

EUROPEAN SOCIAL CHARTER

20th report on the implementation of the European Social Charter



Submitted by
THE GOVERNMENT OF ICELAND
Ministry of Social Affairs
(for the period 1st January 2001 to 31st December 2004)

REPORT

on the application of Articles 1, para. 4, 2, 3, 4, 9, 10, and 15 for the period 1st January 2000 to 31st December 2004 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.**

Article 1, para. 4. – Vocational training.

Education, continuing education and retraining programmes of various types are on offer for people on the labour market, and the range and quality of these courses has increased greatly in recent years.

Lifelong Learning Centres.

Nine Lifelong Learning Centres have been established in various parts of the country. These are private institutions supported by the educational institutions, individual companies, trade unions and local authorities. Their role includes supporting and stimulating the local economy by increasing collaboration between the business sector and the schools, with the emphasis on effective adult education in the locality. At the same time, they encourage people to pursue education more as more alternatives become available.

All the Lifelong Learning Centres offer continuing vocational education that serves individuals and the enterprises, e.g. courses that are tailor-made according to the need of each enterprise. They offer courses, which are either run independently or in collaboration with other educational institutions, and also make available courses offered on the senior secondary and tertiary level, and provide educational and vocational counselling. This counselling takes two mainly forms: individual counselling for those who would like to find ways to obtain additional education in order to increase their possibilities on the labour market and vocational counselling for groups in collaboration with schools and the regional labour exchanges in the local government areas.

Approximately 7.8% of the population in the rural areas took part in the various courses offered by the Lifelong Learning Centres in 2001-2002. About 610 courses were held in the centres in 2003, these including general educational courses, part-time courses and vocational courses run as part of business operations. The number of participants in 2003 was 7,610. In the age-spread of applicants for admission to courses offered by the centres in autumn 2004, most (74%) were in the 25-54 age group, 24% were aged 25-34, 24% were aged 35-44 and 26% were aged 45-54.

Nationals of the other Contracting Parties lawfully resident and regularly working in Iceland have equal access to the services offered by the Lifelong Learning Centres.

The Business Sector's Educational Centre.

The social partners have attached great priority to continuing education for people on the labour market. The Icelandic Confederation of Labour (ASÍ) and the Confederation of Icelandic Employers (SA) set up the Business Sector's Educational Centre (*Fræðslumiðstöð atvinnulífsins*) in December 2002. It began operations in the middle of 2003 and was formally opened in November that year. Its role is to function as a collaborative forum for its founder members in the field of adult education and vocational training, in collaboration with other educational institutions run by the constituent unions of the Icelandic Confederation of Labour and the Confederation of Icelandic Employers, including the Lifelong Learning Centres. The aim is to provide workers who have not completed secondary school final examinations with an opportunity to pursue education in order to improve their standing on the labour market, expanding the range of courses for people with little formal education so that they can have their skills and knowledge recognised, this covering both what they learn on the courses and also from their working experience and private study. It is also aimed to raise the quality of adult education and vocational training courses by developing a centre of pedagogical skills in this field.

The Ministry of Education and the Business Sector's Educational Centre entered into a service agreement in January 2006, which is to run until the end of 2009; prior to that, a similar agreement had been in force from 2003 to 2006. The main aim of work done under this agreement is to give workers on the labour market who have little formal education or who left school without taking final examinations, immigrants and other comparable groups the opportunity to pursue education and/or improve their position on the labour market. Under the period covered by the agreement, the ministry is to pay ISK 166 million each year for the services provided by the centre.

In June 2006, the Government agreed to increase funding allocations to adult and continuing education programmes; this increase takes effect in 2007. The funding will be used for purposes including courses and re-education programmes for persons on the labour market who are pursuing education based on syllabuses that have been approved by the Business Sector's Educational Centre and the ministry. It will also be used to build up educational and vocational counselling and the assessment of workers' actual skills in collaboration with the Industrial Training Centre, this covering employees who have completed parts of structured vocational courses, and to support the functions of the Icelandic Confederation of Labour's Lifelong Learning Centre in the metropolitan area. It is planned to devote ISK 120 million each year, in addition to allocations already made, for this purpose.

Evening schools; distance learning.

Evening schools are run in many of Iceland's secondary schools, with courses tailored to the needs of those who are not able to pursue traditional secondary education during the day. This group consists mainly of workers on the labour market who wish to add to their education. The programmes cover most of the schools' ordinary course subjects, though details of the structure differ from school to school. The same standard is required as in the daytime programmes, but the number of teaching hours is rather smaller in many cases.

Greater emphasis has also been put on distance learning in recent years. Six secondary schools and five universities offered distance learning programmes in 2005. In the

autumn of 2003 there were 2,258 students enrolled on distance learning programmes at the secondary level and 2,036 at the tertiary level.

The Institute of Continuing Education at the University of Iceland.

The Institute of Continuing Education at the University of Iceland organises a variety of daytime, evening and weekend courses, among them vocational refresher and update courses. The planning is based on active participation of organisations outside the University, e.g. associations of various professions and trade unions. Also there is close cooperation with a variety of organisations of employers, enterprises and other institutions. Thus the institute works actively in bringing together the academic and the professional fields with the aim of improving the educational level for adults. As an example, one of the programs defines the needs of participating enterprises, makes a plan on how the level of professionalism can be raised and organises courses for the employees. The Institute of Continuing Education does not make a distinction between academic and vocational courses and therefore no exact number of participants in vocational courses can be given. Nationals of the other Contracting Parties have equal access to the services and courses offered by the Institute of Continuing Education.

Vocational Training Fund.

Reference is made to the 17th and 19th reports by the Government of Iceland for information on the Vocational Training Fund.

Article 2

The right to just conditions of work.

Article 2, para. 1. – Reasonable daily and weekly working hours.

A.

Under the Act No. 68/2003, amendments were made to Chapter IX of the Health and Safety at Work Act, No. 46/1980, with subsequent amendments. The terms “working hours”, “rest time”, “night work”, “night worker”, “shift work” and “shift worker” are defined in Article 52 of the Act. Furthermore, new provisions on rest time and total working hours per week were introduced. The Act is enclosed with this report.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 7

The Committee asks that the next report state clearly what are the absolute upper limits to working hours on individual days in individual weeks.

The Act No. 68/2003, amending the Health and Safety at Work Act, No. 46/1980, with subsequent amendments, does not affect the validity of the Act No. 88/1971, regarding a 40-hour working week; under the second paragraph of Article 2 of the latter act, working time is normally to be eight hours of daytime work each day from Monday to Friday unless other working hours are more suitable due to special reasons and such an arrangement is agreed between the parties. It also provides a special authorisation for agreeing on a shorter working week than 40 hours of daytime work, and the social partners have made use of this provision in their collective agreements.

However, daily working time including overtime is limited by the provisions of the Health and Safety at Work Act (*cf.* the Act No. 68/2003) concerning daily rest time and maximum permitted working hours per week including overtime.

Under Article 53 of the Act, working time is to be arranged in such a way that in any 24-hour period, counting from the beginning of a working day, workers are to receive at least eleven consecutive hours of rest. The continuous rest period may be reduced to eight hours by agreement between the organisation of the social partners if the nature of the job involved, or particular occupational hazards, make such a deviation from the norm necessary. It is also permissible to deviate from the eleven consecutive hours of rest in the event of a disruption of operations due to external causes, such as the weather or other forces of nature, accidents, power failure, mechanical failure or other unforeseeable events, to the extent necessary to prevent substantial loss or damage, until regular operations have been restored. If the daily rest period is shortened, then workers are to be given a corresponding rest period later. Deviations of this type are in conformity with EU Council Directive 2003/88/EC concerning certain aspects of the organisation of working time.

Article 55 of the Act covers the maximum working hours per week including overtime. It states that workers' maximum working hours per week, including overtime, may not exceed 48 hours, on average, during each four-month period. By agreement between the organisations of the social partners, it shall be permitted to calculate workers' maximum weekly working hours on the basis of a reference period that may be up to six months. If objective or technical reasons obtain, or in view of the special nature of the jobs in question, the organisations of the social partners may determine by agreement that workers' maximum weekly working time shall be

calculated on the basis of a reference period of up to twelve months, providing that the general principles of the Act regarding the protection of workers' safety and health are observed. It is stated specifically that only working time as defined in the Act is to be counted in the calculation of averages according to the article. Annual paid minimum leave according to law and absences due to illness may not be included in the calculation of averages.

Night workers' working time shall normally not be longer than eight hours during each 24-hour period. In the same way as applies to other groups of workers working on land, night workers' working hours may be lengthened by agreement between the organisations of the social partners up to 48 hours per week on a regular basis. In such cases, work shall be arranged in such a way that working time is as regular as possible. Article 56 of the Act also states that night workers who are involved in particularly dangerous jobs, or jobs that involve great physical or mental strain, shall not work for longer than eight hours during each 24-hour period.

The amendments made to the Health and Safety at Work Act, No. 46/1980, with subsequent amendments, by the Act No. 68/2003 were based on Council Directive 2003/88/EB on the organisation of certain aspects of working time, which was made part of the EEA Agreement by the decision of the EEA Joint Committee.

Amendments were also made to the Seamen's Act, No. 35/1985, regarding seamen's working hours, by the Act No. 31/2003 during the period covered by this report. These were based on Council Directive 2003/88/EC, on the organisation of certain aspects of working time, Council Directive 1999/63/EC concerning the Agreement on the organisation of working time of seafarers concluded by the European Community Shipowners' Association (ECSA) and the Federation of Transport Workers' Unions in the European Union (FST), Directive 1999/95/EC concerning the enforcement of provisions in respect of seafarers' hours of work on board ships calling at Community ports and Commission Recommendation 1999/130/EC on ratification of International Labour Organisation (ILO) Convention 180 concerning seafarers' hours of work and the manning of ships, and ratification of the 1996 Protocol to the 1976 Merchant Shipping (minimum standards) Convention. All these EC deeds have been incorporated in the EEA Agreement by decisions of the EEA Joint Committee.

One of the amendments made to the Seamen's Act is that individuals under the age of 18 are not permitted to work at night on passenger or merchant ships. In addition, detailed conditions were laid down on the working time and rest time of seamen. These include a restriction of the maximum number of working hours per week either to 48 hours, calculated as an average over a reference period that is not longer than twelve months, and 72 hours in each seven-day period, or so that minimum rest time shall be ten hours in each 24-hour period and 77 hours in each 168-hour period. Seamen's rest time may not be divided into more than two periods, one of which is to be at least six hours. Also, not more than 14 hours may elapse before the next period of continuous rest begins. Seamen's working and rest hours are also subject to the Regulations No. 975/2004, on the working and rest hours of seamen on Icelandic fishing vessels, and the collective agreements between vessel operators and the seamen's unions; the provisions of such agreements are compatible with those of the law.

B.

As no changes were made to the working-time provisions of Icelandic collective agreements during the period, reference is made to the Government of Iceland's 16th Report.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 7

The Committee asks whether the abovementioned collective agreements apply to the fishing sectors.

The collective agreements described in the Government's 16th Report do not apply to seamen. Special provisions apply to seamen's working hours; see the discussion above.

C.

Table 1 shows the average working hours in various occupations in Iceland. Working hours are recorded by Statistics Iceland, following the same methods as they are observed by the other member states of the European Economic Area.

Table 1. Average actual hours of work per week by economic activity in main job 2001-2004.

	2001	2002	2003	2004
Male and female	43.3	43.0	41.8	42.0
Agriculture and fishing	57.3	54.5	54.0	51.5
Agriculture	54.6	55.0	53.8	48.9
Fishing	60.7	53.9	54.3	55.2
Industry	46.6	46.0	44.9	45.5
Fish processing	44.8	42.7	44.2	42.4
Manuf. except fish processing	45.5	44.4	42.5	43.3
Electricity and water supply	49.4	47.4	44.3	49.5
Construction	48.8	49.6	49.1	49.5
Services	40.6	40.9	39.7	40.0
Wholesale, retail trade, repairs	40.0	41.1	40.5	41.1
Hotels, restaurants	36.9	38.0	40.5	41.0
Transport, communication	45.7	45.9	44.5	44.0
Financial services	42.2	41.5	40.1	40.9
Real estate and business activities	44.4	42.9	41.8	41.8
Public administration	45.1	42.4	43.1	42.4
Education	41.0	42.9	39.1	38.5
Health services, social work	35.3	36.5	35.3	35.9
Other services and n.s.	41.2	39.1	38.2	38.7

It should be stated that as from and including 2003, labour market surveys take the form of a continuous survey including all weeks of the year, the findings being published each quarter. In the period 1991-2002, surveys were made twice a year, in April and November.

Source: Labour Market Statistics 2005.

D.

No changes occurred in the working-time provisions of collective agreements during the period covered by the report; reference is made to the discussion of the contents of the Act No. 68/2003, under Section A and under Article 2, para. 5.

E.

The Health and Safety at Work Act, No. 46/1980, with subsequent amendments, contains two types of provisions permitting deviations from the working-time provisions under special circumstances.

Under the third paragraph of Article 53 of the Act, as amended by the Act No. 68/2003, deviations from the general rules on maximum working time in each 24-hour period may be made if a disruption of normal activities occurs due to external causes, such as the weather or other natural forces, accidents, power failure, malfunction in machinery or other comparable unforeseeable events, to the extent necessary to prevent substantial loss or damage until regular activities have been resumed. Under the fourth paragraph of the same Article, workers are to receive corresponding rest time later if their daily rest time is shortened.

Furthermore, under the third paragraph of Article 54 of the Act, the weekly holiday may be postponed when external causes, such as the weather or other natural forces, accidents, power failure, mechanical failure or other comparable unforeseeable events disrupt, or have disrupted, operations and it is necessary to maintain services or production, providing that the worker receives the corresponding rest time later and as soon as this can be arranged.

In other respects, reference is made to the discussion under Section A above.

Article 2, para. 2 – Public holidays.

Iceland has not ratified this paragraph.

Article 2, para. 3 – Annual holiday with pay.

A.–E.

No changes were made during the period covered by this report to statutory provisions or the provisions of collective agreements regarding annual holiday; thus, reference should be made to the Government's 16th Report as regards this matter.

Article 2, para. 4 – Reduced working hours or additional holidays for workers in dangerous or unhealthy occupations.

Iceland has not ratified this paragraph.

Article 2, para. 5 – Weekly rest period.

The provisions of the Health and Safety at Work Act, No. 46/1980, with subsequent amendments on the weekly rest period were amended by the Act No. 68/2003. Under Article 54 of the amended Act, workers are to receive at least one weekly holiday in direct conjunction with the daily rest period in each seven-day period.

Comments by the Committee of Independent Experts.

Conclusion XVI-2 p. 8 and 9

The Committee asks how the term “later” is to be understood (same week? same month?).

The Committee asks that the next report state clearly whether there are circumstances under which it is possible for worker to work more than twelve consecutive days before being granted the rest required by this provision of the Charter.

In cases of special necessity due to the nature of the job involved, the weekly holiday may be postponed by agreement between the organisations of the social partners so that the worker receives the corresponding rest time later, and in all cases within 14 days. Where special circumstances render such a deviation necessary, it may, however, be decided by agreement in the workplace to postpone the weekly rest time so that instead of a weekly holiday, two consecutive rest days shall occur during every two weeks. Furthermore, under the third paragraph of Article 54 of the Act, the weekly holiday may be postponed when external causes, such as the weather or other natural forces, accidents, power failure, mechanical failure or other comparable unforeseeable events disrupt, or have disrupted, operations and it is necessary to maintain services or production, providing that the worker receives the corresponding rest time later and as soon as this can be arranged.

The general rule is that if it is necessary to postpone the weekly holiday, workers are to receive a corresponding rest period within 14 days, and in cases where operations are disrupted by external circumstances, the weekly holiday may be postponed, being made up to the workers as soon as this can be arranged. It can be assumed that the interpretation of this is that this should be done when normal operations are resumed. It can also be assumed that it would be very unusual for such a situation to last for more than twelve days; however, no information is available on such cases.

Article 3

The right to safe and healthy working conditions.

Article 3, para. 1. – Issue of safety and health regulations.

A–B.

A list of regulations in the field of health and safety at work on land, at sea and in the air that have been introduced in the period 1 January 2001 to 31 December 2004.

I. On land:

Regulation No. 553/2004 on the protection of health and safety of workers from the risk related to chemical agents in workplaces.

Regulation No. 349/2004 on explosive gases in the ambient air in workplaces.

Regulation No. 1000/2004 on measures against bullying at work.

Rules No. 279/2003 on noise pollution of the environment resulting from the use of technical equipment designed for outdoor use.

Regulation No. 341/2003 on personnel lifts and lifts for personnel and goods.

Rules No. 98/2002 on the protection of the health and safety of workers from the risks related to chemical agents that may cause cancer and mutations at work.

Regulation No. 668/2002 on cableway installations designed to carry persons.

Rules No. 761/2001 on machinery and technical equipment.

Rules No. 764/2001 on the protection of workers from risks related to exposure to biological agents in workplaces.

Rules No. 696/2001 on measures against the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery.

Rules No. 762/2001 on portable pressure equipment.

II. At sea:

Regulation No. 656/2001, amending the Regulation No. 786/1998, on measures to contribute towards improved safety and health of workers on board ship.

Regulation No. 416/2003, on the crews of Icelandic passenger ships and merchant ships.

Regulation No. 921/2003, amending Regulation No. 365/1998, on health services, medicines and medical equipment on board Icelandic ships.

Regulation No. 266/2004, amending Regulation No. 786/1998, on measures to contribute towards improved safety and health of workers on board ship, with subsequent amendments.

Regulation No. 416/2004, amending Regulation on professional qualifications of deck officers and ships' engineers, No. 118/1996, (*cf.* the amendment under Regulation No. 207/1998).

Regulation No. 680/2004, on the working hours and rest periods of the crews of Icelandic passenger ships and merchant ships.

Regulation No. 975/2004, on the working hours and rest periods of the crews of Icelandic fishing ships.

Regulation No. 991/2004, amending the Regulation on the registration of seamen, No. 880/2001, with subsequent amendments.

III. In the air:

Regulation No. 782/2001, on maximum flying and working hours and the rest periods of flight crews.

Regulation No. 531/2002, amending the Regulation No. 332/1990, on the safe transport of hazardous cargoes by air.

Regulation No. 678/2004, amending the Regulation No. 680/1999, on measures to contribute towards improved safety and health of aviators.

Amendments to the Health and Safety at Work Act, No. 46/1980, with subsequent amendments.

The Health and Safety at Work Act, No. 46/1980, with subsequent amendments, was amended by the Act No. 68/2003, which took effect in April 2003. These amendments were made to take account of the implementation of two EU directives: Council Directive 2003/88/EC concerning certain aspects of the organisation of working time and Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work. Both these deeds have been incorporated in the EEA Agreement by decisions of the EEA Joint Committee.

The amendments included changes to Chapter IX of the Act, covering working time; these have been described above in the discussion of Article 2 of the Social Charter in this report; reference is made to that discussion for further details.

Amendments were also made to Chapter XI of the Act, covering risk assessment, health protection and health inspections. One of the main changes is that employers are made responsible for ensuring that a written programme of health and safety in the workplace is drawn up (see Article 65 of the Act). This programme is to include a risk assessment of the workplace and a health protection schedule. This requirement is of advantage for the employer and the workers, since it makes it possible to monitor health and safety at work and gain a better understanding of the connection between risk assessment and health protection. The Occupational Health and Safety Administration is responsible for monitoring to ensure that written programmes of health and safety are drawn up.

The aim of health-protection measures under the Act is, firstly, to promote the protection of workers against all types of health hazard or health damage that may be associated with their work or working conditions. Secondly, the aim is to promote the structure of work in such a way that workers receive assignments suited to their abilities, so encouraging their mental and physical adaptation to the working environment, and thirdly, to reduce absenteeism due to illnesses and accidents by raising safety standards and maintaining the health of workers in the workplace. Last but not least, the aim of health-protection measures is to promote the mental and physical well-being of the workers.

Under Article 65a of the Act, the employer is responsible for having a special risk assessment made, in which the risks involved in the work are evaluated with regard to the safety and health of the workers and the risks factors in the working environment. In making the risk assessment, particular attention is to be given to jobs in which it is foreseeable that the health and safety of the workers involved are subject to greater risk than is the case with other workers. When a risk assessment at a workplace indicates that the health and safety of workers are at risk, the employer is to take the necessary preventive measures in order to prevent the risk, or, where this is not possible, to reduce it as far as possible.

Under Article 66 of the Act, the employer is responsible for having a health protection schedule made, based on the risk assessment, including a schedule of preventive

measures, which is to include measures to be taken to reduce work-related illnesses and accidents. The schedule of preventive measures is to contain a description of how the dangers and the associated risks as identified by the risk assessment are to be countered, e.g. by the structuring of work, education, training, choice of equipment, chemical substances or mixtures of chemical substances, the use of safety and protective equipment, fixtures and furnishings in the workplace or other preventive measures.

When the drawing up of a programme of safety and health in the workplace, including a risk assessment and a health protection schedule, calls for skills that the employer or his workers do not possess, the employer shall seek the assistance of suitably qualified service providers that have received the approval of the Occupational Health and Safety Administration in this capacity (*cf.* Article 66a of the Act).

Workers shall have the opportunity of having a health inspection at the employer's expense before they are engaged for work, while they are employed and after they cease employment, providing that their working conditions are such as may result in damage to their health and there is reason to believe that this may prevent or limit occupational diseases and work-related illnesses.

Protection against dangerous agents and substances.

Protection of workers against asbestos.

Reference is made to the discussion in the Government's 16th Report; no changes were made to the regulations on work with asbestos during the period since that report was compiled.

Protection against ionising radiation.

Reference is made to the discussion in the Government's 16th Report; no changes were made to the regulations on protection against ionising radiation during the period since that report was compiled.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 11

The Committee asks for confirmation that under Icelandic regulations the dose limits that may not be exceeded in the workplace are the same as those recommended by the ICPR.

It is hereby confirmed that the dose limits that may not be exceeded in the workplace are the same as those recommended by the ICPR; this is covered by Regulation on maximum levels of radiation to which workers and the public are exposed in connection with operations in which ionising radiation is employed.

Protection of non-permanent workers.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 12

States must take necessary measures to equip non-permanent workers with information, training and medical surveillance adapted to the employment status. Such workers are afforded adequate protection including against risks resulting from a succession of accumulated periods spent working for a variety of employers.

It is reiterated what was stated in the Government's 16th Report that the Health and Safety at Work Act, No. 46/1980, with subsequent amendments, applies to all workers

in the workplace, irrespective of the form of their engagement. Under Article 14 of the Act, employers are to inform employees of all dangers or accidents and health hazards which may be associated with their work. Employers are also expected to ensure that employees receive education and training for their jobs to minimize the dangers involved.

The Regulation No. 433/1997, on measures to improve the safety and health of workers in supply or temporary capacities, contain further provisions on the obligation of the employer to ensure the protection of workers who are engaged on a temporary basis. Substantively, this regulation is based on Council Directive 91/383/EC, which was incorporated into the EEA Agreement by a decision of the EEA Joint Committee. It states that employers who engage workers on a temporary basis are to inform them about the risks involved in their work before they begin work. Amongst other things, they are to state whether special training, skills or knowledge are required for the work, whether a special medical examination is required and whether the job involves any special increase in risk. Furthermore, the regulation states that temporary workers are forbidden to engage in work that places their safety or health in great danger. In addition, employers are required to inform their employees who are concerned with health and safety at work of the temporary engagement of these workers. This makes it possible for them to ensure that measures taken to promote higher levels of health and safety at work will also cover temporary employees in the workplace. The Occupational Health and Safety Administration is responsible for monitoring compliance with these rules.

Furthermore, the Temporary Engagement of Workers Act, No. 139/2003, took effect during the period covered by this report. This applies generally to the temporary engagement of workers on the labour market. The aim of the act is to raise the quality of temporary engagements by ensuring observance of the general rule that temporarily engaged workers are not discriminated against. It includes provisions stating that temporary workers may not work for less advantageous terms, or receive poorer treatment, than comparable workers who are permanently employed simply because they are temporarily employed. Also, employers are to take steps to give temporary employees access to vocational education and training, the aim of this being to enable them to increase their skills and encourage them to advance and achieve flexibility in their employment.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 12

An amendment to Act No. 46/1980 that would extend its personal scope to domestic staff - who are currently excluded – is currently before the Parliament. The committee wishes to be informed of developments.

Before the entry into force of the Act No. 68/2003, amending the Health and Safety at Work Act, No. 46/1980, with subsequent amendments, common domestic occupations in private homes were exempt from the provisions of the Act. This exemption was deleted with the Act from 2003. In order to define occupations in private homes, it is necessary to examine the aim of the Act in order to assess who are regarded as workers and what qualifies as an occupation for the purposes of the Act.

Article 3, para. 2. – Provision for the enforcement of safety and health regulations by measures of supervision.

A.

According to the records of Statistics Iceland, there were 38,967 enterprises registered in Iceland in 2001. The number rose steadily, reaching 47,333 in 2004. It should be noted that these figures cover all enterprises registered with an ID number, irrespective of whether or not they pursued any active business activity. The Occupational Health and Safety Administration still classifies enterprises in four risk categories, the frequency of regular inspections being determined to some extent by the risk that is assumed to exist in the individual enterprises. Category 1 includes all enterprises that are to be inspected every year; there were 2,537 such enterprises on the register of the Occupational Health and Safety Administration in 2004. Those in Category 2 are to be inspected every second year and those in Category 3 every fourth year. Other enterprises fall into Category 4, and are subject to irregular inspection. There were 14,129 enterprises on the Administration’s register in 2004.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 14

The Committee asks for the next report to indicate also the number of visits carried out each year irrespective of the number of enterprises visited as well as the percentage of workers covered by the visits.

Visits made by the Administration come to about 5,000 each year. Table 2 shows the breakdown, classified as regular visits, partial inspections, regular re-inspections and re-inspections following on from partial inspections.

Table 2. Inspection visits to enterprises.

	2001	2002	2003	2004
Enterprise inspections – number and type				
Regular inspections	1,659	1,773	1,823	2,137
Partial inspections	1,010	816	963	942
Regular re-inspections	317	344	254	444
Re-inspections following on from partial inspections	18	29	33	35
Inspections, total	3,004	2,962	3,073	3,558
Other visits to enterprises	1,844	1,691	1,857	1,403
Visits to enterprises, total	4,848	4,653	4,930	4,961
Measurements and tests carried out	683	581	447	436
Noise measurements (included in figure above)	116	83	70	69
Call-outs due to accidents	235	197	246	206

Source: Occupational Health and Safety Administration.

Unfortunately, no data exists regarding the number of workers at the companies that have been visited by the Occupational Health and Safety Administration.

In addition, the Occupational Health and Safety Administration examines about 400-500 farms; one of the main purposes of these examinations is to inspect working machinery. The farms are examined at intervals of 4-5 years. The number of examinations has fallen in recent years; this is explained partly in terms of the reduction in the number of farms, which have become correspondingly larger and more highly mechanised.

The Administration also handles the inspection of registered working machinery and equipment, e.g. mobile machinery (covering 66 categories of machines of various types), ski lifts, lifts for persons and goods, car lifts and pressure cylinders, etc.

The Administration employs 33 inspectors, ten of whom are in the department dealing with working machinery. Inspectors of enterprises fall into eight regional inspection area groupings, the largest of which is the capital area, for which there are eight inspectors; 2-4 inspectors work in each of the other areas, according to the size of the area and the number of enterprises located there.

A special occupational safety campaign is mounted every year. The focus in 2001 was on measures against harmful noise levels, the aim being to draw attention to noise in the working environment and suggest ways of reducing it on a permanent basis. The aim was also to harmonise the methods used to measure noise levels and develop a new recording sheet for use in measurements. The campaign included the publication of a booklet, *Hávaði og heyrnarvernd (Noise and aural protection)*, which contained information and general directions on methods of reducing noise levels. A special campaign took place during two days in November 2001, the main attention being focussed on enterprises in the metalworking, fish processing and woodworking industries, and also on kindergartens.

In 2002 the Occupational Health and Safety Administration took part in a European Health and Safety at Work Week under the title *Work against Stress*. A seminar on professional burn-out was held, and was well attended. A breakfast meeting was also organised in October 2002 under the title *Work against Stress*. During the theme week, inspectors from the Administration visited more than 100 enterprises and institutions and talked about stress as a potentially hazardous factor in the working environment. Questionnaires were distributed to managers and employees, which they were urged to complete and send to the Administration's research and health department.

In 2003 and 2004, the occupational health and safety authorities in the European Union, Iceland and other countries held a campaign focussing on health and safety at construction sites. This included a joint publicity and monitoring effort aimed at preventing the danger of injuries due to falls. A special booklet was published and handed out at construction sites during visits by the Administration in Iceland. In June 2004, visits were made to 103 construction sites, with special inspections of the measures in force against the danger of falls, e.g. on scaffolding, roofs, around holes in floors and other places where the risk exists. Assessments were made of how contractors chose, used and maintained machineries and other equipment.

The Occupational Health and Safety Administration does a lot of educational and publicity work. Principally, this takes the form of publications, courses, workplace meetings, lectures, the publication of articles in professional journals and trade union newsletters and contact with the media. Each year 20-30 general courses are held for safety shop stewards and security guards, managers, foremen and groups of employees. Tables 3 and 4 show the number of courses held by the Occupational Health and Safety Administration and the number of participants attending them.

Table 3. Numbers of courses held for safety shop stewards and security guards, with the numbers attending them.

	2001	2002	2003	2004
Courses	20	28	20	18
Participants	167	347	251	246

Source: Occupational Health and Safety Administration.

Table 4. Numbers of courses leading to qualifications, and the number of participants, 2001 –2004.

	2001	2002	2003	2004
Courses	113	99	95	95
Participants	1,374	1,543	1,243	1,330

Source: Occupational Health and Safety Administration.

B.

Violations of the Health and Safety at Work Act, No. 46/1980, with subsequent amendments, and of regulations issued under the act, may be punishable by fines unless heavier penalties are prescribed in other statutes. Where measures on health and safety at work are inadequate, the employer is granted a suitable period in which to remedy the situation, and if nothing has been done by the end of the period, then under Article 84 of the Act, inspectors from the Occupational Health and Safety Administration may have work stopped or close operations down, partly or completely. Employees of the Occupational Health and Safety Administration may also impose *per diem* fines on the enterprise instead of closing its operations. In cases involving substantial hazards, immediate measures are demanded, failing which work is to stop in that part of the operation in which there is insufficient safety (*cf.* Article 85 of the Act). Decisions by the Occupational Health and Safety Administration may be referred to the Ministry of Social Affairs for review.

The following table shows the instructions, indications and constraining actions undertaken by the Occupational Health and Safety Administration in the period from 1 January 2001 to 31 December 2004.

Table 5. Measures taken by the Occupational Health and Safety Administration due to non-compliance in enterprises.

Instructions and recommendations made following inspection				
Measures to achieve compliance	2001	2002	2003	2004
Instructions on improvements to facilities	470	461	574	788
Instructions on improved health standards	1,416	1,043	984	897
Instructions on improved safety measures	2,560	2,600	3,008	2,960
Other instructions	434	319	287	328
Instruction issued, total	4,880	4,423	5,774	4,973
Recommendations on improved facilities	161	155	129	109
Recommendations on improved health standards	316	276	169	159
Recommendations on improved safety measures	443	413	414	344
Other recommendations	386	324	286	4,206
Recommendations, total	1,306	1,168	998	818
Instructions and recommendations, total	6,186	5,591	5,921	5,791
Use prohibited	94	96	124	75
Premises/equipment sealed	1	0	1	0
Charges made	3	4	7	2
Per diem fines imposed	0	0	0	0
Total measures to achieve compliance	98	100	132	77

Source: Occupational Health and Safety Administration

Table 5 shows figures for enterprises other than farms; unfortunately, information on measures taken by the Occupational Health and Safety Administration broken down by occupational sector is still not available. The number of instructions and recommendations issued following inspections of farms was 1,585 in 2001, 1,400 in 2002, 1,240 in 2003 and 1,056 in 2004. Table 6 shows measures taken by the Occupational Health and Safety Administration in connection with non-compliance involving working machinery and equipment.

Table 6. Measures taken by the Occupational Health and Safety Administration due to non-compliance involving working machinery and equipment.

Inspections of machines and equipment*	2001	2002	2003	2004
Regular inspections	11,268	11,802	12,386	13,326
Re-inspections	709	530	405	534
Other inspections	1,485	1,550	1,546	2,174
Total	13,462	13,882	14,337	16,034
Inspection results:				
Full approval – without comment	10,202	10,915	11,417	12,257
Half approval	2,243	1,925	1,851	2,173
Use prohibited	1,006	1,017	1,061	1,588
Sealed	11	26	8	16
Total	13,462	13,882	14,337	16,034

Number of formal instructions issued regarding improvements

*i.e. lifts, pressure cylinders and boilers.

Source: Occupational Health and Safety Administration

Half approval in Table 6 refers to cases in which either instructions were issued, with a re-inspection requirement, or it was recommended that improvements be made and reported to the Administration.

The Vessel Inspection Act, No. 47/2003, applies to the inspection of ships, and replaced the earlier act, No. 35/1993. The Regulation No. 1017/2003, on the inspection of vessels and their equipment, complements the act. The new act takes into account deeds of the European Union that have been incorporated into the EEA Agreement by decisions of the EEA Joint Committee. Its aim is to ensure the security of Icelandic ships and their crews and passengers and to increase measures against pollution from ships. These aims are to be achieved by setting certain requirements concerning ships' equipment, inspection and monitoring. The act provides for three types of inspection: main inspections, interim inspections and spot inspections. Interim inspections have replaced supplementary inspections. Provisions ensure that the inspection process is in accordance with the EU acts that have been incorporated into the EEA Agreement and the Safety of Life at Sea (SOLAS) Convention.

Under the Act (see Article 11), inspections are to establish whether ships meet the requirements of the law, regulations, international conventions and the EEA Agreement regarding their construction, fittings and safe operations, including their structural design, watertight compartments, circuitry, hulls, rescue and safety equipment, machinery, telecommunications equipment, electrical equipment, fire-fighting equipment, pollution prevention equipment, navigational equipment, markings, medicines and medical equipment and other equipment, crew complements to ensure safety of the vessel and ensure the safety of crew-members, passengers, the vessel and its cargo, and measures against pollution from other vessels. It is the responsibility of the Icelandic Maritime Administration to monitor compliance with the provisions of current legislation regarding the security of vessels and measures against pollution from ships.

Fishing vessels and other ships with a length of less than 15 m are to undergo initial inspection, regular main inspections and interim inspections. Their safety equipment must be inspected every year; the same applies to vessels with a length of 15 m or over. Special provisions apply to pleasure craft and passenger ships. Pleasure craft are subject to initial inspection, regular main inspections and interim inspections. Their safety equipment is to be inspected every year. Passenger ships plying on domestic routes are subject to initial inspection, regular main inspections at twelve-month intervals and supplementary inspections as deemed necessary by the Icelandic Maritime Administration. Passenger ships plying on international routes and freight ships are to be inspected according to the provisions of the Safety of Life at Sea (SOLAS) Convention of 1974.

The technical part of vessel inspections was transferred from the Icelandic Maritime Administration to private accredited inspection companies on 1 March 2004. After this date, it can be said that four types of companies have played the largest role in the inspection and monitoring of ships and their equipment. The first of these are companies with A accreditation; next come those with B accreditation; next come classification societies and finally the Icelandic Maritime Administration, with its legally-specified role of ensuring safety at sea, issuing certificates and monitoring and working with the other bodies. What each of these bodies is permitted to deal with is set forth in legislation and regulations. In 2006 there were about 2,350 ships registered in Iceland. Classification societies are in charge of monitoring about 150 of these, inspection companies deal with just over 2,000 and the Icelandic Maritime Administration inspects a group of larger and non-classified vessels and certain passenger vessels; only bodies that meet the special requirements of the EU may inspect non-classified large vessels. The number handled by the Administration comes to about 30. The Administration also decides the extent to which it applies spot inspections in connection with the monitoring of the inspection companies and classification agencies. Spot inspections are inspections carried out without notice by the Administration or the Icelandic Coast Guard in order to check on the seaworthiness of vessels.

Regarding health and safety in the air, reference is made to the Government's previous reports.

C.

Occupational accidents.

Under Health and Safety at Work Act, No. 46/1980, with subsequent amendments, employers or their representatives are obliged to report instances of poisoning or accidents at workplaces to the local commissioner of police and the Occupational Health and Safety Administration as soon as possible, and at no time more than 24 hours after the occurrence. Furthermore, the State Social Security Institute is to send the Occupational Health and Safety Administration a copy of notifications that it receives of accidents in workplaces. Table 7 shows the numbers of people injured in reported accidents that have occurred on land.

Table 7. Numbers of people injured in reported accidents on land.

	2001	2002	2003	2004
Accidents at work	1,343	1,328	1,334	1,657
En route to/from work	26	46	40	66
Injuries to other civilians	20	14	6	6
Unclear	3	2	0	0
Total	1,410	1,389	1,379	1,734
Fatalities resulting from accidents at work	1	0	4	2

Source: Occupational Health and Safety Administration.

During the years 2001-2004, 1,448 accidents at sea were reported to the State Social Security Institute: 344 in 2001, 413 in 2002, 382 in 2003 and 309 in 2004. For comparison, it should be mentioned that during the period 1997-2000, 1,580 accidents at sea were reported to the Institute: 460 in 1997, 378 in 1998, 381 in 1999 and 361 in 2000. As was stated in the Government's 16th Report, the Althingi (parliament) approved a long-term programme of action on safety at sea in May 2001, which ran until 2004. The Icelandic Maritime Accident Investigation Committee monitors the effectiveness of security and safety on board Icelandic vessels. No special assessment has been made, but the extensive collection of data, inquiries and studies by the committee indicate conditions and trends. Numbers of accidents at sea appear to have dropped in recent years; comparison of the numbers in the periods 1993-96 and 1997-2000 also shows a fall of about 30%. Table 8 shows an overview of the accidents investigated by the Maritime Accident Investigation Committee during the relevant period.

Table 8. Survey of cases investigated by the Committee for the Investigation of Accidents at Sea.

	2001	2002	2003	2004
Vessel goes down	6	4	7	11
Vessel runs aground	10	11	7	17
Collisions	11	7	2	3
Fire on board	15	5	3	5
Leaks	1	5	6	11
Others	8	12	22	9
Injuries	63	103	87	93
Fatal injuries	7	2	2	3
Total	121	149	136	152

Source: Committee for the Investigation of Accidents at Sea.

In all, 21 fatal accidents at work occurred during the period 1 January 2001 – 31 December 2004. As can be seen from Table 9, which shows a breakdown of fatal accidents at work by occupation, 14 seamen died as a result of accidents on board Icelandic fishing vessels or were drowned when they sank, which makes an average of 3.5 per year. Seven workers died in accidents on land in the same period, three in agricultural work, two in the construction or maintenance industries, one in aluminium and ferro-silicon work and one died when he fell overboard from a raft when harvesting seaweed.

Table 9. Fatal accidents, by occupation.

Occupation	2001	2002	2003	2004	Total
Agriculture	0	0	2	1	3
Fishing*	7	2	2	3	14
Fish processing, salting, meal production, etc.	0	0	1	0	1
Food industry (other than agricult. prod.)	0	0	0	0	0
Woodworking	0	0	0	0	0
Minerals	0	0	0	0	0
Aluminium and ferro-silicon	1	0	0	0	1
Metalworking, machinery, shipbuilding and ship repairs	0	0	0	0	0
Car repairs	0	0	0	0	0
Electricity, heating and water utilities	0	0	0	0	0
Construction and construction maintenance	0	0	1	1	2
Public works	0	0	0	0	0
Real estate operations, and services to businesses	0	0	0	0	0
Transport, etc.	0	0	0	0	0
Total	8	2	6	5	21

*Fatal accidents on fishing vessels (ships <12 m, ships 12-14 m, ships >14 m).

Source: Occupational Health and Safety Administration and Icelandic Maritime Administration

For comparison, it may be mentioned that 32 workers died in accidents at work in the period 1997–2000, including 15 seamen, or 8 per year on average. Seventeen workers died in accidents on land during the same period, making 4.25 per year on average. An examination of the average number of fatal occupational accidents on land during five-year periods from 1961 reveals that numbers have dropped, and have never been lower than during the period 2001-04, at a rate of 2.25 individuals per year. For example, ten people died each year, on average, in occupational accidents on land during the period 1966-70 and more than five each year during the periods 1981-85 and 1991-95. In this context it must also be borne in mind that the numbers of man-years worked, and the numbers of workers, have grown greatly during these same periods. According to data from Statistics Iceland, the number of man-years worked in 1963 was 67,315; by 1997 this figure had grown to an estimated 128,832, with a total of 142,200 people working in the whole country. The number of individuals employed in Iceland in 2004 is estimated at 156,200.

Table 10 shows the numbers of persons injured in accidents on land, by occupation. It reveals, amongst other things, that most were injured when working in the construction and maintenance industries, and large numbers of injuries also occurred in metalworking, machine work, shipbuilding and ship repairs and fish-processing and freezing.

Table 10. Number of persons injured, by occupation.

Occupations	Numbers injured			
	2001	2002	2003	2004
Aluminium and ferro-silicon production	23	24	15	9
Automobile trades	19	17	13	12
Construction and maintenance	204	166	230	634
Chemical industry	22	27	23	30
Operation of real estate and business services	2	19	11	8
Fish-processing and freezing	143	94	105	104
Fishing	10	20	15	6
Transport, etc.	101	88	101	89
Public works	17	18	26	33
Primary schools	10	26	19	19
Road sweeping and rubbish collection	9	8	6	8
Wholesaling	56	58	67	60
Agriculture	60	44	27	14
Food industry (processing of agric. products)	92	106	115	102
Food industry (other)	13	24	20	20
Metalworking, machine work, shipbuilding and ship repairs	103	96	113	104
Cultural activities	15	12	14	12
Public administration	119	111	91	73
Public services, etc.	121	133	112	132
Activities of an unclear nature	2	2	3	2
Paper industry	8	10	10	11
Financial institutions	1	1	0	2
Personal services other than car services	13	29	31	27
Electricity, heating and water utilities	34	39	38	36
Post and telecommunications operations	84	100	90	78
Herring salting and fish meal factories	10	13	8	8
Retail trading	21	19	26	25
Mineral production and processing	22	26	32	26
Woodworking industries	26	15	15	14
Insurance	1	3	0	1
US Iceland Defence Force and foreign embassy staff	18	14	20	11
Textile industry	9	8	7	6
Hotel and catering trades	20	19	13	15
Miscellaneous industries and maintenance	4	4	5	3
Total	1,414	1,394	1,422	1,734

Source: Occupational Health and Safety Administration and Committee for the Investigation of Accidents at Sea.

A survey by the Occupational Health and Safety Administration reveals that most accidents are caused by conditions in the workplace or the working environment. Common causes include loose steps and ladders, slippery conditions and obstacles over which people trip. Tools and utensils are also involved in many accidents, e.g. knives on which workers cut themselves, and also industrial machines such as fish-processing machines and meat saws. The following table indicates the five most frequent causes of occupational accidents on land in Iceland in the years 2001-2004.

Table 11. Most common causes of occupational accidents on land.

Most frequent causes	Number of reported accidents			
	2001	2002	2003	2004
Working area/environment	417	425	391	548
Tools/instruments	133	150	162	220
Goods/materials/objects	122	130	154	217
Heavy duty equipment	103	91	101	124
Industrial machinery	129	112	123	125

Source: Occupational Health and Safety Administration.

Registration began in 2002 in the Icelandic Accident Register; before this, those involved in accident prevention were in a difficult position due to the fact that data on accidents was not centralised but had to be sought in so many different localities, and how incompatible these records often were. It was difficult to form an accurate idea of the frequency of accidents and their nature. The number of accidents was often crudely estimated, which made comparison between time-periods and countries very complicated and difficult. The Icelandic Accident Register contains information on accidents resulting in injury and on damage to property in traffic accidents. Only minimal data are recorded, covering the accident itself and the parties involved, i.e. individuals and vehicles. All accidents receive a unique code number in the register, which pertains to the accident if it is recorded or used in other databases; this opens up the possibility of detailed studies and statistical processing at a later date.

Occupational diseases.

Fourteen notifications of presumed occupational diseases were received by the Occupational Health and Safety Administration in 2001. These included one case of lead poisoning and six of occupation-related lung diseases. Fifty-one notifications of suspected hearing damage were also received. In 2002, a total of eight notifications of presumed occupational diseases were received by the Administration. A new occupational disease was identified in a shellfish-processing plant, causing a form of pneumonia comparable to hay-fever. It appears to be caused by the release of airborne protein from the flesh of the shellfish (the Ocean quahog, *Arctica islandica*) which enters the respiratory system of workers. The quantity of proteins in the environment then determine the length of time the disease will take to develop. It is hoped that measures to ensure the freshness of air in the ambient atmosphere in the processing plants will put an end to this problem. Steps have been taken to reduce the amount of protein in the atmosphere and increase the flow of fresh air. Of twenty cases involving hearing tests in 2002, eight indicated hearing damage.

Ten notifications were received during 2003 regarding presumed occupational diseases. Three were skin diseases, six were respiratory diseases and one a mental disease. The Administration received a total of eight notifications during 2004. Two were related to asbestos (it should be mentioned that work involving asbestos consists predominantly of demolition work on old buildings and other structures). Eleven notifications relating to hearing damage were received during 2004.

Article 3, para. 3 – Consultation with employers’ and workers’ organisations on question of safety and health.

The structure of the Occupational Health and Safety Administration was revised by the Act No. 68/2003, amending the Health and Safety at Work Act, No. 46/1980, with subsequent amendments. The structural change involved a new definition of the role of the board of the Administration, the aim being to distinguish between the operation of the Administration as an institution and the formulation of professional policy on individual issues.

The Act provides for legal and operational responsibility for the Administration to rest with the director, including liability for the success of its operations, without direct involvement of the board as such. The board, on the other hand is responsible towards the Minister of Social Affairs for the professional policy formulation at the Administration, and acts in an advisory capacity to the minister and the director of the Administration in matters relating to improved equipment, safety and health in the workplace. Furthermore, the board is expected to make proposals to the minister on improvements in the field of occupational health and safety, including pointing out when there is a need to amend legislation or issue regulations or other rules. It is assumed that the minister and the director will consult the board in connection with the preparation of new legislation, regulations and other rules under the Act. This is intended to guarantee continued close collaboration and consultation with the social partners on how to achieve health and safety in the workplace, and also to guarantee their involvement in professional strategies in this field. The board includes representatives of the Icelandic Confederation of Labour (ASÍ), the Alliance of University Graduates, the Union of State and Municipal Employees, the Ministry of Finance, the Union of Local Authorities in Iceland and the Confederation of Icelandic Employers. The Minister of Social Affairs appoints the chairman of the board without nomination, and the board is appointed for terms of four years at a time.

Article 4

The right to fair remuneration.

Article 4, para. 1 – Adequate remuneration.

A–D.

Most of the collective agreements concluded between the social partners in the private sector in 2000 expired at the beginning of 2004. Most of these allowed for a wage increase of 13.3% during their term, coming into effect in stages in January each year. The collective agreements made in the private sector in 2000 also laid the basis for a special private and supplementary pension savings for wage-earners. They stated the obligation of the employer to pay a specific counter-contribution up to 2% of wages if the wage-earner requests an agreement on supplementary pension savings. New agreements were concluded in 2004, the initial wage increase under these generally being 3.25%. The wage provisions of the agreements have been reviewed each year, taking into account the developments in the premises on which they are based; these are, firstly, whether price rises have kept in line with the Central Bank’s inflation target and secondly that the cost increases under the agreements are regarded as general points of reference for other agreements concluded on the market. Most of the agreements are to run until the end of 2007.

Private-sector trade unions attached particular importance to the wage terms of foreign worker during the period covered by the report; the number of foreign workers in Iceland has risen considerably in recent years. The Icelandic Confederation of Labour and the Confederation of Icelandic Employers entered into an agreement in March 2004 on the handling of disputes regarding the wages and others terms of foreign employees. This states, amongst other things, that the parties are in agreement that changes in the composition of the labour force resulting from an increase in the number of foreign workers should not interfere with the current arrangements regarding the determination of workers' wages and other terms of service under the collective agreements. Emphasis was placed on the principle that the current rules regarding the application of the collective agreements should continue to be observed and that it should be regarded as a joint responsibility of the parties to ensure that companies pay wages and observe terms of service in accordance with the collective agreements in force and the laws of Iceland.

This was followed by amendments to the Terms of Service and Obligatory Pension Insurance Act, No. 55/1980, which were introduced by the Act No. 145/2004. Under the amendments, agreements between the parties were recognised as having the same validity as their collective agreements regarding wages and other terms of service; the collective agreements are regarded as minimum terms in the relevant occupations in the regions to which they apply. As a result, employers have had to take account of the collective agreements when determining the wages and terms of those who choose to remain non-unionised, and it is specifically stated that agreements between individual workers and employers that specify poorer terms than those of the collective agreements are invalid. Thus, the agreement referred to applies to all the foreign workers on the Icelandic labour market.

Table 12 shows the unskilled workers' minimum wages for full employment on the Icelandic labour market according to Icelandic collective agreements. It should be mentioned that each collective agreement specifies the minimum wages for the particular occupation group to which it applies. According to Article 1 of the Terms of Service and Obligatory Pension Insurance Act, No. 55/1980, the wages and other working terms agreed between the social partners are to be considered minimum terms, independent of sex, nationality or term of appointment, for all employees in the relevant occupation within the area covered by the collective agreements.

Table 12. Minimum wages of unskilled workers on the Icelandic labour market

	ISK per month
March 2000	77,000
January 2001	85,000
January 2002	90,000
January 2003	93,000
January 2004	93,000
March 2004	100,000

Source: Ministry of Finance.

Table 13 shows minimum wages for daytime work, together with average wages for daytime work and average aggregate wages after deduction of pension-fund premiums and taxes for the years 2001-2004.

Table 13. Minimum and average monthly wages, after deduction of pension-fund premiums and taxes, 2001-2004.

Year	Net average daytime wage	Net average aggr. wage	Net minimum wage
2001	101,300	121,689	73,963
2002	107,682	127,750	77,716
2003	112,213	132,154	80,250
2004	117,040	140,424	80,897

Source: Ministry of Finance.

In March 2004, the minimum wage was raised from ISK 93,000 to ISK 100,000. Therefore, the net minimum wage became ISK 84,916 in March 2004.

Comment by the Committee of Independent Experts.

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The Committee requests an explanation of the notion of “daytime work” and on how wages for daytime work differ from aggregate wages.

Daytime wages represent income only from wages for active daytime working hours; these are defined in greater detail in each separate collective agreement, whereas aggregate wages represent the total income on which the income tax is based. Aggregate wages therefore represent total income minus capital income.

Table 14 shows the numbers of workers whose annual gross income is under ISK 1,000,000, and the proportion (%) they constitute of active participants in the labour market during the period 1997-2004.

Table 14. Number of individuals with annual income below one million ISK*

Year	Individuals – nominal ISK 1 mill.	Per cent of employed	Individuals – real ISK 1 mill. (1997)***	Per cent of employed
1997**	59,312	41.8%	59,312	41.8%
1998**	52,839	35.7%	53,902	36.4%
1999**	47,823	31.2%	51,084	33.3%
2000**	42,345	27.1%	48,472	31.0%
2001	36,564	23.0%	45,637	28.7%
2002	35,306	22.5%	46,767	29.8%
2003	33,532	21.4%	45,552	29.0%
2004	30,934	19.8%	43,551	27.9%

Source: Statistics Iceland, Internal Revenue and Ministry of Finance

*It should be noted that the high number of individuals earning less than one million ISK may give a distorted image of the actual picture, due to the high number of young individuals working concurrently with their studies and during school holidays. To illustrate that point, the number of wage earning individuals aged above 25 earning less than ISK 1 million by the 1997 index was under 20,000 in 2004, representing under 13% of the total employed.

** Figures for 1997-2000 may differ from previous figures. Figures in Table 13 are based on tax revenue data.

*** ISK 1,000,000 at 1997 prices was multiplied by the consumer price index for each year.

When examining the above figures, it must be borne in mind that they cover all persons who submit tax returns, irrespective of the proportion of full jobs they work,

including school pupils over the age of 16, who work only during the summer months or concurrently with their studies.

The Government monitors the index of purchasing power of the minimum wage, with and without the lump-sum supplements agreed in collective agreements such as vacation pay supplement and December supplement. Table 15 shows the minimum wage before deduction of tax and pension-fund premiums, and the trend in the purchasing power of the minimum wage, with and without lump-sum payments, for 2001-2004.

Table 15. Purchasing power of minimal wage with and without lump sum payments* 2001-2004.

Year	Consumer price index (1998 = 100)	Purchasing power without lump sum payments	Purchasing power with lump sum payments
2001	115.9	100.9	101.0
2002	121.4	101.2	101.2
2003	124.0	100.1	100.2
2004	128.0	104.9	105.4

* Using the net minimum wage and the consumer price index.

Source: Ministry of Finance.

Allowance is made in Icelandic collective agreements for two types of supplements paid in addition to ordinary wages. One is the “December supplement”, under which employees who are in jobs in the first week in November receive a special bonus payment on 1 December. They are entitled to a full supplement without reduction if they have been in full employment from 1 January to 31 October during the current year; those who are in part-time positions or have worked for only part of the year receive payments in proportion to their proportion of full employment.

Also, those who have stopped work, but have worked for at least three consecutive months during the year, are entitled to December supplement in proportion to their job proportion. The other type of supplement is holiday pay supplement; workers who have been in employment up to 30 April receive a special lump-sum payment based on full employment during the reference year that ends on that date; this is paid in proportion to the job proportion or proportion of the year worked. Also, those who have stopped work by that date following a minimum of three consecutive months of work during the reference year are entitled to proportional payments. The supplements described above are fixed monetary sums and are not related to the employee’s wages.

Table 16. Lump-sum payments.

Year	December supplement * (ISK)	Holiday pay supplement* (ISK)
1998	27,775	8,400
1999	27,775	9,000
2000	33,000	9,400
2001	34,000	9,600
2002	35,000	9,900
2003	36,000	10,000
2004	36,000	21,100

* According to collective agreements in the private sector.

Source: Ministry of Finance

Personal tax credit.

In 2001 the personal tax credit was ISK 292,326, per person; in 2002 it was ISK 302,940, in 2003 it was ISK 312,024 and in 2004 it was ISK 321,900. In 2004, unutilised tax credit was fully transferable between spouses. The income tax rate in 2004 was 38.58% and the tax-free income ceiling was ISK 71,269 per month for a single person and ISK 142,538 per month for cohabiting couples if the secondary earner had no income. The employee's contribution to pension funds, 4% of earned income, was deductible from taxable income.

Comment by the Committee of Independent Experts.***Conclusion XVI-2 p. 17***

What is the "personal allowance" and is it payable to everybody or only to workers on low wages?

A more accurate term for what has been called "personal allowance" is "personal tax credit". Personal tax credit is not a special payment to the individual but a discount from the amount paid as levied income tax. All those who are aged 16 or older and are domiciled in Iceland are entitled to personal tax credit. Those who turn 16 during the income year on which tax is based receive full personal tax credit for the year. A spouse or cohabiting partner may use the unutilised part of the other spouse or partner, either to reduce levied income tax or towards paying municipal rates.

Child benefit.

The State Treasury pays child benefit for children under 16 years of age who are resident in Iceland and supported by an individual who is taxable according to the Income Tax Act, No. 90/2003 (the older Income Tax Act was re-issued, under Article 17 of the Act No. 22/2003, as the Act No. 90/2003). The amount varies depending on whether the custodial parent is single or not. Benefit is partly linked to income. All parents receive ISK 36,308 per year for children younger than seven years of age, irrespective of income. For the income year 2004, maximum child benefit for single parents was ISK 205,288 for first child and ISK 210,584 for each child after the first. Maximum child benefit for couples was ISK 123,254 for the first child and ISK 146,713 for each child after the first. Child benefits to married couples are reduced if their annual income exceeds ISK 1,444,139; the corresponding reference amount for a single parents is ISK 722,070. The reduction is 3% for one child, 7% for two children and 9% for three or more children.

Interest benefit.

The maximum amount of interest benefit in the year 2004 was ISK 148,143 for a single person, ISK 190,522 for a single parent and ISK 244,985 for a married couple. Interest benefit is calculated on the basis of total interest payments on mortgages. However, the amount of interest payments used as the basis for calculating interest benefit may not exceed 7% of debts undertaken in connection with the purchase of residential accommodation for the person's own use, as they stand at the end of the year. Interest payments for the calculation of interest benefit may never exceed ISK 480,371 in the case of a single person, ISK 630,626 in the case of a single parent and ISK 780,878 in the case of a married or cohabiting couple.

A deduction of 6% of the income tax base (of the combined income tax base in the case of married or cohabiting couples) is made from the interest payments. The remainder is interest benefit. If assets less liabilities exceed ISK 3,613,148 in the case

of an individual, interest benefit is reduced proportionally until it ceases to apply altogether at a limit 60% higher, i.e. ISK 5,781,036. In the case of married or cohabiting couples, the reduction begins at ISK 5,989,414 and interest benefit ceases to apply at a limit 60% higher, i.e. ISK 9,583,062.

Rent benefit.

Under the Regulations on rent benefit, No. 4/1999 of 1 January 2001, with subsequent amendments, rent benefit was fixed at ISK 8,000 for each flat, with an additional ISK 7,000 for the first child, ISK 6,000 for the second and ISK 5,500 for the third. In addition, 15% of rent lying between ISK 20,000 and 50,000 was claimable. Rent benefit payments may not amount to more than 50% of rent, with a ceiling of ISK 35,000. In addition, they are related to income and net-worth status, being reduced by 1% of annual salary in excess of ISK 2,000,000 and by 25% of the net worth of those resident in the home in excess of ISK 3,000,000.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 17

Is the “income supplement” under the Social Security Act paid to all workers on a minimum wage?

Is the “housing supplement” paid to all workers on a minimum wage?

Income supplement and housing supplement which is now called an extra income supplement are paid to those who receive old-age pensions and disability allowances from the Social Security Institute.

Article 4, para 2 – Increased rate of remuneration for overtime work.

A.–B.

No changes occurred during the period regarding remuneration for overtime work, and reference is therefore made to the Government’s 16th Report on this matter.

Article 4, para 3 – Non-discrimination between men and women workers with respect to remuneration.

A.–B.

The Act on the Equal Status and Equal Rights of Women and Men took effect in 2000, and was described in the Government’s 16th Report; reference is made to that discussion. It should be mentioned that a committee has been at work on an examination of this act, and several matters will be reviewed. One of the reasons for the appointment of the committee was that 30 years had elapsed since the first Act on the Equal Status and Equal Rights of Women and Men was approved by the Althingi; the committee includes representatives of all political parties represented in the Althingi during the term of the current legislative assembly.

Surveys indicate that gender-related wage differentials remained more or less unchanged on the Icelandic labour market over the period 2001-2004, despite the measures that were taken. Many people believe the root of the problem lies with those who determine wage rates on the domestic labour market. The Minister of Social Affairs and the manager of the Centre for Gender Equality therefore sought to urge company managers to rally against gender pay-gap and sent a circular to all companies and institutions employing 25 persons or more in June 2005. This contained a resumé of the Gender Equality Act regarding ban against wage discrimination and drew attention to the important role that managers could play in

eradicating the differentials; it was accompanied by a poster with the legend: *Skiptir skeggrótin máli?* (*'Is beard stubble important?'*).

Another reason for gender-related wage differentials that is often mentioned is that men tend to demand higher wages than women when it comes to bargaining in agreements, and that they are more prepared to change job in order to secure higher wages. It has also long been maintained that women are more likely to base their conduct on the labour market on considerations of their responsibilities towards their homes and families.

In the light of this, the Equal Status Council decided to make a special examination of the frequency of job changes by men and women on the Icelandic labour market and the reasons behind them. The council engaged the market-research company Capacent Gallup to conduct the survey, which was held in April and May 2006. Findings showed that rather more men than women were looking for jobs: 12% of men against 8% of women. There proved to be no significant difference between the sexes regarding those who had changed job during the previous two years. There was a significant difference in the reasons named for changing employers during the past two years; almost twice as many men as women had lost their previous jobs and about twice as many men as women named “variety” as a reason for making a change. More than three times as many women as men named family circumstances as their reasons for changing jobs, and almost twice as many men as women named “higher wages/wage-related factors” as the reason why they had changed jobs.

Thus, this survey appears to confirm that family responsibilities have more influence on the position of women on the labour market than on men, and also that men change job more often in order to secure better wages. This is in conformity with the findings of the parts of the survey in which participants were asked how much of their time they devoted to work in the home and to paid employment: this revealed a considerable difference between the sexes, with women spending far more time than men on domestic work, while men spent far more time than women on paid employment.

The findings of wage surveys by VR (the Commercial Workers' Union), which is one of the largest trade unions in the metropolitan area, show that the gender-related wage differential amounted to 16% in 2001, 14% in 2003 and 15% in 2004, taking into account all causative factors such as education, occupation, length of service, age and working hours. No survey was carried out in 2002.

According to the union's wage survey made in autumn 2006, education is regarded as an important way of equalising wages: gender-related wage differentials between union members fall considerably as their educational level rises. The differential was 20% among those who had no education above compulsory schooling; among university graduates it was 10%. The main explanation of this is that further education at the university level results in greater gains to women than to men: masters' degrees or doctorates gave men 7% higher wages, and women 13% higher wages. On the other hand, this is not the whole explanation, since these findings contradict those of another survey made by Capacent Gallup of wage formation and gender pay-gap on the Icelandic labour market in 2006. There, gender-related wage differentials turned out to be 14.3% among workers who had no qualifications above

compulsory schooling, 12.3% among those who had completed secondary school and 17.1% among those with university education. According to this latter survey, therefore, gender-related wage differentials increase as the educational level rises. The explanation of this probably lies in the difference between the occupations that were examined in the survey. Although gender-related wage differentials from year to year in the VR surveys remained more or less unchanged as a whole, they were smaller among the younger age-groups: 14% among the 18-34 year age group and 16% among older workers.

The survey *Wage Formation and Gender Pay-Gap* was carried out in 2006 as part of the current action plan on gender. It involved the repetition of a 1994 survey regarding the factors that have an effect on wages and career advancement among women and men. The findings of the older survey were published in 1995. Capacent Gallup conducted the survey for the Ministry of Social Affairs, and its findings were published in autumn 1996. The survey itself was carried out in the period January-May 2006, with a questionnaire on wages, job content, interest, responsibility, changes in position and attitudes towards gender equality issues being submitted to 2,200 employees of eight enterprises and institutions (four public bodies and four private companies). The response rate was 50.5%; also, 80 in-depth interviews were taken with managers and ordinary employees regarding the status in gender equality. Data from the payrolls of the enterprises was also subjected to statistical analysis, and the results of this analysis were compared with the responses to the questionnaire. Finally, some questions on attitudes towards gender equality issues were presented to a general sample of 1,800 people in a Gallup “omnibus” during the period 26 April – 17 May 2006, and the response rate was 61%.

The findings of the survey revealed that, when allowance was made for occupation, age, length of service and working hours, an unexplained gender-related wage differential of 15.7% remained, to women’s disadvantage; in 1994 the corresponding figure had been 16%. The differential among managers is now smaller than it used to be; it is smallest in this class of worker, with women managers receiving 7.5% lower wages, on average, than men.

The Government of Iceland took the initiative on the project *Evaluating equal pay in the Nordic Countries* during Iceland’s chairmanship of the Nordic Council; it was supported by the Nordic Council of Ministers, and a report was published in March 2006. The main aim of the project was to increase knowledge and understanding of gender pay-gap in the Nordic countries. This involved comparison of statistical information on gender-related wage differentials in Denmark, Finland, Norway, Sweden and Iceland and an analysis of the variations and trends between the countries. Attention was also given to studies of the corrections of gender-related wage differentials in each of the Nordic countries, with a critical examination of the methods used. Those methods that Nordic specialists consider have had a positive effect include various legislative provisions, gender equality programmes, provisions in collective agreements and attempts to encourage a raising of general awareness of the issue.

The final report issued in this project includes proposals on how to refine methods of measuring the gender pay-gap and also points of emphasis and ways of improving studies of corrected differentials. It also contains proposals on frames of reference

that are seen as being useful for identifying and assessing remedial measures. Thus, it can be expected that the project will make a contribution towards the development of measurements of the gender pay-gap and also towards ways of reducing them on the Nordic labour markets. The final report is to be found on the homepage of the Centre for Gender Equality (www.jafnretti.is).

To some extent, gender-related wage differentials in Iceland can be accounted for by the high degree of participation (about 80%) by women in the labour market. Another important factor is considered to be the high proportion of non-skilled women on the Icelandic labour market and low wages in traditional women's occupations as compared with occupations where men are in a majority; in addition, there is a long tradition of men working a very long working day.

The report on the project *Evaluating equal pay in the Nordic Countries* states that a certain pattern is found regarding gender-related wage differentials according to occupations. In Iceland, the largest differential was among specialised industrial workers and workers in jobs requiring special qualifications. In Iceland, a common characteristic of these occupations is that women and men tend to be employed in different types of work within these categories. The occupational group "specialised industrial workers" consists, on the one hand, of men with industrial (trade) qualifications who have high wages and large numbers of hours of paid work, and on the other hand of women workers who have low wages and fewer hours of paid work. The gender-related wage differentials in Iceland appear to depend on how deeply occupations are divided along gender lines. There were great differences from country to country within the Nordic countries as to the occupations in which the greatest gender-related wage differentials were to be found, though it was found that office work, which is the type of occupation in which women have long been in the majority, was among those where the greatest equality in terms of wages was to be found.

It is still the case in Iceland that more women than men are in part-time jobs. The survey by Capacent Gallup on wage formation and gender pay-gap in October 2006 indicates that the number of women in full-time employment has risen and that their attitude towards employment has changed somewhat since 1994. These findings are also in accordance with those of a survey made in autumn 2006 in connection with the *FOCUS* project (*Fostering Caring Masculinities*), in which the Centre for Gender Equality took part; these findings are based partly on a report on the labour market published by Statistics Iceland in 2002.

It has long been maintained that the reason why women tend rather than men to work in part-time positions is that they shoulder more of the responsibilities involved in caring for children and the home. This is supported by the findings of the surveys discussed above, which indicate that women spend far more time than men do on domestic work and the care of the family. This was revealed, amongst other things, in the course of interviews taken in the aforementioned survey by Capacent Gallup on wage formation and the gender pay-gap. In these, people repeatedly mentioned that women's greater domestic responsibilities reduced the demands they made as regards career advancement and higher wages. Nevertheless, there was a clear difference in the way people spoke about women's role on the labour market as compared with the 1994 survey; in 1994 it was stated that many women worked outside the home

because they needed to do so for financial reasons and not because they wanted to do so. People did not express this view in the survey of 2006. The report on the *FOCUS* project also states that having children has an obvious effect on women's participation in the labour market; nevertheless, the number of women on the labour market rose in the years 1991-2001, with the largest increase among women who had two or more children. The main explanation for this is improved access to day care for children.

Attention was given in the survey by Capacent Gallup to the effect of the Maternity, Paternity and Parental Leave Act, the aims of which included encouraging both parents to take responsibility for the care of their children. Participants in the survey were asked what effect they thought the change in legislation on parental leave (maternity and paternity leave) had had on the position of men and women on the labour market. Most (73%) said they thought the act had improved the position of women (no difference in the attitudes of men and women on this point were stated in the report). Nearly a quarter of respondents thought the changes had also improved the position of men but similar proportion thought the changes had weakened the position of men; this attitude was also revealed in the interviews taken in the survey. The vast majority of those interviewed considered that paternity leave had had a beneficial effect on the position of women on the labour market, since women were no longer the only ones to receive leave in connection with the birth of children. Furthermore, it was considered that fathers' taking paternity leave would have a positive effect on their participation in the upbringing of their children later on, as it would be more natural for them to take leave when their children were ill. It was revealed in one of the interviews that since young men had started missing work because of their children's illnesses, this was not seen as such a big issue as it had been when only the women in the workplace took leave to look after their children when they were ill.

It can therefore be concluded that the Maternity, Paternity and Parental Leave Act has had the effect it was intended to have on the position of women and men on the labour market. It is likely that the change in attitudes throughout society that are aimed at in the Act will take a longer time to materialise, both as regards managers and ordinary employees; this applies both to women and men. In this context, it is important that under the Act on the Equal Status and Equal Rights of Women and Men, employers are obliged to take the necessary measures in order to enable women and men to reconcile their professional and family obligations. Amongst other things, these measures are to be aimed at increasing flexibility in the structure of work and working time so as to take account both of the needs of the business world and of employee's domestic situations.

It was stated in the Government of Iceland's 16th Report that the City of Reykjavík and the Association of Local Authorities had been developing a gender-neutral job-evaluation instrument, based on a British model (Single Status Job Evaluation, 1997). This evaluation instrument was introduced within the City of Reykjavík in November 2004; it had been agreed in the collective agreement between the Reykjavík City Employees' Union, the union Efling and the Wages and Terms Committee of the Icelandic Society of Diploma Engineers, on the one hand, and the City of Reykjavík, on the other, to adopt a new job evaluation system and to correct wages in stages over the period of the agreement. Together with these changes to the wage system, it was

decided to adopt a single competence-assessment system and a new competence-related wage system.

An equal wage policy is one of the cornerstones of the City of Reykjavík's wage policy. By this is meant a policy of paying employees equal wages for comparable work of equal value. With this in mind, a job evaluation system was selected that had the capacity to make systematic evaluations of the jobs done by the city's employees. The city has also attached priority to include job-evaluation clauses in its collective agreements with its contracting partners. Job evaluation is an analytical tool used to make systematic evaluations of job content and the requirements made regarding jobs. It creates an impartial basis for basic ranking in job positions, and provides premises for wage decisions that are clear, visible and accessible to the workers.

It is important to bear in mind that job evaluation applies only to the basic requirements made concerning jobs, and not to the skills and talents of individual workers. In other words, it evaluates the demands made of the worker in a specific position. It does not evaluate the individuals skills and talents, even though skills and talents over and above the basic requirements may have an influence, directly or indirectly, on his performance in the job. Individual skills and talents can be assessed by means of performance evaluation or skills evaluation.

In order for a job evaluation to be regarded as "genderless", it must take equal account of those elements that characterise traditional women's and men's jobs. It is important to bear in mind that a job evaluation system may incorporate gender-related discrimination, and many systems have been criticised for this. Such discrimination could appear by the system's attaching small importance to qualities that are characteristic of women's work, such as taking on responsibility for other people and suffering emotional strain, while characteristics such as physical strain and responsibility for money or items of value, which frequently form part of men's work, are given greater weight.

Discrimination may also be involved in how job evaluation is carried out. The job evaluation referred to above is computerised, with closed questions, and is therefore designed to reduce, as far as possible, subjective distortion when the evaluation is performed.

The evaluation system covers the work done for the City of Reykjavík. It is intended to ensure that the city's employees will have their wages assessed on an equal basis, irrespective of their gender and union membership. The system is far more comprehensive than such systems usually are, and takes account of different and varied types of job. Notwithstanding its considerable size, the system is both open and simple to use. The rules on the use of the system are not secret, and are explained to the staff. The same applies to the weighting of individual factors. Staff involved in carry out evaluations follow rules regarding equality and work according to certain procedural rules and also rules on the handling of disputes and appeals against the outcomes of evaluations.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 19

Accordingly, noting that Icelandic law does not permit pay comparison for determining equal work or work of equal value beyond a single employer, the Committee considers that the situation is not in conformity with Article 4§3 of the Charter on this point.

As was stated in the last report, the act prohibits discrimination of all types, direct or indirect, on grounds of gender. Employers are not permitted to discriminate between their employees as regards wages or other terms on the grounds of gender. By equal wages is meant that women's wages are to be determined in the same way as men's and that the frame of reference used to determine wages may not include any discrimination on grounds of gender. This means that each employer is obliged to pay women and men equal wages for comparable work that is of equal value.

Different collective agreements apply to distinct areas and to disparate occupations or sectors. According to Article 1 of the Terms of Service and Obligatory Pension Insurance Act, No. 55/1980 (referred to in earlier reports as the Act of 1980 on Workers' Wages and Terms of Employment and Obligatory Insurance of Pension Rights), wages and other working terms agreed between the social partners are considered minimum terms, independent of sex, nationality or term of appointment, for all employees in the relevant occupation within the area covered by the collective agreements. Contracts made between individual employee and employer on poorer working terms than those specified in the general collective agreements are invalid. Thus, employers are not allowed to pay lower wages than the relevant collective agreement provides for.

However, employers are free to negotiate with their employees on better wages than the appropriate collective agreements allow for, for example for the reason that their enterprises show good earnings. Of course, enterprises have different profits and therefore do not have the same ability to pay their employees high wages for their work. In fact, employers are free to decide how much they would like to pay their employees, as long as they respect the appropriate collective agreements.

On the other hand, they are not permitted to pay an employee of one sex less than the other for comparable work that is of equal value. According to Icelandic case law, it makes no difference whether two different collective agreements apply to the man and woman in question regarding their education if they do jobs that are comparable and of equal value for the same employer. In such cases, the employer has to pay them equal wages, and at least in consistency with the collective agreement that allows for the higher wage rate.

It should be noted that it is well known in collective bargaining between the social partners that different professions compare their wages and other terms. Professions that are of the opinion that they lag behind other comparable professions could demand wages in accordance with what the other professions have gained in their negotiations. This is how a few professions in Iceland have corrected their lower wages in collective bargaining.

It should also be mentioned that the provision of the Act on the Equal Status and Equal Rights of Women and Men prohibiting gender-related wage differentials is one

of the provisions that will be examined specially by the committee that is examining the Act. In this, it will have the Committee of Independent Experts' comments in mind.

Opinions delivered by the Gender Equality Complaints Committee.

The Gender Equality Complaints Committee received five cases in 2001. One was considered to constitute a violation of the Act on the Equal Status and Equal Rights of Women and Men; two were not. One case was retracted and one was dismissed. Eleven cases were received in 2002. Three were considered as constituting violations of the Act on the Equal Status and Equal Rights of Women and Men, seven were not. One case was dismissed. All the cases constituting violations of the Gender Equality Act related to job appointments. In 2003 the committee received 17 cases. Three were found to constitute violations of the Act on the Equal Status and Equal Rights of Women and Men; the committee came to the conclusion that ten did not. Two cases were retracted and two were dismissed. One of the cases involving a violation of the Act on the Equal Status and Equal Rights of Women and Men related to a job appointment, the second involved advertisements and the third concerned wage discrimination. The committee received fifteen cases in 2004. Four were considered to constitute violations of the Act; one involved wage discrimination, two concerned dismissal from employment and the fourth concerned the award of a job position. Two cases were dismissed by the committee and one was referred to the committee dealing with complaints under the Maternity, Paternity and Parental Leave Act. In eight cases it was ruled that no violation of the Act on the Equal Status and Equal Rights of Women and Men had taken place.

Supreme Court Judgements.

During the period from 1 January 2002 to 31 January 2004, the Supreme Court delivered judgement in three cases dealing with gender equality. Two of them concerned alleged violations of the Gender Equality Act in job appointments. In one of the cases, the defendant was acquitted of the plaintiff's demands, and in the other the court considered that violations had taken place. One case concerned wage discrimination and the court considered that violation had taken place.

Also, the Supreme Court delivered judgement in a case involving the Maternity, Paternity and Parental Leave Act, No. 95/2000, sentencing an employer to pay compensation to a woman who had been dismissed from her job while pregnant.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 20

The Committee asks what factors are taken into consideration by the complaints Committee and the Courts to determine whether or not there has been a violation of the right to equal pay for equal work.

Obviously, the factors taken into consideration in each individual case when establishing whether a violation of the Act on the Equal Status and Equal Rights of Women and Men has taken place will, in the nature of things, be different in each individual case. For example, in cases involving alleged gender-related wage discrimination, the second paragraph of Article 23 of the Act states that if it is demonstrated that a woman and a man working for the same employer receive different wages or other terms of service for work that is of equal value and otherwise comparable, then the employer is required to demonstrate that if there is a difference,

it can be explained on grounds other than gender. From this provision it can be understood that the jobs involved would have to be considered as being of equal value and comparable.

In assessing whether work done is of equal value and comparable, consideration is given to whether the jobs in question are comparable in terms of responsibility, content and external trappings and therefore whether they were intended to have a degree of equality when viewed from the outside. This is based on a comprehensive assessment, and jobs could be of equal value and comparable even though certain aspects of them might be dissimilar and they might call for different qualifications (*cf.* Supreme Court Judgement in Case No. 11/2000 and the opinion of the Equal Status Complaints Committee in case No. 11/2004).

Once it is established that the jobs are of equal value and comparable, and a case has been made for concluding that gender-related wage discrimination has occurred, it is up to the employer to demonstrate that relevant considerations, and not gender, are the explanations of the difference in wages. The employer is required to demonstrate what factors (such as education, working experience, or other special talents) can justify the alleged discrimination in wage terms between his employees.

Differences in wages paid to women and men who carry out comparable work that is of equal value must be based on pre-determined and transparent considerations. The opinion delivered by the Equal Status Complaints Committee in Case No. 11/2004 states that such yardsticks may not be designed in such a way as to discriminate between the sexes. The premises for achieving the aims of the Act on the Equal Status and Equal Rights of Women and Men are that companies should have clear and transparent wage and staffing policies that are known to the employees. Only in this way is it possible to ensure that women and men will actually enjoy the same wages and terms for comparable work that is of equal value and have the same opportunities in the workplace. It might also be mentioned by way of example that the Supreme Court, in its judgement in Case No. 255/1996, confirmed that different collective agreements could not, by themselves, serve as a justification for differences in the wages of women and men.

Comments by the Committee of Independent Experts.

Conclusion XVI-2 p. 20

Is the hourly wage of part-time workers employed in the same type of job or in a similar job identical, as a rule, to the hourly wage of full-time workers?

Are there possible exceptions to this principle and, if so, on what grounds?

The Part-Time Workers Act, No. 10/2004, took effect in March 2004. This incorporated Council Directive 97/81/EC concerning the Framework Agreement on part-time work which was concluded by the Union of Industrial and Employer's Confederations of Europe (UNICE), the European Centre of Enterprises with Public Participation (CEEP) and the European Trade Union Confederation (ETUC), and was incorporated in the EEA Agreement by a decision of the EEA Joint Committee. Among the aims of the Act is to prevent part-time employees from being subjected to discrimination, and to improve the quality of part-time work. The Act includes special provisions stating that part-time workers are not to be treated in a less favourable manner than comparable full-time workers simply because they are not employed full-time, unless this is justifiable on objective grounds (see the first

paragraph of Article 4 of the Act). This provision is in accordance with the customary practice that has been observed on the Icelandic labour market regarding part-time workers.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 20

If pay increases in line with length of service, how is the latter calculated in the case of part-time workers?

Under the Part-Time Workers Act, No. 10/2004, the effect of length of service on wages is to be calculated in the same way, irrespective of whether the workers are part-time or full-time workers.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 20

Are certain components of pay, such as premiums, bonuses, entitlements and benefits associated with complementary insurance schemes, paid as a result of employment, reserved to full-time workers?

Under the Part-Time Workers Act, No. 10/2004, part-time workers may not be treated in a less favourable manner than comparable full-time workers unless this is justifiable on objective grounds; this also applies to payments other than basic wages.

C.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 21

The report states that the judge cannot, under any circumstances, order the employee's reinstatement. The Committee asks whether this declaration is as a result of a law or case-law.

This practice is based on case law in the Icelandic courts; no provision exists to this effect in Icelandic statutes.

Article 4, para. 4 – Reasonable notice of termination of employment

A.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 22

The Committee therefore asks whether there are workers with less than twelve months' service who are not covered by a collective agreement providing for a reasonable notice of termination.

As stipulated in the Terms of Service and Obligatory Pension Insurance Act, No. 55/1980, collective agreements form minimum rights for all workers. These collective agreements raise the minimum rights stipulated in the Act No. 19/1979 as regards termination of employment. Contracts made between individual employee and employer on poorer working terms than those specified in the general collective agreements are invalid.

The Government of Iceland's 16th Report included a survey of the provisions of collective agreements concerning workers' rights regarding notice of termination in the largest trade unions; other collective agreements conform to these. Reference is made to the discussion in the 16th Report regarding the content of those agreements. Furthermore, the Government considers there is reason to mention the provisions in the collective agreement between the unions Efling and Hlíf and the Keflavík

Workers' and Seamen's Union, on the one hand, and the Confederation of Icelandic Employers, on the other, regarding workers' rights to a notice period. These state that workers have no right regarding notice during their first two weeks in the job. After two weeks' continuous work for the same employer, the notice period is twelve calendar days. After three months' continuous work for the same employer, workers have a right to one month's notice, running from the first day of a month; this period is then lengthened to three months following three years' continuous work for the same employer. It is specifically stated that the provisions of the agreement do supersede the provisions of the Act of 1979; the Act provides for the possibility that the social partners may negotiate more favourable terms regarding the dismissal of workers on the labour market.

B.

Employees may apply to the Icelandic courts for rulings on the legality of termination.

Article 4, para 5 – Limitation of deduction from wages.

A.-B.

No changes have been made to the situation since the previous report was submitted.

Article 9

The right to vocational guidance.

Iceland has not ratified Article 9 of the European Social Charter.

Article 10

The right to vocational training.

Iceland has not ratified Article 10 of the European Social Charter.

Article 15

The right of physically or mentally disabled persons to vocational training, rehabilitation and social resettlement.

Article 15, para. 1 – Vocational training arrangements for the disabled.

A.

Disability is assessed under Article 12 of the Social Security Act, No. 117/1993, with subsequent amendments, and the Regulations on Disability Assessment, No. 379/1999. The Chief Medical Officer assesses the degree of disability of applicants aged 16 to 67 for disability benefit in accordance to a standard established by the Medical Department of the State Social Security Institute based on the consequences of medically recognised diseases or disability. The assessment system has been prepared and confirmed by the Board of the State Social Security Institute and by the Minister of Health and Social Security.

Table 17. The number of persons between ages of 16 and 67 with disability status in Iceland in the period 2001-2004.

Year	2001	2002	2003	2004
Disability ($\geq 75\%$)	9,780	10,443	11,199	12,011
Disability (50%-65%)	893	756	692	760
Rehabilitation	497	446	625	739
Total	11,170	11,645	12,516	13,510

Source: State Social Security Institute.

Table 18. Number of person with disabilities ($\geq 75\%$) by gender for the years 2001-2004.

	2001	2002	2003	2004
Males	3,848	4,068	4,382	4,709
Females	5,932	6,375	6,817	7,302
Total	9,780	10,443	11,199	12,011

Source: State Social Security Institute.

There has been a rise in the numbers of disabled people in recent years. Recipients of disability benefit and rehabilitation benefit, and those on disability grants, accounted for 4.6% of the population in 2004; in 2001 the proportion was 3.9%. In terms of the numbers of persons aged 16-66 who received some form of disability benefit during the same period, the number of disabled persons rose by 18% according to figures from Statistics Iceland. Furthermore, studies show that the rise in numbers has been proportionally greater in the younger age-groups since 1994.

Total spending on the disabled in Iceland rose from just over ISK 3.8 billion in 1990 to more than ISK 12.7 billion in 2003; the greatest part of this increase (82%) is attributable to the increase in the number of disabled people, while about 18% of the increase is due to a rise, in real terms, of the sums disbursed. If disbursements from the occupational pension fund system are included, then total benefits paid to the disabled can be estimated as having come to about ISK 18 billion in 2003.

The following table shows total spending on disabled persons in Iceland in the years 2001-2004.

Table 19. Total spending on persons with disabilities in Iceland 2001-2004 (ISK millions).

	2001	2002	2003	2004
<i>Cash benefits</i>				
Social security scheme (basic pension)	9,009	10,501	13,024	15,013
Compulsory private pension funds	3,650	4,212	4,684	5,306
Disability pension, total	12,659	14,713	17,708	20,319
Long-term occupational injury insurance	177	201	210	245
Cash benefits, total	12,836	14,914	17,918	20,564
<i>Services</i>				
Rehabilitation and employment for the disabled	4,126	4,451	4,748	4,989
Residential homes and flats for the disabled	2,453	3,173	3,645	4,151
Home-help services for the disabled	109	133	162	230
Other services*	546	617	663	433
Services, total	7,233	8,375	9,218	9,804
Total spending	20,069	23,289	27,136	30,368

* Other services include vehicle allowances for the disabled and spending by the local authorities on services to the motor-impaired and the disabled.

Source: Statistic Iceland, Statistical Series, Health, Social Affairs, Justice, 2007.

As can be seen from Table 19, about a third of all spending was on subsidising services for the disabled. Of this sum, about half went to rehabilitation and employment (meaning all types of rehabilitation available to the disabled at any given time). Spending on subsidised services between 2001 and 2004 rose by nearly 20% in ISK per head of the population, at 2004 price-levels.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 24

The Committee wishes to know what steps if, any, have been taken or are planned to move away from the medical definition of disability towards a more social definition such as that endorsed by the WHO in its international Classification of Functioning.

A certain revision process is now under way in Iceland regarding disabled persons, including disability assessment and vocational rehabilitation, in collaboration with the social partners and NGOs involved in work with the disabled. The outcome of this review will be described in the Government of Iceland's next report on this issues.

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In general terms the policy is that people with disabilities are to seek services and assistance through general legislation such as the Local Authorities' Social Services Act, No. 40/1991 and the Labour Market Measures Act, No. 13/1997, which has been repealed by the Act No. 55/2006. The objective of the Disabled Persons Act, No. 59/1992, is to ensure persons with disabilities ($\geq 75\%$) equality and living conditions comparable with other citizens and to provide them with conditions that enable them to lead a normal life. Art. 29 of the Act states that *the disabled shall be given assistance in holding jobs on the general labour market when necessary. This shall be done through special personal support at the work place as well as through information and instruction for other workers.* The aim of the Local Authorities' Social Services Act, No. 40/1991 is the same. According to Article 1, one of the purposes is to offer *assistance so that the inhabitants will be able to live as long as*

possible in their own homes, work and live as normal a life as possible... In special circumstances, i.e. when there is need for specialized services regarding employment and rehabilitation, the specific laws and regulations are applied.

The school system.

Reference is made to the Government's 16th Report, which described access to compulsory and secondary schooling for children and teenagers with disabilities.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 24

The Committee wishes to know whether all young persons with disabilities in secondary education attend special departments or whether there are in addition separate special schools. It also wishes to receive information on access to universities for persons with disabilities.

No special schools exist for persons with disabilities at the secondary level in Iceland. Extra teaching hours are provided to schools wishing to give special support to individuals or groups of pupils so that they can either follow the ordinary curriculum or a special programme. In 2002-2003, 62 pupils received special assistance according to their disabilities.

Institutions at university level offer counselling for students with disabilities. The University of Iceland and the University of Akureyri have formalized their services to students with disabilities or special needs. Students can apply to their Counselling Services for special study circumstances and special examination procedures. Special study circumstances include the provision of information on curriculum in good time to allow sufficient preparation, flexibility in programme arrangements and personal progress, recording lectures and a choice of suitable location for instruction. Adjustment of examination procedures include the extension of exam time, private exams, reading and writing assistance and finally alternative examination form, such as multiple choice, brief written responses or oral exams in place of long essay-type examinations. The University of Iceland and the University Library also offer, at relevant Access Centres, enabling technology which is customized to the needs of students with disabilities.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 25

The Committee asks whether general teacher training incorporates special needs education as an integral component.

The Icelandic College of Education incorporates special needs education as an integral component in the curriculum for general teacher training.

The labour market.

The Government of Iceland has regarded it as a major priority to find ways of providing early assistance so as to reduce the increase in the numbers of disabled persons. The position of the disabled has been the subject of discussion between the Government, the social partners and NGOs involved in work with the disabled. It is clear that many factors have contributed to the rise in the numbers of disabled persons in Iceland. A report was prepared for the Government in 2005 with the title *Fjölgun öryrkja, orsakir og afleiðingar (Rising numbers of disabled people – causes and consequences)*. Certain factors that could account for the increase were identified,

including the age-spread of society, the comparison between disability benefit and the lowest wage levels and changes in the standard of disability assessment. It was also revealed in the report that few disabled persons return to the labour market once they have been granted a disability pension. The findings of a recent survey show that only 12% of men and 9% of women who were registered as disabled for the first time in 1992 have been taken off the register and returned to employment. This survey covered 725 individuals over the period up to the end of November 2004.

Attention has been turned to methods of improving vocational rehabilitation for the disabled so as to make it produce concrete results. In this, it has been seen as a principal aim that those who have for some reason had to withdraw from the labour market should be given an opportunity to resume active participation, in their own interests and those of their families. The focus is on individual abilities, with the aim that all disabled persons should be enabled to improve their working abilities by taking part in labour-market measures, including vocational rehabilitation, with the aim of improving their standard of living. It has also been established that the cost to society in terms of lost working hours is considerable; it is estimated that the loss due to disabilities amounted to nearly 4% of GDP in 2003; at a conservative estimate, this is the equivalent of ISK 34 billion, at fixed prices. Table 20 shows the numbers of disabled persons as a proportion of the population aged 16-66.

Table 19. Number of person with disabilities* by gender (see Table 17) as a proportion of the general population of working age (16-66 years).

	2001	2002	2003	2004
Males	4.1%	4.3%	4.6%	4.8%
Females	6.4%	6.8%	7.3%	7.7%
Total	6.0%	6.2%	6.6%	7.0%

* Invalidity, rehabilitation and grant recipients.

Source: the State Social Security Institute.

In the light of the foregoing, the Government has, together with the social partners, sought a comprehensive method of enhancing vocational rehabilitation for the disabled; this work is still in progress at the time of writing this report. This aim was among the guiding principles in the preparation of a new Labour Market Measures Act, which was passed by the Althingi in June 2006. Further details on the contents of the Act, and on the outcome of the review work now in progress regarding vocational rehabilitation for the disabled, will be given in the Government's next report on these matters.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 25

No indication is given on the number of person attending these facilities. The Committee asks for this information.

Data on the numbers of persons working in sheltered employment facilities, or working with assistance, in 2005 have been collected, and are presented in Tables 20 and 21.

Table 20. Numbers of disabled workers in sheltered employment facilities.

Facility	Number	Full-time equiv. positions
Ás vinnustofa, Reykjavík	42	29.5
Ásgarður, Mosfellsbær	28	21.0
Bergiðjan, Reykjavík	21	10.5
Bjarkarás, Reykjavík	48	37.0
Hæfingarstöðin Hvesta, Ísafjörður	9	2.0*
Hæfingarstöðin í Keflavík	23	15.5**
Hæfingarstöðin Skógarlundur, Akureyri	44	23.8
Vinnustofur Skálatúns, Mosfellsbær	35	15.0
VISS, Selfossi	33	23.7
Vinnustofan Hólalberg, Reykjavík	15	9.0
Starfsþjálfunarstaðurinn Örvi	34	17.0
Múlalundur	42	21.0
Vinnustaður Ö.B.Í., Reykjavík	36	18.0
Fjöliðjan Akranesi	23	12.0
Kertaverksmiðjan Heimaey	16	8.0
Plastiðjan Bjarg – Iðjulundur, Akureyri	56	12.0
Blindravinnustofan	22	13.0
Stólpi, Egilsstöðum	28	7.0***
Sólheimar	40	40.0
Total	595	335.0

* Seven in habilitation, two in employment

**Sixteen in habilitation in ten full-time equivalent positions; seven in employment in 5.5 full-time equivalent positions.

***Eight in employment and twenty in habilitation.

Source: Ministry of Social Affairs.

Table 21. Numbers of disabled employees working with assistance.

Facility	Number	Full-time equiv. positions
Reykjavík	73	40.0
Vestmannaeyjar	5	2.2
Egilsstaðir	9	4.0
Reykjanes	74	44.0
Akureyri	57	25.0
Total	218	115.2

Source: Ministry of Social Affairs.

Many types of vocational rehabilitation, offered by the state, the local authorities, private institutions and NGOs, are available to the people with disabilities. Most of the schemes offered by private institutions and NGOs are, to some extent or entirely, run under service agreements with public bodies or else on fixed allocations from the Althingi. Unfortunately, no information is available on the numbers of people who have taken part in the many programmes open to the disabled.

There is a special team at the Social Security Institute which assesses the potential gain in working ability that disabled persons would derive from rehabilitation, and how best to structure the rehabilitation in cases where it is likely that there would be a gain. Vocational rehabilitation is carried out at the rehabilitation centre Reykjalundur under a service agreement with the Social Security Institute. The main emphasis there is on developing working capacity by increasing stamina through education, exercise and trial opportunities at various types of work. Effort is also put into occupational

adaptation, in which attention is given to changing the working environment, working hours and working procedures. The average time spent by patients at Reykjalundur is about two months.

Hringsjá is a centre for the vocational training of disabled persons. It is run by the Icelandic Disabled Persons' Federation (*Örykjabandalag Íslands*) under a service agreement with the Ministry of Social Affairs and the Social Security Institute. It provides vocational rehabilitation for persons who, as a result of illness or accidents, have to re-assess and develop their position on the labour market. They receive training, education and counselling aimed at enabling them either to work at jobs suited to their abilities on the labour market or to undertake further education. Each individual normally undergoes vocation training of this type for 1-2 years.

The *Janus* rehabilitation system offers vocational rehabilitation in conjunction with studies at the Reykjavík Technical School, where individual rehabilitation is also on offer. This is carried out under a service agreement with the Social Security Institute and certain pension funds. There are also two groups of individuals, *Klúbburinn Geysir* and *Hugarafli*, who have focussed on the rehabilitation of people with psychiatric disorders. Their aim is to enable people who have suffered from such disorders to regain a foothold in life and in employment.

The Directorate of Labour also runs certain measures designed to make it easier for people to enter the labour market, irrespective of whether they have been given disability ratings or not. Job-seekers are offered various opportunities to study and work. All those who apply to the directorate begin this process by drawing up an employment search schedule.

In addition to the remedies described above, there are various temporary solutions offered through collaboration between parties, the aim being to increase the working ability of those with reduced working ability who need assistance with entering the labour market. One of these is *Kvennasmiðja*, a project run by the Social Security Institute and the Reykjavík Social Services which is aimed at increasing the quality of life for single mothers who face social or medical problems and have been out of the labour market for considerable lengths of time. A similar project was run for men with health problems (mental or physical) who had been unemployed for many years and were unable to make use of the ordinary opportunities for rehabilitation.

A special project on the vocational rehabilitation of the disabled began in 2003 in Húsavík, a village of just under 2,500 people in the north of Iceland. The aim was to help individuals with reduced working capacity to find work or programmes of study. It included academic study courses in the secondary school in Húsavík in conjunction with physiotherapy, psychological counselling and social and medical support. The time-frame of this programme is determined on an individual basis, and may range from nine months to three years.

The National Federation for the Support of the Disabled (*Þroskahjálpi*) and the Icelandic Disabled Persons' Federation (*Örykjabandalag Íslands*) made a five-year agreement with the Ministry of Education in March 2002 on adult education for the disabled. A private institution, *Fjölmennit*, was established; this is a centre for continuing education serving disabled persons aged 20 and older. The aim is to

organise courses for disabled adults who do not have access to vocational training in other specialist institutions. The educational programmes are designed to increase their independence, security and well-being. *Fjölmenn* offers a varied range of continuing education courses and counselling aimed at raising participants' quality of life and general life skills.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 25

What measures are in place to assist persons with disabilities to attend mainstream vocational training?

No specific scientific research measures are in place to assist persons with disabilities to attend mainstream vocational training. The Regional Offices for the Disabled and the social services work towards finding suitable working situations for each individual (labour market, sheltered workshops or training sites) and then offer personal training for those who are working in the labour market and counselling and assistance to employers and other staff members. The Directorate of Labour also searches for suitable employment for each individual. They inform applicants about vocational training rights and if training is needed refer them to appropriate resources.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 25

How many persons with disabilities attend mainstream vocational training courses?

Unfortunately, no statistical information is available about the numbers of persons attending mainstream vocational training courses.

Article 15, para 2 – Placement arrangements for persons with disabilities.

A review of placement arrangements for persons with disabilities is currently in progress. An account of this review, and of the contents of the new Labour Market Measures Act of 2006 will be included in the Government of Iceland's next report on these matters.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 26

Several measures exist in Iceland to promote the employment of persons with disabilities on the ordinary labour market. The Committee wishes to receive further details of the schemes and any other schemes, as well as information on how many persons benefit from these schemes.

Most of the occupational rehabilitation systems described in the discussion under the first paragraph of Article 15 of the European Social Charter in this report are aimed at enabling people to find employment to suit their level of ability in the private sector. The main goals of Supported Employment are, for example, to find suitable working situations for each individual and to offer personal training to that person along with counselling and assistance to employers and other staff members. Specialists regularly visit companies and collect information about them with the possibility of employment in mind. Suitable jobs within the companies are assessed with regard to standards of employment for people with disabilities. Individual contracts are made with companies willing to employ people with disabilities, and vocational training is provided, in addition to special assistance.

As was stated in the last report, the State Security Institute may negotiate with corporations to employ disabled persons who are recipients of a disability pension, disability allowance, rehabilitation pension or occupational injury disability pension under 50%, and who have working capacity for which use has not been found on the market and have no substantial income for their sustenance other than social security benefits. The State Social Security Institute negotiated 175 such contracts for disabled persons in 2001, 199 in 2002, 237 in 2003 and 289 in 2004.

In other respects, reference is made to the discussion in the Government's 16th Report, and also to the discussion of Article 15, para. 1 of the European Social Charter in this Report.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 26

The Committee wishes to know how many persons with disabilities benefit from priority regarding work for the state and local authorities if their qualifications for the position are greater or equal to other applicants.

No data exists on the number of persons with disabilities that have benefited from priority regarding work for the state or local authorities. Information has not been collected regularly about other applicants when employment has taken place in the past. The aim is to design reliable ways to collect such data.

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 26

The Committee asks how many persons with disabilities are employed in the ordinary labour market and how many are employed in sheltered employment facilities as well as the unemployment rate among persons with disabilities.

It is only possible to give information on the numbers of disabled persons who have applied to the Social Security Institute for disability pension or disability grants and have also declared earnings from employment. In 2004 there were 3.329 disabled persons who had employment earnings, i.e. nearly 30% of the number of disabled persons who receive disability pension or disability grants from the institute. This indicates that these persons are active to some extent on the labour market. In 2004 there were 262 individuals who were classified as disabled who nevertheless received no payments due to the fact that they had earnings from employment, i.e. their employment earnings were so high as to result in a 100% reduction of their disability pension entitlement. Table 22 shows the number of individuals who are classified as disabled but receive no payments because of their employment earnings, and those who qualify for disability grants but receive no payments because of their earnings from employment.

Table 22. Numbers of persons with disability ratings who receive no payments due to their employment earnings.

	2001	2002	2003	2004
Disability-rated individuals without payments	252	280	293	262
Persons qualifying for disability grants, but receiving no payments	98	97	109	114
Total	350	917	402	376

Comment by the Committee of Independent Experts.

Conclusion XVI-2 p. 27

The Committee recalls that it considers that the situation of persons with disabilities requires legislation protecting them from discrimination in employment. It wishes to receive information on this issue in the next report.

In summer 2006 the Minister of Social Affairs appointed a committee to propose methods of shadowing the contents of Council Directives 2000/43/EC, implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, and 2000/78/EC, establishing a general framework for equal treatment in employment and occupation to the rules applying on the domestic labour market. The committee includes representatives of the social partners. It is still engaged on its work

Article 23

Consultations and communications of copies of the report

In the preparation of this report, consultations were held with the Icelandic Confederation of Labour and the Confederation of Icelandic Employers, which are, respectively, the main organizations of workers and employers in Iceland.

The Minister of Social Affairs decided on 5 May 1988, after consultations with the main organizations of the social partners named above, that the Icelandic ILO Committee should discuss Iceland's report on the implementation of the European Social Charter. The Minister also decided that general consultation between the Government of Social Charter should take place within the Icelandic ILO Committee. The Committee includes one representative of the Icelandic Confederation of Labour and one representative of the Confederation of Icelandic Employers appointed by the Minister of Social Affairs in accordance with nominations from the organizations concerned. The representative of the Minister of Social Affairs is the third Committee member, and she is the Chairman of the Committee.

Copies of this report have been communicated to the following national organizations of employers and trade unions:

- The Icelandic Confederation of Labour.
- The Confederation of Icelandic Employers.
- The Confederation of State and Municipal Employees.
- The Alliance of Graduate Civil Servants.