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EUROPEAN SOCIAL CHARTER

29th National Report on the implementation of
the European Social Charter

submitted by

THE GOVERNMENT OF ICELAND

(Article 1, 15 and 18)

for the period
01/01/2011 – 31/12/2014

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CYCLE XXI-1 (2016)

EUROPEAN SOCIAL CHARTER

29th report on the
implementation of the
European Social Charter



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THE GOVERNMENT OF ICELAND

Ministry of Welfare

(Articles 1, 15 and 18 for the period 1st January 2011 to 31st December 2014)

REPORT

on the application of Articles 1, 15 and 18 for the period 1st January 2011 to 31st December 2014 made by the Government of ICELAND in accordance with Article 21 of the European Social Charter and the decision of the Committee of the Ministers, taken at the 573rd meeting of Deputies concerning the system of submission of reports on the application of the European Social Charter.

Article 1 **The right to work** *1§1, 1§2, 1§3 and 1§4*

Article 1§1 – Full employment

The economic situation.

Following the economic collapse in 2008, economic growth in Iceland was negative and remained so until 2011. The rate for 2009 was negative by 4.7% in 2009; in 2010 it was negative by 3.6%. In 2011 the economy grew by 2%, and growth has remained positive since then (1.2% in 2012; 4.4% in 2013 and 2% in 2014).¹ Adjusted for price-level changes, GDP grew by 1.8% in real terms in 2014, against 3.9% the previous year.²

Allowing for the population increase of 1.1%, GDP per capita grew by 0.7% in real terms in 2014; the previous year the figure was 2.9%. In real terms, GDP during this period, adjusted for population size, did not reach the levels for 2007 and 2008.³

The gross domestic product amounted to ISK 1,989 billion in 2014, which was nearly ISK 111 billion, or 5.9% more than the previous year. In real terms, GDP for 2014 was greater than at any previous time, and is now 0.3% higher than in 2008. Concurrently with this growth, recorded

¹ Eurostat: <http://ec.europa.eu/eurostat/web/products-datasets/-/tec00115>

² Statistics Iceland: Statistical Series (2015:8, 11 September 2015): National accounts. Gross Domestic Product 2014 – revision: https://hagstofa.is/media/49165/hag_150911.pdf

³ Ibid.

unemployment has fallen.⁴ Recorded unemployment stood at 3.6% in 2014, 4.4% in 2013, 5.8% in 2012 and 7.4% in 2011.⁵

Private consumption rose by 3.1% during 2014, which was more than in the past few years; the figure for 2013 was 1.0% and that for 2012 was 1.9%. Private consumption amounted to 52.6% of GDP in 2014, which was similar to the proportion in 2013; the lowest level it reached, 51%, was in 2009-2010. In a historical perspective, this level is very low.⁶

Public consumption rose by 1.8% in 2014; in 2013 it grew by 1.1%, while in 2012 it had dropped by 1.8%. Though this growth is greater than in the past few years, it is still much lower than it was in the years 2005-2008, when it reached 3.4-4.9% each year. As a proportion of GDP, public consumption was 24.4% in 2014, which was similar to the previous few years and rather high in a historical perspective.⁷

Investment grew by 15.4% in 2014. In 2013 it declined by 1%, while in 2012 it grew by 5.3%. There was a steep drop in investment in the period 2007-2010, with drops of 47.8% in 2009 and 8.6% in 2010. Investment came to 16.7% of GDP in 2014, and had been at its lowest level, in historical terms, for some years up to then.⁸

National expenditure, i.e. consumption and investment combined as a single figure, rose by 5.2% in real terms in 2014. This was the largest increase for any year since 2006. In 2013 it rose by 0.2%; in 2012 it rose by 1.5%.⁹

A greater rise in imports than exports, in real terms, resulted in GDP growing far less than the rise in national expenditure. In 2013, a positive balance on the trade and services account contributed to economic growth; that year, national expenditure rose by 0.2% and GDP by 3.9%. In 2012 growth was more balanced: national expenditure rose by 1.5% and GDP by 1.2%.¹⁰

Inflation reached the target level set by the Central Bank of Iceland, 2.5%, early in 2014, and remained at or below this level throughout the year. Average inflation stood at 2%, having fallen from 3.9% in 2013 and 5.2% in 2012. In December 2014, annualised inflation came to 0.8%, the first time it had fallen below the 1% lower boundary of the inflation target range. Inflation has not been lower since the end of 1994. It has been powered mainly by increases in the housing component of the consumer price index, and taking the cpi without the housing component, price-levels were 0.4% lower in December 2014 than they were a year previously. Drops in the

⁴ Ibid.

⁵ Ársskýrslur Vinnumálastofnunar 2011-2014: <https://www.vinnumalastofnun.is/um-okkur/tolfraedi-og-utgefid-efni/arsskyrslur>.

⁶ Statistics Iceland: Statistical Series (2015:8, 11 September 2015): National accounts. Gross Domestic Product 2014 – revision: https://hagstofa.is/media/49165/hag_150911.pdf

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

price of imported goods and services reduced inflation substantially, and in December 2014 the drop in inflation over the year came to 2.8%.¹¹

The employment situation.

Employment rate.

Table 1. Employment rate by months (%).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2011	74.5	74	74.2	74.1	75.4	77	76	75.6	73.8	74.1	74.6	74.8
2012	74.7	74.2	74.4	74.5	77.3	77.3	76.6	74.8	76.9	75.7	75.5	76
2013	74.9	76.4	75.2	77.6	77.2	75.5	77.7	77.9	78.2	78.3	77.1	77.7
2014	75.3	76.4	76.2	75.9	78.3	78.4	78.8	78.3	76.9	78.4	79	77.3

The employment rate is the proportion of people in work as a percentage of the total population.

Source: Statistics Iceland.

As the above table shows, the employment rate has risen in recent months. In 2011, the average rate was 74.8%; in 2012 it was 75.7%; in 2013 it was 77% and it reached 77.4% in 2014.

Table 2. Employment rate of women by months (%).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2011	72.8	72.1	73.6	74.2	74	75.3	73.2	72.5	70.7	69.5	70.3	71.7
2012	70.8	71.6	72.4	72.1	76.9	75	74.8	72.4	74.9	72.9	73.7	73.7
2013	72	73.7	73.4	75.3	74.3	73.1	75.3	76.1	75.6	75.3	74.9	74.9
2014	72.8	72.8	73.4	73.3	74.3	74.7	74.7	75.3	75.4	75.9	75.2	74.9

The employment rate is the proportion of people in work as a percentage of the total population.

Source: Statistics Iceland.

There was a general rise in the average employment rate among women during the period. This was 72.5% in 2011, 73.4% in 2012, 74.5% in 2013 and 74.4% in 2014.

Table 3. Employment rate of men by months (%).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2011	76.2	76	74.8	74	76.9	78.6	78.9	78.8	76.7	78.8	78.9	77.8
2012	78.6	76.6	76.3	76.8	77.6	79.7	78.4	77.2	78.8	78.4	77.3	78.2
2013	77.8	79.1	77	79.8	80	77.9	80.1	79.6	80.8	81.2	79.2	80.4
2014	77.8	80	79	78.5	82.4	82.1	82.8	81.3	78.4	80.8	82.7	79.8

The employment rate is the proportion of people in work as a percentage of the total population.

Source: Statistics Iceland.

¹¹ Ársskýrsla Seðlabanka Íslands 2014:

<http://www.sedlabanki.is/library/Skraarsafn/Arsskyrsla/%C3%81rssk%C3%BDrsla%202014.pdf>

The employment rate among men rose during the period. On average, it was 77.2% in 2011, 77.8% in 2012, 79.4% in 2013 and 80.5% in 2014.

Table 4. Youth employment rate (ages 16-24) by months (%).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2011	68.3	57.8	63.6	65.8	66	67.4	65.1	62.3	59.4	58	62.2	64
2012	60.2	63.8	64.3	65.2	66.8	68.7	68.7	60.8	72.5	64.1	68.1	70.8
2013	65.2	71.2	69.9	70.5	66.3	66	70.1	72	70.4	71.7	73.6	77.4
2014	69.2	71	72.4	66.6	71.3	70.6	69.2	69.6	66.8	73.3	70.1	67.5

The employment rate is the proportion of people in work as a percentage of the total population.

Source: Statistics Iceland.

The proportion of young people in employment generally rose during the period. The employment rate among young people was, on average, 63.3% in 2011, 66.2% in 2012, 70.4% in 2013 and 69.8% in 2014. The employment rate was higher among women than among men, as can be seen from the following table.

Table 5. Youth employment rate of women and men (ages 16-24) by quarters of the year (%).

	1. quarter	2. quarter	3. quarter	4. quarter
Women				
2011	64.1	76.3	69.6	61.6
2012	61.3	68.7	76.5	69.5
2013	69.6	78.4	79.9	76.1
2014	71.2	75.6	77.1	68.6
Men				
2011	50.9	63.7	68.4	53
2012	52.8	71.1	70.5	58
2013	56.7	65.5	74.6	64.7
2014	59.1	71.6	72.6	63.1

The employment rate is the proportion of people in work as a percentage of the total population.

Source: Statistics Iceland.

Activity rate.

Despite a net reduction in the number of people of working age, the activity rate rose steadily; this applies to both men and women. At the same time, total unemployment declined greatly from the levels described in the last report. For some years now, unemployment in Iceland has been very low and the activity rate very high. Table 6 shows the ratio of the labour force to the total population during the period 2011-2014 according to figures provided by Statistics Iceland.

Table 6. Activity rate, by age (%).

Year	2011	2012	2013	2014
Men				
16-24	72,3	74	75,5	76,6
25-54	92,7	92,3	92,8	92,9
55-74	71,6	69,5	71,9	73,3
Total	83,7	83,1	84,2	84,7
Women				
16-24	75,9	78,8	82,5	78,4
25-54	85,4	86,1	86,6	86,3
55-74	59	58,8	58,9	61,2
Total	77,1	77,7	78,5	78,2
All				
16-24	74,1	76,3	78,9	77,5
25-54	89,1	89,2	89,7	89,6
55-74	65,3	64,2	65,4	67,2
Total	80,5	80,5	81,4	81,5

*The activity rate is the proportion of the workforce as a percentage of the whole population. The workforce consists both of people in work and the unemployed.

Source: Statistics Iceland

The activity rate rose slightly between 2012 and 2013, from 80.5% to 81.4%, and the number of people on the labour market rose from 180,100 to 184,900, the first increase since 2008. The increase was recorded for both sexes, both in the metropolitan area and the rest of the country and in all age groups, though the proportional rise was greatest in the youngest age group.¹² In 2014 the activity rate was 81.5%, which was similar to the previous year, with 187,000 on the labour market. The largest increase from 2013 to 2014 was in the age group 55 years and older, which is explained by the fact that the workforce is growing older.

Men's activity rate rose by just under one percentage point from 2012 to 2013. In the same period, the number of men in employment rose by 3,000 while there was a drop of 500 in the number of unemployed men. The rise in women's activity rate was smaller, with an increase of 2,500 in the number of working women and a drop of 400 in the number of unemployed women. In 2014 men's activity rate rose by 0.5 percentage points from 2013 with an increase of 1,600 in the number of employed men and a decline of 600 in the number of unemployed men. Among

¹² <https://www.vinnuamalatofnun.is/media/1434/arsskyrsla2013-final-nobleed.pdf>

women the trend was similar, except that women's activity rate fell slightly. There was a rise of 1,200 in the number of working women and a drop of 200 in unemployed women.¹³

The increase in the number of jobs in 2012-2013 was mainly in the hotel and catering sector and the construction industry. There was also some increase in fish processing and a small increase in public services.¹⁴ The period 2013-2014 saw a conspicuous increase in specialised service jobs of various types, such as tourism, various tourism-related activities and rental activities connected with the construction industry. There were also increases in the transport industry, in information and communications services and in the operation of hotels and guesthouses.¹⁵ Overall, it may be said that most of the new jobs in the period 2011-2014 were in tourism-related activities.

Unemployment.

Table 7. Unemployment figures, by month (in thousands).

Month Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Av. %
2011	8.5	8.6	8.6	8.1	7.4	6.7	6.6	6.7	6.6	6.8	7.1	7.3	7.4
2012	7.2	7.3	7.1	6.5	5.6	4.8	4.7	4.8	4.9	5.2	5.4	5.7	5.8
2013	5.5	5.5	5.3	4.9	4.3	3.9	3.9	4	3.8	3.9	4.1	4.2	4.4
2014	4.5	4.5	4.5	4.1	3.6	3.2	3.1	3.1	3	3.2	3.3	3.4	3.6

Source: Directorate of Labour.

The above table shows clearly how recorded unemployment declined steadily over the period, from 7.4% in 2011 to 3.6% in 2014. The figures for 2012 and 2013 were 5.8% and 4.4% respectively.

¹³ Ársskýrsla Vinnumálastofnunar 2014: <https://www.vinnumalastofnun.is/media/1501/vmst-arsskyrsla-2014-vefur.pdf>

¹⁴ Ársskýrsla Vinnumálastofnunar 2013: <https://www.vinnumalastofnun.is/media/1434/arsskyrsla2013-final-nobleed.pdf>

¹⁵ Ársskýrsla Vinnumálastofnunar 2014: <https://www.vinnumalastofnun.is/media/1501/vmst-arsskyrsla-2014-vefur.pdf>

Table 8. Unemployment figures (%), by age and gender.

Year	2011	2012	2013	2014
Men				
16-24	18.4	14.7	13.6	13.1
25-54	5.6	4.8	4.4	3.8
55-74	6.3	4.4	3.4	2.7
Total	7.8	6.4	5.7	5.1
Women				
16-24	10.7	12.4	7.8	6.9
25-54	5.6	4.4	4.9	5
55-74	3.8	3.7	3	2.9
Total	6.2	5.7	5.1	4.9

Source: Statistics Iceland.

Recorded unemployment among men during the period was slightly higher than the figure for women, though at the same time it dropped much more rapidly. In 2011, 7.8% of men and 6.2% of women were without work; in 2012 the figures were 6.4% and 5.7% respectively; in 2013 they were 5.7% and 5.1%, while in 2014 the figures were closer: 5.1% for men and 4.8% for women.

As was described in the last report, the greatest disparity in unemployment figures between the sexes was in 2009, when 8.3% of men and 5.7% of women were without work. Thus, the figures have become more even with each year since then, and at the same time unemployment has been on the decline among both sexes.¹⁶

The explanation for the high level of unemployment among men in the years 2009-2012 lies in the sharp contraction in certain occupations, for example the construction industry, following the economic collapse of October 2008. The industry made a considerable recovery in 2013 and 2014 and is still growing.

¹⁶ <https://hagstofa.is/talnaefni/samfelag/vinnumarkadur/vinnumarkadur/>

Table 9. Unemployment, by region and gender.

	Men				Women				Total			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
Metropolitan area	5,036	3,654	2,595	2,023	4,086	3,283	2,811	2,374	9,122	6,937	5,406	4,397
– Reykjavik	3,218	2,378	1,695	1,323	2,461	1,940	1,702	1,411	5,679	4,319	3,398	2,734
– Other local authorities	1,818	1,276	900	700	1,625	1,343	1,108	963	3,443	2,618	2,008	1,663
Rural area	2,021	1,384	1,044	943	1,924	1,517	1,276	1,134	3,944	2,901	2,320	2,077
– Suðurnes	752	536	351	293	686	535	428	363	1,437	1,071	778	656
– W. Iceland	176	123	101	90	186	137	127	120	362	260	227	210
– West Fjords	62	48	43	40	64	42	47	36	126	90	90	75
– Northwest	72	40	29	39	55	40	31	41	127	81	60	81
– Northeast	439	293	259	235	423	344	298	289	862	637	557	524
– East Iceland	135	85	59	70	172	139	110	100	307	224	169	170
– South Iceland	386	260	203	178	338	280	236	185	724	539	439	363
Total	7,057	5,038	3,639	2,967	6,009	4,800	4,087	3,508	13,066	9,838	7,726	6,474

Source: Directorate of Labour.

Unemployment is slightly lower according to figures from the Directorate of Labour is slightly lower than appears from Statistics Iceland's figures above; this is because the directorate's figures cover the age range 18-70 while Statistics Iceland's cover the age range 16-74. Moreover, the figures of Statistics Iceland are based on a telephone survey whereas the figures from the Directorate of Labour are based on the number of people registered as unemployed with the Directorate. The directorate's figure for recorded unemployment in 2014 was 3.6%, composed of 3.2% among men and 4.2% among women. The highest rate, 4.5%, was among women in the metropolitan area and the lowest, 2.8%, was among men in other parts of the country. Of individual regions, unemployment was greatest in the Suðurnes region throughout the period. In 2014 it stood at 5.7% in the Suðurnes region: 7% among women and 4.7% among men. The next highest figure was in the metropolitan area: 3.9%. In the Northeast it averaged 3.2% during the same year and in the South it was 2.7%. Elsewhere, unemployment rates were lower, lying in the range 2.0-2.3%.¹⁷ Between 2013 and 2014, unemployment in the metropolitan area declined by 1 percentage point, and by 0.4 percentage points in the rest of the country. The drop in the number of jobless people in 2014 was 1,003 in the metropolitan area and 248 in the rest of the country.

The largest group (17%) among those who were unemployed in 2014 had last worked in the commercial (shop and office workers') sector; 10% had last been employed in industry and 9% in the hotel and catering sector. Only 5% reported last having worked in the construction industry; this proportion has declined rapidly in the past few years. The largest category among the

¹⁷ Ársskýrsla Vinnumálastofnunar 2014: <https://www.vinnumalastofnun.is/media/1501/vmst-arsskyrsla-2014-vefur.pdf>

unemployed were unskilled workers (28%). About 15% had worked in various care-giving and service occupations and about 13% in sales and services.¹⁸

Table 10. Educational background of the unemployed.

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
<i>Men</i>				
Basic schooling	49.9	55.9	52.6	52.5
Vocational and secondary school	33.9	29.5	33.5	34
Post-secondary	16.2	14.6	13.9	13.5
<i>Women</i>				
Basic schooling	50	58	47.3	34.5
Vocational and secondary school	27.1	27.1	23.5	29.9
Post-secondary	22.9	14.9	29.3	35.6

Source: Statistics Iceland.

It should be noted that women with post-secondary (university level) education constituted a higher proportion of the unemployed than did those who had completed only basic schooling. The number of unemployed women with post-secondary education more than doubled, as a proportion of all unemployed women, between 2012 and 2014, from 15% to 36%. At the same time, the proportion of those who had only basic schooling behind them fell from 58% to 34.5%. The trend among unemployed men with post-secondary education was different: their proportion declined over the period from 14.6% in 2012 by more than one percentage point to 13.5% in 2014.

A report published by the trade union VR in January 2016¹⁹ revealed that emigration from Iceland was on the rise as immigration was falling. This is unusual in view of the fact that the general unemployment level has been falling and the economy is growing. The author of the report attributed the situation to the fact that the number of unemployed university graduates had risen by 275% between 1 January 2006 and 1 January 2016.

The report stated that there was no satisfactory explanation for this situation, but the idea has been voiced that it reflects, amongst other things, a lack of variation in the types of new jobs created during the period. It has also been pointed out that the tourist industry has expanded greatly during the period; this is a sector that offers few positions for workers with industrial and technical skills or university education.

¹⁸ <https://www.vinnumalastofnun.is/media/1501/vmst-arsskyrsla-2014-vefur.pdf>

¹⁹ Efnahagsyfirlit VR (janúar 2016): <http://www.vr.is/media/3730/efnahagsyfirlit-vr-januar-2016.pdf>

The number of persons who had been without work for more than 6 months fell in each year over the period, as the table below shows.

Table 11. Long-term unemployment.

	2011	2012	2013	2014
0-6 months	5,680	4,363	3,844	3,356
6-12 months	2,736	1,914	1,712	1,439
More than 12 months	4,651	3,561	2,171	1,679
Total	13,067	9,838	7,727	6,474

Source: Directorate of Labour

Long-term unemployment declined steadily from 2011 to 2014. Those who had been without work for one year or more constituted 28% of the total in 2013 but 26% in 2014. Those who had been unemployed for 6 months or more formed 55-57% of the total in 2010-2012, and 51% in 2013. Long-term unemployment rates among women were rather higher than among men in 2014: 28% of unemployed women were, on average, in the long-term category, compared with 24% of men. Long-term unemployment was more common in 2014 among the older age groups than among youth. It was also more common in the metropolitan area, where nearly 30% of all unemployed persons had been in that condition for a year or more, than in the rest of the country, where the corresponding figure was about 20%.

Labour market measures.

The principal legislation in this area consists of the Unemployment Insurance Act, No. 54/2006 and the Labour-Market Measures Act, No. 55/2006, together with the Regulation No. 12/2009, on participation in labour-market measures by job-seekers who are insured under the unemployment insurance system, and on grants for moving house and Regulation No. 13/2009, on studies and programmes of study that are recognised as labour-market measures.

An amendment was made to the Unemployment Insurance Act, No. 54/2006, at the end of 2014 by which the period for which unemployment benefit is paid was shortened by 6 months from 3 years to 2½ as from January 2015; thus, benefit could be paid for 30 months instead of 36. This arrangement will be described in further detail in the next report.

Labour-market measures come under the purview of the Ministry of Welfare; under the Labour-Market Measures Act, No. 55/2006, they are organised and implemented by the Directorate of Labour. No amendments have been made to the Act since the last report was submitted.

‘Labour-market measures’ refers to labour exchange services, the assessment of job-seekers’ competence and the structure of remedial measures designed to enhance job-seekers’ capacity for work, so enhancing their chances of returning to the labour market as active participants.

Educational and vocational counselling, and also social and psychological counselling are available to job-seekers; counselling is provided both in the form of individual interviews and group sessions. The counsellors are in charge of the structure and delivery of these counselling services.

The remedial measures offered by the Directorate of Labour consist on the one hand of parts of its regular activities or are purchased from various education-providers or other partners of the directorate. Remedies with a study component take various forms, and are generally divided into short courses, on the one hand, and more formal courses of study on the other. However, as they vary greatly in terms of content and duration, the distinction is not always clear-cut. Here they are grouped into five categories.

- 1) *Basic remedies*: Remedies of short duration which are open to all job-seekers, such as courses in seeking employment, drawing up a CV, setting targets and identifying fields of interest.
- 2) *Short courses*: Courses aimed at enhancing the job-seeker's position when seeking employment, e.g. computer courses, courses in operating working machinery and other job-related courses. Courses in Icelandic are also available for foreign nationals.
- 3) *Study programmes*: Various programmes in the upper secondary schools and post-secondary (university-level) institutions are available to job-seekers wishing to add to their skills or complete a formal qualification. During these programmes participants who are covered by the social insurance system are required to be actively seeking employment, with some rare exceptions.
- 4) *Employment-related remedies*: Job-seekers can undergo rehabilitation of various types aimed at equipping them to play an active role on the employment market. Agreements are made with individuals covering their participation in vocational rehabilitation, and the resultant costs in connection with such remedies, which are organised by parties providing vocational rehabilitation, such as rehabilitation centres, are paid.
- 5) *Vocational training remedies*: While job-seekers are undergoing vocational training for specific periods in private enterprises, public bodies or municipal authorities, they are exempt from the requirement of taking part in active employment searches. Agreements are made with the employer covering such training, and the employers receive a certain grant during the agreed period, which may be as long as six months.

In the aftermath of the financial crisis in 2008 the government enacted targeted labour market measures as described in the 25th report. The measures that were still in place during the period covered by the present report were as follows.²⁰

Youth in action (*Ungt fólk til athafna*).

²⁰ uppl fengnar úr tveim skýrslum frá VMST; report 2010-2015 og skýrslu um stöðu kvenna – auk uppl frá VMST i tölvupósti

That project has been in place since the beginning of 2010 and is aimed at individuals aged 16-29 who are unemployed and registered for unemployment benefit, with the main focus on maintaining their activity for three following the loss of employment. The governmental project has focused on activation measures through education and training, job-training and voluntary work. In the light of studies of position of young people during recessions, the campaign was designed to minimize the effects of long-term unemployment on the lives and health of those most at risk. Later that year a similar project was launched for older job-seekers under the name DARE (PÖR).

In 2010 and 2011, between three and four thousand unemployed young people aged 16-29 took part in projects connected with the *Youth in Action* programme. Surveys conducted among participants revealed that the majority were satisfied with the solutions they had been invited to take part in and felt that they increased their skills and their chances on the job market. Initially, attention was focussed on those who had been without work for a year or more, and the project was gradually extended to involve those who had been unemployed for shorter periods. More than 6,000 people participated in activities of some sort that formed part of this programme designed to keep unemployed people active during the years 2010-2012.

DARE - Knowledge and Experience (PÖR – þekking og reynsla).

The project was presented in late 2010 and was targeted at the age-group 30-70 years old. In March 2011, services for all job-seekers were brought together in a single service category, and this programme, together with *Youth in action*, was incorporated in it.

The main aim of both of these campaigns was to ensure that job-seekers remained active by offering them a varied range of solutions related either to study or employment. At the same time, it was made a priority to offer job-seekers quality counselling services, both from the Directorate of Labour and other professional bodies. Entities providing training courses, including schools, volunteer organisations such as the Red Cross and the sports movement, were involved in consultative work to develop programmes to be offered to job-seekers. Job-seekers who rejected offers to participate in these courses risked the temporary loss of benefits.

Education is a way that works (Nám er vinnandi vegur).

The campaign was launched in 2011 following the submission of proposals by a task force on the formulation of a plan of action covering labour-market measures, vocational training, retraining and rehabilitation; the task force had been appointed by the prime minister at the time in February 2011. The campaign was an important part of the Government's attempts to raise the general level of educational qualifications: one-third of the workforce in Iceland has not completed any course of formal education after compulsory school and the drop-out rate from upper secondary schools in Iceland is higher than in most other Western countries.

The aim of *Education is a way that works* was to guarantee 10% of job-seekers (about 1,000 individuals who were registered as unemployed with the Directorate of Labour) who met certain conditions greater access to further studies within the upper-secondary level of the schools and in the foundation courses as a preparation for third-level (university) education and in further-education courses. Special emphasis was placed on introducing these people to technical and practical studies; according to a study by the European Centre for the Development of Vocational Training (Cedefop), there will be an imbalance between the needs of the business economy and skills of the workforce emerging from Iceland's educational systems in the coming years.

The Directorate of Labour was in charge of the project. Job-seekers had the opportunity to pursue full-time studies while receiving unemployment benefit for one semester in 2011, after which they could take student loans where their courses qualified for such loans or else receive grants from the Unemployment Insurance Fund for three further semesters to pay tuition fees and general support.

In the nature of things, this remedial measure was of greater benefit to younger job-seekers; 62% of those who took part in the scheme and registered in it with the Directorate of Labour were aged 29 or younger. The gender ratio was more or less even: 53% were men and 47% women. Applicants came from all sorts of backgrounds, many of them having encountered learning difficulties during their schooling. The drop-out rate from study courses was lower than had been expected, and most participants have continued with further studies. At the end of 2012, about 10% of the group had resumed drawing unemployment benefit after dropping out of their study courses. It is therefore clear that the campaign had a very considerable impact and substantially reduced the numbers of persons registered as unemployed. Job-seekers were invited to participate in *Education is a way that works* in autumn 2011 and again in autumn 2012, on the latter occasion with more restricted conditions.

A Working Way (*Vinnandi vegur*).

A special campaign was launched at the beginning of 2012 with the intention of ensuring up to 1,500 long-term unemployed people jobs or employment-related remedies. Under the name *A working way*, the project was mounted jointly by the Government, the local authorities and the principal associations on the labour market; it was administered by the Directorate of Labour and some private labour exchanges were involved under contract.

New jobs were created under the project either in private enterprises or in the local authorities with the assistance of the Unemployment Insurance Fund for the long-term unemployed. Under contracts with the Directorate of Labour, the companies or authorities provided the vocational training and received the equivalent of the basic unemployment benefit payments owed to the individuals concerned; they then paid the participants according to the rates specified in the collective agreements. These contracts could run for up to 12 months in the case of those who had been without work for the longest periods.

The campaign was not exclusively aimed at the long-term unemployed, but about 70% of those who received work through it had been without work for more than one year. Altogether, 1,385 contracts were made; 65% of these covered jobs in the private sector, 30% jobs with the local authorities and 5% with the state. At the end of 2013, when most of the vocational training contracts made under *A working way* had expired, only about 30% of participants had registered again as unemployed, while about 70% had been taken on for further periods or found work elsewhere.

Reinforcement (*Liðsstyrkur*).

The project was launched at the beginning of 2013 in view of a legislative amendment to the Unemployment Insurance Act which rescinded a provision allowing for an exceptional four-year benefit period, so as from the beginning of 2013, unemployed persons were only entitled to three years' benefit payments. The aim of this was to avoid people becoming unfit for work as a result of long-term unemployment. In 2013, about 3,000 job-seekers were coming to the end of their benefit entitlement period and the aim was to create up to 2,200 new jobs with the municipalities, the state and in the private sector. The eventual number of jobs created was lower than had been hoped; about 1,000 people were engaged in work through this programme, i.e. about one third of the whole group. Another third chose not to participate in the project, and one third came to the end of their benefit periods without finding work.

Formal collaboration with the local authorities:

Job-square (*Atvinnutorg*).

At the beginning of 2012, the 'Job-square' (*Atvinnutorg*) project was set up by the local authorities in Reykjavík, Hafnarfjörður, Kópavogur and the Suðurnes region, the aim being to meet the needs of people under the age of 25 in these areas who were neither involved in study programmes nor participating in the labour market. This was a joint project involving the Directorate of Labour, the Ministry of Welfare and the municipal councils in the areas concerned. The aim was to make young people who were drawing financial support from the social services departments of their municipalities more active; to promote collaboration and continuity of services provided by the Directorate of Labour, on the one hand, and the municipalities in question on the other to young unemployed people, irrespective of whether or not they were entitled to payments from the Unemployment Insurance Fund. In January 2015, the services provided through *Atvinnutorg* and those provided by *Pathway* (*Stígur* – see next paragraph) were merged in a single service portal of the Directorate of Labour.

Pathway (*Stígur*) – expanded collaboration between the Directorate of Labour and the local authorities.

The Directorate of Labour began a programme of collaboration with the local authorities all over Iceland in November 2013 to address the position of job-seekers who have no benefit entitlement within the unemployment insurance system but are receiving financial assistance from the social

services departments of their municipalities. The aim is to support individuals in their job searches so that they can become actively involved in the labour market as soon as possible, so cutting down as far as possible the numbers who are dependent on their municipalities for their support. As no end date was set for this collaboration it does not really comply with the definition of a programme. The measures consist of labour-exchange services, counselling, labour-market measures, job-related rehabilitation and follow-up monitoring of job-seekers.

Students' summer employment.

In view of the legislative amendments by which students were no longer entitled to receive unemployment benefit during the summer periods between their course semesters, a special project was launched by the Directorate of Labour in summer 2010 to create summer jobs for students in collaboration with state and municipal bodies. ISK 250 million was channelled to the project from the Unemployment Insurance Fund that year, so creating about 900 three-month job positions. This project has been repeated each year up to 2016, though on a smaller scale because of the recovery in the labour market.

The main amendments made to regulations during the period with a bearing on labour-market measures were as follows.

In connection with the campaign *Education is a way that works*, temporary authorisation was granted to give job-seekers the opportunity of pursuing courses of study that qualify for student loans at the upper-secondary school level and preparatory courses (also qualifying for student loans) for university (post-secondary) study while receiving unemployment benefit and with exemption from the obligation to be actively seeking work. This was done by the Regulations No. 781/2011 (amending Regulation No. 12/2009, in force until the end of 2011), 782/2011 (amending Regulation No. 13/2009, in force until the end of 2011), 705/2012 (amending Regulation No. 12/2009, in force until the end of 2012) and 706/2012 (amending Regulation No. 13/2009, in force until the end of 2012).

In addition, Regulation No. 705/2012 contained provisions granting the trade unions' labour exchange (Starf-vinnumiðlun) the same authority regarding the making of educational and vocational-training contracts as the Directorate of Labour. Amendments were made to Regulation No. 12/2009 under *Regulation No. 162/2012* by which, among other things, training in the workplace was added as a labour-market measure.

Temporary additional authorisations were also granted for the engagement of workers under vocational training contracts. Regulation No. 12/2009 was amended by *Regulation No. 48/2013* under which, amongst other things, authorisation was granted for vocational training contracts for 7 months with job-seekers who had fully utilised their entitlement to unemployment benefit or were about to do so.

Comment by the European Committee

Conclusions XX-1, Article 1-1, p. 2.

The Committee takes note of the different active measures mentioned in the report, but asks what is the overall activation rate, i.e. the average number of participants in active measures as a percentage of total unemployed.

In the period 2011-2014, the proportion of those who were registered as unemployed who participated in labour-market measures of some type lay in the range 33-39%. These measures could range from one-day short courses to programmes of study covering several months, and vocational training lasting up to 6 months or more.

About 27,000 people joined the unemployment register in 2011, of whom 10,600 (39%) participated in labour-market measures of some type. The ratios among women and men were similar. As before, basic measures and short courses formed the major part of these remedial measures, but after *Education is a working option* was launched in autumn 2011, longer courses accounted for a larger proportion.

The *A Working Way* campaign was prepared in parallel with *Education is a way that works* and was launched in spring 2012. As a result, the proportion of job-training measures rose considerably. At the same time the number of those participating in such measures grew from just over 1,000 to more than 2,000, while there was some decline in participation in basic remedies and study courses; this applied both to short and long courses. The total number of unemployed people in 2013 stood at 23,000 and the total number of participants in labour-market measures that year came to about 8,000, or 35%. As before, there was little difference in the participation rates of men and women.

There was a rapid decline in the number of unemployed people in 2013 as the economic situation improved, and also as a result of a shortening of the period during which unemployment benefit could be paid. Previously, this period had been lengthened temporarily from three years to four as a response to the situation on the labour market following the economic recession that began in autumn 2008. In the light of the improvement in the employment situation, it was considered that there was reason to shorten it to three years again. In all, just over 19,000 people were registered as unemployed for some length of time in 2013. Participation in labour-market measures was similar to that in the preceding years: about 7,300 (38%) of job-seekers participated in remedies of some sort and, as before, the ratios were similar among men and women. Vocational training measures remained popular in 2013, with about 2,400 participants, about 1,000 of them beginning vocational training in connection with the *Reinforcement* project. There was a great reduction in the numbers taking part in general courses of various types, as the need for general activation measures declined as unemployment declined, as can be seen in the table below which displays the

The total number of those on the unemployment register for some length of time fell in 2014 to less than 17,000. As before, about one third (5,600) participated in job-market measures, with a slightly higher proportion (35%) among women than among men (31%). Rather fewer vocational-training remedies and long courses were available than had been the case in the previous years, and there was less of a drop in the numbers of participants in basic remedies and short courses.²¹

Participation rates and the breakdown by gender are shown in the tables below. The success rate is the statistical measurement of the proportion of people who, after participating in remedies, were not on the unemployment register three months after the end of the remedy programme. Thus, the employment situation has an effect on the the remedies, in addition to which the remedies vary in their effectiveness. For example, as compared with individual courses, vocational training remedies have produced the best results in terms of returning people to the labour market.

Table 12. Total unemployed and participation in active measures.

	2011	2012	2013	2014
Unemployment recorded by Directorate	7.4%	5.8%	4.4%	3.6%
No. of job-seekers registered by Directorate ¹	26,855	22,828	19,310	16,862
Job-seekers registered in remedial measures ²	10,567	8,003	7,317	5,579
Activity (participant) ratio in measures	39%	35%	38%	33%
Success rate	37%	47%	50%	48%

¹ Cumulative figures for each year; the number at any given time (or in any given month) was lower.

² Total number of individuals who participated in measures of some sort during the year (cumulative figure).

Source: Directorate of Labour

Table 13. The average number of participants in active measures as a percentage of total unemployed.

<i>Total</i>			
<i>Year</i>	<i>Participants in active measures</i>	<i>Total unemployed</i>	<i>% participating in measures</i>
2011	10,567	26,855	39%
2012	8,003	22,828	35%
2013	7,317	19,310	38%
2014	5,579	16,862	33%

Source: Directorate of Labour

²¹ Skýrsla til Alþingis um stöðu kvenna á vinnumarkaði [Parliamentary report on the position of women on the labour market]: <http://www.althingi.is/altext/pdf/145/s/0701.pdf>

Table 14. The average number of women and men in active measures as a percentage of total unemployed.

Year	Women			Men		
	<i>Participants in active measures</i>	<i>Total unemployed</i>	<i>% participating in measures</i>	<i>Participants in active measures</i>	<i>Total unemployed</i>	<i>% participating in measures</i>
2011	5,899	14,768	40%	4,668	12,087	39%
2012	4,145	12,121	34%	3,858	10,707	36%
2013	3,610	9,732	37%	3,707	9,578	39%
2014	2,582	8,273	31%	2,997	8,589	35%

Source: Directorate of Labour

The following tables show participation by men and women in individual types of remedial measure in each year and the proportional division from year to year. They show how the numbers participating in vocational training solutions rose greatly from 2012 to 2013 among both sexes, though more among men, with a 35% participation rate in vocational training remedies by men against 21% among women. In all years, men made greater use of vocational training remedies than did women. On the other hand, women went in for longer study courses more than men did; the proportion was about 20% among women for the years 2011-2014, and slightly lower among men. Overall, participation rates in basic remedial measures remained more or less the same among women and men, with small variations from year to year; the same may be said of job-related measures.

Table 15. Numbers of men participating in particular types of measure, 2011-2014.

	2011	2012	2013	2014
Basic remedies	2,393	1,496	1,338	1,353
Short courses	2,707	1,716	751	714
Study programmes	1,195	446	460	297
Empl.-related remedies	185	174	200	120
Vocat. tr. remedies	701	1,322	1,470	536

Source: Directorate of Labour

Table 16. Proportional participation by type of remedy, 2011-2014: men.

	2011	2012	2013	2014
Basic remedies	33%	29%	32%	45%
Short courses	38%	33%	18%	24%
Study programmes	17%	9%	11%	10%
Empl.-related remedies	3%	3%	5%	4%
Vocat. tr. remedies	10%	26%	35%	18%

Source: Directorate of Labour

Table 17. Numbers of women participating in particular types of measure, 2011-2014.

	2011	2012	2013	2014
Basic remedies	1,969	1,609	1,625	1,512
Short courses	1,705	1,410	829	850
Study programmes	1,470	836	854	649
Empl.-related remedies	174	205	248	144
Vocat. tr. remedies	484	868	949	441

Source: Directorate of Labour

Table 18. Proportional participation by type of remedy, 2011-2014: women.

	2011	2012	2013	2014
Basic remedies	34%	33%	36%	42%
Short courses	29%	29%	18%	24%
Study programmes	25%	17%	19%	18%
Empl.-related remedies	3%	4%	6%	4%
Vocat. tr. remedies	8%	18%	21%	12%

Source: Directorate of Labour

The funds allocated to labour-market measures during the period are shown in the next table.

Table 19. Funds allocated to labour-market measures in 2011-2014 (ISK millions).

	2011	2012	2013	2014	2015
I. Passive labour market measures	22,614	21,260	16,392	13,129	10,799
% of GDP	1.39	1.19	0.87	0.66	0.49
II. Active labour market measures	946	1102	923	643	468
Vocation education	3	52	0	0	0
Women's employment	41	37	40	48	45
Special labour-market measures	902	1,013	883	595	423
% of GDP	0.06	0.06	0.05	0.03	0.02
Total	23,560	22,362	17,315	13,772	11,267
% of GDP	1.45	1.26	0.92	0.69	0.51

Included in **I.** are payments to employers who take on unemployed people for 3-6 months (job-training schemes) which count as a sort of special labour-market measure.

Source: Directorate of Labour

According to the Directorate of Labour, the total 2014 expenditure of the Unemployment Insurance Fund was ISK 13.8 billion, which corresponds to 0.69% of GDP, of which ISK 13.1 billion was paid out as unemployment benefits characterised as passive employment measures, while ISK 643 million was spent on active labour market measures. The total expenditure of the Unemployment Insurance Fund in 2015 came to ISK 11.3 billion, which corresponds to 0.51% of GDP, of which ISK 10.8 billion was paid out in the form of unemployment benefits and ISK 468 million was spent on active labour market measures.

Comment by the European Committee

Conclusions XX-1, Article 1-1, p. 2.

The Committee recalls that the labour market measures should be targeted, effective and regularly monitored. It asks in this respect whether the employment policies in place are monitored and how their effectiveness is evaluated.

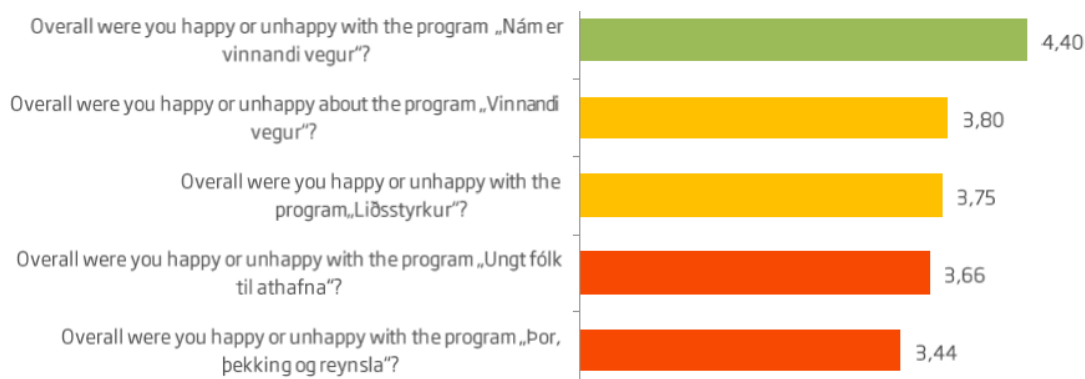
In general it can be said that Iceland's labour-market measures are not systematically "*targeted, effective and regularly monitored*". On the other hand, qualitative evaluation of individual courses is carried out by the Counselling division of the Directorate of Labour. This evaluation is based on interviews which counsellors take with job-seekers and the information revealed there about the job-seekers' participation in the remedial measures. Participants in some courses also evaluate their quality at the end of the course, and these evaluations are also used. Also, statistical data on "effectiveness" is compiled in the form of the proportion of participants in the measures who are no longer registered as unemployed three months after the end of the remedial measure (cf. Table 8 above, showing *Total unemployed and participation in active measures*). All this information is combined when evaluating the quality of the remedial measures and taking decisions on what measures to offer, and what service-providers are engaged when external remedies are purchased. On the other hand, a special survey was made in 2013 among those whose names had been taken off the unemployment register and who had participated in major campaign projects. That survey aimed at measuring satisfaction and the position in which the people involved found themselves at the time it was taken (i.e. whether they were employed, pursuing studies, etc.).

Results of the projects described above.

The Directorate of Labour commissioned the market-research company Maskína to examine the effect of the five campaigns *Youth to Action* (*ungt folk til athafna*), *DARE* (*ÞOR*), *Education is a way that works* (*nám er vinnandi vegur*), *A Working Way* (*vinnandi vegur*) and *Reinforcement* (*Liðsstyrkur*) by means of surveys among the participants which were taken at the end of 2013. The main goal was to explore the attitudes of unemployed individuals who had used some of the activation programmes that the Directorate of Labour has offered. Participants were asked about their position at the time and were asked to assess how satisfied they had been with the programmes.

Assessed overall, 74% of participants in the programmes were, at the time of the questionnaire, either in employment or in study courses or in a combination of the two. Ten per cent said they were seeking employment, and 16% chose other response options: either they had retired from the labour market due to age or illness, had begun maternity or paternity leave or had left the country. Of the individual campaigns, *Education is a working option* (*Nám er vinnandi vegur*) had the highest success rate, with 85% of participants either in employment or studies or a combination of the two, and here too the recorded level of satisfaction among participants was highest: they awarded it a grade of 4.4 out of a possible 5.

Table 20. Recorded level of satisfaction among participants in each measure.



Study of what happened to those who had utilised their full benefit entitlements.

A study made by the Directorate of Labour and the Ministry of Welfare in 2014 revealed that a majority (58%) of the respondents who had fully utilised their benefit entitlements within the unemployment insurance system had re-entered the labour market. In addition, 5.8% had begun full-time studies. Thus, nearly 64% were either in full employment, self-employed or involved in study courses. 22% of the respondents in the survey were still seeking employment. These results show the value of labour-market measures in maintaining job-seekers' skills or developing new skills.

Participation in international employment projects

Iceland participated in a number of international employment projects during the period. The following are among those in which the Directorate of Labour participated actively.

Female: The Directorate of Labour is in control of the *Female* project; this aims at bridging the skills and competencies gap that women entrepreneurs in Iceland, Spain, Lithuania and the UK face. The Directorate of Labour and the University of Bifröst participated in this, together with bodies from the UK, Spain, Lithuania and Italy. The project aims are to increase hard skills knowledge (marketing, product development, finance, tax and accountancy, exporting and

web2.0 and social media) and soft skills, using the methodology of mentoring circles and entrepreneurship and job creation, addressing the unemployment issues the partner countries are facing. It began in September 2013 and ran until the end of 2015.

Enterprise4all: A project intended for young job-seekers, the long-term unemployed and job-seekers aged 45 and over. It was designed to make them aware of the skills, capabilities and knowledge they need to acquire so as to develop their own business ideas or creative ventures. The project is a collaborative one involving participants from six countries (Spain, Hungary, Austria, the UK and Italy, in addition to the Directorate of Labour in Iceland). Following analysis, the participants are given access to the information or materials they need in order to complete their commercial idea or creative venture. The project began in autumn 2013 and was to run for two years.

Job BROKER: This project consists of seminars and studies of the scope of Vocational Education and Training by employment agencies and counsellors. The aim is to provide a tool for the collaborating partners to investigate the growing role of employment exchanges in the participating countries and how the job-engagement process can be made as efficient as possible for young job-seekers by taking account of their demands regarding skills and qualifications in this growing and important occupation. The project began in 2014 and is to last two years.

The Directorate of Labour has also been a participant in the collaborative European employment project EURES (European Employment Services) since 1994. The role of EURES is to enable people to move to locations within the EEA where work is available, so meeting local labour shortages and balancing out unemployment.

Article 1§2 – Freely undertaken work (non-discrimination, prohibition of forced labour, other aspects).

1. Prohibition of discrimination in employment

A. Discrimination based on sex.

The report by the World Economic Forum published on 19 November 2015 stated that gender equality was nowhere more advanced than in Iceland, according to the WEF's assessment criteria. Iceland is thus in first place out of the 140 countries surveyed, and for the seventh year running. On a scale from 0 to 1, Iceland currently has a score of 0.88. The survey measures the standing of women as compared with that of men within each country; no direct comparison is made between the standing of women in different countries. The assessment is based on four key elements: access to health services, educational standard, participation in politics and economic position. Each of these is analysed, e.g. on the basis of data on activity rate, wage equality, employment earnings and the gender ratio among managers and specialists. In the light of Iceland's position in first place in the WEF's assessment, it is interesting to examine the gender divisions on the Icelandic labour market.²²

Table 21. Ratios of women and men in various positions of influence, 2013 and 2014.

	Women (%)	Men (%)
Managers of companies in operation in 2014	22	78
Members in Icel. Journalists' Union and Radio/TV Journ. Union, 2014	43	57
District Court judges, December 2014	44	56
Supreme Court judges, December 2014	11	89
Ambassadors at end of 2014	24	76
Elected local council members 2014	44	56
Elected members of parliament (Alþingi), 2013	40	60

Source: Statistics Iceland.

A report (in Icelandic), *The position of men and women on the Icelandic labour market*, sought to survey the standing of the sexes on the Icelandic labour market and place the many contributory factors in context. It also states that gender equality is on a high level in Iceland, yet surveys and studies reveal a persistent wage gap that is, without exception, to women's disadvantage and results in their receiving lower old-age pension payments. The survey confirmed that notwithstanding great progress in many areas, the position of the sexes was still unequal. Increasing use is being made of women's resources in managerial positions, though there are still obstacles in their way. Women are more likely to work in part-time positions and leave the job market in order to attend to unpaid care-giving work, as will be discussed later in this report. It was also revealed that employers are reluctant to invest in women's professional development. In the discussion of employment and professional development, it is revealed that gender discrimination is found to exist and that men are more often offered higher wages than are

²² https://www.velferdarraduneyti.is/media/rit-og-skyrslur-2015/Jafnrettiskyrsla_nov_2015.pdf

women. Women are also more likely to take the first wage offer they receive, whereas men tend rather to reply to a first offer with a demand for higher wages. Thus, a pay gap can come into being right at the beginning of the engagement process.²³

The situation on the labour market shows that there is still a long way to go, despite the existence of a strong welfare system which is based, among other things, on legal and social equality between women and men. Ever since the first Gender Equality Act was passed in 1976, great emphasis has been placed on gender equality on the labour market in Icelandic legislation. In the light of this it is interesting to note how difficult it has proved to break down the gender barriers between occupations of certain types, ensure equality in pay and bring about equality of power and influence between men and women on the Icelandic labour market.²⁴ Among steps in the direction of greater equality, mention may be made of the substantial increase that has taken place in the number of women members of parliament and of local councils in the country's municipalities.

In no other western country is there a larger proportion of women on the labour market than in Iceland. The activity rate among women aged 16-74 in 2014 was 78.2%; elsewhere in the Nordic countries it is about 70% or slightly under. What is notable about the Icelandic labour market is a high degree of gender-based division between certain occupations. Women and men tend to work in different occupations, and gender differences in choice of studies and occupations is conspicuous. Furthermore, men tend more often to be in higher positions of influence and power in the business sector.²⁵

The Gender Equality Act, No. 10/2008.

The objective of the Act is to continue making progress towards gender equality and to give women and men equal opportunities. The Minister of Social Affairs and Housing is responsible for gender equality within the administration.

The Gender Equality Act, No. 10/2008, was amended by *Act No. 62/2014*, which took effect on 16 May 2014. The amendments that have taken place since the last report was submitted concern the transposition of Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation, reference to which is made in Appendix XVIII to the EEA Agreement, as amended by Decision 33/2008 of the EEA Joint Committee. Also, the minister was empowered to issue a regulation on the implementation of a provision on equal pay, including the introduction of an equal pay standard and certification of its implementation. This was done in order to ensure the best possible quality of procedure in this connection. Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010

²³ <http://www.althingi.is/altext/pdf/145/s/1284.pdf>

²⁴ https://www.velferdarraduneyti.is/media/rit-og-skyrslur-2015/Jafnrettiskysla_nov_2015.pdf

²⁵ <http://www.althingi.is/altext/pdf/145/s/1284.pdf>

on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity was also transposed into Icelandic law.

The Centre for Gender Equality (Jafnréttisstofa) is an agency under the Ministry of Welfare. Its role remains unchanged since the last report was submitted; this consists, amongst other things, of stimulating greater activity in the sphere of equality and monitoring social developments in this area, e.g. through the gathering of data and by carrying out surveys. Not less important is its role of monitoring the application of the Gender Equality Act, which is considered as one of the key factors in ensuring that the Act will bring about the intended results. Furthermore, the Centre for Gender Equality is in charge of educational and awareness-raising activities in the sphere of gender equality; institutions, companies, individuals and NGOs can approach it for assistance. The centre is also required to act in an advisory capacity to the government in this field.

The Gender Equality Complaints Committee consists of three lawyers nominated by the Supreme Court of Iceland and appointed by the Minister of Social Affairs and Housing. The Committee is an independent administrative committee – neither the Minister nor any other authority can give the committee binding instructions regarding the outcome of a case. The Committee's decisions are final, and they will not be referred to any other administrative authority. However, the parties may refer the Committee's decision to a court of law. In such circumstances, the Committee can decide to postpone the legal effects of the decision on the request of either party, on the fulfilment of the particular provisions of the legislation.

During the period from 1 January 2011 to 31 December 2014 the Gender Equality Complaints Committee received thirty-four cases. In 11 cases, the Committee concluded that a violation of the Gender Equality Act had taken place; in 13 cases it concluded that no violation had taken place. Seven cases concerned employment engagements; in four of them, the plaintiffs were men; in three, they were women. In two cases, women brought complaints concerning termination of employment. In two cases, women brought complaints over wage discrimination. The Committee rejected eight cases. Three of the cases were withdrawn.

Judgements of the Supreme Court in equality cases

During the period from 1 January 2011 to 31 December 2014, the Supreme Court delivered judgement in two cases dealing with gender equality; the latter was actually delivered on 15 January 2015 but will be included in this report. One judgment involved underpaid wages and damages for non-financial loss in connection with sexual harassment; the other involved the granting of a position by the state.

Supreme Court Judgment in Case No. 267/2011 of 16 February 2012

A brought a case against a company, B, for the recovery of wages owed (underpaid wages), together with damages for non-financial loss in the form of sexual harassment which she said she had suffered at the hands of her superior, E, who was an employee of B. A based her case on the

view that B's response had not been commensurate with the seriousness of the case and that changes were made to her job with the result that she was no longer able to do it. The Supreme Court rejected the view E's conduct could be classified under the definition of sexual harassment in the Gender Equality Act, No. 10/2008. The court also considered it as having by no means been established that A had been unfairly treated at work in terms of her job security and wages and terms. The court ruled that A had failed to demonstrate that she was entitled to wages for the period during which she chose not to turn up for work or that B's conduct towards her constituted unlawful and malicious treatment of any sort. Thus, B was acquitted of A's demands.

Supreme Court Judgment in Case No. 364/2014 of 15 January 2015

The hospital Landspítalinn brought a case against a man, A, demanding that the ruling by the Gender Equality Complaints Committee be set aside; the committee had concluded that the Gender Equality Act, No. 10/2008, had been violated when the Senior Physician of the Vascular Surgery Department was appointed because A, who was one of the applicants for the post, had been considered better qualified for the position than the applicant who was appointed. The Supreme Court acquitted A of Landspítalinn's claim on the grounds that the Gender Equality Complaints Committee had employed legitimate methods in its resolution of the case and had not acted *ultra vires* or overstepped the limits of its purview.

The circumstances of the case, in further detail, were as follows. On 23 June 2012, Landspítalinn advertised a vacancy in the position of Senior Physician of Vascular Surgery. There were three applicants: a woman, B, and two men, A and C. The applications were sent to a physicians' appointments committee, which submitted its comments on the applicants to the authority which had the power to make the appointment, i.e. Landspítalinn. The appointments committee considered all the applicants to be competent. It did not rank them according to competence, instead referring to its comments as a whole. In its comments, it was noted that there was a considerable difference between the applicants in quantifiable areas of competence. Landspítalinn invited all the applicants to interviews and decided, on the basis of what was revealed in the interviews, to engage the woman, B. The plaintiff demanded the reasoning behind this decision. In the reasoning it gave, Landspítalinn stated that the considerations that decided the issue in its evaluation concerned B's personal qualities, i.e. her administrative and leadership qualities, her communicative ability, her accuracy, will to work with others, ambition, future vision and her achievement-oriented and solution-based attitudes. At the same time, the hospital took into consideration its obligation, under the first paragraph of Article 18 of the Gender Equality Act, to take deliberate measures to promote balance in the position of the sexes in the workplace; more than five times as many men than women were in the position of senior physicians. In the Surgery Division, to which the Vascular Surgery Department belonged, there were 19 men in senior physicians' posts, but only one woman.

The Gender Equality Complaints Committee's conclusion was that A had been better qualified to occupy this position than the person who was appointed, B, and therefore that the appointment

had not been based on the considerations stated in the first paragraph of Article 18 of the Gender Equality Act. The committee's evaluation of the circumstances was that in making the appointment, Landsþítalinn had violated the first paragraph of Article 26 of the Act. The court took the view that the Gender Equality Complaints Committee had sufficiently assessed the case before it arrived at a substantive conclusion and delivered its ruling. Thus, the committee's ruling could not be annulled on the grounds that the committee had violated the requirement of the Administrative Procedure Act regarding investigation.

Measures to promote equal opportunities

In autumn 2010, the Directorate of Labour followed up the government's measures with two experimental projects in connection with gender-responsive economic management and budgeting. One of these involved an analysis of expenditure on unemployment insurance; the other covered the participation of the sexes in remedial measures and how expenditure in that category was divided, by gender. The former project ended with the publication of a report in autumn 2011, in which expenditure on unemployment insurance was analysed by gender and put in the context of the unequal position of women and men on the labour market in general. The report also addressed further points that deserve more thorough attention in order to give a better picture of the difference in the standing of the sexes within the unemployment benefit system. The latter project was not concluded by the publication of any formal report; nevertheless, as in the first project, it produced an analysis of participation, by gender, in remedial measures administered by the Directorate of Labour and whether such participation was gender-based in any way, how it could be established with greater accuracy whether this was the case and what could be done to counteract any such gender-based difference.

Grants have been available to women with good commercial ideas since 1991. To begin with, they were made only to women outside the metropolitan area in order to combat the high level of unemployment there. Since 1994 they have been open to applications from all women in Iceland; unemployment in the metropolitan area rose at that time and since then there has been little difference in women's unemployment levels in and outside the metropolitan area. Each year between ISK 15 and 20 million (currently EUR 115-155 million) were allocated to a varied range of projects all over the country and these grants have often been of crucial importance to the recipients and encouraged them to operate businesses. In 2008 it was decided to raise the amount, which now stands at ISK 50 million (EUR 385 million) and is available for allocation to projects across the country.

Under the Gender Equality Act, state authorities are required to 'put on gender-sensitive glasses' and introduce gender-responsive considerations in all policymaking, planning, budgeting and decision-making. When appointments are made to committees, councils and boards under central and local government control, care is to be taken to have the gender ratios as equal as possible, with each gender accounting for at least 40% when there are more than three member (see Article 15 of the Act). The proportion of women in boards and councils appointed by the government has

risen significantly since this provision was enacted in 2008. Three of the government ministries had achieved the 40:60 target in appointments to committees, councils and boards in 2007; that same year, the proportion of women in all committees, councils and boards within all ministries was 36%.²⁶ In 2009, seven of the twelve ministries had reached the target, while the proportion of women in all committees, councils and boards within all ministries was 39.6%. All ministries reached the 40% minimum target of the Gender Equality Act for the first time in 2014. The Ministry of Welfare was the only one with more women than men in its committees: 53% women and 47% men.²⁷

Table 22. Gender ratios in committees in 2014.

Ministry	Women	Men	Total	% of women	% of men
Prime Minister's Office	99	143	242	41%	59%
Industries and Innovation	82	109	191	43%	57%
Finance and Economic Affairs	65	79	144	45%	55%
Interior	193	257	450	43%	57%
Education, Culture and Science	418	527	945	44%	56%
Environment and Natural Resources	166	197	363	46%	54%
Foreign Affairs	34	35	69	49%	51%
Welfare	471	426	897	53%	47%
Total	1528	1773	3301	46%	54%

Source: Gender Equality Agency.

In its declaration of collaboration as a coalition, the government which took power in 2009 announced the policy that gender-responsive considerations were to be the guideline in budgeting and economic management. Gender-responsive economic management and budgeting involves combining knowledge of the compilation of the budget with a knowledge of gender discrimination and imbalance with a view to promoting a more economical and equitable allocation of public funds. In accordance with this policy, a task force on gender-responsive economic management and budgeting was established in April 2009. The task force, which was appointed to serve until 2014, comprised representatives from the Ministry of Finance, the Ministry of Welfare, the Centre for Gender Equality and the Research Centre in Feminist and Gender Studies, together with the Government Ministries' Specialist in Gender Equality. This appointment of a task force was the first attempt to introduce gender-responsive economic management and budgeting in a comprehensive form in Iceland. Previously, Iceland had carried out one project in the field of gender-responsive economic management and budgeting as part of a joint Nordic project; that was in 2005-2006. It was not followed up, but the idea was adopted again in 2009.

²⁶ <http://www.althingi.is/alttext/139/s/0401.html>

²⁷ Skýrsla Jafnréttisstofu um nefndir, ráð og stjórnir á vegum ráðuneytanna árið 2014: <http://www.jafnretti.is/D10/Files/nefndir2014.pdf>

It was obvious, in view of the size and complexity of budget legislation, that this process would take many years. Work on pilot projects in all the ministries began in spring 2010, and a project manager was engaged to be in charge of it. The outcome of these projects, in the form of an interim report, was published in the bill for the budget in 2012. In April 2011, the government approved a three-year schedule proposed by the management committee of the project on further introductory measures. This laid down many ways of putting gender-responsive economic management and budgeting in place over the coming years. In accordance with the three-year schedule, all ministries chose a principal area in which to focus their efforts during the period 2011-2014, the aim being to introduce gender-responsive considerations in their draft budgeting and financial management.²⁸ On 31 March 2014 the Minister of Finance and Economic Affairs presented a bill on public finances to the Althingi in which, amongst other things, it was proposed that a special provision be set in law regarding gender-responsive economic management and budgeting and gender equality, stating that the Minister of Finance and Economic Affairs should, in collaboration with the minister in charge of gender equality, take the initiative on drawing up a gender-responsive budgeting plan to be consulted when the national budget is prepared, and that the draft national budget should give an account of the impact that these considerations have had on the achievement of gender equality. It did not prove possible to process this bill during the 143rd session of the Althingi, so it was re-submitted to the 144th session on 8 October 2014 and again to the 145th session on 18 September 2015. The bill was approved by the Althingi as Act No. 123/2015 on Public Finances on 19 December 2015. The aforementioned provision regarding gender-responsive economic management and budgeting and gender equality can be found in Article 18 of the Act.

Finally, it should be mentioned that On 27 May 2014 the Icelandic Government signed a declaration of intent on following the UN Global Compact and UN Women Empowerment Principles (WEP).

The parliamentary resolution on the government's proposal on gender equality, which was approved by the 139th session of the Althingi and applied to the period 2011-2014 stated, amongst other things that it was the government's policy that women and men should enjoy equality of opportunity and have the same scope for exercising influence in society. The aim of the action plan is that equality considerations should be introduced into all aspects of policymaking, decision-making and measures taken by the state. All the government ministers have committed their ministries to working at specific projects. This action plan is different from previous ones: instead of enumerating projects under each ministry, the plan is divided into sections reflecting the government's priorities in equality issues. There are eight sections, with the following headings. A. Public administration; B. The labour market – the gender pay gap; C. Gender and power; D. Gender-based violence; E. Education and equality; F. Men and equality; G. International collaboration and H. Follow-up measures and review.

²⁸ Fjármála- og efnahagsráðuneytið: https://www.fjarmalaraduneyti.is/verkefni/kynjud_fjarlagagerd/

The Gender Pay Gap

In the annual wage survey conducted by the trade union VR in 2014, the gender pay gap, on aggregate wages, was found to be 13.3%; in this, factors directly influencing wages had yet to be taken into account. The most significant of these factors is working hours: men work longer hours than women, even when the examination covers only workers in full-time employment. Men in full-time employment work, on average 45.1 hours per week, against 42.2 hours worked by women. Other factors influencing wages are working experience, educational qualifications, shift-work, authority over other employees and, finally, class or occupation – in both cases, the senior groups were examined. When allowance is made for these factors, the gap is 8.5%; in 2000 it was 15.3%. This 8.5% difference is thus the gap in wages that is explained purely in terms of worker's gender after all other factors have been taken into consideration.

The gender pay gap narrowed steadily over the period.²⁹ A study of the gender pay gap was carried out by Statistics Iceland, based on a large database on wages and many factors affecting the standing of wage-earners in the period 2008-2013. The evidence shows that more women than men are university graduates, but that men more commonly have authority over other employees. At the same time, the data show that unexplained wage differentials are also age-related, being largest in the more senior age groups. In the period covered by the data as a whole, the estimated gender pay gap was 7.6% on the labour market as a whole, being slightly higher (7.8%) in the private sector than in the public sector (7.0%). The study concluded that the unexplained pay gap was 5.6% in 2008-2010 and 5% in 2011-2013. This analysis also revealed that the differential could in large measure be attributed to the gender divisions on the labour market; this applies both to vertical divisions (by class of workers) and horizontal divisions (by occupation).³⁰

The Equal Pay Standard, which is intended to be used as the basis for certification and gender equality on the labour market regarding pay, was published in December 2012. Its formal title is (in Icelandic) 'ÍST 85:2012 – Equal Pay System – Requirements and guidelines.' It is a 'requirement standard', meaning that it states the requirements made for its introduction and that it can be used as the basis for certification; companies, institutions, etc. can apply to the competent bodies for certification that they meet the demands of the standard. The aim of the Equal Pay Standard is to enable companies and institutions to set up administrative systems which will ensure that handling of cases and the taking of decisions on issues regarding pay will not include gender-based discrimination. The Minister of Social Affairs and Housing approved Regulation No. 929/2014, on the certification of equal pay systems in companies and institutions on the basis of the Equal Pay Standard on 24 October 2014. Thus, companies and institutions that meet the requirements of the standard are able to obtain certificates stating that their handling of

²⁹ <http://www.althingi.is/altext/pdf/145/s/1284.pdf>

³⁰ <http://www.althingi.is/altext/pdf/145/s/1284.pdf>

cases and taking of decisions on issues regarding pay will not involve gender-based discrimination.³¹

Part-time work

Those who commonly work less than 35 hours per week are considered to be engaged in part-time work. The Part-Time Workers Act, No. 10/2004 has not been amended during the period of this report.

Table 23. Average working hours of women and men, 2011-2014

	2011	2012	2013	2014
Men	44.0	43.9	44.0	43.9
Women	35.3	35.2	35.1	35.2
Total, hours	39.9	39.8	39.8	39.8

Source: Statistics Iceland

The numbers of working hours of both genders remained almost the same during the four-year period, according to information from Statistics Iceland. The average working week for people aged 16-74 on the Icelandic labour market was 39.8 hours in the years 2012-2014. On average, men worked 44.0 hours per week in 2011 and 43.9 hours in 2014. Working hours among women were on average 35.3 hours per week in 2011 and 35.2 in 2014.

In recent years, more women than men have been employed part-time. According to information from Statistics Iceland, 40,100 persons were employed in part-time work in 2011, of which 11,500 were men and 28,600 were women. In 2012, the number of people working part-time had risen to 40,400, consisting of 12,300 men and 28,100 women. In 2013, there were 41,600 people working part-time in the Icelandic labour market. Of this figure 12,200 were men and 29,400 were women. In 2014, 41,000 persons were employed part-time, 12,400 being men and 28,600 being women.

The majority of women (15,200) in part-time work in 2011 were in the age range 25-54 years; by 2014 this number had fallen to 13,100. Between 4,000 and 4,600 men aged 25-54 worked part-time during the period covered by this report. The same does not apply to men: there, the largest group in part time work were aged 16-24; 5,000 men worked part-time in 2011, this figure rising to 5,700 in 2014. The number of women aged 16-24 who worked part-time ranged between 7,900 and 8,900 during the period. Thus, there were considerable differences in the patterns applying to women and men.

³¹ Skýrsla félags- og húsnæðismálaráðherra um stöðu og þróun
jafnfréttismhttps://www.velferdarraduneyti.is/media/rit-og-skyrslur-2015/Jafnrettiskyrsla_nov_2015.pdf

Women are more likely to work part-time than are men: 66% of women were in full-time employment in 2014, against 87% of men. Women take far longer maternity leave following the birth of a child (when men are entitled to paternity leave) and tend more to drop out of the labour market in order to work at unpaid care-giving work. The most commonly-named reasons given by women for working part-time were connected with their family and private lives; in 2012 these were named by just under 31.5% of women as the main reasons why they were in part-time employment. None of the men in part-time employment that year named family and private life as the main reason for this; on the contrary, the most commonly mentioned reason was that they had not succeeded in finding full-time jobs.

Another significant reason named by both men and women for working part-time in 2012 was that they could not find full-time positions that suited them. In 2012, 27.3% of women were in part-time work said they were there because they had not managed to find full-time positions; in 2007, the corresponding figure had been only 8.1%. The figure for men in this category in 2012 was 31.6%; in 2007 no men had been recorded in this category. In 2012, 14.3% of men working part-time said the reason was that they were unable to work full-time because of health problems; the figure for women here was 6.9%. Among men working part-time, the concurrent pursuit of studies was named as the reason by 26.2%; 12.1% of the women working part-time in 2012 gave this reason.

Table 24. Reasons for choosing part-time jobs in Iceland in 2012

	Women (%)	Men (%)
Family reasons	31.4	0
Unable to find full-time work	27.3	31.6
Poor health of the respondent	6.9	14.3
Pursuing education	12.1	26.2
Other reasons	22.3	27.9

Source: Wennemo Lanninger and Sundström (2014).

B. Discrimination based on grounds other than sex.

Comment by the European Committee

Conclusions XX-1, Article 1§2, p. 1.

According to the report the Ministry of Welfare, in co-operation with the social partners, is working on a proposal for a new bill which is supposed to implement the two Directives 2000/43/EC and 2000/78/EC. The plan is to submit the bill to the Parliament in the autumn 2012. The bill will prohibit discrimination based on grounds such as racial or ethnic origin, disability, sexual orientation, age and religion. This will include establishing, in law, definitions of direct and indirect discrimination, harassment and prohibiting victimization and incitement or instruction to discriminate. The Committee asks to be kept informed of all developments in this respect but concludes that the situation is not in conformity with the 1961 Charter.

There was no change to the situation in 2011-2014 as compared with the situation described in the 25th report as the Ministry of Welfare was still working, in co-operation with the social partners, on two bills to implement Council Directive 2000/43/EC of 29 June 2000, implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, and Council Directive 2000/78/EC of 27 November 2000, establishing a general framework for equal treatment in employment and occupation.

Comment by the European Committee

Conclusions XX-1, Article 1§2, p. 3.

However the report further states that by virtue of Article 6 of the Civil Servants' Rights and Obligations Act, No. 70/1996, Icelandic citizenship is a condition for being appointed or hired to a government position. However, it is not an absolute condition that applicants applying for work governed by the Civil Servants' Rights and Obligations Act must have Icelandic citizenship, as the provision permits exemptions. The Committee asks on what grounds exceptions are permitted and how many exceptions were in fact made.

Under the second paragraph of Article 20 of the Constitution of the Republic of Iceland, No. 33/1944, no person may be appointed to public office unless he or she holds Icelandic citizenship.

Regarding other civil (public) servants, the rule is that in general, Icelandic citizenship is required, but deviations from this are permitted. Thus, item 4 of Article 6 of the Civil Servants' Rights and Obligations Act, No. 70/1996,³² states that one of the general conditions for engagement is the holding of Icelandic citizenship. It also states that citizens of other EEA Member States, or Member States of the Convention establishing the European Free Trade Association (EFTA), or the Faroe Islands, may be engaged under the same terms of service as Icelandic citizens. The provision also states that the reservation regarding Icelandic citizenship may be waived regarding other foreign nationals in particular circumstances.

³² https://eng.fjarmalaraduneyti.is/media/Starfsmannamal/Government_Employees_Act_No_70_1996.pdf

The Civil Servants' Rights and Obligations Act, No. 70/1996, applies to all civil servants who are appointed, temporarily appointed or engaged in the service of the state for periods of more than one month, providing that the position in which the person is engaged can be regarded as his or her main occupation.

The following statement was included in the commentary on the bill which was passed as the Civil Servants' Rights and Obligations Act, regarding item 4 of Article 6: *"As before, item 4 provides that, in accordance with Article 20 of the Constitution, Icelandic citizenship is to be a requirement for appointment to public office. On the other hand, citizens from other nations may be engaged, though those of states outside the European Economic Area may only be engaged under special circumstances."* It should be stated that when the Act originally took effect, the exemption provision applied only to citizens of EEA Member States; with the amendments to the Act made in 2003 and 2006, it was extended to citizens of EFTA Member States and the Faroe Island. Thus, the closing sentence of item 4 of Article 6, stating that deviations may be made from the requirement regarding Icelandic citizenship regarding other foreign nationals under special circumstances applies to persons other than EEA, EFTA and Faroese nationals.

Thus, in the light of the commentary materials, the conclusion to be drawn is that special circumstances are necessary only in the case of foreign nationals other than citizens of the European Economic Area, the Member States of the Convention establishing the European Free Trade Association or the Faroe Islands.

Neither in the Civil Servants' Rights and Obligations Act nor in the commentary on the bill is there any explanation of the type of circumstances that may be considered as *special circumstances* for the purposes of the closing sentence of item 4 of Article 6 of the Act. Thus, this legal authorisation for the taking of an official decision leaves room for interpretation; under such circumstances, executive organs of government are obliged to base their decisions on relevant considerations. It may be expected, for example that this provision would apply when an applicant for a position who is neither an Icelandic citizen nor a citizen of another EEA Member State, EFTA Member State or the Faroe Islands is better qualified for the position than other applicants.

According to information from the Personnel Policy Department of the Ministry of Finance and Economic Affairs, 318 persons, altogether, with foreign citizenship from a total of 42 countries were on the payroll of the Icelandic state in the period 2011-2014.

Comment by the European Committee

Conclusions XX-1, Article 1§2, p. 4.

The Industrial Act from 1978 is still in force and its provisions in this respect, therefore, remain in effect. However according to the report a foreign citizen having legal domicile in Iceland and having had this uninterrupted for at least a year shall be exempted from the condition for Icelandic citizenship. Further foreign nationals who are not nationals of the European Economic

Area member states, from Switzerland or the Faroe Islands, and who do not have legal domicile in Iceland or have had legal domicile in Iceland for less than one year, can apply for a permit to work in a regulated branch of industry in Iceland on the basis of overseas technical education. The person in question shall apply for official recognition of his/her qualifications and experience from the Ministry of Education, Science and Culture and the ministry will provide an opinion on the application. On receiving a positive opinion from the Ministry of Education, Science and Culture, the district magistrate in the region where the applicant lives will confirm the legitimacy of the submitted documentation and will issue a special permit, as provided for in Regulation 585/2011 on the recognition of qualifications for working in regulated trades in Iceland. The Committee seeks clarification of the situation.

No amendments were made to the Industrial Act, No. 42/1978, during the period, but on 16 May 2011 the Minister of Education, Science and Culture issued Regulation No. 585/2011, on the recognition of professional qualifications for working in regulated trades in Iceland under Article 9 of Act No. 26/2010 on the Recognition of Professional Qualifications and Competence for Work in Iceland.³³ The regulation applies when an assessment is made of whether an EEA Member State citizen meets the conditions for recognition of their qualifications and working experience to work in regulated branch of industry in Iceland. The provisions of the regulation may be applied to citizens of states apart from the Member States of the EEA Agreement.

Individuals who have acquired industrial qualifications and the required working experience in the field covered by the qualifications in one of the EEA Member States may pursue work in that field in Iceland with the same rights and obligations as Icelandic citizens. In order to do so, they must apply to the Ministry of Education, Science and Culture for recognition. When applications are processed, steps must be taken to establish whether the person concerned meets the requirements of Directive 2005/36/EC of the Parliament and of the Council, as further provided for by Regulation 585/2011, on the recognition of professional qualifications for working in regulated trades in Iceland (see Article 1 of the regulation).

Those who wish to work within a regulated industry or trade in Iceland on the basis of foreign qualifications must apply to the Ministry of Education, Science and Culture for recognition of their qualifications and experience. Applications are to be accompanied by certified copies of their diplomas or examination certificated from their home countries, with certified translations of what they state regarding the length and content of their studies, e.g. with an enumeration of the subjects studied. They shall also submit certified information about their experience of the work in the occupation they intend to pursue and confirmation of their employment rights in their home countries where necessary. Applicants shall verify their citizenship by presenting their passports.

³³ <http://www.reglugerd.is/reglugerdir/eftir-raduneytum/mennta--og-mennigarmalaraduneyti/nr/17623>

Persons wishing to provide services in the field of a regulated industrial trade in Iceland are required to submit applications in the same way as described above. They must make a written declaration to the Ministry of Education, Science and Culture in accordance with Article 5 of Act No. 26/2010 the Recognition of Professional Qualifications and Competence for Work in Iceland. Further provisions are made in that article on the processing of applications.

The Ministry of Education, Science and Culture is then required to obtain the comments of the competent educational authorities on the materials submitted by the applicant with the application; this is done partly in order to establish whether the trade referred to is the same as the one which the applicant desires to practise in Iceland. Furthermore, the purpose of the comments is to establish whether the applicant's professional qualification in a trade, and working experience, meet the requirements set out in Articles 17-19 of Directive 2005/36/EC; these may amount to as much as three years in an educational institution and three years' working experience when the length of the training in question in Iceland is four years. If it is not possible to process the application on the basis of these considerations, then an assessment is to be made of whether the application may be considered under the general system for the recognition of educational certificates under Article 10 of the Regulation on the recognition of professional qualifications and competence to work in Iceland, No. 879/2010. The period granted for submitting comments is to be as short as possible, and no longer than six weeks.

It may be demanded that the applicant complete an adaptation process of up to three years, or take a competence test if the training period regarding which he submits a certificate of completion is one year, or more, shorter than the period demanded in Iceland or if the training is substantially different, in terms of content, from that which is demanded in Iceland, or if the industrial trade which is regulated in Iceland embraces one or more than one type of regulated activity which is not found in the corresponding occupation in the applicant's homeland and the difference lies in a special type of training which is demanded in Iceland and which is, in terms of content, substantially different from the training completed by the applicant. Applicants shall be given the right to choose between serving an adaptation period and taking a competence test.

When the comments of the Ministry of Education, Science and Culture has been made known, the district commissioner in the administrative region in which the applicant lives confirms that the materials submitted are correct and issues a special licence. This states at least the following: recognition of the holder's right, under Article 2 of the Industrial Act, No. 42/1978 to work in Iceland in the specified industrial trade, the name and ID No. of the holder, the place of issue, date of issue and issuer's signature. Recognition may be made subject to conditions; e.g. it may be issued for a restricted period, if this is considered necessary so that further investigations can be carried out, or a proviso may be stated regarding review in the light of new information.

If, according to the materials submitted, the applicant's training and working experience cover only a circumscribed part of the scope of a regulated industrial trade in Iceland, then a restricted recognition of the applicant's right may be granted. In such cases, the Ministry of Education,

Science and Culture shall state clearly what is lacking as compared with the requirement for being able to grant full recognition, this including reference to the course content descriptions of specific aspects of work.

2. Prohibition of forced labour or compulsory labour

Reference is made to previous reports.

Prison work.

Comment by the European Committee

Conclusions XX-1, Article 1§2, p. 4.

Prison work: The Committee previously found that the situation was in conformity with the 1961 Charter in this respect however it refers to its statement of interpretation and questions in the General introduction and requests additional information.

Work is regarded as an important part of the rehabilitation of prisoners and is designed to ensure that they remain active while in prison and increase their chances of adjustment when they return to society. During the period, the Execution of Sentences Act, No. 49/2005 and the Regulation on the Execution of Sentences, No. 961/2005, were in force. Article 18 of the Act states that prisoners are expected and obliged, as circumstances permit, to pursue work or other recognised activities in prison. ‘Other recognised activities’ here refers to participation in courses and treatment schedules of various types. The second paragraph of the Article states that the govern of the prison is to decide what work is to be entrusted to the prisoner; in taking decisions on prisoners’ work, consideration is to be given to their circumstances and wishes as far as possible. Under the third paragraph, prisoners are permitted to provide themselves with work other than that covered by the first and second paragraphs, after receiving the approval of the prison governor. The prison governor may permit a prisoner to fulfil his work obligation in his cell if circumstances permit and there are no other reasons against doing this. Under the fourth paragraph of Article 18, prisoners are to work on every weekday except Saturday. Work is normally to be done between 8 a.m. and 5 p.m., though in such a way that the prisoner’s working time each day does not exceed eight hours. Work connected with the operation of the prison may be done at times outside daytime working hours. Furthermore, the second paragraph of Article 3 of the Regulation on the Execution of Sentences states that when, for religious reasons, a prisoner is not able to work on a specific day of the week, this is to be taken into consideration as circumstances permit. In such cases, the prison governor may decide that the prisoner is to discharge his work obligation in another manner.

Under the first paragraph of Article 20 of the Execution of Sentences Act, prisoners are to receive payment for pursuing work or study. Article 4 of the Regulation on the execution of sentences states, concerning this, that the Prisons and Probation Agency is to set a tariff covering the payments to prisoners for work and studies, and how payment is to be made. The payment for each hour depends on the nature of the work. Prisoners pursuing courses of study are to be paid for each hour, though not for more than five teaching hours a day. These payments, and a *per diem* allowance, is to be paid retrospectively, and at least every two weeks. The tariff is to be reviewed each year. Payments may be made according to a piecework pay system or a bonus

system in special cases, or for specific projects, providing that the Prisons and Probation Agency has approved such an arrangement in advance.

Under Article 47 of the Execution of Sentences Act, the Prisons and Probation Agency may grant a prisoner who is serving a sentence permission to dwell outside the prison in order to pursue studies, employment or vocational training if this is considered convenient as a part of the execution of the sentence or in order to prepare the prisoner for when his prison term ends.

Coercion in connection with domestic work.

Conclusions XX-1, General Introduction

Article 1§2, General Questions from the Committee

The Committee would like to draw the States' attention to the problem raised by domestic work and work in family enterprises, both different phenomena but both which may give rise to forced labour and exploitation, problems at the heart of ILO Domestic Workers Convention No. 189(2011).

Work in family enterprises may give rise to excessive working hours, failure to remunerate properly, etc. The Committee asks States parties for information on the legal provisions adopted to combat these practices and the measures taken to supervise their implementation.

As regards domestic work the Committee considers that such work often involves abusive, degrading and inhuman living and working conditions for the domestic workers concerned. Consequently, the Committee asks whether the homes of private persons who employ domestic workers are subject to inspection visits. It further asks whether penal law effectively protects domestic workers in case of exploitation by the employer and whether regulations offer protection against abuse, by requiring, for example, that migrant workers recruited in one State for the performance of domestic work in another State receive an offer of employment in writing or an enforceable employment contract in this last State. It finally asks whether foreign domestic workers have the right to change employer in case of abuse or whether they forfeit their right of residence if they leave their employer.

Family enterprises.

As regards work in family enterprises, Act No 46/1980, on Working Environment, Health and Safety in Workplaces,³⁴ applies to all activities in which one or more persons work, irrespective of whether they are company owners or employees. The Act does not apply to shipping, which comes under the Icelandic Maritime Administration (now under the Icelandic Transport Authority) or to aviation. Chapter IX of the Act, on rest time, holidays and maximum working hours, thus apply regarding the working hours of workers in family undertakings. The Administration of Occupational Safety and Health monitors the application of the Act. Under Article 58, employers are obliged to provide the administration with all information necessary in

³⁴ http://www.vinnueftirlit.is/media/almenn-skjol/act_no_46-1980_work_environment_health_and_safety.pdf

connection with monitoring of compliance with the Act regarding working hours. Under Article 82 of the Act, the administration is required to monitor to ensure that employers covered by the Act take steps to ensure good working facilities, equipment, hygienic practices and safety for employees. Staff of the administration are to make inspection visits to companies in order to discharge their monitoring obligations, and are to be granted access to workplaces for this purpose.

In the event of infringements of the Act, and of a failure to comply with decisions taken by the administration on the basis of the Act, the administration may decide that the party which is the subject of the decision shall pay *per diem* fines until such time as it complies with the decision, in accordance with further provisions in Article 87 of the Act. The administration may also have operations, or that part of them at which the demand is directed, stopped or closed down if the situation has not been rectified by the deadline set (*cf.* Article 84). In cases of particular hazard to the lives or health of employees or other persons, the administration may demand that measures to remedy the situation be taken immediately to achieve an acceptable level of safety, failing which it may have operations stopped (*cf.* Article 85). Violations of the Act on Working Environment, Health and Safety in Workplaces are punishable by fines except where more severe punishment is prescribed in other statutes (*cf.* Article 99). The administration has produced guidelines on the working environment for various occupations; these are to be found on its home page. They are intended for the administration's inspectors so as to coordinate inspection work, but experience shows that they are also used by businesses to identify hazards in the working environment.

Regarding wages paid to workers in family undertakings, minimum wages in Iceland are determined in collective agreements which set the minimum terms, *cf.* the Employees' Wages and Terms and Obligatory Pension Rights Insurance Act, No. 55/1980. Agreements made between individual employees and employers stipulating lower wages or poorer terms of service are invalid. Agreements between the organisations of the social partners concerning the handling of disputes over whether wages and terms on the Icelandic labour market are in conformity with the provisions of law and collective agreements have the same general validity as their collective agreements on wages and terms, with the limitations stated in the agreements.³⁵

In 2013-2014, the Health and Safety at Work Administration prepared two risk-assessment tools for *home nursing and home assistance/nursing* and *client-controlled personal assistance*, the latter of which was done in collaboration with the Ministry of Welfare. The tool for home nursing and home assistance was publicised by means of a circular letter sent to about 250 entities which it concerns. The Ministry of Welfare saw to the publicising of the client-controlled personal assistance project. The tools are intended to encourage employers who are responsible for

³⁵ https://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/Wage-Guarantee-Fund-Act-No-88-2003-with-subsequent-amendments_March2016.pdf

operations in homes to carry out risk assessments in collaboration with their employees in accordance with Articles 65-66a of the Act on Working Environment, Health and Safety in Workplaces and Regulation No. 920/2006 on the organisation and execution of occupational health and safety measures in workplaces. The tools are to be found on the administration's home page.³⁶

Domestic workers in private homes.

As regards work done by domestic workers in private homes, Act No 46/1980, on Working Environment, Health and Safety in Workplaces also covers this work, as described above; this also applies the authorisation for inspection by the Health and Safety at Work Administration. Thus, the administration is authorised to make inspection visits to individual's homes. Staff of the administration may call for the assistance of the police when the need arises.

The General Penal Code, No. 19/1940, contains provisions covering forced labour, stating that any person convicted of offences including procuring, transporting, handing over, housing or accepting someone who has been subjected to unlawful compulsion under Article 225 or deprived of freedom as covered by the first paragraph of Article 226, or threatened as defined in Article 233 or subjected to unlawful deception by awakening, strengthening or utilizing the person's lack of understanding concerning circumstances or by exploiting the position of vulnerability of the person concerned for the purpose of forced labour is to be punished for human trafficking by up to 12 years' imprisonment.

It is a basic principle of Icelandic Contract Law that oral agreements have the same binding force as written agreements. This also applies to employment contracts. Thus, the workers involved may be employees even though there is no written employment contract. However, it is a basic principle of Icelandic Labour Law that engagement in employment is to be confirmed in writing or made the subject of a written employment contract; this principle is based on collective agreements and on Directive 91/533/EEC on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. This Directive was transposed into Iceland's domestic legislation through collective agreements. Violation of the aforementioned obligation by the employer may entail compensatory liability in accordance with Icelandic Tort Law. When an assessment is made of whether an employment relationship exists, various factors are taken into consideration, but, as is stated above, whether a written employment contract or a written confirmation of employment exists is not of crucial significance. The basic principle regarding the burden of proof comes into play when it comes to resolving a dispute as to whether an employment contract has been concluded. Thus, the burden of proof lies with the party maintaining the correctness of an assertion about any fact. If the party concerned fails to demonstrate that the assertion is correct, it must suffer the consequences of this failure. The Icelandic Supreme Court has repeatedly established that the employer generally bears

³⁶ <http://www.vinnueftirlit.is/vinnuvernd/ahaettumat/hjalpargogn-vid-ahaettumat/>.

the burden of proof regarding the substance of employment contracts if no written employment contract or written confirmation of employment has been made, or if the substance of the employment contract or confirmation of employment is in some way unclear. Thus, workers have generally been given the benefit of the doubt concerning interpretation of the substance of employment contracts in such cases. In this connection, reference should be made inter alia to the following recent Supreme Court judgments: Cases No. 326/2014, 258/2011, 11/2011 and 10/2011. The same applies to the burden of proof regarding the demonstration of amendments to an employment contract.

Regarding foreign domestic workers who wish to change employers in the event of abuse, such persons may be entitled to residence permits as victims of human trafficking under the Foreign Nationals Act, No. 96/2002. In the case of citizens of EEA Member States, they may continue to reside in Iceland and, for example, make use of the services of the Directorate of Labour in finding new employment in Iceland.

3. Other aspects of the right to earn one's living in an occupation freely entered upon.

Comment by the European Committee

Conclusions XX-1, Article 1§2, p. 4-5.

The Committee considers that in general, the conditions to which the payment of unemployment benefits is subject, including any obligations to take up proposed employment, should be assessed under Article 12§1 of the Charter (or Article 12§3 in the case of new developments). However, in certain cases and under certain circumstances the loss of unemployment benefits on grounds of refusal to accept proposed employment could amount, indirectly, to a restriction on the freedom to work and as such the situation would be assessed under Article 1§2 (see General Introduction to Conclusions XIX-1).

The Committee refers to its statement of interpretation in the General Introduction. It asks that the next report include updated information on this issue.

Loss of unemployment benefits for refusal to take up employment.

The objective of the Unemployment Insurance Act, No. 54/2006,³⁷ is to guarantee persons who are insured and who lose their employment temporary financial assistance for up to 36 months while they are looking for new employment. It is assumed that the insured persons will be actively seeking work during this time. The basic assumption is that stringent requirements should be placed on those who turn down positions on the domestic labour market, i.e. that they should have valid reasons in law for doing this. Article 14 of the Unemployment Insurance Act states in further detail what constitutes an active search for work. It states that persons who are actively seeking work (which is one of the conditions for qualifying for benefit) are, amongst other things, to take the initiative in seeking work and be prepared to accept any work for which

³⁷ https://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/Unemployment-Insurance-Act-No-54-2006-as-amended.pdf

payment is made in accordance with the law and collective agreements (*cf.* Article 1 of the Employees' Wages and Terms and Obligatory Pension Rights Insurance Act), meet the requirements of other acts of law (*cf.* item c of the first paragraph of Article 14), be prepared to accept work anywhere in Iceland without special provisos (*cf.* item e of the first paragraph of Article 14) and be prepared to accept work irrespective of whether it is full-time or part-time, or shift-work (*cf.* item f of the first paragraph of Article 14). Under the fourth paragraph of Article 14, the Directorate of Labour may nevertheless grant exemption from the conditions of items c, e and f of the first paragraph of Article 14 of the Unemployment Insurance Act so that an insured person who, on grounds of age, social circumstances connected with reduced working capacity or care-giving obligations towards young children or other family members, requests a part-time job or work within a particular area, may be regarded as being actively searching for work. Furthermore, reduced working capacity on the part of the insured person, as assessed by a medical specialist and resulting in an inability to tackle particular jobs, may be taken into account.

Article 57 of Act No. 54/2006, on unemployment insurance, with subsequent amendments, stipulates an obligation for an unemployment beneficiary not to refuse a job offer after the first four weeks from the time when the Directorate of Labour received an application. In other words, the act does not distinguish the jobs by nature, even though a job refusal can be justifiable on grounds of individual circumstances. The article also gives every unemployment beneficiary four weeks of flexibility to look for a preferred job. Beneficiary shall not be entitled to receive benefits until 40 days, for which they would otherwise have received benefit payments, have elapsed from the date on which the decision by the Directorate of Labour to impose a penalty is announced to them.

When deciding whether to impose a penalty, it is the responsibility of the Directorate of Labour to consider whether the insured person's decision to reject a job is justifiable on grounds of his or her age, social circumstances in connection with reduced working capacity or the obligation to care for young children or other close family members. Furthermore, the Directorate of Labour may give consideration to the insured person's domestic circumstances if the person rejects a job that is far from his or her home and also if the person is engaged to start a permanent job within a certain period of time. Consideration may also be given to the personal circumstances of individuals who are unable to undertake certain jobs because they have reduced working capacity as attested by a medical certificate from a specialist physician. In such cases, penalties may apply if the insured person deliberately concealed information regarding his or her reduced working capacity. When making its assessment, the directorate must take account of general rules and relevant considerations when deciding whether applicants for unemployment benefit are to be subject to a waiting period before receiving benefits. In the light of the fact that this may be an encumbering decision, strict requirements are made regarding the establishment of the real reasons why the worker resigned from his position without having another job lined up, as sensitive issues may be involved in such cases.

Appeals may be lodged with the Welfare Appeals Committee against decisions taken by the Directorate of Labour on the basis of the Unemployment Insurance Act. The committee's rulings are final at the administrative level and no appeal may be lodged against them to a higher executive authority. Finally, disputes concerning rights and obligations under the Act may be brought before the courts.

Privacy at work – workers' right to privacy.

Conclusions XX-1, General Introduction

Article 1§2, General Questions from the Committee

The Committee asks for information in the next report on measures taken by States Parties to ensure that employers give due consideration to workers' private lives in the organisation of work and that all interferences are prohibited and, where necessary, sanctioned.

Reference is made to the detailed discussion presented in the last report on the *Rules, No. 837/2006, on Electronic Surveillance*. During the period, the Rules No. 837/2006 were amended by *Rules No. 475/2011* under which the following additions were made.

- (1) Examination by the employer of an employee's e-mail on particular occasions is prohibited except when the provisions of Articles 7, 8 and, as appropriate, 9 of the Data Protection Act, No. 77/2000, are met, i.e., if there is a suspicion that the employee has violated his or her obligations regarding non-disclosure or other work-related obligations.
- (2) When leaving the employer's service, the employee shall be guided on setting up an automatic response from his or her e-mail postbox stating that he or she has left the service of the employer. Not less than two weeks after that, the e-mail postbox shall be closed. The employer may not forward to another employee any e-mail correspondence delivered to the e-mail postbox of the former employee after he or she has left the service unless other arrangements have been agreed.

No further changes took place in the regulatory framework during the period.

Regarding sanctions, Article 42 of the Data Protection Act provides for fines or up to three years' imprisonment for violations of the provisions of the Act and of regulations issued under it, except where more severe punishments are prescribed in other statutes. The same punishments apply in the event of non-compliance with the instructions of the Data Protection Authority. The Act also states that if the offence is committed in the course of the activities of a legal person, the legal person may be fined in accordance with Chapter II of the General Penal Code.

More information on electronic surveillance can be found on the Data Protection Authority's website.³⁸

³⁸ <http://www.personuvernd.is/information-in-english/greinar/nr/610>

Article 1§3 – Free placement services.

Reference is made to the discussion in the 25th Report. No amendments were made to the Labour Market Measures Act, No 55/2006,³⁹ during the period.

Under the second paragraph of Article 9 of the Unemployment Insurance Act, No. 54/2006, an application for unemployment benefit constitutes a simultaneous application to participate in labour market measures. ‘Labour-market measures’ refers to labour exchange services, the assessment of job-seekers’ competence and the structure of remedial measures designed to enhance job-seekers’ capacity for work. Thus, an application to take part in labour market measures automatically includes registration in the Directorate of Labour’s labour-exchange system and a request for the assistance of a counsellor of the directorate in seeking employment (*cf.* the second paragraph of Article 7 of the Labour Market Measures Act, No. 55/2006).

To ensure that the goals of the Labour Market Measures Act are achieved, the focus is on ensuring that the services provided by the Directorate of Labour to both job seekers and employers are free of charge, as provided for in Article 16 of the Act.

The Directorate of Labour’s regional service offices maintain labour-exchange services all over the country which are open to job-seekers irrespective of whether or not they are registered with the directorate as being unemployed, and to employers. Employment counsellors assist companies in the staff engagement process and give job-seekers guidance and advice on looking for employment. The labour-exchange service also handles the structure of labour market measures in collaboration with the organisations of the social partners and the local authorities, and this arrangement has proved successful.

The total number of those who registered with the public regional labour exchanges in 2011 was 26,855; in 2012 it was 22,828; in 2013 it was 19,310 and in 2014 it was 16,862. A large proportion of these people were unemployed and received unemployment benefit.

Table 25. Job vacancies at the end of each month in the public labour exchange system.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct.	Nov	Dec	Total
Year													
2011	185	198	217	348	303	349	296	448	222	221	114	100	3001
2012	96	135	230	268	252	302	349	428	201	109	79	73	2522
2013	117	120	153	256	258	239	229	320	313	241	193	104	2543
2014	150	223	220	273	284	253	219	307	283	268	172	185	2837

³⁹ https://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/Labour_Market_Measures_Act_55_2006.pdf

In 2011, a total of 3,001 vacancies were reported to the public labour exchanges; the figure was 2,522 in 2012, in 2013 it was 2,543, rising to 2,837 in 2014. The number of employment engagements in the private sector which took place through the public labour exchanges came to 815 in 2011, 495 in 2012, 370 in 2013 and 446 in 2014. The number of such engagements was higher just after the financial collapse (i.e., in the period covered by the last report); this was partly because of the large number of special employment campaigns that were launched at the time. On the other hand, the number of contracts made (engagements in campaign projects) in this period is higher in each individual year. Those figures are not included in the numbers of engagements given above.

Individual labour market measures are discussed in the reply under Art 1-1 above.

Comment by the European Committee

Conclusions XX-1, Article 1-3, p. 11.

Section 19 of the Act on Labour Market Measures permits the operation of private labour exchanges, stating that enterprises, individuals and non-governmental organisations may act as intermediaries regarding employment placements, provided that this is done at the employer's expense. The Committee asks how the work of private agencies is supervised.

Article 19 of the Act provides for private labour exchanges, stating in the first paragraph that enterprises, individuals and non-governmental organisations may act as intermediaries regarding employment engagements, providing that this is done at the employer's expense. No special supervision is maintained over the activities of private labour exchanges; however, the second paragraph provides that violations of the first paragraph are punishable by fines which accrue to the State Treasury. Such cases would come under the Code of Criminal Procedure⁴⁰ and thus the courts are empowered to impose fines on the parties concerned for such violations.

⁴⁰ <https://eng.innanrikisraduneyti.is/laws-and-regulations/nr/1339>

Article 1§4 – Vocational guidance, training and rehabilitation.

Vocational guidance.

Comment by the European Committee

Conclusions XX-1, Article 1-4, p. 12.

The Committee asks if free of charge vocational guidance services are provided, both in the education system as well as for adults in the labour market, and if the answer is in the affirmative, what is the legal basis and the type of services provided. The Committee recalls that in order to assess the effectiveness of vocational guidance services it also needs information on the funding, staffing and the number of beneficiaries of vocational guidance. It therefore asks the next report to also include information on these matters.

Vocational guidance provided in the education system.

Under the third paragraph of Article 13 of the Compulsory Schools Act, No. 91/2008,⁴¹ pupils in compulsory (junior) schools [i.e. to the age of 16] are entitled to receive educational and vocational guidance provided by persons who meet the requirements of the law to practice as such. Under Article 37 of the Upper Secondary Education Act, No. 92/2008,⁴² pupils are entitled to receive educational and vocational guidance provided by persons who meet the requirements of the law to practice as such. The aims and policy of the school concerning counselling is to be described in the senior school syllabus, which is also to state how each school discharges its obligations and role in this area. These services are free for the pupils, and the number of educational and vocational counsellors in school varies, according to the size of the school, from 1 to 5. Services provided in the schools include advice on studies and employment, information on what study courses or job opportunities are available, assistance with choice of employment or studies and assistance to pupils in identifying their own areas of interest and making a realistic assessment of their talents through aptitude tests. No information is available on the numbers of pupils who used the services of these counsellors during the period.

The Minister of Education, Science and Culture appointed a task force on policy regarding educational and vocational counselling in May 2014. It was entrusted with making proposals on future vision, policy and measures regarding educational and vocational counselling in Iceland in collaboration with the major ‘players’ or interest groups in this area and also making proposals on a support system covering lifelong educational and vocational counselling.

Surveys on the introduction and application of the Compulsory Schools Act, No. 91/2008, and the Upper Secondary Education Act, No. 92/2008, were made in October 2014 for the Ministry of Education, Science and Culture. The aim of these surveys was to gather information on whether, and if so how, the compulsory (junior) schools and senior schools had managed to comply with the law in practice. The survey on the application of the Compulsory Schools Act

⁴¹ <https://eng.menntamalaraduneyti.is/media/law-and-regulations/Compulsory-School-Act-No.-91-2008.pdf>

⁴² <https://eng.menntamalaraduneyti.is/media/law-and-regulations/Upper-Secondary-Education-Act-No.-92-2008.pdf>

revealed that in 54 of the 163 junior schools which answered the survey, not all pupils had access to educational and vocational counselling. Four schools did not answer the survey.⁴³ After this, the ministry contacted the principals of the schools involved, and also the school committee and head of the local authority and pointed out that under the third paragraph of Article 13 of the Compulsory Schools Act, junior school pupils are entitled to educational and vocational counselling provided by persons who meet the requirements of the act regarding educational and vocational counsellors, and that the ministry expected the school principals to ensure that as from the school year 2015-2016, the schools in question met the aforementioned provisions of the Act. The survey on the application of the Upper Secondary Education Act⁴⁴ revealed that in 28 out of the 33 upper secondary schools that answered the survey, educational and vocational counselling was provided by recognised specialists. One upper secondary school did not reply to the survey. Those schools which stated in their answers to the survey that their pupils were not given educational and vocational counselling by recognised specialists generally stated, as the reason for this, that it had not proved possible to engage an educational and vocational counsellor to the position.

The second paragraph of Article 8 of the Adult Education Act, No. 27/2010, states that persons intending to embark on studies that meet the requirements of the Act are offered individual guidance and counselling. The Adult Education Act covers the organisation of adult education by education and training providers that receive accreditation based on the Act, and public allocation for its implementation. The aims of the Act include the provision of suitable education and training opportunities to individuals on the labour market who have short formal education so enabling them to recommence their studies. Vocational counselling is provided under the Act by the Education and Training Service Centre (*Fræðslumiðstöð atvinnulífsins*) and the lifelong learning centres which are discussed below. Vocational counselling services are provided free of charge. The Education and Training Fund provides funding for educational and vocational counselling as part of the adult education system. The table below shows the funding that has been allocated to counselling during the period covered by this report.

Table 26. Funding for educational and vocational counselling provided in the adult education system (ISK).

2011	2012	2013	2014
147,801,084	140,013,000	139,017,700	132,928,326

Source: The Education and Training Service Centre.

⁴³

http://ki.is/images/Skrar/KI/Skolamal/Skyrslur_og_onnur_rit/2014/Grunnskolestjorar_skyrsla_LOKA_27.3.2015.pdf

⁴⁴ file:///C:/Users/r08lms/Downloads/mat_framkv_laga_skolast_frsk_2015.pdf

The number of educational and vocational counselling sessions given in the adult education system is shown in the next table.

Table 27. Number of educational and vocational counselling sessions in the adult education system.

2011	2012	2013	2014
10,868	102,017	10,864	9,467

Source: The Education and Training Service Centre.

During the report period, 24-28 counsellors provided these services; the proportions of full-time employment in which they worked varied greatly from one educational and lifelong learning centre to another.

Vocational guidance provided for adults in the labour market.

The Directorate of Labour offered all job-seekers vocational counselling in the period 2011 – 2014; the services of the directorate’s educational and vocational counsellors are free of cost to job-seekers. Vocational counselling is provided under the Labour Market Measures Act, No. 55/2006 (see Article 11, item c of Article 12, and Articles 14 and 15 of the Act).

Under the Act, the role of the counsellors is to assess job-seekers’ capacity for work, help them to follow job-search schedules based on such an assessment, give them information on the situation on the labour market and the opportunities available there and give them individually-tailored advice, assistance and practical guidance regarding the search for employment. The emphasis is on building up the individual and giving him or her an advantage on the labour market. The aim of counselling is to encourage individuals to gain greater self-awareness, help them with investigating the opportunities open to them, identify their fields of interest and aptitude and the directions they can take regarding professional development.

The counselling work is many-faceted, and consists, amongst other things, of providing information of various types about studies and jobs, about applicants’ chances and standing on the labour market and how best to go about looking for work. Aptitude and interest tests are available, and also assistance with goal-setting; guidance is given on successful approaches to taking decisions and the possibilities of vocational training and educational opportunities are examined. Counsellors give assistance with drawing up CVs, letters of introduction and preparations for job interviews. All of this is designed to increase applicants’ involvement in the labour market and their chances of success there.

Counselling is aimed at activating job-seekers and helping them to re-enter the labour market as soon as possible, so avoiding the serious consequences that may result from long-term unemployment. The emphasis is on individually-tailored advice and coherent service in which counselling forms part of a process which is integrated with analysis, assessment and measures designed to stimulate the individual to remain active, and/or enter vocational rehabilitation. After

that, a plan of action/job-seeking schedule is drawn up, the aim of which is to make the individual active once again or re-engaged in employment. Throughout the process, the emphasis is on activating the individual and involving his or her sense of responsibility.

The next table gives an overview of the total number of staff in the Counselling and Labour Exchange divisions of the Directorate of Labour in 2011 – 2014. The man-year figures include work done by managers, divisional managers, heads of the regions service offices and departmental

managers and all the ‘front-line’ staff in the regional service offices. The table also gives information on the total numbers of people entitled to educational and vocational counselling, the number of counsellors involved in working directly with clients, financial allocations to vocational counselling and the ratio of job-seekers per counsellor.

Table 28. Educational and vocational counselling provided by Directorate of Labour.

	2011	2012	2013	2014
Man-years	67.6	63.34	65.53	53.4
Total number receiving ed. and vocat. counselling from the Dir. of Labour	13,067	9,938	7,826	6,675
No. of counsellors working directly with clients	45.97	42.6	46.32	36.83
Allocation for voc. counselling (wage costs for direct counselling)	ISK 21,267,606	ISK 20,187,373	ISK 23,152,218	ISK 19,359,763
Ratio of job-seekers per counsellor (full-time-equiv. position)	283	234	169	181

Continuing vocational training.

Adult Education.

Reference is made to the Government of Iceland's previous reports.

Mature students' departments have been run in the upper secondary divisions of schools since 1972, and many schools now offer courses for this category of student.

Distance learning is also a growing part of the range of possibilities offered by the universities; more often than not it is operated in collaboration with the lifelong learning centres all over the country. These courses are given over the internet and with teleconferencing equipment.

There are lifelong learning centres all over the country. They offer distance learning programmes in collaboration with the universities and courses of adult education of many types.

It is the role of the Education and Training Service Centre to be a collaborative venue for adult education and vocational training in collaboration with other educational institutions.

No age restrictions are to be found in the Adult Education Act, No. 27/2010. The only age restriction in the legislative framework of adult education is in Regulation No. 1163/2011, on adult education; this concerns real competence evaluations (validation of prior learning), for which the age range of 23 years and older is specified.

The Ministry of Education, Science and Culture supports Icelandic language teaching for foreign nationals who have settled in Iceland. Most of the courses on offer take place in the metropolitan area, but Icelandic for foreigners is also taught in many locations around the country. Icelandic teaching is also available by distance learning. Icelandic for foreign students at university level is also taught in some places, e.g. at the University of Iceland, where courses leading to a BA degree are on offer.

Comment by the European Committee

Conclusions XX-1, Article 1-4, p. 12.

The Committee asks to be kept informed on how the system of lifelong learning develops in line with the new regulatory framework.

The Adult Education Act No. 27/2010.

The Ministry of Education, Science and Culture is responsible for the legal structure of adult education in Iceland and attends to its development in collaboration with the organisations of the social partners, in addition to which it provides most of the funding to the adult education system. Adult education in Iceland is in a good position to respond quickly to changes in the needs of the target group, e.g. through the close contact that exists between the trade unions and their

members and between companies and their employees. Thus, the interests of the social partners and of central and local government are in harmony in this field.

The Adult Education Act was not amended during the period. Reference is thus made to the Government of Iceland's 25th report. On the other hand, it should be mentioned that on 29 November 2011 the Minister of Education, Science and Culture issued Regulation No. 1163/2011, on adult education,⁴⁵ under Article 17 of the Adult Education Act. The regulation makes further provisions covering various aspects of adult education, e.g. regarding the accreditation of education providers, the certification of syllabuses and real competence evaluation.

The Act was passed in March 2010, and so 2011 was the first full year of operation of the Education and Training Service Centre (ETSC) under the Act, and 2014 was the fourth. A new service contract also took effect in 2011 between the centre and the Ministry of Education, Science and Culture; it is in force for five years, and there was a considerable expansion in the centre's activities under the new legislation.

It is the role of the ETSC to promote adult education and vocational training in collaboration with other educational institutions. The enactment of the new legislation confirmed in law the main working procedures that had evolved since the centre was founded in 2002, including policies that had been moulded by decisions taken jointly by the State and the organisations of the social partners. The aim of the foundation of the centre had originally been to create a forum for improving the educational qualifications of those who had only short periods of formal education behind them and thus to improve their standing on the labour market, and also of immigrants and comparable groups. Under the service contract between the ministry and the centre, professionals were able to offer accredited training courses, educational and vocational counselling and evaluations of actual working skills (validation of prior learning); these were to be provided by recognised educators. The Education Fund made allocations for these projects. Further discussion of the ETSC and lifelong learning follows below.

The Education Fund is intended to promote the availability of suitable study opportunities for persons with little formal schooling behind them. At the same time, it is supposed to take part in creating conditions for individuals to avail themselves of such opportunities. The fund disposes of allocations made by the Althingi in the annual budget.

The Ministry also gives support each year to nine lifelong learning centres outside the metropolitan area, and to two within it. These offer a varied range of courses, and also educational and vocational counselling and real competence assessments for those who wish to improve their standing on the labour market.

⁴⁵ <http://www.reglugerd.is/reglugerdir/allar/nr/1163-2011>

To make it possible to achieve the aims of the Adult Education Act, funding for adult education (item 02-451 in the budget) was increased substantially in 2011-2014, and by larger amounts each year, and particularly the allocation to the Education Fund, which plays a key role in financing the courses offered. The allocation to the Education Fund in 2011 came to ISK 671.4 m, and that to adult education as a whole to ISK 1,183 m. In 2012 the corresponding figures were ISK 678 m and ISK 1,393 m. In 2013, ISK 244.5 m was allocated to the Education Fund and ISK 1,358.9 m to adult education as a whole; 2014 saw further increases, to ISK 770.6 m for the fund and ISK 163.9 m as the total figure.

From 2006 to 2012, a total of 25,150 people made use of counselling services at least once, 21,464 (85%) returning for second sessions. The counselling sessions, or interviews, with educational or vocational counsellors are part of what make the system work by making sure that the right sort of support is available at the right time, reflecting the funding that is available. Another vital factor in making it work efficiently is the collaboration on quality issues between the ETSC and education-providers on the basis of the EQM (European Quality Mark) standard.

The number of students on courses paid for by the Education Fund rose each year from 2010 to 2012, falling slightly between 2012 and 2013. In 2009, the dropout rate was only about 8%; this rose in the next two years, becoming 18% in 2011. It fell to 15% in 2012 and to 14% in 2013.

The Ministry of Education, Science and Culture engaged the research company Capacent to make a comprehensive survey of the adult education system over the years 2009-2013 to examine its role and collaboration with the ETSC, the Education Fund, education providers, other players and the ministry.

As part of this, an attitude survey was taken in February-March 2014 amongst those who were defined as customers, or clients, of the adult education system. The aim of the survey was to find out what their experience had been of the service they had received and to evaluate the position of the respondents to the survey before and after they attended educational courses or counselling sessions. Overall, clients of the service were very positive about it; this applied regarding individual courses, educational counselling and validation of prior learning (competence evaluations). This finding corresponds well with other data obtained when the results were processed; i.e. the other data also confirmed that success had been achieved in developing educational remedies for people with little formal education. As regards the position of clients of the service on the labour market after completing their courses, most reported that they had not experienced any change and that they were still in the same jobs. On the other hand, 8% had found employment after looking for it and a considerable proportion (15%) had received wage increases, additional responsibility in their jobs (10.9%) or work in a new workplace (10.2%). Also, 80% of recipients of the service reported that their study courses had had a positive effect on their self-esteem. It is interesting to note that women reported a greater impact on their self-

esteem than did men. Finally, 43% of the respondents in the survey said their courses had been evaluated in order to enable them to continue with further studies.⁴⁶

Further information on the Education and Training Service Centre and lifelong learning centres.

From the outset, the ETSC has had the role of being the venue for collaboration on adult education and vocational training in collaboration with other educational institutions acting for the organisations of the social partners. This has developed into an extensive adult-education system which has made it possible to define the aptitude of people with little formal education for further studies, work on syllabus development and accreditation, develop means of evaluating informal learning and actual skills (validation of prior learning) and develop methods of educational and vocational counselling. Furthermore, the ETSC administers the Education Fund. After the Adult Education Act took effect in 2010, both the ETSC and the lifelong learning centres have taken on more and more projects and responsibilities.

The tasks of the Education and Training Service Centre are as follows.

- a) Stimulate the supply of educational courses on offer for people on the labour market who have little formal education behind them.
 - Identify the educational needs of companies, professions or occupations and individuals in the target group.
 - Draw up descriptions of the course on offer in syllabuses.
 - Collaborate with education-providers such as lifelong learning centres on the delivery of educational solutions offered.
- b) Have the courses on offer evaluated; have prior learning validated for working people on the labour market (real competence assessments).
 - Recognition of skills and knowledge gained on the courses.
 - Recognition of competence gained through working experience, private study, etc.
 - Shorten course times for those who are prepared to go into full-time studies.
- c) To raise the quality of adult education courses and vocational training on the labour market.
 - Develop a centre of pedagogic skills and knowledge in the field of adult education.
 - Train teachers working for adult education providers.
- d) To encourage people to pursue education.
 - Develop educational and vocational counselling for the labour market.
 - Help people to develop their educational CVs.
 - Make information available on evaluation of education and competence.
 - Collecting and making available information on study courses for the target group.

⁴⁶ <https://www.menntamalaraduneyti.is/mentamal/framhaldsfraedsla/mat-uttektrir-og-skyrslur/>

At the end of 2014, fourteen entities had been certified as education-providers in collaboration with the Education and Training Service Centre and the Education Fund, of which 10 were traditional lifelong learning centres. These centres have different emphases according to the circumstances in their respective areas; they are located in various parts of the country.

In the period 2011-2014 the number of counselling interviews given by educational and vocation counsellors was of the order of 10-11 thousand each year.

From 2009 to 2013, the number of people who had undergone evaluations of their real competence (validation of prior learning) came to 1,829 and 13,398 had taken courses of various types. The survey of clients taken by Capacent revealed that a majority (60.6%) of those who received counselling services had completed only compulsory (to age 16) education and had not completed upper secondary school. It had been revealed during counselling sessions that many clients had left the formal school system either immediately after completing the compulsory level or else early in the upper secondary level. Many of those who made use of the adult education system needed considerable encouragement from counsellors in order to be persuaded to return to formal studies.

Work on real competence evaluation (validation of prior learning) was either begun or in preparation in 8 new fields in 2010. In 2011, the Education and Training Service Centre prepared a project description in connection with an adaptation grant from the European Union and signed an agreement on a grant of EUR 1.87 m midyear 2012. The project bore the title *The development of real competence evaluation (validation of prior learning) as a means of enhancing the employability of adults with little formal education* and began on 1 September 2012. The main parts of it involve the development of real competence evaluation (validation of prior learning) and a web portal (*MySchool*) on education and work. Analyses of the needs of the labour market for skills and knowledge were also used in the project. The aim is to have real competence evaluations in place for the validation of formal and informal learning, with methods of using them to place learners in relation to 40 course syllabuses, 5 criteria for jobs and other criteria of employability.

During the four years covered by this Report there was a constant rise each year in the numbers of courses and people taking them. As before, women were in the majority of students: 65% on average against 35% men. In 2011, 2,486 people participated in a total of 203 accredited courses held by the Education and Training Service Centre in various parts of Iceland; 65% were women and 35% were men. In 2012, 2,760 individuals participated in a total of 225 accredited courses held by the Education and Training Service Centre in various parts of Iceland; the gender ratio was 64% women and 36% men. In 2013, 2,615 individuals participated in a total of 215 accredited courses held by the ETSC in various parts of Iceland; 65% were women and 35% were men. The number of participants rose even further in 2014 when 2,804 persons took part in 227 courses of study. Women continued to form the majority or 67%, while men were 33%.

Comment by the European Committee

Conclusions XX-1, Article 1-4, p. 12.

The Committee asks the next report to specify the types of training provided.

One of the main functions of the Education and Training Service Centre is to compile syllabuses and to work with other parties on developing them. Its syllabuses are of many types, and are designed to meet the needs both of those who attend the courses and the labour market. Courses providing training in the syllabus subjects are held by accredited education providers all over the country with support from the Education Fund. The Ministry of Education, Science and Culture has evaluated the syllabuses in terms of credit units in post-secondary education.

The Education and Training Service Centre has issued more than 40 syllabuses⁴⁷ which fall into three groups: employment-related syllabuses, general syllabuses and syllabuses covering literacy and learning problems.

The employment-related syllabuses comprise the following courses and subjects: courses for staff of nursery-schools; a professional course for workers in the social and health services; Professional Course I for workers in the social and health services; Professional Course II for workers in the social and health services; Tourism – hot pools, springs and baths; fish and tourism; courses for key workers in industrial, manufacturing and service undertakings; training in form and colour; Competence in Tourism I; Competence in Tourism II; basic training for fish-processing workers; basic training for school assistants; underground piping and conduits; pharmacology; food and its preparation – farm produce supplies; handling of foods; heavy industry; open workshops (examples of workshop subjects: gardening, laying paving stones); graphic design; acoustic workshop I; acoustic workshop II; craft workshop; design and handicraft; design and entrepreneurship workshop; design and experimentation in the Fab Lab; film workshop; food workshop – farmers’ produce; art workshop – drawing; art workshop – painting; video making and editing; workshop – horn and bone; metalworking workshop; MIG/MAG welding; spot welding; TIG welding and wooden boat construction; office skills course; vocational training in traffic, environment and development; vocational course in warehouse work; courses for personal supervisors for the disabled (basic, applied and further levels); ‘springboard’ courses aimed at developing communicative skills and self-confidence and training students to tackle work in various types of working environment, and also to tackle further studies; courses in salesmanship, marketing and business management; Course for shop-stewards I, Course for shop-stewards II; technical services; sales representatives; professional commercial courses; production skills; goods transport; assistant positions (in office cleaning, canteen pantry management and laundry work) and courses for security guards.

⁴⁷ <http://frae.is/namsskrar/>

The general syllabuses comprise the following courses and subjects: basic education (intended for people on the labour market who have little formal schooling behind them); ‘Pioneers’ school’ (intended for people on the labour market whose native language is not Icelandic), ‘Pioneers’ school’ II; ‘Pillars’ (intended for people who did not complete upper secondary school), MFA (for unemployed people with little formal education), courses and practice in general theoretical subjects (intended for people who are working on the labour market and have begun upper secondary studies but not taken final in theoretical subjects) and ‘A Stronger Position’ (intended for people on the labour market who want to improve their ability to tackle changes in their work and gain more competence in IT and computer use).

The literacy and learning difficulty syllabuses comprise the following courses and subjects: Reading and Writing in Icelandic; Back to Learning and Steps towards self-help in reading and writing.

Continuing Education – University of Iceland.

The University of Iceland’s Institute of Continuing Education has been in the lead in providing re-education and continuing education courses in Iceland. The range of courses and subjects it offers is extremely broad and covers many aspects of modern society. The institute relies entirely on its own earnings, i.e. course fees, and does not receive any public funding.

Table 29. Total numbers of students in Continuing Education – University of Iceland 2011-2014

Year	2011	2012	2013	2014
Number	7,521	6,730	7,291	7,202

Post-secondary vocational studies

Regarding vocational studies at post-secondary level, the choice is varied and no exhaustive listing can be given; nevertheless the following examples may be mentioned. Baking; automobile construction and repairs; metalworking; flower arranging; library science and information technology; agriculture; clothes design and production; tourism; social support; media studies; continuing studies for pharmacologists and practical nurses; gold and silversmithing; hairdressing; carpentry and cabinet-making; meat processing; nursery-school assistantship; tourist guiding; cookery; beautician’s work; plumbing; electrical installation and repairs; practical nursing; vessel captain’s qualification and studies to become a support provider for disabled people.

Aircraft mechanics’ training is a course of vocational training that is taught at post-secondary level but does not come under the Ministry of Education, Science and Culture. It became vastly more popular during the period, both in Iceland and abroad. Aircraft mechanic’s training began in the Technical College (*Tækniskólinn*) and the Icelandic Aviation School (*Flugskóli Íslands*) and later at the Keilir Flight Academy (*Keilir flugakademiá*); before that, students generally went to Denmark or to Scotland for this training.

Article 15

The right of persons with disabilities to independence, social integration and participation in the life of the community

15§1 and 15§2

Article 15§1 – Education and training of persons with disabilities.

Act No. 59/1992 on the Affairs of People with Disabilities.

Act No. 59/1992, on the Affairs of People with Disabilities (the Disabled Persons Act), was amended in December 2010 (*cf.* Act No. 152/2010) as stated in last report, when responsibility for these matters was transferred from central to local government. Since that time, the municipalities have been responsible under the Act for the structure and delivery of services to the disabled, including the quality of the services and their costs. The Directorate of Labour is responsible for disabled persons' employment, and the priority there has been to integrate this service with the service for non-disabled people. Thus, the Directorate of Labour is expected to provide all persons with individually-tailored services. The local authorities are in charge of operating 'habilitation centres'.

Reference is made to the last report regarding the implementation schedule which was approved by the Althingi in summer 2012 and was to run for two years.

Comment by the European Committee

Conclusions XX-1, Article 15-1, p. 13.

Iceland signed on 30 March 2007 the UN Convention on rights of Persons with Disabilities and its Optional Protocol but has not ratified them yet. The Committee asks to be kept informed of any development in this respect.

Iceland signed the *UN Convention on rights of Persons with Disabilities* on 30 March 2007.

On 20 September 2016, Althingi passed a parliamentary resolution authorizing the ratification of the Convention by the Government. Furthermore, the resolution states that the Optional Protocol shall be ratified by Iceland by the end of 2017.

Comment by the European Committee

Conclusions XX-1, Article 15-1, p. 13.

The Committee recalls that where it is known that a certain category of persons is, or might be, discriminated against, it is the national authorities' duty to collect data to assess the extent of the problem (European Roma Rights Centre v. Greece, Complaint No. 15/2003, decision on the merits of 8 December 2004, §27). The gathering and analysis of such data (with due safeguards for privacy and against other abuses) is indispensable to the formulation of national policy (European Roma Rights Centre v. Italy, Complaint No. 27/2004, decision on the merits of 7

December 2005, §23). The Committee accordingly reiterates its request for data on the total number of people with disabilities and the total number of children with disabilities, as well as the number of disabled children attending respectively mainstream and special schools and training facilities.

Disability (invalidity) pensioners are individuals who have invalidity ratings of $\geq 75\%$ and who receive invalidity pensions in view of this. Under Act 120/2009, the definition has applied since 2011 to persons aged between 18 and 66; during the last report period the lower age limit was 16 years. Invalidity grant recipients are those who have invalidity ratings of 50-74% and receive grants in view of this. Rehabilitation grants are paid for up to 36 months to those who are active in vocational rehabilitation; they are equal in amount to invalidity pensions.

The proportion of recipients of invalidity benefit (pensions) and rehabilitation grants, and invalidity grant recipients, of the total population grew from year to year throughout the period. Of the 18-66 age group, it was 8.3% in 2011, 8.5% in 2012 and 8.8% in 2013 and 2014.

Table 30. The number of persons between ages of 18 and 66 with invalidity status in Iceland.

<i>Year</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Invalidity ($\geq 75\%$)	15,197	15,526	16,146	16,323
Invalidity (50-74%)	770	747	730	692
Rehabilitation	1,124	1,247	1,414	1,599
Total	17,091	17,520	18,290	18,614

Source: Social Insurance Administration

Table 31. The number of persons with disabilities ($\geq 75\%$) by gender.

<i>Year</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Males	5,889	5,992	6,296	6,362
Females	9,308	9,534	9,850	9,961
Total	15,197	15,526	16,146	16,323

Source: Social Insurance Administration

The next table presents data from the Social Insurance Administration on the payment of social insurance and social assistance due to disabilities. The presentation of this data is more detailed than was the case in Table 11 in the 25th Report, and for this reason the figures from the last period are also given here to make it possible to identify the changes that took place between the periods.

Table 32. Disbursements connected with disabilities.**Disbursements connected with disabilities: Pensions and social assistance payments, 2007-2015 (Active entitlements in ISK millions.)**

Entitlement figs., exc. dis. pers. w. contr.)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pension insurance and benefits under the Social Assistance Act - <u>disbursements connected with disabilities</u>									
Invalidity pensions	4,020	4,436	4,983	5,000	5,294	5,746	6,230	6,688	7,022
Age-related invalidity supplement	1,512	1,791	2,158	2,208	2,371	2,598	2,811	3,033	3,224
Invalidity pensioners' income supplement	8,260	11,051	13,398	13,825	15,981	16,688	17,930	18,894	19,580
Disability pensioners' pocket money	65	66	70	67	63	54	53	48	47
Invalidity grants	139	154	180	175	181	189	198	204	213
Child pension	1,966	2,144	2,420	2,393	2,446	2,643	2,784	2,948	3,048
Spouse and care-giving benefit	99	117	125	98	77	72	81	85	88
Rehabilitation pension	1,124	1,517	1,949	1,779	1,823	2,043	2,308	2,773	2,857
Child pension for education	60	65	86	103	101	114	130	138	131
Household supplement	1,017	1,187	1,427	1,455	1,547	1,690	1,834	1,925	2,008
Further supplements	310	305	216	143	132	133	132	140	149
Special support supplement		36	550	635	1,020	1,171	1,271	1,307	1,318
Supplement for running of automobile	307	330	351	334	343	362	370	383	394
Supplement/grants for automobile purchase				63	175	210	263	303	294
Disabled persons work contracts (acc. figure)	179	302	261	339	332	413	528	612	760
Total, by year:	19,058	23,501	28,176	28,618	31,885	34,124	36,923	39,480	41,132

Accounted figures (ISK m.)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pension insurance: 3 benefit categories									
Invalidity pension	3,976	4,409	4,982	4,911	6,063	5,667	6,151	6,633	6,997
Age-related invalidity supplement	1,498	1,779	2,155	2,178	2,375	2,575	2,796	3,023	3,234
Invalidity pensioners' income supplement	8,258	10,999	13,571	13,353	15,362	16,398	17,558	19,133	19,651
	13,733	17,187	20,708	20,442	23,800	24,639	26,505	28,789	29,882
Paid by pension funds to disabled pers. (ISK m).	8,459	9,409	12,016	11,534	12,188	13,148	14,097	15,791	17,048

Table 33. Residents with invalidity assessment aged 18–66

	2011	2012	2013	2014
Invalidity pension recipients in December	15,197	15,526	16,146	16,323
Individuals with invalidity assessment, without invalidity benefits due to stay in medical facility, but receiving daily allowances in December	112	105	99	95
Total payments in December	15,309	15,631	16,245	16,418
% of population (age 18-66) at year end	7.5%	7.6%	7.8%	7.8%
Persons with invalidity assessment without	737	791	543	580
payment in Dec. due to income				
Total registered at the Social Insurance Administration in December	16,046	16,422	16,788	16,998
% of population (age 18-66) at year end	7.8%	8.0%	8.0%	8.1%
Population (age 18-66)	204,912	206,097	208,621	210,796

Source: *Social Insurance Administration***Table 34. Invalidity pensioners, male and female recipients by age group for the years 2011, 2012, 2013 and 2014.**

<i>Invalidity pensioners, male and female recipients by age group 2011</i>				
Age	Invalidity pensioners		Proportion of population 18-66	
	Men	Women	Men	Women
18 - 19	117	68	2.4%	1.4%
20 - 24	322	236	2.6%	2.0%
25 - 29	347	432	3.1%	3.9%
30 - 34	380	567	3.3%	5.1%
35 - 39	439	758	4.0%	7.1%
40 - 44	486	860	4.8%	8.6%
45 - 49	676	1,192	6.2%	10.7%
50 - 54	785	1,377	7.3%	13.0%
55 - 59	909	1,453	9.4%	15.4%
60 - 64	960	1,634	11.7%	20.4%
65 - 66	468	731	16.6%	27.2%
Total	5,889	9,308	5.7%	9.2%

<i>Invalidity pensioners, male and female recipients by age group, December 2012</i>				
Age	Invalidity pensioners		Proportion of population aged 18-66	
	Men	Women	Men	Women
18 - 19	116	69	2.4%	1.5%
20 - 24	343	241	2.7%	2.0%
25 - 29	334	419	3.0%	3.8%
30 - 34	406	594	3.4%	5.3%
35 - 39	438	749	4.1%	7.1%
40 - 44	485	875	4.7%	8.6%
45 - 49	672	1,177	6.3%	10.7%
50 - 54	804	1,407	7.5%	13.1%
55 - 59	960	1,552	9.7%	16.0%
60 - 64	960	1,725	11.4%	20.9%
65 - 66	474	726	16.2%	26.5%
Total	5,992	9,534	5.8%	9.4%
<i>Invalidity pensioners, male and female recipients divided by age group, December 2013</i>				
Age	Invalidity pensioners		Proportion of population aged 18-66	
	Men	Women	Men	Women
18 - 19	108	77	2.3%	1.7%
20 - 24	360	234	2.8%	1.9%
25 - 29	369	377	3.2%	3.4%
30 - 34	417	652	3.5%	5.7%
35 - 39	440	753	4.1%	7.2%
40 - 44	508	890	4.8%	8.5%
45 - 49	667	1,197	6.3%	11.1%
50 - 54	855	1,426	7.9%	13.2%
55 - 59	1,031	1,656	10.2%	16.6%
60 - 64	1,035	1,781	11.9%	21.1%
65 - 66	506	807	16.7%	26.9%
Total	6,296	9,850	6.0%	9.5%

<i>Invalidity pensioners, male and female recipients divided by age group, December 2014</i>				
<i>Age</i>	Invalidity pensioners		Proportion of population aged 18-66	
	Men	Women	Men	Women
	<i>Invalidity pensioners</i>		<i>Percentage of population aged 18-66</i>	
	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>
18 - 19	113	59	2.4%	1.3%
20 - 24	382	235	3.0%	1.9%
25 - 29	372	392	3.1%	3.4%
30 - 34	428	628	3.6%	5.5%
35 - 39	463	775	4.2%	7.2%
40 - 44	500	921	4.6%	8.8%
45 - 49	647	1,126	6.2%	10.7%
50 - 54	843	1,431	7.9%	13.1%
55 - 59	1,043	1,693	10.1%	16.5%
60 - 64	1,084	1,838	12.2%	21.1%
65 - 66	487	863	15.5%	27.7%
Total	6,362	9,961	6.0%	9.6%

Regarding the estimate of the total number of children with disabilities, the following figures are the numbers in respect of which care benefits have been paid. In 2011, care benefits were paid for 2,758 children with disabilities, in 2012 for 2,764 children, in 2013 the figure was 2,736 and in 2014 it was 2,713. As can be seen from these figures, the numbers have fallen slightly in each year since 2012.

Regarding disabled children and schooling: the educational policy in Iceland is that the school system is open to all, without distinction, meaning that throughout the compulsory school level, all children have the right to pursue education according to their abilities. They have equality of opportunity, irrespective of their abilities and circumstances. The Compulsory School Act, No. 91/2008,⁴⁸ remained unchanged during the reported period. Regulation No. 585/2010, on pupils with special needs in junior schools, applies to those who need special support in their studies as assessed. This regulation was not amended during the period. ‘Pupils with special needs’ covers those who have difficulty in pursuing school studies due to particular learning difficulties, emotional or social difficulties and/or physical disabilities (*cf.* Article 2 of the Disabled Persons Act, No. 59/1992), pupils with reading difficulties, chronically ill pupils, pupils with developmental disorders, psychiatric disorders and others with health-related special needs. Special remedies are also available for children who need them; ‘special remedies’ here refers to schooling in special departments which are operated within certain junior schools, schooling in a

⁴⁸ <https://eng.menntamalaraduneyti.is/media/law-and-regulations/Compulsory-School-Act-No.-91-2008.pdf>

special school providing such remedies and teaching for children in health care. General support to pupils in school lessons does not fall under ‘special remedies’. There is one special school at the junior (compulsory) level for the whole country; this is Klettaskóli, which went into operation in 2011. Klettaskóli is a specialised public school at the junior school level for pupils with medium to severe learning disabilities and pupils with multiple disabilities of various forms, together with mild, medium or severe learning disabilities. In the school year 2013-2014 there were 109 pupils at Klettaskóli. For further information, reference is made to the detailed discussion of school education in the last Report.

Supreme court cases regarding the right to education of persons with disabilities.

No judgements were delivered in the period from 2010-2014 by the Supreme Court regarding the right to education of persons with disabilities.

Definition of invalidity.

Comment by the European Committee

Conclusions XX-1, Article 15-1, p. 13.

The Disabled Persons Act, No. 59/1992, states that "Those who are entitled to services according to this Act are the mentally or physically disabled who need special services and support for this reason. This refers to mental retardation, psychiatric illness, physical disability, blindness and / or deafness. [...] disabilities can also be the consequence of chronic illness as well as of accidents". The report indicates that, in June 2012 (outside the reference period), the Parliament approved a motion for a resolution concerning an action plan (2012-2020) on disability policies, focusing on human rights and prohibition of discrimination and stating that "the term "disability" is a concept undergoing evolution and change, and it should be recognised that disability arises in the interaction between people with reduced function, their environment and attitudes which prevent full and active participation in society on an equal basis with others".

The Committee asks to be kept informed of the steps taken to move away from the medical definition of invalidity towards a more social definition such as that endorsed by the WHO in its International Classification of Functioning (ICF 2001).

A task force on the review of the Disabled Persons Act and the Local Authorities’ Social Services Act worked on these matters during the period, including a change in the meaning of the term “disability” in the light of the definition adopted in the *UN Convention on the Rights of Persons with Disabilities (UN-CRPD)*.

Anti-discrimination legislation.

Reference is made to the discussion in connection with Article 1§2.

Education.

No amendments were made during the period to the Compulsory School Act No 91/2008⁴⁹ regarding pupils with special needs. The same applies to Regulation No. 858/2010, on pupils with special needs in junior schools.⁵⁰ Reference is made to the discussion on these in the last Report.

Nor were any amendments made during the period to the Upper Secondary Education Act, No. 92/2008,⁵¹ and consequently, reference is made to the discussion of that Act in the last Report. On 14 February 2012, the then Minister of Education, Science and Culture issued a regulation under the Act: No. 230/2012, on pupils with special needs in upper secondary schools.⁵² This regulation covers upper-secondary-school pupils who are entitled to teaching and special support in their studies in accordance with their special needs, as evaluated, and applies to such pupils irrespective of whether the school involved is run by the State or by another entity. The aim of the regulation, according to Article 3, is that pupils should:

- a. have equal opportunities to pursue studies, without discrimination, to the extent possible, thus meeting their educational, physical, social and emotional needs,
- b. receive a varied range of study options, teaching and support designed to cater for their abilities in a stimulating educational environment and in premises which take account of their needs and standing,
- c. be able to develop their personalities, talents and creativity and also their mental and physical capacity and be socially active participants in the school community based on their strengths,
- d. be appropriately prepared to live an independent life, and to take part in employment or further studies,
- e. have equal opportunities in post-secondary education in accordance with the UN Convention on the Rights of the Child and the UN Convention on the Rights of Persons with Disabilities.

The regulation addresses in further detail the obligations of the upper secondary schools and the rights of pupils, needs for special support, the structure of teaching and the arrangements for educational support for pupils with special needs, courses of study for disabled pupils in upper-secondary schools, the registration of disabled pupils in vocational courses in upper-secondary schools and special services for chronically ill pupils.

⁴⁹ <https://eng.menntamalaraduneyti.is/media/law-and-regulations/Compulsory-School-Act-No.-91-2008.pdf>

⁵⁰ <http://www.reglugerd.is/reglugerdir/allar/nr/585-2010>

⁵¹ <https://eng.menntamalaraduneyti.is/media/law-and-regulations/Upper-Secondary-Education-Act-No.-92-2008.pdf>

⁵² <http://www.reglugerd.is/reglugerdir/allar/nr/230-2012>

Vocational training.

Employment of disabled persons.

No amendments were made during the period to Chapter XII of the Disabled Persons Act, No. 59/1992, which addresses the employment of disabled persons, and consequently, reference is made to the discussion submitted in the last Report and to the discussion of Article 15(2) in this Report.

Amendments to the Higher Education Act on the rights of disabled persons to pursue university education.

An amendment was made in 2012 to the Higher Education Act, No. 63/2006,⁵³ by which the sixth paragraph of Article 19 now provides that universities are to provide disabled students (*cf.* Article 2 of the Disabled Persons Act, No. 59/1992) and students with emotional or social difficulties with teaching and special support during their studies. Specialist assistance and the appropriate facilities are to be provided as necessary. Disabled students are to pursue studies side by side with other students to the extent possible. Universities are moreover to strive to provide special support students with special learning difficulties or illnesses. The commentary on the draft version of the legislation explained that this was done in order to give effect to Article 24 of the UN Convention on the Rights of Persons with Disabilities, which Iceland signed on 30 March 2007. Under the fifth paragraph of Article 24 of the Convention, the member states are to ensure that disabled persons are able to begin general university (post-secondary) studies and that they shall receive access to vocational training, adult education and lifelong learning without discrimination and on the same basis as others. The Convention states that the member states are to ensure, for this purpose, the right of disabled persons to appropriate adaptation measures.

⁵³ <https://eng.menntamalaraduneyti.is/media/frettir2015/Thyding-log-um-haskola-oktober-2015.pdf>

Article 15§2 – Employment of persons with disabilities.

Employment of persons with disabilities.

Responsibility for disabled persons' affairs was transferred from central to local government on 1 January 2011, and the Althingi approved a motion to entrust the Directorate of Labour with the administration of disabled persons' employment in accordance with the Labour Market Measures Act, No. 55/2006, with costs being met by the Treasury. The approach adopted was to view employment-related and habilitation-related aspects of service as forming a single entity, the execution of which was defined under the heading of labour-market measures. This would bring access to all employment-related measures together in one place, irrespective of the personal circumstances motivating people to seek them. Since, by law, labour-market measures are the responsibility of the Directorate of Labour, it was proposed that the directorate should process all applications, evaluate individual applicants' competence and direct them to courses of action that best meet the needs of each. The aim of the arrangement was to have all employment issues administered by the same authority, i.e. the Directorate of Labour, and that disabled persons, no less than non-disabled persons, would apply to the directorate for everything relating to their employment searches.

A committee on the future structure of employment issues for disabled persons was appointed to put this decision into practice, but the committee did not reach agreement on final proposals and hence the future structure remained undecided during the period covered by this Report. The matter was referred to a steering committee, which worked at a re-evaluation of the transfer of disabled persons' affairs to the local authorities. The steering committee was still engaged on this work at the end of the report period, and agreement was reached in autumn 2015.

Following the transfer at the beginning of 2011, the Directorate of Labour nevertheless agreed an arrangement with the local authorities in the metropolitan area and the Suðurnes region under which the project *Employment with Support (Atvinna með stuðningi; AMS)* was transferred to the Directorate of Labour, initially for one year in view of the fact that that work on overall policy on disabled persons' employment was to be completed in 2011, when a further decision would be taken on where responsibility for these matters would lie. The aim of the agreement was to bring all employment issues under the Directorate of Labour so that both disabled persons and others would apply to the directorate in all matters relating to employment searches. This agreement was regarded as an important step forward in disabled persons' campaign for equality.

This applies only to those who are categorised as being disabled in the sense of the Disabled Persons Act; however, the Directorate of Labour has always provided job-seekers with reduced working capacity the appropriate services in the field of labour market measures.

Measures to encourage the employment of persons with disabilities.

Employment with Support (*Atvinna með stuðningi*; AMS).

The aim of the AMS programme is to assist disabled persons in finding employment in the labour market. It is based on the ideology behind the *Supported employment* programmes, which originated in the USA in the early 1960s and aims at enabling disabled persons to work in the labour market. The basic idea is that the skills and knowledge gained in places of sheltered employment generally could not be applied to jobs elsewhere, and consequently it was seen as important to have training take place in ordinary workplaces.

The project involves broad support, including assistance with finding the right job, support in the workplace and follow-up measures in the job for as long as is necessary. This means participation and training in the private sector and assistance with finding employment on the same basis of rights and entitlements as applies generally. Applicants' competence, rather than their disabilities, is the main point, and remedial measures are based on the needs of the individual. Efforts are made to cultivate smooth collaboration with employers, with assistance provided in order to form bonds in the workplace and build up a contact network there. Support is given for as long as is necessary, being systematically reduced when possible. The employer and the employee nevertheless continue to have access to a counsellor as needed.

In 2011 there were 270 people in the metropolitan and Suðurnes regions who were using this service and working in jobs under follow-up supervision under the AMS scheme. In 2012 the number fell to 221; in 2013 it rose to 291 and at the end of 2014 it stood at 330. Users of the services of AMS work in many types of employment, e.g. in nursery schools, libraries, physical fitness centres, canteens, computer companies, sports clubs, offices, production companies and shops.

Harnessing Abilities – All Abilities (*Virkjum hæfileikana – alla hæfileikana*).

On 4 November 2014 the Directorate of Labour, the Organisation of the Disabled in Iceland (*Öryrkjabandalag Íslands*) and the National Association of People with Intellectual Disabilities (*Þroskahjálp*) launched a collaborative project, *Harnessing Abilities – All Abilities (Virkjum hæfileikana – alla hæfileikana)*. This is aimed at creating jobs for job-seekers with reduced working capacity. As part of the project, the Directorate of Labour presents to employers the services it offers, which embrace training of the worker in the workplace, with support in the workplace, counselling and follow-up measures as needed.

If they participate in the project, public agencies and municipalities can engage individuals with reduced working capacity with support from counsellors at the Directorate of Labour under a disabled person's working agreement. Under such agreements, the wage-payers (employers) receive a reimbursement of part of the wages and wage-related payments in respect of the worker.

- Three parties are involved in the agreement: the employer, the employee and the Social Insurance Administration.
- The maximum reimbursement of wages and wage-related expenses is 75% for two years, falling by 10% per year until a level of 25% reimbursement is reached. After this, the reimbursement percentage remains in force indefinitely.
- The employment contract takes the usual form, and the disabled person's working agreement is independent of it.

Under this project, the Directorate of Labour is empowered to enter into agreements with employers in the private sector under which they engage workers who receive invalidity pensions or invalidity grants. The individual must have reduced working capacity and must not receive substantial income apart from payments from the Social Insurance Administration. The Directorate of Labour, as the party in charge of disabled persons' labour exchange services and vocational rehabilitation, administers the working agreement. It is the coordinator between the pension recipient, the company and the Social Insurance Administration. Its role, as the body administering the agreement, is to monitor how the individual fares at work, assist if difficulties arise and function as a coordinating body vis-à-vis the other parties to the agreement. The applicant, or the company, contacts the administering body.

Working agreements may be made regarding both full-time and part-time jobs: the job proportion may be a full 100%, with 20% set as the minimum. Each worker may only enter into a working agreement with one company at a time. An agreement on wages and terms is made with the employer on the same terms as apply at any given time under collective agreements; the workplace is to be named and the tasks which the worker is expected to do are defined. Reduction of benefit payments to the worker during the employment period is according to the general provisions on such reductions in view of earnings. The proportion of reimbursement wages and wage-related expenses to the company involved may never exceed 75% and may never be less than 25%.

The tables below present estimates of the numbers of persons with disabilities who are active participants in the Icelandic labour market. These are the number of persons who have applied for disability pension but received no pension due to their employment earnings.

Table 35. Number of persons with disability ratings who receive no payments due to their employment earnings.

	2011	2012	2013	2014
Invalidity-rated individuals without payments	737	791	543	580
Persons qualifying for invalidity grants, but receiving no payments	127	146	151	165
	864	937	694	745

Measures to encourage the employment of persons with disabilities.

Comment by the European Committee

Conclusions XX-1, Article 15-2, p. 2.

The Committee requests more detailed information on whether the law provides for an obligation to ensure reasonable accommodation in the workplace, what measures are concretely available, what criteria are applied to assess whether the support requested is "reasonable" and what remedies are available as regards reasonable accommodation requirements, together with any relevant example of case law.

No such obligation was provided for in Icelandic legislation during the period; however, in February 2014 the Ministry of Welfare presented a draft bill on equal treatment on the labour market. Article 7 of the draft bill contained the following provision, which is based on Article 5 of Council Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation.

Article 7

Measures to be taken by employers in respect of disabled individuals or individuals with reduced working capacity.

Employers shall take appropriate measures, if they are necessary in a particular case, to enable disabled individuals or individuals with reduced working capacity to have access to, and participate in, work, progress in work or receive training, providing that these measures are not excessively encumbering for the employer.

As has been stated above, this bill was not passed as law during the period.

The Act on Vocational Rehabilitation and the Operation of Vocational Rehabilitation Funds, No. 60/2012.

The aim of the Act is to guarantee individuals with reduced working capacity as a consequence of illness or accidents vocational rehabilitation as one component in a comprehensive system of rehabilitation in which the vocational rehabilitation funds and state and municipal bodies collaborate as far as possible and strive to define and attend to their responsibilities in such a way as to enable the maximum number of people to be active on the labour market.

The Act entered into force during the period; reference is made to the discussion of it in the last Report.

The Icelandic Rehabilitation Fund VIRK.

The role of the VIRK Fund is to design, integrate and monitor services in the field of vocational rehabilitation aimed deliberately at involving individuals in employment following illness or accidents. The aim of the services provided by VIRK is to help people enter employment, e.g. through counselling and services in the field of vocational rehabilitation which call for the full participation of the individual concerned. All the principal employers' and workers' organisations in Iceland, both in the private and the public sector, are involved in the operation of the fund.

VIRK remained in operation during the report period; its role is to enhance people's working ability following illness or accidents through successful vocational rehabilitation services. Act No. 60/2012 on Vocational Rehabilitation and the Operation of Vocational Rehabilitation Funds, applies to vocational rehabilitation funds, contributions to them and individuals' entitlement to vocational rehabilitation provided by the funds. Reference is made to the detailed discussion of the VIRK Fund and Act No. 60/2012 in the last Report; as has been stated above, no amendments were made to the Act during the report period.

Generally speaking, individuals have achieved very good results in vocational rehabilitation provided by VIRK; the majority of those who have completed rehabilitation are active on the labour market. In addition, surveys conducted by VIRK show that with very few exceptions, participants are highly satisfied with its service and consider that it has substantially enhanced both the quality of their lives and their working capacity.

From when VIRK began its services in 2009 to 31 December 2014, 7,642 individuals had sought the services of VIRK. Most of those who do so attribute their absence from the labour market to musculo-skeletal problems (41% in 2012, 38% in 2013 and 34% in 2014) or to psychiatric problems (37% in 2012, 40% in 2013 and 43% in 2014). Numbers of individuals using its services for the first time were: 1,304 in 2011, 1,236 in 2012; 1,639 in 2013 and 1,782 in 2014. There has been a great rise in these numbers since 2012. There are many reasons for this, including the passing of Act No. 60/2012 on Vocational Rehabilitation and the Operation of Vocational Rehabilitation Funds, which guaranteed all persons the right to its services providing that they met the relevant criteria. There was also a great increase in the numbers of people who had been long-term unemployed and suffered from multifarious problems.⁵⁴

If the position of the 3,765 individuals who had completed the use of services of VIRK by the end of 2014 is examined, it is found that about 72% were either in paid employment or actively seeking employment, or were pursuing studies that qualified for student loans at the time of completion. In the opinion of the fund, this is a very good outcome, particularly in light of the fact that those who apply to VIRK are, with few exceptions, struggling with serious problems and many of them have been off the labour market for a considerable period. It must also be borne in

⁵⁴ VIRK starfsendurhæfingarsjóður: *Ársrit um starfsendurhæfingu 2015*.
http://www.virk.is/static/files/_2015/Arsfundur_2015/virk_arsrit_2015_net.pdf

mind that a larger number of people are now applying to VIRK, many of whom have been out of the labour market for long periods and are struggling with complex problems of many types.⁵⁵

To evaluate the success of a vocational rehabilitation service, it is necessary to take account of the original situation of the individuals concerned. The best results are obtained where they come to VIRK early on and still have an employment relationship with their workplace when they arrive to talk to a counsellor. 78% of the people (measured in full-time-equivalent positions) who were still receiving wages from employers during their illness when they came to VIRK were discharged from VIRK with full working capacity (i.e., they were either in paid employment or actively seeking employment, or were pursuing studies that qualified for student loans at the time of completion). The same applies to 73% of those who were receiving unemployment benefit when they came to VIRK, 66% of those who were receiving *per diem* allowances from trade unions' sick-pay funds, 43% of those who were receiving rehabilitation pensions, 55% of those who were on financial assistance and 25% of invalidity pension recipients. In other words, the proportion of those who are discharged with working capacity declines in proportion to how far away from the labour market they are at the time that they come to VIRK.⁵⁶

⁵⁵ Ibid.

⁵⁶ Ibid.

Article 18
The right to engage in a gainful occupation in the territory of the other States
Parties

18§1, 18§2, 18§3 and 18§4

Article 18§1 – Applying existing regulations in a spirit of liberality.

On 1 January 2011 there were 21,143 foreign nationals residing in the country, representing about 6.6% of Iceland's population. The number had risen to 22,744, or 7% of the population on 1 January 2014.

Table 36. Number and proportion of foreign nationals in Iceland 2011-2014.

	Number	Percentage
2011	21,143	6.6%
2012	20,957	6.6%
2013	21,446	6.7%
2014	22,744	7.0%

Source: Statistics Iceland

In 2011, 2,754 foreign nationals immigrated to Iceland. During the same period 2,847 foreign nationals left the country. In the years leading up to 2014, on the other hand, the balance changed from negative to positive; in 2014, 4,348 foreign nationals moved to Iceland and 2,475 left the country.

The number of certificates issued by the Directorate of Labour for the confirmation of employment (E-301), which nationals from countries within the European Economic Area apply for when leaving the Icelandic labour market, fell each year during the period. In 2011 the number of certificates issued was 899; the previous year, 2010, it had been 1,181. In 2012 it was 706; in 2013 it fell to 609, rising slightly in 2014 to 623. The largest single group, 246 (39% of all E-301 certificates issued) in 2014 were to Poland; 72 were issued to Norway, 49 to the Czech Republic, 45 to Denmark and 32 to Sweden.

It can be seen clearly from the foregoing discussion that emigration of foreign nationals declined from year to year; the immigration/emigration balance of foreign nationals became positive during the period.

Table 37. The immigration/emigration balance among foreign nationals.

	Icelandic nationals			Foreign nationals		
	Immigration/emigration balance	Immigration	Emigration	Immigration/emigration balance	Immigration	Emigration
Year						
2011	-1.311	2.824	4.135	-93	2.754	2.847
2012	-936	3.130	4.066	617	2.827	2.210
2013	-36	3.139	3.175	1.634	3.932	2.298
2014	-760	2.640	3.400	1.873	4.348	2.475

Source: Statistics Iceland

The immigration/emigration balance among Icelandic nationals was negative throughout the period. In 2011, 4,135 Icelandic nationals emigrated, against 2,824 who returned to the country that year after periods spent abroad. In 2014 the number of emigrants was 3,400, against 2,640 immigrants. Thus, there was a decline in the numbers of Icelandic nationals emigrating, but the immigration/emigration balance nevertheless remained negative.

For the period 2011-2014, the immigration/emigration balance among foreign nationals was positive by 4,031 while the balance among Icelandic nationals was negative by 3,043. Foreign nationals as a proportion of the whole population therefore rose slightly each year, reaching 7% at the end of the period.

According to data from Statistics Iceland, the largest group of foreign nationals resident in Iceland in 2014 were from Europe (84%); about 9% were from Asia, 5% from America and 2% from elsewhere.

By nationality of origin, the largest group of immigrants were Poles, as has been the case in previous years. In 2014 there were 10,172 Polish citizens resident in Iceland.

The ratio of foreign nationals on the Icelandic labour market lay in the range of 8.2% - 8.9% during the period. As the next table shows, the largest single group were Poles.

Table 38. Proportion of foreign nationals on the Icelandic labour market.

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Total	180,100	180,000	185,000	187,000
Icelandic	165,304	165,317	169,467	170,442
Foreign	14,796	14,683	15,533	16,558
Polish	6,198	6,137	6,597	7,157
Other than Polish	8,599	8,546	8,936	9,401
<i>Proportion of foreign nationals on the labour market</i>	<i>8.2%</i>	<i>8.2%</i>	<i>8.4%</i>	<i>8.9%</i>

Comment by the European Committee

Conclusions XX-1, Article 18-1, p. 20.

The Committee asks for information in the next report on the number of work permits granted to applicants from non-EEA States, as well as on the work permit refusal rate with respect to applicants from such States, as this information is relevant in order to assess the degree of liberality in applying existing regulations governing access to national labour market.

The Directorate of Labour is in charge of issuing work permits and registering foreign workers on the Icelandic labour market and working for temporary-work agencies.

Work permits are issued only to applicants from non-EEA States. The following tables show all permits issued.

Table 39. Total number of granted work permits in 2011-2014.

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
New temporary work permits	315	308	295	352
Temporary permits extended	390	292	310	306
New place of work	64	58	69	58
Specialized workers	109	30	20	10
Students work permits	86	102	119	175
Permanent work permits	126	96	79	80
<i>Total</i>	<i>1.090</i>	<i>886</i>	<i>892</i>	<i>981</i>

Source: Directorate of Labour

Table 40. New temporary work permits, by gender.

	<i>2011</i>		<i>2012</i>		<i>2013</i>		<i>2014</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
All	315		308		295		352	
Women	215	68%	204	66%	198	67%	225	64%
Men	100	32%	104	34%	97	33%	127	36%

Source: Directorate of Labour

Table 41. New and extended work permits, by nationality of recipients.

	<i>2011</i>		<i>2012</i>		<i>2013</i>		<i>2014</i>	
	<i>New permits</i>	<i>Exten-sions</i>	<i>New permits</i>	<i>Exten-sions</i>	<i>New permits</i>	<i>Exten-sions</i>	<i>New permits</i>	<i>Exten-sions</i>
Other European countries (non-EEA States), USA and Canada	139	150	140	91	147	92	161	82
Asia	100	186	79	149	70	165	86	155
Other countries	76	54	89	52	78	53	105	69

Source: Directorate of Labour

Table 42. New and extended work permits, by sectors.

	<i>2011</i>		<i>2012</i>		<i>2013</i>		<i>2014</i>	
	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>
Industry and agriculture	59	69	61	37	48	26	52	36
Fisheries and fishing industry	13	38	15	28	15	36	12	47
Construction industry	3	3	3	1	1	2	1	6
Commerce and services	240	280	229	226	231	246	287	217

Source: Directorate of Labour

Table 43. New work permits, by place of residence.

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Greater Reykjavík area	183	168	153	183
Rest of Iceland	132	140	142	169

Source: Directorate of Labour

Table 44. Rejections of applications for new temporary permits.

	<i>2011</i>		<i>2012</i>		<i>2013</i>		<i>2014</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
New temporary	32	86%	35	92%	51	89%	42	91%
New workplace	1	3%	1	3%	0	0%	0	0%
Temporary extension	1	3%	1	3%	5	9%	2	4%
Expert	0	0%	0	0%	0	0%	0	0%
Student	3	8%	1	3%	1	2%	2	4%
Unlimited	0	0%	0	0%	0	0%	0	0%
Domestic help/Au pair	0	0%	0	0%	0	0%	0	0%
<i>Total</i>	<i>37</i>	<i>100%</i>	<i>38</i>	<i>100%</i>	<i>57</i>	<i>100%</i>	<i>46</i>	<i>100%</i>

Source: Directorate of Labour

On the main reasons for turning down applications for temporary work permits, reference is made to the discussion later in this Report in connection with Article 18§3.

Article 18§2 – Simplifying existing formalities and reducing dues and taxes.

The principal items of legislation with a bearing on immigration are the Foreign Nationals Act, No. 96/2002 and Regulation No. 53/2003 on foreign nationals, the Foreign Nationals' Employment Rights Act, No. 97/2002, the Icelandic Nationality Act, No. 100/1952, the Act on the Schengen Information System in Iceland, 16/2000 and the Administrative Procedure Act, No. 37/1993.

The Foreign Nationals Act No 96/2002, with subsequent amendments

The Foreign Nationals Act, No. 96/2002, lays down provisions on residence permits, asylum, refusal of entry into the country and deportation and also special rules applying to procedure. Chapter III of the Act contains rules on temporary and permanent residence by third-country citizens, and Chapter VI contains special rules on citizens of EU/EFTA states and their dependants as established by Directive 2004/38/EC on the right of citizens of the Union and their family members to move and reside freely within the territory of the EU and the EEA.

Amendments to the Foreign Nationals Act were approved by the Althingi on 29 June 2012 (Act No. 83/2012) concerning responsibility for the issue of visas and legal assistance to asylum-seekers, implementing Council Directive 2004/38/EC on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States and Council Directive 2008/115/EC on common standards and procedures in Member States for returning illegally staying third-country nationals.

Then on 27 May 2014, the Althingi approved a bill, No. 64/2012, amending the Foreign Nationals Act, with subsequent amendments, in order to give full effect to the two EU directives named above: Nos. 2004/38/EC and 2008/115/EC. The former, Directive 2004/38/EC, contains rules on the entry by citizens of EEA Member States into other Member States of the EU, the EEA and EFTA, and their right to reside there. The Directive had previously been given partial effect in the Foreign Nationals Act through Act No. 86/2006 and the aforementioned Act No. 83/2012; the purpose of the act of amendment (No. 64/2014) was, as is stated above, to give full effect to the directive, so responding to the criticism of the EFTA Surveillance Authority that Iceland had not implemented the Directive in full. The latter directive, No. 2008/115/EC, covers procedures for returning illegally third-country nationals. It lays down common standards and procedures for returning third-country nationals who stay illegally in the territories of the Member States, including rules on the circumstances in which illegally-staying foreign nationals are to be returned. Furthermore, the Icelandic act of amendment, No. 64/2014, also tackled the necessary amendments to the Foreign Nationals Act to take account of the new Dublin Regulation, i.e. Regulation (EU) No 604/2013 of the European Parliament and of the Council establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person ('Dublin III').

Furthermore, the aforementioned act of amendment established a Foreign Nationals' Appeals Committee, which is seen as a significant legal reform in this area. Thus, the review of administrative decisions by the Immigration Agency has been taken out of the hands of the Ministry of the Interior and transferred to an impartial and independent reviewer. This is in line with practice elsewhere in the Nordic countries, and also with the government's attempt to clarify and improve procedure in this area. Moreover, all administrative decisions may be referred to the courts; provision to this effect is made under Articles 60 and 70 of the Constitution and it therefore refers to decisions on questions affecting immigrants.

Residence permits

As was described in Iceland's 25th Report, the practice is that the Immigration Agency takes decisions on the issue of residence permits, and only thereafter is the Directorate of Labour able to take a decision on the issue of work permits. A foreign national from a state outside the EEA and EFTA who intends to reside in Iceland for more than three months must hold a residence permit. Residence permits are issued under the Foreign Nationals Act, with subsequent amendments, and Regulation No. 53/2003 on foreign nationals, with subsequent amendments. Processing time for a residence permit may be up to 90 days from the day on which all requisite documents have been submitted. Citizens from EEA and EFTA states do not need residence permits, but must register with Registers Iceland (the National Registry). Relatives of EEA or EFTA citizens who are regarded as third-state nationals must obtain residence certificates, which are issued by the Immigration Agency.

The general rule is that an application for a first-time residence permit must be approved before the applicant comes to Iceland. Applicants who are in Iceland when applying for a residence permit for the first time must leave the country before their applications are accepted for examination. Deviations from this procedure may be made in exceptional cases, e.g. in connection with the uniting of family members or if there are cogent considerations of fairness for doing so.

The Foreign Nationals' Right of Employment Act

No amendments that merit giving an account of were made during the period to the Foreign Nationals' Right of Employment Act.

In order for it to be possible to grant a *residence permit on grounds of employment*, it must be established that the person in question has a right of employment. Foreign nationals' rights of employment are determined by the Foreign Nationals' Right of Employment Act, No. 97/2002, which states that the Directorate of Labour is to evaluate whether the work to be done by the applicant meets certain requirements made in the Act and whether the applicant has the qualifications and experience demanded. Also in force is Regulation No. 339/2005 on foreign nationals' right of employment. When the Immigration Agency has confirmed that the basic

requirements for the issue of a residence permit are met, the application is forwarded to the Directorate of Labour. After the directorate has issued a work permit, the Immigration Agency is authorised to issue a residence permit on grounds of employment. On average, the Directorate of Labour takes three weeks to process an application.

The Foreign Nationals' Right of Employment Act applies to work done by foreign nationals in Iceland. Authorisation for the granting of work permits covering work done by foreign nationals is determined by government policy at any given time. The Act is designed to ensure the security under the law of foreign nationals who come to Iceland for the purpose of employment, and specifies the right of foreign nationals to work providing that certain conditions are met.

As has been stated in previous reports the Act provides for six types of temporary work permits, as follows.

- 1) Temporary work permits for jobs which demand specialist skills
- 2) Temporary work permits due to a shortage of domestic workers
- 3) Temporary work permits for sportsmen
- 4) Temporary work permits in view of special circumstances
- 5) Temporary work permits on grounds of unification of families
- 6) Temporary work permits for specialist workers on the basis of a service contract

In addition, it is possible to grant temporary work permits to cover work done by foreign nationals who are studying in Iceland (student's work permit).

Fee collected for residence permits and permits to stay

A fee for residence permit applications is determined in the Additional Treasury Income Act No. 88/1991 (*whether first-time or renewal applications or applications for a temporary or permanent permit*). The following amounts are the fees collected for the processing of applications for residence permits and permits to stay. The amount of the fee collected has remained unchanged since the last report.

For the processing of applications for a permit to stay in Iceland and residence permits for persons aged 18 and older:

- a. For the processing of an application for a permit to stay in Iceland, first permit:
ISK 12,000
- b. For the processing of an application for a residence permit:
ISK 12,000
- c. For the processing of an application for an extension of a permit to stay in Iceland:
ISK 6,000

For the processing of applications for a permit to stay in Iceland and residence permits for persons younger than 18:

- a. For the processing of an application for a permit to stay in Iceland, first permit:
ISK 6,000
- b. For the processing of an application for a residence permit:
ISK 6,000
- c. For the processing of an application for an extension of a permit to stay in Iceland:
ISK 3,000

Comment by the European Committee

Conclusions XX-1, Article 18-2, p. 21.

The Committee asks whether fees are charged for issuance of a work permit as well.

Fees are neither charged for the issuance of a work permit nor the processing of an application for such a permit.

Posted workers and temporary agency work

Amendments were made during the period to the Act No. 45/2007, on the rights and obligations of foreign undertakings that post workers temporarily in Iceland and on their workers' terms and condition of employment, and to the Temporary-work Agencies Act, No. 139/2005.

Act No. 45/2007, on the rights and obligations of foreign undertakings that post workers temporarily in Iceland and their workers terms and conditions of employment, with subsequent amendments

The background to the amendments to the Act on the rights and obligations of foreign undertakings that post workers temporarily in Iceland and their workers terms and conditions of employment, which took effect on 2 November 2012, can be traced to the judgment of the EFTA Court in Case No. E-12/10, brought by the EFTA Surveillance Authority against Iceland, of 28 June 2011, which was discussed in detail in the last report. Essentially, the EFTA Court's conclusion was that by providing for the rights of posted workers to wages in the event of illness and accidents, and to accident insurance in the event of death, physical injury and the temporary loss of working capacity as had been done in Articles 5 and 7 of Act No. 45/2007, on the rights and obligations of foreign undertakings that post workers temporarily in Iceland and their workers terms and conditions of employment, Iceland had violated the provisions of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services. The Court took the view that Article 3(1) of the Directive contained exhaustive provisions on the terms and conditions of employment of posted workers. Thus, Member States of the European Economic Area were not to provide in their domestic legislation for more extensive rights for these workers. The amendments described below took effect on 2 November 2012.

Prior to the amendment, Article 5 of Act No. 45/2007 laid down provisions on wages in the event of illness and accidents which, in the view of the Court, could not be considered as coming under the definition of ‘minimum rates of pay’ in the sense intended in the Directive. Thus, Article 5 was amended so that instead of stating that posted workers, in the event of illness or accidents, were entitled to their fixed wages, it now reads that in the event of illness or accidents, they are entitled to the wages specified in collective agreements applying to their occupation in direct proportion to their job proportion in any given case.

Prior to the amendment, Article 7 of Act No. 45/2007 contained provisions on accident insurance for these workers in the event of death, physical injury and the temporary loss of working capacity. In its aforementioned judgment, the EFTA Court found that the provision contained more extensive rights for posted workers than was specified in the aforementioned provision of the directive (Article 3(1).) Consequently, Article 7 of the Act was repealed by Act No. 114/2012.

Act No 139/2005, on Temporary Work Agencies, with subsequent amendments

Act No. 34/2013, which took effect on 5 April 2013, amending Act No. 139/2005, on Temporary Work Agencies, implemented *Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work*, setting a framework for the terms and entitlements of the employees of temporary-work agencies while at the same time taking account of the fact that these companies need a certain amount of flexibility when hiring workers.

In order to ensure the full implementation of the directive, the wording of the definition of the scope of the Act was clarified, stating that it applied not only to temporary-work agencies but also to their employees. It was also considered necessary to sharpen the definition of ‘employee of a temporary-work agency’; this now reads: *‘The term “employee of a temporary-work agency” refers to an individual who is engaged by a temporary-work agency to work on temporary projects for a user undertaking under its direction.’* This definition is in accordance with that given in the aforementioned directive (*cf.* indent c of Article 3 of the Directive). Furthermore, it was stated in the provision on the scope of the Act that it also applied regarding the obligations of user undertakings in connection with their contracts with temporary-work agencies. This was not a substantive amendment, since the Act already in force also contained provisions on particular obligations of user undertakings. In this connection, a more detailed definition was given of the meaning of the term in the Act: *‘The term “user undertaking” refers to an individual, undertaking, public entity or other party that engages in business activities and has employees of a temporary-work agency engaged on temporary projects under its direction.’* This definition is identical with that of indent d of Article 3 of the Directive.

The aforementioned Directive on temporary agency work addresses, amongst other things, the principle of equal treatment regarding conditions of engagement and work; under Article 5, the

basic working and employment conditions of temporary agency workers are to be at least those that would apply if they had been recruited directly by the user undertaking to occupy the same job. Thus, the requirement employees of temporary-work agencies are to enjoy at least the same wages and other terms of service that they would have had if they had been engaged directly by the user undertaking was implemented in Icelandic law. Also introduced into the Act was a provision stating that employees of temporary-work agencies are to be given information in good time regarding positions that fall vacant within the user undertaking, including part-time positions, in order that they may have the same chances as other employees of being engaged on a permanent basis. The Act now also requires that temporary-work agencies are to strive to enable their employees to have access to vocational education and training.

Article 18§3 – Liberalising regulation.

Access to the national labour market.

Comment by the European Committee

Conclusions XX-1, Article 18-3, p. 22.

The Committee asks whether the legislation referred to in the previous report, concerning the introduction of a new category of temporary work permit, has been finally prepared or adopted.

Reference is made to the discussion above on the Foreign Nationals' Right of Employment Act in connection with Article 18(2). No amendments were made to domestic law during the reference period to introduce a new category of temporary work permit.

Comment by the European Committee

Conclusions XX-1, Article 18-3, p. 22.

The Committee asks for information in the next report about the measures eventually adopted (either unilaterally, or by way of reciprocity with other States Parties to the Charter) to liberalise regulations governing the recognition of foreign certificates, professional qualifications and diplomas, with a view to facilitating the access to national labour market. Such information shall concern the category of dependent employees, as well as the category of self-employed workers, including workers wishing to establish companies, agencies or branches in order to engage in a gainful occupation.

Iceland has followed other EEA Member States in implementing Directive 2013/55/EU of the European Parliament and of the Council of 20 November 2013 amending Directive 2005/36/EC on the recognition of professional qualifications (which had been implemented in Iceland by Act No. 26/2010, on the Recognition of Professional Qualifications and Competence for Work in Iceland. This involves various amendments that are intended to make the recognition of foreign qualifications more efficient, and Member States are also expected to examine the professions that are regulated and produce arguments for regulation in each individual case.

The principal changes resulting from the new Directive are as follows:

- adoption of the European Professional Card for individual occupations; this is intended to facilitate mobility by employees in the EU's internal market and facilitate the recognition of professional qualifications,
- it will be possible to grant partial recognition of qualifications for work,
- it is envisaged that Member States will use a network of Points of Single Contact, PSC, which will be established in connection with the Service Directive in order to make opportunities for providing services within regulated professions visible,

- it will be possible to adopt common educational requirements or common qualifying examinations for professions which so desire, so establishing automatic recognition of qualifications for those professions,
- students in professional traineeships in locations other than their home countries have the right to have their traineeships recognised within the regulated professions,
- the Member States are obliged to examine the regulation of professions in their countries and to give reason why regulation is necessary.

Comment by the European Committee

Conclusions XX-1, Article 18-3, p. 22.

The Committee asks for information in the next report on the number of applications for work permits submitted by nationals of non-EEA States, as well as on the grounds for which work permits are refused to nationals of non-EEA States parties to the Charter. In this respect the Committee observes that should refusals always or in most cases derive from the application of rules – like the so called “priority workers” rule –, according to which a State will consider requests for admission to its territories for the purpose of employment only where vacancies cannot be filled by national and Community manpower, determining as a consequence to discourage nationals of non-EEA States from applying for work permits, this would not be in conformity with Article 18§3, since the State would not comply with its obligation to liberalise regulations governing the access to national labour market with respect to nationals of non-EEA States Parties to the Charter.

Regarding the number of work permits issued to nationals of non-EEA States, reference is made to the discussion of Article 18(2).

According to information from the Directorate of Labour, the main reasons why it rejects applications for work permits are as follows.

1. Failure to demonstrate that there is a shortage of qualified workers in Iceland or in the EEA.
2. The terms of engagement are not compatible with Icelandic collective agreements or Icelandic law.
3. The job involved is not one that calls for expert qualifications, or the foreign applicant does not have expert qualifications.
4. The company has previously been found to have foreign nationals in its service without work permits.
5. The company has previously been found not paying tax deductions at source and social insurance tax in respect of work done by a foreign national.
6. The company fails to comply with a request by the Directorate of Labour for further information and materials, with the result that the conditions for the issue of a work permit are not met.
7. The foreign national is not in possession of the requisite operating licence, i.e. in the case of

work in a regulated industrial trade, work in the health services or other positions where a licence is required according to law.

8. The job proportion of a foreign national who is a student in Iceland is in excess of what is permitted (i.e. more than 40% of full-time employment) concurrent with studies.

Comment by the European Committee

Conclusions XX-1, Article 18-3, p. 22-23.

The Committee observes that both the granting and the cancellation of work and temporary residence permits may well be interlinked, in as much as these permits refer to the same case in question – whether or not to enable a foreigner to engage in a gainful occupation. However, in case a work permit is revoked before the date of expiry, either because the work contract is prematurely terminated, or because the worker no longer meets the conditions under which the work permit was granted, it would be contrary to the Charter to automatically deprive such a worker of the possibility to continue to reside in the State concerned and to seek another job and a new work permit, unless there are exceptional circumstances which would authorise expulsion of the foreign worker concerned, in the meaning of Article 19(8) of the Charter.

The Committee asks whether the legislation complies with this approach.

Under the first paragraph of Article 16 of the Foreign Nationals Act, No. 96/2002, with subsequent amendments, the Immigration Agency may revoke residence permits in cases where foreign nationals no longer meet the conditions for being granted them. In the case of a residence permit in connection with employment, the holding of a work permit is the basis on which the residence permit is granted, and the practice is that the Immigration Agency revokes the residence permit if the work permit is revoked. In such cases, when it has been decided to revoke the residence permit, the foreign national involved has 30 days in which to leave the country.

It is very rare that this situation arises, i.e. involving a residence permit granted in connection with employment; the last occurrence was in 2013. In most cases where work permits are revoked, this is because the person concerned is changing jobs or has decided not to come to Iceland, etc.; in such cases it is not actually necessary to revoke the residence permit itself, if indeed one has already been issued. When the persons involved lose their job, they nearly always succeed in finding a new one before the Immigration Agency revokes their residence permits, or else there is only a short time left before the residence permit expires in any case, so the agency has not taken any action.

Article 18§4 – The rights of nationals to leave the country.

Reference is made to the Government of Iceland's previous reports.

Article 1 of the 1988 Additional Protocol – the right to equal opportunities between men and women

Iceland has signed the Additional Protocol but has not yet ratified it.