizations with paid staff, the trade, political and advocacy subsector leads in the number of registered organizations, coming in at 19% and 30.6% respectively. This demonstrates a high level of citizen involvement and civic engagement in the country.
5. Regionally, the trade, political and advocacy groups and sports and recreational groups dominate in the capital area. The non-capital, more rural areas of the country are dominated by organizations in the arts, culture, and humanities subsector.
6. When looking only at organizations with paid staff, the trade, political and advocacy and the sports and recreation subsectors dominate regardless of region, with those two areas of activity representing 60% of the total number of organizations.
7. Iceland is consistent with the other Nordic countries in the amount of “expressive” organizations that make up the bulk of the sector. In Iceland, 25.7% of all organizations provide basic health and welfare services and 69.2% (the highest of all the five countries)

are in expressive areas including advocacy and professional organizations, sports and recreational activities, and hobbies or culture.

8. Iceland exceeds all the other Nordic countries, and the rest of the world, in the size of its all-volunteer sector at 91% of all third sector organizations in the country. Of note, is this is accomplished as a geographically isolated island of just 387,758 inhabitants.
9. The number of third sector organizations adopting the benefits of a new tax policy law has more than doubled in the first year and continues to trend upward. Most new adapters were organizations with paid staff or organizations affiliated with a federated model, perhaps demonstrating an informational asymmetry within the sector.
10. An unexpected finding of the number of organizations with paid staff who are adopting registration under the new law, it is the smallest of organizations, with less than 25 FTEs, who have registered at the highest rate.

Specific regional findings

Mission 1: The capital region hosts the greatest number of arts, culture and humanities organizations and outside the capital, Akureri is represented very strongly in this area. Municipalities in the Westfjords and Eastern fjord regions also appear to be hotbeds of activity in arts, culture and humanities.

Mission 2: There are pockets of stronger activity in the environment, agriculture, and animal welfare organizations, mostly in the west and east, however, this is the second to the lowest area of third sector activity in the country. This is especially true in the realm of organizations with paid staff with only 2.9% of those organizations being in this category.

Mission 3: The number of organizations in the health and welfare category is consistent with the social origins theory profile for countries of a social democratic pattern. Even in the paid sector of this category, it only represents 138 total organizations, or just 13.5%. This is in high contrast to a capitalist society like the United States where nonprofit employment in health care is 43.6% of organizations with staff and another 42% in social services provided by nonprofits.

Mission 4: Churches and religious organizations represent only 3% of all organizations included in the database. This category represents the lowest amount of third sector organization activity in Iceland. This held true in all regions of the country, and in both paid and unpaid nonprofit activity.

Mission 5: Sports and recreation organizations are one of the highest activity areas in third sector engagement in Iceland. When looking at all organizations, this category comes in at the third largest with 14% of all registered organizations. That figure is more than doubled at 29.4% when you consider just organizations with paid employment.

Mission 6: Education and research organizations show a fairly wide distribution pattern, particularly where organizations are large or established enough to have paid employment. Neither group (paid or unpaid) constitutes a very large portion of the third sector in Iceland at about 10-12%, however, they are found in most communities around the country.

Mission 7: This is a very large subsector of the Icelandic third sector society. Trade, political, and advocacy organizations make up the largest category of third sector organizations in both the paid and unpaid sectors. This category represents a high degree of citizen engagement in a wide variety of organizations including labor unions, professional associations, tourism and

economic development groups, human rights and international aid and development. This is also the category with the most growth demonstrated over the time period included in the database.

Mission 8: The category of employee associations makes up 13.2% of the overall organizations registered in Iceland, however, they are almost non-existent in the sector of nonprofit paid employment (only four organization out of 1,022). The activities of these associations are tied to employment in all sectors – business, government, and third sector employers – and did not neatly fit into any of the existing categories. These organizations are generally unstaffed efforts that ensure resources for employee development and morale.

Mission 9: 6.8% of all organizations and just 1.3% of organizations with paid staff were unable to be coded for a mission category due to a lack of information about the organization's activities. There is enough demographic information known about each organization, however, to ensure follow-up for more details. This is a set of organizations that a later round of research could obtain further data on by a targeted outreach strategy.

What stands out about Iceland's third sector?

The data included in this study details a large number of registered organizations during a time period spanning over fifty years. Registers Iceland categorizes 12,333 organizations as public interest organizations. Although legal forms of incorporation were not discussed in this study, Statistics Iceland classifies 12,335 organizations listed under its “nonprofit institutions serving households,” or NPISH, indicating a consistent validation of the likely number of total registered third sector organizations in Iceland.

The data bears out an extreme level of volunteerism in a country of 387,758 inhabitants. Over 91% of the 12,000+ organizations were reported as all volunteer, with no paid staff. This is a higher percentage of all-volunteer led organizations documented in any other Nordic country,

and indeed, any other country listed in the CNSP data files. What is additionally significant, for research purposes, is that all these all-volunteer run organizations appear on an official list where they can be tracked and future comparisons can be made from year to year. It will also allow for future follow-up of a qualitative nature to supplement this study.

What was accomplished in the study and what was left undone

While the data on registered third sector organizations in Iceland is rich with demographic and programmatic data, the database was lacking in budget and revenue information. This limited the amount of economic analysis that could be completed in this dissertation project. While the number of organizations with paid staff could be identified, the data only included a *range* of FTEs per each organization, not a specific number of FTEs. This did not allow for any calculation of wages and salaries or determining a percentage of nonprofit employment compared to the overall Icelandic workforce. Further, without having budget or revenue information, it was impossible to determine the flow of economic activity that is occurring through these third sector organizations, or what portion of the country's gross domestic product they may be contributing. Lastly, without knowing the *source* of revenues for each organization, it is impossible to describe the relationships these organizations have with government, the general public, or other private businesses or if they are generating earned income. This is the kind of data that will be sought in a follow-up study to recognize the third sector's contribution to the larger Icelandic economy as an industry of its own.

This reality did not allow for the full analysis that would've been guided by the Grønbjerg and Smith framework. In addition to not having the economic data that approach would require, it was also determined by the researcher that due to the large amount of data needing to be processed to just get a baseline on third sector activity in Iceland, the legal and tax

policy analysis would need to be delayed for a later stage of the research project. Both of these items will be addressed in the next section of possibilities for future research.

Twelve ideas for future research

1. Since this study began, Skatturinn, or Registers Iceland, has started to post “de-registrations” of organizations to update their records of truly active organizations. This researcher’s next step will be to start noting organizations in the database for whom a deregistration date is published. This will update the database list and allow for a true number of active organizations at a particular moment in time.
2. An important follow-up to this project would be to survey organizations for budget size and sources of revenue. Knowing total amounts of revenue, whether from government, private donations, earned income, or monthly memberships and lotteries, would help calculate a percentage of Iceland’s GDP in the nonprofit workforce and to determine the current level of public support for third sector organizations.
3. This author would like to code the organizations to the seventeen United Nations Sustainable Development Goals to indicate the important role for third sector organizations in combating some of the world’s most pressing challenges.
4. Surveying the organizations to determine a real number of volunteer hours provided in the sector would aid in calculating an economic benefit to the country contributed by Iceland’s all-volunteer led organizations.
5. Further exploration of the legal constructions and tax policy relevant to nonprofit institutions serving households (NPISH) in Iceland would aid in fully mapping the

environmental context for third sector organizations in the country and allow for additional global comparisons.

6. In this initial phase of research, the organizations were coded by a singular mission category from nine broad classifications. Coding for additional or secondary activities would generate a truer picture of the breadth of social and economic efforts of third sector organizations in the country.
7. Further coding of the database could identify organizations in Iceland existing to serve newer immigrant communities. This would serve to measure culturally led and targeted organizations of a quickly diversifying population.
8. Surveying organizations to identify where there are government-third sector contracting arrangements would aid in describing the parameters of government-third sector relationships in Iceland and highlight a potentially important source of revenue for public-serving organizations.
9. Additional coding of organizations specific to the rise of tourism as an economic development strategy since 2008 in Iceland would demonstrate the role these organizations play in partnership with the larger Icelandic economy.
10. This study did not look at related institutions such as cooperatives and social enterprises in Iceland. Adding these elements into a larger study would aid in demonstrating the greater civil society framework that exists in Iceland.
11. Due to the location of Iceland on the cusp of the Arctic Circle, assessing for the role of third sector organizations in addressing both the environmental and social impacts of

climate change in the Arctic region would be a great contribution to this urgent global challenge.

12. Striving for improvements to the classification system beyond industry and labor stratifications could highlight the mission-oriented activity of third sector organizations which in turn demonstrates the expressed non-economic values of the nation.

Lastly, other researchers who specialize in comparative studies of third sector organizations at a global level now have a new source of data for understanding the sector in various countries, and in particular, the Nordic region. This study, while somewhat limited in the full range of information useful to analyze registered third sector organizations in a country, provides an important addition to the data that has been assembled on the global social economy. Iceland is a critical member of the Nordic region, the Arctic sphere, and the larger global community. The parameters of their civil society are worthy of further research and scholarship.

References

- Aarhus University. (n.d.). *The Nordic region*. <https://nordics.info/show/artikel/the-nordic-region>
- Andersen, L. L., Gawell, M. & Spear, R. (2016). *Social entrepreneurship and social enterprises: Nordic perspectives*. Routledge.
- Anheier, H. K. (2014). *Nonprofit organizations: theory, management, policy* (2. Ed.). Routledge. <https://doi.org/10.4324/9781315851044>
- Anheier, H. K., Lang, M., & Toepler, S. (2020). Comparative nonprofit sector research. (pp. 648-676) in Powell, & Bromley, P. *The nonprofit sector: a research handbook* (Powell & P. Bromley, Eds.; Third edition.). Stanford University Press.
- Appel, S. (2022). Mapping civil society. In K. Biekart & A. Fowler (Ed.), *A research agenda for civil society*, (p.86).
- Bloodgood, E.A., Stroup, S.S., & Wong, W.H. (2023a). What counts? How to use different sources of NGO data. *Voluntas* (34), 126-132.
- Bloodgood, E.A., Bourns, J., Lenczner, M., Shibaiki, T., Tabet, J., Melvin, A., & Wong, W.H. (2023b). Understanding National Nonprofit Data Environments. *Nonprofit and Voluntary Sector Quarterly*, 52(2), 281-303.
- Boris, E., Steuerle, C. E., & Wartell, S. R. (2017). *Nonprofits and government: Collaboration and conflict* (Third edition ed.). Rowman & Littlefield.

- Bushouse, Witkowski, G. R., & Abramson, A. J. (2023). A History of ARNOVA at Fifty. *Nonprofit and Voluntary Sector Quarterly*, 52(1_suppl), 29S–67S.
<https://doi.org/10.1177/08997640221138262>
- Casey, J. (2016a). Comparing nonprofit sectors around the world: What do we know and how do we know it? *Journal of Nonprofit Education and Leadership*, 6(3), 187. <https://doi.org/10.18666/JNEL-2016-V6-I3-7583>
- Casey, J. (2016b). *The nonprofit world: Civil society and the rise of the nonprofit sector*. Kumarian Press.
- Center for Civil Society Studies Archive (n.d.). Publications archive.
<https://ccss.jhu.edu/publications-findings/?did=524>
- DiMaggio, P. J., & Anheier, H. K. (1990). The sociology of nonprofit organizations and sectors. *Annual Review of Sociology*, 16 (1), 137-159.
- Finnbogadóttir, Vigdis. (2016). The Nordic countries – the five swans. In D. Cagan (Ed.), *Nordic Ways* (pp.13-17). Center for Transatlantic Relations, Washington, D.C.
- Grønbjerg, K. A., & Smith, S. R. (2021). The changing dynamic of government–nonprofit relationships. Cambridge University Press. <https://doi.org/10.1017/9781108761291>
- Grønbjerg, K. & Salamon, L. (2012). Devolution, marketization, and the changing shape of government-nonprofit relations. *The state of nonprofit America* (2nd ed., pp. 549). Brookings Institution Press. <https://doi.org/10.7864/j.ctt1xx6fn.18>
- Guðmundsson, Jonas. (2023, February 14). A few questions for the tax authorities about taxation and registration of non-profit organizations. *Visir*.

- Haarder, B. (2016). The Nordic model: why and how? In D. Cagan (Ed.), *Nordic Ways* (pp. 6-12). Center for Transatlantic Relations, Washington, D.C.
- Haddock, M. A., Salamon, L. M., & Sokolowski, S. W. (2017). *Explaining civil society development: A social origins approach*. Johns Hopkins University Press.
- Hébert, K., & Mincyte, D. (2014). *Self-reliance beyond neoliberalism: Rethinking autonomy at the edges of empire*. CUNY Academic Works: New York City College of Technology.
- Heleniak & Sigurjónsdóttir. (2018, April 18). *Once homogenous, tiny Iceland opens its doors to immigrants*. Migration Policy Institute. Retrieved from <https://www.migrationpolicy.org/article/once-homogenous-tiny-iceland-opens-its-doors-immigrants>
- Henrik Sivesind, K., Enjolras, B., & Salamon, L. (2018). *The third sector as a renewable resource for Europe: Concepts, impacts, challenges, and opportunities*. Springer Open. <https://doi.org/10.1007/978-3-319-71473-8>
- Hlynisdóttir, E. M. (2020). *Sub-national governance in small states: The case of Iceland*. Springer International Publishing. <https://doi.org/10.1007/978-3-030-51552-2>
- Hrafnisdóttir, S., & Kristmundsson, Ó H. (2021). *Social enterprise in Iceland: The long journey towards a hybrid welfare model*. In DeFourny & Nyssens (Eds.), *Social enterprise in western Europe* (1st ed., pp. 102-111). Routledge
- Hudson, M. (2004). *Managing without profit: The art of managing third-sector organizations*. London: Directory of Social Change (2nd ed.).

Iceland Chamber of Commerce. (2020, September 22). The Icelandic Economy: 2020. Retrieved from <https://www.chamber.is/reports/icelandic-economy-2020>

Iceland Magazine. (2017, February 28). Large majority of Icelanders believe strong unions crucial for workers, strengthen economy. Retrieved from <https://icelandmag.is/article/large-majority-icelanders-believe-strong-unions-crucial-workers-strengthen-economy>

ILOSTAT. (2022, May 5). *Statistics on union membership*. International Labour Organization. <https://ilostat.ilo.org/topics/union-membership>

Internal Revenue Service (IRS). (n.d.). *Annual exempt organization return: Who must file?* <https://www.irs.gov/charities-non-profits/annual-exempt-organization-return-who-must-file>

International Society for Third Sector Research. (n.d.). *About ISTR*. Retrieved from <https://www.istr.org/general/custom.asp?page=about> (April 12, 2023).

Jónsson, G. (2014). Iceland and the Nordic model of consensus democracy. *Scandinavian Journal of History*, 39(4), 510-528. <https://doi.org/10.1080/03468755.2014.935473>

Jónsson, Ívar. (2006). The Social Economy in Iceland. Háskólinn á Bifröst.

Kristmundsson, Ó. H. (2009). The changing relationship between the government and the nonprofit sector in Iceland. *Icelandic Review of Politics & Administration*, 5(2), 249-266. <https://doi.org/10.13177/irpa.a.2009.5.2.3>

Kristmundsson, Ó. H. & Hrafnadóttir, S. (2011). Welfare non-profit organizations and foundations in Iceland. *Icelandic Review of Politics and Administration*, 2(7), 445-463.

Kristmundsson, Ó. H. & Hrafnadóttir, S. (2012). The role of non-profit organisations in the development and provision of welfare services in Iceland. *Moving the Social*, 48, 179-192.

LeRoux, K., & Feeney, M. K. (2015). *Nonprofit organizations and civil society in the United States* (1st ed.). Routledge. <https://doi.org/10.4324/9780203073438>

McCambridge, R. (2020, April 16). Keeping it real: The scrappy resilience of some nonprofits. *Nonprofit Quarterly*. <https://nonprofitquarterly.org/keeping-it-real-the-scrappy-resilience-of-some-nonprofits/>

Mirabella, R. (n.d.). Nonprofit Management Education. Retrieved from <http://academic.shu.edu/npo/> (April 12, 2023).

Mordkoff, J. T. & Castro, L. (2023). *Data analysis in the psychological sciences: A practical, applied, multimedia approach*. University of Iowa Libraries.

National Center for Charitable Statistics. (June 2020). *The Nonprofit Sector in Brief 2019*. Urban Institute, retrieved from <https://nccs.urban.org/publication/nonprofit-sector-brief-2019#the-nonprofit-sector-in-brief-2019>

Nickel & Eikenberry. (2016). Knowing and governing: The mapping of the nonprofit and voluntary sector as statecraft. *Voluntas*, (27), 392-408.

Pettijohn, & Boris, E. T. (2018). Testing Nonprofit State Culture: Its Impact on the Health of the Nonprofit Sector. *Nonprofit Policy Forum*, 9(3). <https://doi.org/10.1515/npf-2018-0012>

Powell, W. (Ed.). (1987). *The nonprofit sector: A research handbook*. Yale University Press.

Rauði krossin (n.d.). Who we are. <https://www.raudikrossinn.is/english/about-us/who-we-are/>

Salamon, L. M., & Anheier, H. K. (1992). *Toward an understanding of the international nonprofit sector*. The Johns Hopkins University Institute for Policy Studies.

- Salamon, L. M. (1994). The rise of the nonprofit sector. *Foreign Affairs*, 73(4), 109-122.
- Salamon, L. M., & Anheier, H. K. (1997). *Defining the nonprofit sector: A cross-national analysis*. Manchester University Press.
- Salamon, L. M., & Anheier, H. K. (1998). Social origins of civil society: Explaining the nonprofit sector cross-nationally. *Voluntas*, 9(3), pp. 213-248.
- Salamon, L. M., Anheier, H. K., List, R., Toepler, S., & Sokolowski, S. W. *Global civil society: Dimensions of the nonprofit sector* (vol. 1). Kumarian Press.
- Salamon, L. M., & Sokolowski, S. W. (2004). *Global civil society: Dimensions of the nonprofit sector* (vol. 2). Kumarian Press.
- Salamon, L. M., & Toepler, S. (2015). Government-Nonprofit cooperation: Anomaly or necessity? *Voluntas*, 26, pp. 2155-2177.
- Salamon, L. M., & Sokolowski, S. W. (2016). Beyond Nonprofits: Re-conceptualizing the third sector. *Voluntas*, 27, pp. 1515-1545.
- Salamon, L. M., Sokolowski, S. W., & Haddock, M. (2017). *Explaining civil society development: a social origins approach*. Johns Hopkins University Press.
- Salamon, L. M., Enjolras, B., Sivesind, K. H., & Zimmer, A. (2018). *The third sector as a renewable resource for Europe: Concepts, impacts, challenges and opportunities*. Palgrave Macmillan.
- Skatturin (Iceland Revenue and Customs) (n.d.). Retrived from <https://www.skatturinn.is/atvinnurekstur/skattskylda/almannaheillaskra-skattfradrattur/#tab1>

Statistics Iceland. (2023, January). *Overview*. Retrieved on March 20, 2023 from

<https://www.statice.is/statistics/population/inhabitants/overview/>

Statistics Iceland. Statistical Series, March 2006. Vol 91, Issue 19. ISSN: 1670-4487

Steinberg, R., & Young, D. R. (1998). A comment on Salamon and Anheier's "social origins of civil society. *Voluntas*, 9(3).

United Nations Economic Commission for Europe (2007). Register-based statistics in the Nordic countries. United Nations: Geneva.

United Nations, Department of Economic and Social Affairs, Statistics Division. (2018). Satellite Account on Non-profit and Related Institutions and Volunteer Work. United Nations: New York.

Wagner, A. (2000). Reframing "Social origins" theory: The structural transformation of the public sphere. *Nonprofit and Voluntary Sector Quarterly*, 29(4), 541-553. <https://doi.org/10.1177/0899764000294004>

Young, D. R., & Casey, J. (2017). Supplementary, Complementary, or Adversarial? Nonprofit-Government Relations. In Boris, E. T., & Steuerle, C. E. (Eds.), *Nonprofits and government: Collaboration and conflict* (3rd ed., pp. 37-70). Rowman & Littlefield.

Þjóðskrá, or Register Iceland. (2023, March 14). Foreign Citizens residing in Iceland in March 2023. <https://skra.is/um-okkur/frettir/frett/2023/03/14/Erlendir-rikisborgarar-busettir-a-Islandi-i-mars-2023/>

Glossary

Civil Society: one of many terms used to describe the space that exists between a family or household and the larger state or government of a nation

Hagstofa: Statistics Iceland, a national agency

Industry Classification System: a set of codes or terms used generally by government institutions to document and categorize modes of economic employment and development

Kennitala: A unique identification number assigned to Icelandic citizens and corporations by Þjóðskrá (Registers Iceland). In the case of organizations, this number also serves specifically as a tax identification number.

Mapping Projects: research studies that aim to describe and place sets of data onto a society and/or geographical area

Mission Statement: a sentence or phrase that communicates to the public a purpose for the existence of a third sector organization

Nonprofit: a term, often used in the United States, to differentiate a charitable public-serving organization from a private, profit-driven company

Nonprofit Sector: the collective existence of all third sector or nonprofit organizations created for the purpose of a public good, and set apart from governmental and private business sectors

Sector: a sphere of economic or voluntary activity often used for descriptive purposes in the economic and social statistics of a nation

Skatturinn: Iceland Revenue and Customs, a national agency which governs tax policy

Social Economy or Third Sector Economy (TSE): generally refers to the amount of economic activity in a nation (wages, goods, etc.) that are created by charitable purpose organizations

Third Sector Organizations: a term in prominent use in Iceland and elsewhere to describe mission-driven associations of a voluntary nature

Voluntary Associations or Voluntary Sector: alternate terms to describe nonprofit or third sector organizations or the nonprofit or third sector

Þjóðskrá: Registers Iceland, which hosts a national directory on individuals, third sector organizations, and private companies

Appendix A

Region-Mission Crosstabulation on all 12,329 organizations registered in the database

Region * Mission Crosstabulation

Region	Mission											
	Arts, Culture, Humanities	Environment, Agriculture, Animal Welfare	Health & Social Welfare	Religious Organizations	Sports & Recreation	Education & Research	Trade, Political & Advocacy	Employee Associations	Other	Total		
Unknown	Count	0	1	0	1	2	4	0	4	12		
	% within Mission	0.0%	0.2%	0.0%	0.0%	0.1%	0.2%	0.0%	0.2%	0.1%		
Capital Region	Count	862	112	585	165	549	600	1187	697	5186		
	% within Mission	37.9%	22.5%	40.7%	45.2%	31.9%	49.1%	50.6%	42.8%	51.1%		
Southern Peninsula	Count	410	58	334	75	432	242	387	408	2526		
	% within Mission	18.0%	11.7%	23.2%	20.5%	25.1%	19.8%	16.5%	25.0%	21.5%		
Western Region	Count	141	55	85	18	99	60	122	80	693		
	% within Mission	6.2%	11.1%	5.9%	4.9%	5.8%	4.9%	5.2%	4.9%	3.9%		
Westfjords	Count	111	17	63	9	64	36	84	38	446		
	% within Mission	4.9%	3.4%	4.4%	2.5%	3.7%	2.9%	3.6%	2.3%	2.9%		
Northwestern Region	Count	165	57	64	9	96	45	101	63	620		
	% within Mission	7.3%	11.5%	4.5%	2.5%	5.6%	3.7%	4.3%	3.9%	2.4%		
Northeastern Region	Count	252	71	129	38	211	131	196	183	1266		
	% within Mission	11.1%	14.3%	9.0%	10.4%	12.3%	10.7%	8.4%	11.2%	6.6%		
Eastern Region	Count	145	47	62	21	110	39	82	57	593		
	% within Mission	6.4%	9.5%	4.3%	5.8%	6.4%	3.2%	3.5%	3.5%	4.8%		
Southern Region	Count	158	73	96	23	125	53	147	82	806		
	% within Mission	7.0%	14.7%	6.7%	6.3%	7.3%	4.3%	6.3%	5.0%	5.8%		
Westman Islands	Count	29	6	19	7	34	15	34	22	181		
	% within Mission	1.3%	1.2%	1.3%	1.9%	2.0%	1.2%	1.3%	1.8%	1.5%		
Total	Count	2273	487	1437	365	1721	1223	2344	1630	12329		
	% within Mission	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
	% of Total	18.4%	4.0%	11.7%	3.0%	14.0%	9.9%	19.0%	13.2%	6.8%		

Appendix B

Region-Mission Crosstabulation on the subset of 1,022 organizations that include paid staff

Region * Mission Crosstabulation

Region	Mission										Total
	Arts, Culture, Humanities	Environment, Agriculture, Animal Welfare	Health & Social Welfare	Religious Organizations	Sports & Recreation	Education & Research	Trade, Political & Advocacy	Employee Associations	Other	Total	
Capital Region	Count	28	14	79	25	102	67	217	3	10	545
	% within Mission	43.8%	46.7%	57.2%	71.4%	34.0%	53.6%	69.3%	75.0%	76.9%	53.3%
	% of Total	2.7%	1.4%	7.7%	2.4%	10.0%	6.6%	21.2%	0.3%	1.0%	53.3%
Southern Peninsula	Count	2	2	30	4	56	13	26	1	2	136
	% within Mission	3.1%	6.7%	21.7%	11.4%	18.7%	10.4%	8.3%	25.0%	15.4%	13.3%
	% of Total	0.2%	0.2%	2.9%	0.4%	5.5%	1.3%	2.5%	0.1%	0.2%	13.3%
Western Region	Count	3	1	5	0	18	4	8	0	0	39
	% within Mission	4.7%	3.3%	3.6%	0.0%	6.0%	3.2%	2.6%	0.0%	0.0%	3.8%
	% of Total	0.3%	0.1%	0.5%	0.0%	1.8%	0.4%	0.8%	0.0%	0.0%	3.8%
Westfjords	Count	1	2	2	0	7	7	10	0	0	29
	% within Mission	1.6%	6.7%	1.4%	0.0%	2.3%	5.6%	3.2%	0.0%	0.0%	2.8%
	% of Total	0.1%	0.2%	0.2%	0.0%	0.7%	0.7%	1.0%	0.0%	0.0%	2.8%
Northwestern Region	Count	11	1	3	0	19	4	5	0	0	43
	% within Mission	17.2%	3.3%	2.2%	0.0%	6.3%	3.2%	1.6%	0.0%	0.0%	4.2%
	% of Total	1.1%	0.1%	0.3%	0.0%	1.9%	0.4%	0.5%	0.0%	0.0%	4.2%
Northeastern Region	Count	16	4	8	2	51	16	29	0	0	126
	% within Mission	25.0%	13.3%	5.8%	5.7%	17.0%	12.8%	9.3%	0.0%	0.0%	12.3%
	% of Total	1.6%	0.4%	0.8%	0.2%	5.0%	1.6%	2.8%	0.0%	0.0%	12.3%
Eastern Region	Count	3	3	2	2	19	7	5	0	1	42
	% within Mission	4.7%	10.0%	1.4%	5.7%	6.3%	5.6%	1.6%	0.0%	7.7%	4.1%
	% of Total	0.3%	0.3%	0.2%	0.2%	1.9%	0.7%	0.5%	0.0%	0.1%	4.1%
Southern Region	Count	0	3	9	2	24	5	9	0	0	52
	% within Mission	0.0%	10.0%	6.5%	5.7%	8.0%	4.0%	2.9%	0.0%	0.0%	5.1%
	% of Total	0.0%	0.3%	0.9%	0.2%	2.3%	0.5%	0.9%	0.0%	0.0%	5.1%
Westman Islands	Count	0	0	0	0	4	2	4	0	0	10
	% within Mission	0.0%	0.0%	0.0%	0.0%	1.3%	1.6%	1.3%	0.0%	0.0%	1.0%
	% of Total	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.4%	0.0%	0.0%	1.0%
Total	Count	64	30	138	35	300	125	313	4	13	1022
	% within Mission	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	6.3%	2.9%	13.5%	3.4%	29.4%	12.2%	30.6%	0.4%	1.3%	100.0%

Appendix C

Paid staff crosstabulation on adopting new law

Org size measured in paid staff * Adopt_Law Crosstabulation

		Adopt_Law		Total	
		0	1		
Org size measured in paid staff	No paid staff	Count	11231	80	11311
		% within Adopt_Law	92.6%	39.4%	91.7%
		% of Total	91.1%	0.6%	91.7%
	Small less than 25 staff	Count	805	107	912
		% within Adopt_Law	6.6%	52.7%	7.4%
		% of Total	6.5%	0.9%	7.4%
	Medium 25-49 staff	Count	37	11	48
		% within Adopt_Law	0.3%	5.4%	0.4%
		% of Total	0.3%	0.1%	0.4%
	Large more than 50 staff	Count	57	5	62
		% within Adopt_Law	0.5%	2.5%	0.5%
		% of Total	0.5%	0.0%	0.5%
Total	Count	12130	203	12333	
	% within Adopt_Law	100.0%	100.0%	100.0%	
	% of Total	98.4%	1.6%	100.0%	